

**ATTACHMENT A**

RECORDING REQUESTED BY AND RETURN TO

Community Services Department  
Housing and Community Development Division  
County of Santa Barbara  
123 E. Anapamu Street, Room 202  
Santa Barbara, CA 93101

ATTN: HCD/Property Management

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APN(s): 075-162-011

AGREEMENT TO PROVIDE AFFORDABLE HOUSING  
AND RENTAL RESTRICTIVE COVENANT  
AND PREEMPTIVE RIGHT

**This Document Creates a Lien on Real Property**

PROJECT NAME:  
**St. George Residential Building**

COUNTY OF SANTA BARBARA PLANNING AND DEVELOPMENT DEPARTMENT CASE  
NUMBERS: 22DVP-00000-00010, 22CUP-00000-00018, AND 22CDP-00000-00091

This Agreement to Provide Affordable Housing and Rental Restrictive Covenant and Preemptive Right ("Agreement") is entered into by and between Edward St. George, an individual ("Owner-Developer"), and the County of Santa Barbara, a political subdivision of the State of California ("County") effective as of the first date duly executed by all of the parties hereto.

**RECITALS**

WHEREAS, Owner-Developer is the sole owner of that certain real property identified as Assessor's Parcel Number 075-162-011, located at 971 Embarcadero Del Mar, Goleta, California 93117, 2nd Supervisorial District, as more fully described in Exhibit A, attached hereto and made a part hereof for all purposes (the "Subject Property"); and

WHEREAS, Owner-Developer proposes to develop on the Subject Property a residential development consisting of **twenty-eight (28)** residential units as described in County Planning and Development Department Project Case Number(s) **22DVP-00000-00010, 22CUP-00000-00018, and 22CDP-00000-00091**, to be called the **St. George Residential Building** (the "Project"); and

WHEREAS, pursuant to Section 35-174 of the Article II of the Coastal Zoning Ordinance, Owner-Developer has requested approval of a Development Plan to allow for construction of the Project on the Subject Property, which is zoned C-2; and

WHEREAS, the County has determined that the granting of approval for the applications submitted by Owner-Developer for the Project in Project Case Number(s) 22DVP-00000-00010, 22CUP-00000-00018, and 22CDP-00000-00091 requires, as Project Conditions of Approval, that Owner-Developer (and all subsequent Owners during the Term, defined below) provide and maintain affordable housing on the Subject Property in the form of seven (7) residential units (the "Restricted Units") which must, for a period of 25 years, be leased in accordance with certain affordability criteria established by the County so that such Restricted Units will only be leased to, and shall remain affordable to, Low-Income Households, consistent with the provisions of the Coastal Land Use Plan, the Housing Element of the Comprehensive Plan of the County of Santa Barbara, and the Project Conditions of Approval; and

WHEREAS, the Project Conditions of Approval require Owner-Developer to enter into and record this Agreement to Provide Affordable Housing and Rental Restrictive Covenant and Preemptive Right memorializing such affordable housing requirements; and

WHEREAS, the parties hereto are entering into this Agreement to memorialize maximum rent restrictions on each of the Restricted Units, and maximum income restrictions on tenants eligible to lease the Restricted Units; and

WHEREAS, this Agreement to Provide Affordable Housing and Rental Restrictive Covenant and Preemptive Right must be recorded prior to issuance of Zoning Clearance and satisfies 22DVP-00000-00010 Project Condition of Approval No. 9; and

WHEREAS, this Agreement to Provide Affordable Housing and Rental Restrictive Covenant and Preemptive Right must be recorded prior to issuance of Zoning Clearance and satisfies 22CUP-00000-00018 Project Condition of Approval No. 3; and

WHEREAS, this Agreement to Provide Affordable Housing and Rental Restrictive Covenant and Preemptive Right must be recorded prior to issuance of Zoning Clearance and satisfies 22CDP-00000-00091 Project Condition of Approval No. 9; and

WHEREAS, the purpose of this Agreement is to ensure that the seven (7) Restricted Units on the Subject Property remain affordable and available for lease by households earning no more than 80% of the Area Median Income, as that term is defined below, for a period of twenty-five (25) years, commencing upon the date of filing of the Certificate of Occupancy for the Subject Property applicable to all seven of the Restricted Units.

NOW, THEREFORE, in consideration of the benefits and good and valid consideration received by the parties hereto, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

## I. DEFINITIONS

- A. “Developer” shall mean Edward St. George and his successors, designees, assigns, representatives, agents, affiliates, and subsidiaries.
- B. “Maximum Monthly Rent” means the maximum amount of monthly rent that may be charged for each Restricted Unit, calculated in accordance with the following formula and updated in June of each year during the Term to reflect changes in AMI:  $(0.5 \times \text{Area Median Income} \times .8 \text{ (1-bedroom Unit Size Adjustment Factor)} \times 0.3) / 12$ , rounded to the nearest \$10, and reduced in accordance with the County Housing Authority utility allowance for Section 8 housing, which utility allowance for Section 8 housing is updated annually and posted on [www.hasbarco.org](http://www.hasbarco.org). The Maximum Monthly rent is intended to not exceed the maximum levels for Low-Income Households as established and updated annually by the Housing and Community Development Division of the County of Santa Barbara’s Community Services Department, consistent with the provisions of the County of Santa Barbara Housing Element and California State law, including, but not limited to, California Government Code sections 65915 through 65918, inclusive.
- C. “Owner” shall mean Edward St. George and each subsequent purchaser, devisee, transferee, grantee, holder, successor in interest, assignee, beneficiary, heir, legal representative, executor or trustee holding, claiming or asserting a claim of title to the Subject Property or any portion of or interest in the Subject Property during the Affordability Period, and, as set forth above, for purposes of this Agreement, shall also include Developer.
- D. “Restricted Units” (and each a “Restricted Unit”) means the seven (7) Units subject to occupancy and rent restrictions as set forth in this Agreement.
- E. “Subject Property” means the real property located at 971 Embarcadero Del Mar, Goleta, California 93117, in Santa Barbara County, California, which is more fully described in Exhibit A, attached hereto.
- F. “Tenant” means a tenant or occupant of a Restricted Unit.
- G. “Unit” means a residential housing unit on the Subject Property.
- H. “Low-Income Household” means a household whose annual gross income does not exceed 80% of Area Median Income, adjusted for household size in accordance with the household size adjustment factor described in County Code Chapter 46A-6(c), Table 6.6.

- I. “Area Median Income” means the median household income of the County of Santa Barbara as established by the State of California’s Department of Housing and Community Development, pursuant to Health & Safety Code 50093(c).
- J. “Project Conditions of Approval” means the conditions of approval set forth by the County in connection with the applications submitted by Owner-Developer for the Project, including, but not limited to, in connection with County Planning and Development Project Case Number(s) 22DVP-00000-00010, 22CUP-00000-00018, and 22CDP-00000-00091.
- K. “Certificate of Occupancy” means a Certificate of Occupancy issued by the County of Santa Barbara Planning and Development Building and Safety Division for the Project and applicable to all of the Restricted Units after the Effective Date.
- L. “Initial Affordability Period” means the 25-year period commencing upon the filing of the Certificate of Occupancy.
- M. “Affordability Period” means the Initial Affordability Period, as extended (as provided below) by an amount of time equal to the aggregate amount of time during the initial Affordability Period when any of the Owner, Developer, Subject Property, Project, or any of the Restricted Units are not in compliance with this Agreement.

## II. TERM; ENFORCEABILITY

- A. Owner agrees to construct on the Subject Property, and thereafter maintain, seven (7) residential Units designated as “Restricted Units” for lease by Low-Income Households at all times during the Affordability Period, in accordance with the Project Conditions of Approval, including, but not limited to, Development Plan application no. 22DVP-00000-00010 Condition of Approval No. 10, which is set forth in Exhibit B hereto, to , Conditional Use Permit application no. 22CUP-00000-00018 Condition of Approval No. 4, which is set forth in Exhibit C hereto, and Coastal Development Permit application no. 22CDP-00000-00091 Condition of Approval No. 10 which is set forth in Exhibit D hereto, with each application submitted by the Owner-Developer in connection with the Project.
- B. The term of this Agreement shall commence as of the first date that this Agreement is fully executed by the County and Owner-Developer (“Effective Date”), and shall terminate on the date that is the day after the last day of the Affordability Period, unless earlier terminated in accordance with the provisions of this Agreement (the “Term”).
- C. Owner shall construct and designate the seven (7) Restricted Units on the Subject Property concurrently with the construction of the first of the other Units (e.g., market-rate Units on the Subject Property). Certificates of Occupancy for no more



than 50% of the Units other than the Restricted Units shall be allowed prior to issuance of the Certificate of Occupancy for all of the Restricted Units, pursuant to the Project Conditions of Approval.

- D. During the Term, this Agreement shall bind the Owner-Developer and each additional or subsequent Owner, regardless of how such Owner's interest in the Subject Property was acquired, and the benefit hereof shall inure to the County and the County's successors, designees, and assigns. Upon any transfer of the Subject Property, the benefits and restrictions of this Agreement shall run with the land.
- E. The Subject Property is held and hereafter shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and occupied, at all times during the Term, subject to the covenants, conditions, restrictions and limitations set forth herein. All of the covenants, conditions, restrictions and limitations in this Agreement are intended to constitute both equitable servitudes and covenants running with the land.
- F. Any purchaser, beneficiary, trustee, successor in interest or assignee of the Subject Property, or of any portion of or interest in the Subject Property, no matter how such interest is acquired, shall be deemed to have taken title with knowledge of this Agreement, and to have personally covenanted, consented to and accepted the covenants, conditions, restrictions and limitations set forth herein.
- G. Each Tenant of a Restricted Unit shall be subject to the restrictions of this Agreement, by the execution of a rental agreement or lease or by taking possession of a Restricted Unit, whichever occurs first, and shall also be deemed to have knowledge of this Agreement, and to have personally covenanted, consented to, and accepted the covenants, conditions, restrictions, and limitations set forth herein.
- H. In order to preserve, for the entirety of the Affordability Period, the affordability of the Restricted Units for Low-Income Households, Owner, for itself and all of his successors in interest, assignees, transferees, and beneficiaries, hereby grants and assigns to the County the right to review and enforce compliance with this Agreement, and in furtherance of this right, grants to the County liquidated damages, described under Section VI. (B) of this Agreement.
- I. In addition to the requirements set forth above, only Low-Income Households may apply to be a Tenant of a Restricted Unit. Eligibility of prospective Tenants shall be determined by the County's Community Services Department (CSD); however, CSD may choose, in CSD's sole discretion, to authorize the Owner to conduct income certifications, subject to review and monitoring by CSD, in accordance with the County Affordable Housing income requirements and Administrative Guidelines in effect at the time of such lease, including, but not limited to, income certification. Each Tenant of a Restricted Unit must execute, prior to occupancy of such Restricted Unit, a written agreement to occupy such Restricted Unit as such Tenant's primary residence. The amount of monthly rent for each of the Restricted Units shall not exceed the Maximum Monthly Rent.

- J. The parties hereto acknowledge that this Agreement is being executed and recorded prior to the Restricted Units being identified by address. The Owner agrees to record an addendum to this Agreement that shall include an updated Exhibit E to specify the address of each Restricted Unit, subject to the approval of the Director of CSD ("Director") or his designee.
- K. Each Restricted Unit shall be functionally equivalent and of similar quality to the other Units, including the market-rate Units.

### III. OCCUPANCY AND RENT RESTRICTIONS

- A. A total of SEVEN (7) Units in the Subject Property shall be designated as Restricted Units set forth on Exhibit E, attached hereto and incorporated herein. The Restricted Unit must be occupied by, or reserved for occupancy by, certified Low-Income Households at all times during the Affordability Period. The initial applicable maximum income level for a Low-Income Household is described in Exhibit E hereto.
- B. The total amount of monthly rent charged for each Restricted Unit, inclusive of all fees and charges, including, but not limited to, utilities or a utility allowance if utilities are not included in rent, and including all services charged by Owner to Tenants, must not exceed the Maximum Monthly Rent.
- C. The income levels and other qualifications of applicants to lease as Tenants of a Restricted Unit shall be certified by Owner as conforming to the income restrictions for such Restricted Unit as set forth herein prior to initial occupancy. The income level and other qualifications of each Tenant occupying a Restricted Unit shall be re-certified by Owner annually thereafter. Certifications and recertification shall, upon County's request, be subject to review and approval by CSD. Notwithstanding the above, the County reserves the right to perform certifications of eligibility and re-certifications instead of the Owner if the County so elects, in which case County will provide written notice of such election to Owner.
- D. In the event that re-certification of a Tenant occupying the Restricted Unit indicates that such Tenant's household income exceeds the County's maximum income limit for a Low-Income Household (i.e., 50% to 80% of Area Median Income), then Owner shall terminate the tenancy of such Tenant(s) of such Restricted Unit upon ninety (90) days' written notice from Owner to such Tenant(s). Upon the vacancy of such Restricted Unit, Owner shall rent such Restricted Unit to a qualified Low-Income Household at no more than the Maximum Monthly Rent as provided for herein.

- E. Any transfer by any Owner of any interest in a Restricted Unit, in whole or in part, whether directly or indirectly, by operation of law or otherwise, including, but not limited to, by devise, bequest, foreclosure, or as part of or in conjunction with a transfer of the entire ownership interest in the Subject Property, must be in accordance with all of the provisions of this Agreement, and each such transferee shall be subject to all of the provisions of this Agreement as an Owner hereunder.

#### IV. LEASING THE RESTRICTED UNITS

- A. Owner agrees that the Restricted Units shall be leased in compliance with the Tenant Selection Plan attached hereto as Exhibit F.
- B. Before leasing any of the Restricted Units, Owner shall submit its proposed Restricted Unit lease form to the Director for his review and approval ("Lease Form"). The term of each Restricted Unit lease shall be for no less than one year, unless by mutual agreement between the Tenant of such Restricted Unit and Owner. Subject to the election of the County to perform income certifications as set forth in Section III.C above, Owner shall have the right to enter into residential leases for the Restricted Units without prior written consent by CSD, provided that (1) Owner certifies the income and other eligibility requirements of each Tenant as required herein, and (2) each Restricted Unit is so leased pursuant to a rental agreement in the form of the Lease Form as approved by the Director, without modification (each, a "Restricted Unit Lease Agreement").
- C. Each Restricted Unit lease must not contain any of the following provisions:
  - 1. An agreement by the Tenant to be sued, to admit guilt, or to a judgment in favor of the Owner in a lawsuit brought in connection with the lease;
  - 2. An agreement by the Tenant that Owner may take, hold, or sell Tenant's personal property without notice to the Tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the Tenant concerning disposition of personal property remaining in a Restricted Unit after the Tenant has moved out of such Restricted Unit. In such a case, Owner may dispose of such personal property in accordance with the laws of the State of California;
  - 3. An agreement by the Tenant not to hold Owner or Owner's agent legally responsible for any action or failure to act, whether intentional or negligent;
  - 4. An agreement of the Tenant that Owner may institute a lawsuit without notice to Tenant;
  - 5. An agreement by the Tenant to waive any right to a trial by jury;

6. An agreement by the Tenant to waive the Tenant's right to appeal, or otherwise challenge in court, a court decision in connection with the lease; or
7. An agreement by the Tenant to pay attorney's fees, except if the Tenant has provided false or misleading household income information that the Owner could not have discovered despite the Owner's due diligence and good faith in reviewing, investigating and confirming such information.
- D. Owner shall include in each Restricted Unit Lease Agreement provisions which provide that the Tenant's household income is subject to recertification annually, and that the tenancy of such Tenant shall be immediately terminated should one or more of the Tenants of such Restricted Unit misrepresent any material fact regarding such Tenant's qualification as a qualifying Low-Income Household or refuse or fail to cooperate in the recertification process.
- E. Owner shall comply with all applicable State and local laws in terminating or refusing to renew a Tenant's lease.
- F. Prior to tenancy, each prospective Tenant of a Restricted Unit must complete, execute and deliver to Owner an Application for Certification on a form approved by County. Owner may request additional information to supplement the application as necessary and shall consult with the County if questions are raised regarding a prospective Tenant's eligibility. Notwithstanding the above, the County may elect to take over certifications of eligibility of applicants during the Term of this Agreement as provided for in Section III.C above.
- G. To be eligible to lease a Restricted Unit, a Tenant must not own any residential real estate.
- H. Owner may only lease the Restricted Units to Tenants whose eligibility has been certified to be qualified as Very-Low or Low-Income Households.
- I. In addition to executing a Restricted Unit Lease Agreement, Owner shall require that each Tenant leasing a Restricted Unit execute an agreement to occupy which shall require the Tenant to occupy such Restricted Unit as the Tenant's primary residence ("Intent to Reside"). Failure of Owner to enforce this requirement shall constitute a material violation of this Agreement.
- J. Owner hereby agrees to abide by the Tenant Selection Plan at all times during the Term. Modification of the Tenant Selection Plan can be made only pursuant to a written amendment of Exhibit F of this Agreement duly executed by both Owner and the Director.
- K. Owner shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease or rental of the Restricted Units on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, marital status,

family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or any other basis prohibited by law.

- L. Owner agrees that each Restricted Unit shall be leased, at a minimum, in compliance with the marketing plan attached hereto as Exhibit G and incorporated herein ("Marketing Plan"). Owner must comply with the Marketing Plan in marketing the Restricted Units. Owner agrees to abide by the Lottery Plan attached hereto as Exhibit H and by reference made a part of this Agreement as though set forth in full herein. The Lottery Plan shall only apply to the initial rental of each Restricted Unit.

## V. MANAGEMENT

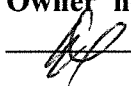
- A. Owner is responsible for the selection of Tenants, evictions, collection of rents and deposits concerning rental of each Restricted Unit in the manner set forth herein. Such management functions over the Restricted Units may be performed by or on behalf of Owner only by an experienced, professional management company or organization which must be approved in writing in advance by CSD. The County shall have no responsibility over management of the Restricted Units. Owner shall submit to the County for County's prior written approval Owner's proposed designation of a property manager pertaining to the Restricted Units, which approval shall not be unreasonably withheld. Subject to prior written approval by the Director, which approval shall not be unreasonably withheld, Owner may replace such property manager at any time with a qualified professional management company.
- B. Owner shall submit its written management policies with respect to the Restricted Units to the Director for his or her review and approval, which approval shall not be unreasonably withheld, and shall amend such policies as directed by the Director as necessary to ensure that such policies comply with the provisions of this Agreement.
- C. At all times during the Term, Owner shall maintain records that clearly document Owner's performance of its obligations hereunder. Owner shall submit to CSD all such records requested by CSD within thirty (30) days of such request. Owner shall permit the County or its designee to enter and inspect the Restricted Unit for compliance with Owner's obligations under this Agreement upon twenty-four (24) hours' advance notice of such visit by the County to Owner, and Owner shall provide written notice to Tenants of the Restricted Units regarding same.
- D. Owner shall submit to CSD (i) not later than March 1st of each year during the Term, a report for the preceding period of January 1st through December 31st, showing the necessary information to allow the County to determine Owner's compliance with this Agreement, and (ii) within thirty (30) days after receipt of a written request, any other information or completed forms requested by the County to demonstrate Owner's compliance with this Agreement.

## VI. ENFORCEMENT

- A. Upon any material violation of the provisions of this Agreement, or if any materially false or misleading statements are made in any document or certification submitted to the County, the County may apply to a court of competent jurisdiction for specific performance of this Agreement, for an injunction prohibiting a proposed letting, sale, or transfer in violation of this Agreement, or for any such other relief as may be appropriate.
- B. Owner understands that County's objective in requiring this Agreement is to ensure that the Restricted Units remain affordable to eligible Low-Income Households for the entirety of the Term, and that should Owner lease, or should a Tenant occupy, a Restricted Units in violation of the requirements set forth herein, the public interest would be prejudiced and the County would thereby be damaged. The parties hereto agree that it is impracticable and extremely difficult to fix the extent of actual damages to County from such a breach. However, the parties hereto have made reasonable efforts to establish fairly the amount of compensation for certain types of breach described below and agree that a fair and reasonable amount owing to the County for such types of breach by the Owner as liquidated damages would be as follows:
  - 1. **If a Restricted Unit is rented or leased for an amount in excess of the Maximum Monthly Rent permitted under this Agreement, Owner shall be liable to the County for damages in an amount equal to twice (2x) the difference between (a) the actual monthly rent charged by Owner for such Restricted Unit and (b) the Maximum Monthly Rent, multiplied by the number of months that such Restricted Unit has been leased in violation of this Agreement, or during which rent in an amount exceeding the Maximum Monthly Rent has been charged or collected for such Restricted Unit.**
  - 2. **If a Restricted Unit is rented or leased to a Tenant whose household income and other qualifications have not been certified as provided for herein, the required certification set forth in Section III must be completed within thirty (30) days of such non-compliance. If the Tenant's household income does not qualify for letting of the Restricted Unit as required by this Agreement, then in addition to Owner's obligation under Section III.(D) herein, Owner shall be assessed liquidated damages in the amount of three times (3x) the difference between the Tenant's gross monthly household income and one twelfth (1/12<sup>th</sup>) of the County's maximum annual household income level for Low Income households that is allowed for rent or lease of the Restricted Unit in effect at the time the Restricted is rented or leased, multiplied by the number of months that the Restricted Unit has been so leased. Conversely, if any Tenant of a Restricted Unit is initially certified as a**

qualifying Low-Income Household, and a subsequent recertification reveals that such Tenant no longer qualifies as a Low-Income Household, then Owner shall not be subject to any penalty under this Section VI(B)(2) so long as Owner complies with the requirements of Section III(D), above. Notwithstanding the foregoing, liquidated damages for Owner shall not apply if such Tenant has provided false or misleading household income information to Owner, and the Owner and property manager have conducted due diligence in accordance with this Agreement and applicable law and acted in good faith in reviewing such information.

3. If a Restricted Unit is left vacant without efforts made to lease such Restricted Unit in accordance with this Agreement and the Marketing Plan, Owner shall be liable to the County for damages in an amount equal to twice (2x) the Maximum Monthly Rent, multiplied by the number of months of such vacancy.

Owner hereby agrees to the above liquidated damages provisions  
 (Owner's duly authorized representative's initials)

4. These remedies shall be cumulative to all other rights and remedies the County may have.
- C. In addition to any other remedies the County may have, Owner hereby grants, transfers and assigns to the County the right to receive the rents due or collected during the entire period a Restricted Unit is rented, leased, Transferred or occupied in violation of this Agreement. Owner also assigns to the County the right to collect and/or compromise such rents, in whole or in part, and/or to enforce the payment of all or any part thereof as the County may deem proper.
  - D. The running of the Term of this Agreement shall be tolled during any period in which Owner is in violation of this Agreement.
  - E. The remedies stated herein shall not be exclusive, but shall be cumulative to all other remedies and rights the parties may lawfully exercise.
  - F. A violation of this Agreement constitutes a violation of the Project Conditions of Approval placed upon the Subject Property by the County, and in addition to the remedies provided for herein, a violation of this Agreement may be enforced as a violation of the Project Conditions of Approval.

## VII. ADDITIONAL PROVISIONS

- A. The County may assign its rights and delegate its duties hereunder without the consent of Owner. Upon such assignment or delegation, the County shall notify Owner.
- B. Owner and County each hereby covenant that such party has not and will not execute any other agreement or covenant with provisions contradictory to or in opposition to



the provisions hereof, and that, in any event, this Agreement is controlling as to the rights and obligations between Owner, the County, and their respective successors, transferees and assigns, without regard to whether such other agreement or covenant is executed before or after this Agreement.

- C. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision(s) had never been contained herein.
- D. This Agreement shall be interpreted under 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 Santa Barbara County, if in federal court.
- E. This Agreement shall be interpreted in a manner that is consistent with the County Housing Element and Housing Element Implementation Guidelines which were in effect when the County Board of Supervisors approved the Project and the Project Conditions of Approval.
- F. All notices to a party hereunder shall be sent by certified mail, return receipt requested, to the address set forth for such party below, or such other address as such party may subsequently designate in writing in accordance with this Section VII.F:  
To the County at: Community Services Department  
Housing and Community Development Division  
123 E. Anapamu St. #202  
Santa Barbara, CA 93101  
  
To Developer at: Edward St. George  
831 Cliff Drive Suite 100  
Santa Barbara, CA 93109  
  
To Owner at: Edward St. George  
831 Cliff Drive Suite 100  
Santa Barbara, CA 93109
- H. In the event of any transfer of the Subject Property, in whole or in part, whether directly or indirectly, by operation of law or otherwise, including, but not limited to, by devise, bequest, or foreclosure ("Transfer"), such transferee(s) shall be bound by the provisions of this Agreement as an Owner hereunder.
- I. Owner covenants to cause to be filed for record in the office of the County Recorder of Santa Barbara County a Request for a copy of any Notice of Default and a copy of any Notice of Sale be recorded with the original and all subsequent deeds of trust or mortgage with power of sale encumbering the Subject Property, pursuant to Section 2924b of the Civil Code of the State of California. The request shall specify that any notice shall be mailed to the address for the County set forth above.

- J. In addition, in the event of any Transfer of ownership of a Restricted Unit, a Grant of Preemptive Right and Resale Restrictive Covenant, in the form attached hereto and incorporated herein by reference as Exhibit I, shall be recorded with the original and all subsequent deeds at the time of each Transfer of such Restricted Unit.
- K. Owner shall defend, indemnify and save harmless the County, its officers, officials, agents and employees from any and all claims, demands, damages, losses, costs, expenses (including attorney fees), judgments or liabilities arising out of, related to, or in connection with this Agreement or occasioned by the performance or non-performance or attempted performance of the provisions hereof, including, but not limited to, any act or omission by or on behalf of the Owner or any of its agents, officers, representatives, or employees, except those claims, demands, damages, costs, expenses (including attorney fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the County.
- L. Each signatory and party to this Agreement warrants and represents that such party has the power and authority to enter into this Agreement in the name(s), title(s) and capacities herein stated and on behalf of any entities, persons or firms represented or purported to be represented by such entities, persons or firms, 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.

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

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement effective as of the Effective Date.

Dated: 2-25-25



**ATTEST:**  
**MONA MIYASATO**  
**COUNTY EXECUTIVE OFFICER**  
**CLERK OF THE BOARD**

By: Sheila de la Guerra  
Sheila de la Guerra Deputy Clerk

Dated: 2-25-25

**COUNTY OF SANTA BARBARA**

By: [Signature]  
Laura Capps, Chair  
Board of Supervisors  
(Signature must be notarized)

**DEVELOPER and OWNER**

By: [Signature]  
Edward St. George  
(Signature must be notarized)

**OWNER**

By: [Signature]  
Name: Edward St George  
Title: Owner  
(Signature must be notarized)

**APPROVED AS TO FORM:**

**RACHEL VAN MULLEM**  
**COUNTY COUNSEL**

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

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

State of California

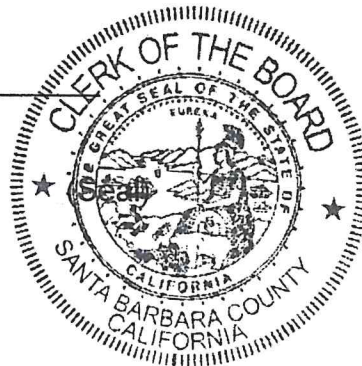
County of SANTA BARBARA

On, February 25, 2025 before me, Sheila de la Guerra, a Deputy Clerk, personally appeared SUPERVISOR LAURA CAPPS, CHAIR OF THE BOARD OF SUPERVISORS, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

  
Signature Sheila de la Guerra



## ACKNOWLEDGMENT

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

State of California

County of Santa Barbara

On February 6, 2025 before me, Nicole Isabel de la Torre, Notary Public  
(insert name and title of the officer)

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

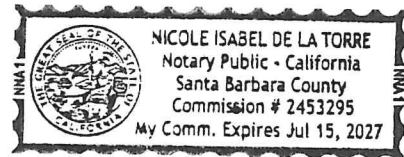
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Nicole Isabel de la Torre

(Seal)



## ACKNOWLEDGMENT

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

State of California

County of Santa Barbara

On February 16, 2025 before me, Nicole Isabel de la Torre, Notar Public  
(insert name and title of the officer)

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

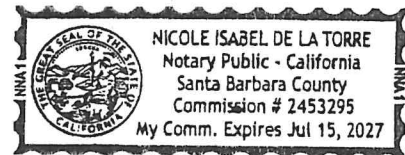
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Nicole Isabel de la Torre

(Seal)



**EXHIBIT "A"**

**LEGAL DESCRIPTION OF PROPERTY**

REAL PROPERTY IN THE UNINCORPORATED AREA OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED

AS FOLLOWS:

THE EAST 100 FEET OF LOT 1 IN BLOCK "I" OF THE OCEAN TERRACE TRACT IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON MAP THEREOF RECORDED IN BOOK 15, PAGES 101, 102, AND 103 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 075-162-011



**EXHIBIT B**  
AFFORDABLE HOUSING CONDITION(S)  
FOR  
**ST. GEORGE RESIDENTIAL BUILDING;**  
**22DVP-00000-00010**

9. **Agreement to Provide Affordable Housing:** The Owner shall enter into and record with the County Clerk-Recorder an Agreement to Provide Affordable Housing with the County of Santa Barbara. This Agreement shall specify affordability terms described in Development Plan application no. 22-DVP-00000-00010, Condition No. 10, Construction of Affordable Units (below).

The Agreement to Provide shall be prepared by the Community Services Department. Recorded agreements shall bind the property owners to maximum sales price requirements for the time period required by law and/or County policy, and shall include the number of affordable housing units, their size, their affordability level, and the income level at which they must be sold or rented, and marketing and lottery requirements.

Affordable units shall be constructed in proportionate timing with the construction of the market rate units based on the ratio of price restricted affordable housing units to proposed market-rate units.

**TIMING AND MONITORING:** The Owner/Applicant shall submit the Agreement to Planning & Development, County Counsel and County Housing and Community Development for review, approval, and execution prior to issuance of the Zoning Clearance. P&D processing staff shall obtain written HCD approval and confirmation of the executed and recorded Agreement, using the HCD Project Approval Form, prior to issuance of the Zoning Clearance.

10. **Construction of Affordable Units:** The Owner/Applicant shall provide seven low income dwelling units (25 percent of total project units) with a sales or rental price affordable to households earning 80% of Area Median Income adjusted for family size, for a period of 25 years.

EXHIBIT “C”

AFFORDABLE HOUSING CONDITION(S)  
FOR  
**ST. GEORGE RESIDENTIAL BUILDING:**  
22CUP-00000-00018

3. **Agreement to Provide Affordable Housing:** The Owner/Applicant shall enter into and record with the County Clerk-Recorder an Agreement to Provide Affordable Housing with the County of Santa Barbara. This Agreement shall specify affordability terms described in Condition No. 4, Construction of Affordable Units. The Agreement to Provide shall be prepared by the Community Services Department. Recorded agreements shall bind the property owners to maximum sales price requirements for the time period required by law and/or County policy, and shall include the number of affordable housing units, their size, their affordability level, and the income level at which they must be sold or rented, and marketing and lottery requirements.

Affordable units shall be constructed in proportionate timing with the construction of the market rate units based on the ratio of price restricted affordable housing units to proposed market-rate units.

**TIMING AND MONITORING:** The Owner/Applicant shall submit the Agreement to P&D, County Counsel and County Housing and Community Development for review, approval, and execution prior to issuance of the Zoning Clearance. Planning & Development processing staff shall obtain written HCD approval and confirmation of the executed and recorded Agreement, using the HCD Project Approval Form, prior to issuance of the Zoning Clearance.

4. **Construction of Affordable Units:** The Owner/Applicant shall provide seven low income dwelling units (25 percent of total project units) with a sales or rental price affordable to households earning 80% of Area Median Income (AMI); adjusted for family size, for a period of 25 years.

## EXHIBIT D

AFFORDABLE HOUSING CONDITION(S)  
FOR  
**ST. GEORGE RESIDENTIAL BUILDING;**  
**22CDP-00000-00091**

9. **Agreement to Provide Affordable Housing:** The Owner/Applicant shall enter into and record with the County Clerk-Recorder an Agreement to Provide Affordable Housing with the County of Santa Barbara. This Agreement shall specify affordability terms described in Condition No. 10, Construction of Affordable Units.

The Agreement to Provide shall be prepared by the Community Services Department. Recorded agreements shall bind the property owners to maximum sales price requirements for the time period required by law and/or County policy, and shall include the number of affordable housing units, their size, their affordability level, and the income level at which they must be sold or rented, and marketing and lottery requirements.

Affordable units shall be constructed in proportionate timing with the construction of the market rate units based on the ratio of price restricted affordable housing units to proposed market-rate units.

**TIMING AND MONITORING:** The Owner/Applicant shall submit the Agreement to P&D, County Counsel and County Housing and Community Development for review, approval, and execution prior to issuance of the Zoning Clearance. P&D processing staff shall obtain written HCD approval and confirmation of the executed and recorded Agreement, using the HCD Project Approval Form, prior to issuance of the Zoning Clearance.

10. **Construction of Affordable Units:** The Owner/Applicant shall provide seven low income dwelling units (25 percent of total project units) with a sales or rental price affordable to households earning 80% of Area Median Income (AMI); adjusted for family size, for a period of 25 years.

EXHIBIT E

ADDRESS LIST OF AFFORDABLE HOUSING UNITS  
For  
ST. GEORGE RESIDENTIAL BUILDING  
22DVP-00004, 22CUP-00018, 22CDP-00091

TOTAL NUMBER OF RESIDENTIAL UNITS IN THE PROJECT:	<u>28</u>
TOTAL NUMBER OF RESTRICTED UNITS IN THE PROJECT:	<u>7</u>
NUMBER OF AFFORDABLE UNITS FOR LOW-INCOME HOUSEHOLDS	<u>7</u>

<u>Address</u>	<u>Unit #</u>	<u>Bedrooms</u>	<u>Maximum Tenant Income Level</u>
1) <u>971 Embarcadero Del Mar</u>	<u>          </u>	<u>    1    </u>	<u>80% of AMI</u>
2) <u>971 Embarcadero Del Mar</u>	<u>          </u>	<u>    1    </u>	<u>80% of AMI</u>
3) <u>971 Embarcadero Del Mar</u>	<u>          </u>	<u>    1    </u>	<u>80% of AMI</u>
4) <u>971 Embarcadero Del Mar</u>	<u>          </u>	<u>    1    </u>	<u>80% of AMI</u>
5) <u>971 Embarcadero Del Mar</u>	<u>          </u>	<u>    1    </u>	<u>80% of AMI</u>
6) <u>971 Embarcadero Del Mar</u>	<u>          </u>	<u>    1    </u>	<u>80% of AMI</u>
7) <u>971 Embarcadero Del Mar</u>	<u>          </u>	<u>    1    </u>	<u>80% of AMI</u>

## **EXHIBIT F**

### **971 EMBARCADERO DEL MAR TENANT SELECTION PLAN**

#### **APPLICATION**

The Rental Application is very important. The selection of residents is based upon a careful review and confirmation of the information supplied by the Applicant with respect to past rental history, employment, financial references and the like. A careful and thorough screening of all Applicants is vital to the successful operation and management of any given property on a long-term basis.

After each Applicant over 18 years of age has fully completed and signed the Application, Landlord shall review the application to make certain the information on the application meets the following criteria prior to verifying income, employment and landlord references and credit, etc. Applications not signed in the site management office shall be notarized:

1. AGE. Primary Applicant(s) must be over 18 years old.
2. INCOME. "Low-Income Household" means a household annual gross income does not exceed the maximum income levels permitted within the Low-income category (at or under 80% of area median income) established by the County. The County's income categories shall be as defined in the Housing Element of the Comprehensive Plan of Santa Barbara County and periodically revised by the County.
3. EMPLOYMENT. If the Applicant is self-employed, landlord will review copies of the two most recent years' tax returns (IRS form 1040). Otherwise, contact the employer and verify employment, type of job, salary and prospects for continued employment. If this information does not approximate that shown on the application, deny the application. If Landlord has any doubt of the validity of the employment reference, Landlord shall call the company and ask for the Personnel Department, get the name and title of the person spoken with, and proceed to request the information mentioned earlier.

Landlord will need to know the Applicant's employment history for at least **two** years. If this includes more than three jobs in the past two-year period, Landlord shall determine the reason. It could be quite legitimate - a skilled craftsman could have two or three employers in a year with little loss of salaried time. Gaps in employment can be more relevant than job change. If there is no satisfactory explanation, Landlord may have a potential rent collection problem or other problems (Check to see if there is also a frequent moving history.) Landlord may reject the Applicant if there are no satisfactory explanations. If an employer refuses to give Landlord information on the phone, Landlord must contact the Applicant(s) and ask the Applicant to have the employer mail you written confirmation of the length and type of employment. Landlord shall inform the Applicant that the application will receive no further consideration until that information is received.

If the Applicant does not meet the criteria, the Applicant is to be told and sent a denial letter. All denied applications must be kept in the file marked: "Rental Applications - Not Accepted" for 6 months and then sent to the corporate office. If the Applicant does meet all the criteria, the Applicant will either be placed on a waiting list or, if there is no other Applicant ahead of this Applicant, the Applicant may rent the available unit. Once the application is approved, notify the Applicant immediately.

## LEASING

- For each Restricted Unit, the total rent charged inclusive of all fees and charges including utilities, or a utility allowance if utilities are not included in rent, and including all services charged to tenants, cannot exceed the Maximum Monthly Rent.
- In the event that re-certification of a household occupying a Restricted Unit indicates that the income of that household exceeds the maximum income for a Low-Income Household, then upon the ninety (90) days' notice from Landlord to the Tenant, Landlord shall terminate the tenancy of the occupants of the Restricted Unit. Upon the vacancy of the Restricted Unit, Landlord shall rent the Restricted Unit to a qualified Low-Income Household at no more than the Maximum Monthly Rent as provided for herein.

The lease may not contain any of the following provisions:

1. An agreement by the Tenant to be sued, to admit guilt or to a judgment in favor of the Lessor in a lawsuit brought in connection with the lease;
  2. An agreement by the Tenant that Lessor may take, hold, or sell personal property of household members without notice to the Tenant and a court decision on the rights of the parties. This prohibition however, does not apply to an agreement by the Tenant concerning disposition of personal property remaining in the Unit after the Tenant has moved out of the Unit. In such a case, Lessor may dispose of this personal property in accordance with State law;
  3. An agreement by the Tenant not to hold Lessor or Lessor's agent legally responsible for any action or failure to act, whether intentional or negligent;
  4. An agreement of the Tenant that Lessor may institute a lawsuit without notice to Tenant;
  5. An agreement by the Tenant to waive any right to a trial by jury;
  6. An agreement by the Tenant to waive the Tenant's right to appeal, or otherwise challenge in court, a court decision in connection with the lease; or
  7. An agreement by the Tenant to pay attorney's fees or other legal costs even if the Tenant wins in a court proceeding by Lessor against the Tenant. The Tenant however may be obligated to pay costs if the Tenant loses.
- Landlord shall include in leases for all Restricted Units provisions which provide that the household is subject to recertification annually and that the tenancy of the household shall be immediately terminated should one or more of the household's members misrepresent any material fact regarding the household's qualification as a qualifying Low-Income Household or repeatedly refuse or fail to cooperate in the recertification process.

- To terminate or refuse to renew a tenancy, Landlord must serve written notice upon the Tenant specifying the grounds for the action at least 60 days before the Notice of termination of tenancy.
- Prior to tenancy, applicants for Restricted Units must complete, execute and deliver to Landlord an Application for Certification on a form approved by County. The Landlord may request additional information to supplement the application as necessary and shall consult with the County if questions are raised regarding a household's eligibility.
- To be eligible to lease a Restricted Unit, tenants cannot own any improved residential real estate.
- Landlord may only lease Restricted Units to Tenants whose eligibility has been certified to be qualified Tenants.
- In addition to executing a lease for a Restricted Unit, Landlord shall require that each household leasing a Restricted Unit execute an agreement to occupy which shall require the household to occupy the Restricted Unit as the household's primary residence. Failure of Landlord to enforce this requirement shall constitute a material violation of this Agreement.
- Landlord shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease or rental of the Restricted Units on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, marital status, family status, and source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or any other arbitrary basis.

## **MANAGEMENT**

- Landlord is responsible for the selection of tenants, evictions, collection of rents and deposits concerning rental of the Restricted Units in the manner set forth herein. Such management functions over the Restricted Units may be performed by or on behalf of Landlord by an experienced, professional management company or organization which must be approved by the County's Community Services Department. The County shall have no responsibility over management of the Subject Property including the Restricted Units. Landlord shall submit to the County for its approval its proposed property manager pertaining to the Restricted Units, which shall not be unreasonably withheld. Landlord may only remove and/or replace the property manager for the Restricted Units with the prior written consent of the County which shall not be unreasonably withheld.
- Landlord shall submit its written management policies with respect to the Restricted Units to the County's Community Services Department for its review and approval which shall not be unreasonably withheld, and shall amend such policies in any way necessary to ensure that such policies comply with the provisions of this Agreement.
- Landlord shall maintain records that clearly document Landlord's performance of its



obligations to operate the Subject Property under the terms of this Agreement. Landlord shall submit any records to the County's Community Services Department within ten (10) business days of the County's request. Landlord shall permit the County or its designee to enter and inspect the Restricted Units for compliance with obligations under this Agreement on twenty-four (24) hours advance notice of such visit by the County to Landlord and to Tenants of any Restricted Units.

- Landlord shall submit to the County' Community Services Department (i) not later than March 1st of each year, a report for the preceding period of January 1st through December 31st, showing the necessary information to allow the County to determine Landlord's compliance with the Agreement, and (ii) within thirty (30) days after receipt of a written request, any other information or completed forms requested by the County in order to comply with reporting requirements of the County.

EXHIBIT G

MARKETING PLAN

FOR  
PROJECT

**Project Case Nos. 22DVP-00000-00010, 22CUP-00000-00018, 22CDP-00000-00091**

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- A. After the Agreement to Provide Affordable Housing and Rental Restrictive Covenant ("Agreement"), to which this Marketing Plan is attached as Exhibit F, has been recorded for the Project, the Housing and Community Development Division of the County's Community Services Department ("HCD") will publicly notify interested persons on the County's Affordable Housing notification lists of the availability of the Restricted Units, including the Project's name, location, number of Restricted Units, qualifying income, other qualifications and the phone number of the Owner or Owner's duly authorized representative.
- B. Any time during the Term when one or more of the Restricted Units is not leased a Low-Income Household, Owner will advertise the Project in at least one newspaper of general circulation, and at least one Spanish-language newspaper or radio station which circulates or broadcasts in the area of this Project. Each newspaper must include the official "Equal Housing Opportunity" logo, and each radio advertisement must incorporate the statement "Equal housing opportunity".

The Agreement to Provide Affordable Housing and Rental Restrictive Covenant applicable to the Project binds the Owner to this Marketing Plan. No changes to this Marketing Plan may be made other than as a written amendment to the Agreement executed by both Owner and the Director.

- C. Project advertising shall conform to the requirements of the California Fair Housing and Employment Act (FEHA) – California Government Code sections 12900 - 12996. Advertisements for the Project shall state that a lottery will be conducted if the number of interested persons exceeds the number of Restricted Units available ("Lottery"). The name and telephone number of the person to contact to participate in the Lottery and to obtain additional information regarding income requirements and resale restrictions shall also be provided in each advertisement for the Project. Each Project advertisement shall clearly state the deadline for inclusion in the Lottery. Owner shall provide HCD with a copy of each such publicized advertisement.
- D. Owner shall conduct the following minimum marketing for the Restricted Units:
1. Owner shall run at least one advertisement in the real estate section of the Santa Barbara Independent and at least one advertisement in one Spanish language newspaper or radio station which circulates or broadcasts in the area of this Project, and each such advertisement must be run at least one time per week for six weeks, or such additional time as required in Paragraph C of this Exhibit F, above (the "Advertisements"). At a minimum, the Advertisements shall be placed in the Sunday Real Estate section of each such publication. Publication of the Advertisements shall coincide with the time period when the Lottery list is open.

2. Each Advertisement shall include a phone number of Owner for phone inquiries and voicemail messages concerning the Restricted Units all times when the Lottery is open.
3. During the time period when the Lottery is open, information sheets must be available to prospective tenant of the Restricted Units identifying the level of affordability for the Restricted Units, qualifying income levels, an explanation of the income certification process, resale restrictions, floor plans, a site plan indicating the location of available Restricted Units, first-time homebuyers guides and other information concerning time of sale, time within which each person must be qualified as a Tenant, etc. Owner shall also have Lottery applications available to prospective Tenants.
4. Each prospective Tenant of Restricted Units must be identified in a list provided by the Owner to HCD for the purpose of implementing the Lottery pursuant to the requirements set forth in the Agreement.
5. The Restricted Unit will be rented to the parties identified and certified according to the requirements set forth in the Agreement.

## EXHIBIT H

### LOTTERY PLAN FOR INITIAL RENTAL FOR PROJECT RESIDENTIAL DEVELOPMENT

Project Case Nos. 22DVP-00000-00010, 22CUP-00000-00018, 22CDP-00000-00091

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- A. Owner shall publish an advertisement for the Lottery consistent with the terms of the Marketing Plan in a newspaper of general circulation in the County. At the time a prospect expresses interest in renting a Restricted Unit, Owner, or the Owner's duly authorized representative, shall provide to such interested person an informational packet describing income qualifications, the Lottery process and expected timing, County Income and Price Guidelines, County Income Certification Guidelines and Application, and rental restrictions applicable to the Restricted Units. *This information packet shall be developed in conjunction with, and subject to approval by, HCD*.
- B. Consistent with the California Fair Housing and Employment Act (FEHA) – California Government Code sections 12900 - 12996, the Owner shall not restrict Lottery applicants on the basis of race, color, religion, national origin, gender, age, familial status, or handicap, or any other basis prohibited by law.
- C. Owner shall provide a dated receipt to each prospective Tenant who completes a Lottery Application (each a "Lottery Applicant"), which receipt shall correspond to the number of the applicant on the Lottery list.
- D. During the marketing period specified in Section D.1 of the Marketing Plan, above, Owner shall maintain a list of Lottery applicants, including all of the following information for each Lottery applicant:
  - 1. Name
  - 2. Lottery Receipt Number and Date Issued
- E. Owner shall accept completed Lottery Applications from applicants for a minimum of 15 days **or until the number of applicants is at least three times the number of Restricted Units available**, whichever occurs sooner. However, the acceptance of names shall not be required to continue for more than 90 days.
- F. The name of each Lottery Applicant must be included in the Lottery; provided, however, that the name of a Lottery Applicant may be excluded from the Lottery upon—and only upon—the prior written approval HCD in each instance.
- G. HCD shall conduct the Lottery by assigning computer-randomized ranking of the names on the list of all Lottery Applicants who timely submitted complete Lottery Applications. Such computer-randomized list ("Lottery Results") shall be made publicly available at the Owner's sales office within 48 hours of Owner's receipt of the Lottery Results from HCD. The Lottery Results will also be made available at the office of the County's Community Services Department, and on the HCD website.

- H. Within 48 hours after Lottery Results are published by the Owner and HCD, Owner and HCD will contact the seven top-ranked Lottery Applicants on the Lottery Results list (each a "Lottery-Selected Applicant") and will provide by mail or email each Lottery-Selected Applicant with an Income Certification application attached as an Exhibit hereto, and instructions to complete and return such Income Certification application to HCD no later than the date that is ten days thereafter, via any of the following: mail, hand delivery, email, or fax. Late Income Certification applications may not be accepted. In the event that a Lottery-Selected Applicant fails to timely return a completed Income Certification application to HCD, or a Lottery-Selected Applicant notifies Owner or HCD in writing signed by such Lottery-Selected Applicant that such Lottery-Selected Applicant is no longer interested in leasing a Restricted Unit, Owner and HCD will contact the next-ranked Lottery Applicant from the Lottery Results and will provide such Lottery-Selected Applicant with an Income Certification application and instructions to complete and return such Income Certification application to HCD no later than the date that is one week thereafter.
- I. HCD will determine the eligibility of Lottery Applicants in the order of their submitting an Income Certification Application to HCD for processing, and shall provide a copy of each such Income Certification Results Notice to the Applicant and Owner. When a Lottery-Selected Applicant is deemed certified by HCD in accordance with the provisions of this Agreement ("Certified Lottery-Selected Applicant"), HCD shall promptly notify such Certified Lottery-Selected Applicant and Owner, in writing, via email or United States Postal Service mail addressed to the e-mail or mailing address provided for such Certified Lottery-Selected Applicant in such Certified Lottery-Selected Applicant's Lottery application, that such Certified Lottery-Selected Applicant is eligible to rent a Restricted Unit ("Certification Results Notice"), and shall provide such Certified Lottery-Selected Applicant, together with such Certification Results Notice. A Restricted Unit Lease Agreement and instructions to sign and return such Restricted Unit Lease Agreement to Owner, by appointment scheduled in accordance with Section K, below.
- J. In the event that an HCD-Certified, Lottery-Selected Applicant fails to timely sign and return such Restricted Unit Lease Agreement to Owner, or a Certified Lottery-Selected Applicant notifies Owner in writing signed by such Certified Lottery-Selected Applicant that such Certified Lottery-Selected Applicant is no longer interested in leasing a Restricted Unit, Owner and HCD will contact the next-ranked Lottery Applicant from the Lottery Results and will provide such Lottery-Selected Applicant with an Income Certification application and instructions to complete and return such Income Certification application to HCD no later than the date that is one week thereafter.
- K. Within fourteen business days (Monday through Friday) after the Lottery Results are posted to the HCD website, lottery selected applicants shall confirm an appointment with the Owner to lease a Restricted Unit, which appointments shall begin on the day following the fourteenth business day after the Lottery Results are posted on the HCD website. The Owner and Certified Lottery Selected Applicants shall set up consecutive appointment time slots (each an "initial slot") for Certified Lottery Selected Applicants in order of the Applicant and the Owner's receipt of an HCD Certification Results letter. If a Lottery-Selected Applicant is unable to attend an appointment with Owner during the initial slot mutually agreed upon for such Lottery-Selected Applicant ("Initially-Unavailable Certified Lottery-Selected Applicant"), then the Owner may make such initial slot appointment time available to the next HCD Certified Lottery-Selected Applicant, and Owner shall provide such Initially-Unavailable Certified Lottery-Selected Applicant with the opportunity for such an appointment during the next available initial slot. If a Restricted Unit is still available after the last initial slot, then the Owner shall first coordinate additional appointment times with each Initially-Unavailable Certified Lottery-Selected

Applicant in order of their respective HCD Certification before Owner may proceed down the list of Lottery-Selected Applicants, in order of Lottery ranking, and schedule appointment slots with Certified Lottery-Selected Applicants with lower Lottery rankings than such Initially-Unavailable Certified Lottery-Selected Applicants.

- L. If a Certified Lottery-Selected Applicant has not executed a Restricted Unit Lease Agreement within 90 days of Owner's Certification Notice to such Certified Lottery-Selected Applicant, such Certified Lottery-Selected Applicant must submit to Owner a new Income Certification application in order to maintain such Certified Lottery-Selected Applicant's Lottery Results ranking and priority offers of appointment slots.
- M. If one or more of the Restricted Units remains available after all Lottery-Selected Applicants have either signed a Restricted Unit Lease Agreement, withdrawn their applications from consideration (in writing signed by such Lottery-Selected Applicant), had their Income Certification application duly denied by HCD, or allowed 90 days to lapse after HCD's Certification Notice to such Certified Lottery-Selected Applicant without submitting to HCD a new Income Certification application, then Owner may accept applications to be processed by HCD for such Restricted Unit(s) in accordance with the provisions of the Agreement other than this Exhibit G.



COUNTY OF SANTA BARBARA  
**AFFORDABLE HOUSING PROGRAM**  
**PROPERTY MANAGEMENT PROGRAM**  
**RESIDENTIAL LEASE APPLICATION**

**-- Each occupant over 18 years of age must complete their own separate application --**

To be eligible to participate in the County's Affordable Housing Program, County staff reviews all information provided throughout this application process. The Property Management division reserves the right to ask for additional documents and information as deemed necessary to accurately assess applicants' eligibility. **Any discrepancy in information is grounds for disqualification from the current application process and future opportunities to apply.**

**FEES:** Applicant must submit an application fee of **\$25.00, per adult/per application**, in the form of a personal check, cashier's check or money order for processing and reviewing. This is a non-refundable fee.

Please make payable to: County of Santa Barbara

Applications will not be accepted unless EACH LINE is accounted for – that is, either with the appropriate response or otherwise mark "Not Applicable" (N/A) accordingly. Please do not leave ANY line blank.

**\*Applicant must initial at the bottom of each page.**

1. Name of

Development: \_\_\_\_\_

2. Property Address:

\_\_\_\_\_

3. Your household's Income Level: ☐ Very Low ☐ Low ☐ Lower-Moderate

☐ Upper-Moderate ☐ Middle-Median

**Applicant Information:**

1. Name of Applicant:

a. First: \_\_\_\_\_

b. Middle: \_\_\_\_\_

c. Last: \_\_\_\_\_



2. Former last name (maiden or married): \_\_\_\_\_
3. Home Phone: \_\_ (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_
4. Cell Phone: \_\_ (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_
5. Work Phone: \_\_ (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_
6. E-mail: \_\_\_\_\_
7. Social Security Number (SSN): \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_
8. Date of Birth: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_
9. Marital Status: ☐ Single (never been married) ☐ Married ☐ Divorced ☐  
Separated

**Household Information:**

1. Name all other persons who will occupy the Property:

Full Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
\_\_\_\_ / \_\_\_\_ / \_\_\_\_

Relationship: \_\_\_\_\_ Social Security #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_  
\_\_\_\_\_

Full Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
\_\_\_\_ / \_\_\_\_ / \_\_\_\_

Relationship: \_\_\_\_\_ Social Security #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_  
\_\_\_\_\_

Full Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
\_\_\_\_ / \_\_\_\_ / \_\_\_\_

Relationship: \_\_\_\_\_ Social Security #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_  
\_\_\_\_\_

Full Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
\_\_\_\_ / \_\_\_\_ / \_\_\_\_

Relationship: \_\_\_\_\_ Social Security #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_  
\_\_\_\_\_

*(if more than 4 occupants, please attach an additional sheet with listing)*

2. Household Size:

# of Adults over age 18: \_\_\_\_\_ + # of Children under age 18: \_\_\_\_\_ = Total: \_\_\_\_\_

---

**Residency Information:**

Number of years as a Santa Barbara County Resident: \_\_\_\_\_ years \_\_\_\_\_ months

1. Current Residence:

a. Street: \_\_\_\_\_ Apt. # \_\_\_\_\_

b. City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

2. Date Moved-In: \_\_\_\_/\_\_\_\_/\_\_\_\_

3. Monthly Rent: \$\_\_\_\_\_ INITIAL: \_\_\_\_\_

4. Utility bills in your name: ☐ Gas ☐ Electricity ☐ Water ☐ Trash ☐ None

INITIAL: \_\_\_\_\_

---

5. Previous Address: (if you have lived at your current address for less than a year)

a. Street: \_\_\_\_\_

Apt. # \_\_\_\_\_

b. City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

6. Date Moved-In: \_\_\_\_/\_\_\_\_/\_\_\_\_ Date Moved-Out: \_\_\_\_/\_\_\_\_/\_\_\_\_

7. Monthly Rent: \$\_\_\_\_\_ INITIAL: \_\_\_\_\_

8. Reason for move:

\_\_\_\_\_

---

**Asset Verification:**

1. List all vehicles owned, driven, available for use, and that will be parked on the Property:

Yr. Make: Model: Series License Plate: State: Registered Owner:

Mileage:

a. \_\_\_\_\_  
b. \_\_\_\_\_  
c. \_\_\_\_\_

2. List all other Assets in excess of \$2,500.00 (if more than 2, please attach additional sheet with listing):

**\*\*Assets Include, but are not limited to:** (Time shares, vacation properties, mobile homes, land, business and partnership investments, boats, watercrafts, motorcycles, antique/classic vehicles, cash on hand)

Type of Asset:

Value:

a. \_\_\_\_\_  
b. \_\_\_\_\_

\$ \_\_\_\_\_.  
\$ \_\_\_\_\_.

---

**Please answer the following:**

1. Do you have any non-employment income (for example, one-time and/or repeat allowance from family member/friend/coworker)? ☐ yes ☐ no INITIAL: \_\_\_\_\_  
If yes, how much: \$\_\_\_\_\_, how frequently: \_\_\_\_\_,  
and for what purpose: \_\_\_\_\_

2. Is there any outstanding debt owed to you? ☐ yes ☐ no  
INITIAL: \_\_\_\_\_  
3. Is there any outstanding debt you owe? ☐ yes ☐ no  
INITIAL: \_\_\_\_\_  
4. Are you on active military duty? ☐ yes ☐ no  
INITIAL: \_\_\_\_\_  
5. Are you currently in a legal dispute? ☐ yes ☐ no  
INITIAL: \_\_\_\_\_

Have you ever:

6. Been evicted or asked to move out by a landlord? ☐ yes ☐ no  
INITIAL: \_\_\_\_\_  
7. Filed for bankruptcy? ☐ yes ☐ no  
INITIAL: \_\_\_\_\_  
8. Had any credit delinquencies? ☐ yes ☐ no  
INITIAL: \_\_\_\_\_

Do you currently receive the following:

9. Self-Employment Income ☐ yes ☐ no  
INITIAL: \_\_\_\_\_  
10. Pensions and/or Social Security ☐ yes ☐ no  
INITIAL: \_\_\_\_\_  
11. Interest/Dividends ☐ yes ☐ no  
INITIAL: \_\_\_\_\_  
12. Alimony/Child Support ☐ yes ☐ no  
INITIAL: \_\_\_\_\_  
13. Income from Military Service ☐ yes ☐ no  
INITIAL: \_\_\_\_\_  
14. Other Income ☐ yes ☐ no  
INITIAL: \_\_\_\_\_

If yes to any of the above, please explain and provide documentation: \_\_\_\_\_

\_\_\_\_\_

### **Verification of Financial Assets**

County regulations require financial asset verification of all applicants' household assets under the County's Affordable Housing Program. We ask for your cooperation in providing this information that will be used to determine the applicant's eligibility for program participation. **In signing below, I understand that any misrepresentations and/or omissions may result in disqualification of my Residential Lease Application.**

**\*\*Financial Assets include, but are not limited to:** (Savings, Checking, Trust Funds, Money Market Accounts, Stocks, Bonds, Certificate of Deposits (CD), IRA, Keough, Retirement, 401(k), Deferred Compensation, Lump-sum receipts, Inheritances, Settlements, Business Accounts, Life Insurance, etc.)

Name of Financial Institution: Branch, City, State: Type of Account: Current Balance: Account #:

1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____
5.	_____	_____	_____	_____	_____
6.	_____	_____	_____	_____	_____

*\*\* (if more than 6, please attach additional sheet with listing)*

I understand that not all reported financial assets will necessarily be used for determination of income and assets. INITIAL: \_\_\_\_\_

Do you have an online business? ☐ yes ☐ no Name of Business: \_\_\_\_\_

Do you have a Paypal Account? ☐ yes ☐ no Balance: \$ \_\_\_\_\_ at \_\_\_\_/\_\_\_\_/\_\_\_\_

**\*\*Authorization to release information:** I hereby authorize my financial institution to release any requested information to the County of Santa Barbara.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

**Employment History – Please attach an additional sheet if necessary**

**How many employers have you had in the last 6 months?** \_\_\_\_\_ (This includes full-time, part-time, seasonal, freelance, and contractor positions) INITIAL: \_\_\_\_\_

**Please complete the top two sections for each employer you have had in the last 6 months:**

1. **Current Employer:** \_\_\_\_\_
  2. **Employer's Address:** Street: \_\_\_\_\_  
City: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_
  3. **Start Date:** Month: \_\_\_\_\_ Year: \_\_\_\_\_
  4. **Gross Monthly Income:** \$ \_\_\_\_\_ **Pay Frequency:** \_\_\_\_\_ (bimonthly, biweekly)
  5. **Position:** \_\_\_\_\_ **Number of Hrs. Worked a Week:** \_\_\_\_\_
  6. **Overtime Availability:** ☐ yes ☐ no **Overtime Pay Rate:** \$ \_\_\_\_\_
  7. **Is pay received for vacation?** ☐ yes ☐ no **Number of vacation days a year:** \_\_\_\_\_
  8. **Is other compensation not included above (specify type and amount -- for tips, commissions, bonuses, etc.)?** ☐ yes ☐ no **If yes:** \_\_\_\_\_
- 

9. **Second Employer (if applicable):**

- \_\_\_\_\_
10. **Employer's Address:** Street: \_\_\_\_\_  
City: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
\_\_\_\_\_
  11. **Start Date:** Month: \_\_\_\_\_ Year: \_\_\_\_\_
  12. **Gross Monthly Income:** \$ \_\_\_\_\_ **Pay Frequency:** \_\_\_\_\_ (bimonthly, biweekly)
  13. **Position:** \_\_\_\_\_ **Number of Hrs. Worked a Week:** \_\_\_\_\_
  14. **Overtime Availability:** ☐ yes ☐ no **Overtime Pay Rate:** \$ \_\_\_\_\_
  15. **Is pay received for vacation?** ☐ yes ☐ no **Number of vacation days a year:** \_\_\_\_\_
  16. **Is other compensation not included above (specify type and amount -- for tips, commissions, bonuses, etc.)?** ☐ yes ☐ no **If yes:** \_\_\_\_\_  
\_\_\_\_\_

I hereby certify under penalty of perjury the employment information contained herein is true, correct, and complete.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

## Request for Verification of Employment

You must complete this entire form for every employer under which you are employed and/or were employed within the last 6 months. County regulations require us to verify employment for all members of the household applying for participation in the Affordable Housing Program. We ask your cooperation in supplying this information

**INSTRUCTIONS:** Applicant, please complete questions #7 and #8. Employer, please complete either Part II or Part III as applicable. Complete Part IV and return directly to the County of Santa Barbara named in item 2. This form is to be transmitted directly to the County and is not to be transmitted through the applicant or any other party.

### **Part I - Request**

1. To (Name and address of employer) From (Name and address of County contact)

I certify that this verification has been sent directly to the employer and has not passed through the hands of the applicant or any other interested party.

3. Signature of County Contact 4. Title 5. Date 6. Contact Phone#

I have applied for affordable housing in the County of Santa Barbara and stated that I am now or was formerly employed by you. My signature below authorizes verification of this information.

7. Name and Address of Applicant (include employee number if applicable)

### **8. Signature of Applicant**

### **Part II - Verification of Present Employment**

9. Applicant's Date of Employment 10. Present Position

11. Probability of Continued Employment

12A. Current Gross Base Pay and Pay Frequency

\$ \_\_\_\_\_ ☐ Monthly ☐ Bimonthly ☐ Annually  
☐ Biweekly ☐ Weekly ☐ Other (Specify)

13. Will Overtime/Bonus Continue?

Overtime ☐ Yes ☐ No OT Pay: \$ \_\_\_\_\_  
Bonus ☐ Yes ☐ No \$ \_\_\_\_\_

12B. Gross Earnings

14. Avg. # of Hours Worked a Week: \_\_\_\_\_

Type	Year to Date Thru _____	Past Year	15. Date of next pay increase	16. Increase Amt.
pay increase: Base Pay	\$ _____	\$ _____		
Overtime	\$ _____	\$ _____	17. Date of last pay increase	18. Amount of Inc.
Commissions days/year	\$ _____	\$ _____	19. Is Pay Received for Vacation? <input type="checkbox"/> Yes <input type="checkbox"/> No	20. Vacation
Bonus	\$ _____	\$ _____	21. Does Employee have Retirement Account? If yes, complete 22.	22. Type/Balance: (date) _____
Total	\$ _____	\$ _____		

### **Part III - Authorized Signature**

28. Signature of Employer 29. Print Name & Title 30. Contact Phone No. 31. Date

APPLICANT IS AWARE ALL INFORMATION TO BE VERIFIED FOR ACCURACY & COMPLETENESS

**Applicant -- Authorization to Release**

**Purpose:** Your signature on this County Affordable Housing Rental Program Authorization to Release form, and the signatures of each member of your household who is 18 years of age or older, authorizes a third party to release information to the County of Santa Barbara relative to your eligibility and participation in its Affordable Housing Rental Program.

**Privacy Act Notice Statement:** The County of Santa Barbara is requiring the collection of information derived from this form to determine an applicant's eligibility to participate in the County's Affordable Housing Purchase Program. This information will be used to establish applicant income level; to protect the County's financial interests; and to verify the accuracy of the information furnished by the applicant. It may be released to appropriate Federal, State and local agencies where relevant to civil, criminal, or regulatory investigators, and to prosecutors. Failure to provide any information may result in an applicant being deemed ineligible to participate in the program. The County is authorized to ask for this information by the National Affordable Housing Act of 1990.

**Instructions:** Each adult member of the household must sign this Authorization to Release form prior to Eligibility Certification for participation in the County's Affordable Housing Rental Program. The County also reserves the right to monitor the program on an ongoing basis in order to determine conformity with the rules and regulations of the County's Affordable Housing Program.

**Authorization:** In signing below, I understand that the County of Santa Barbara may make inquiries regarding all sources of my household's income, all sources of my household's assets, as well as all other relevant financial information requiring program participation. I authorize the County of Santa Barbara to request information from third parties about me and my household that is pertinent to eligibility for participation in its Affordable Housing Rental Program. I also authorize these third parties to release said information to the County of Santa Barbara. I acknowledge that:

- 1) I have the right to review the file and the information received using this form (with a person of my choosing accompanying me);
- 2) I have the right to copy information from this file and to request correction of information I believe inaccurate;
- 3) All adult members will sign this form and cooperate with the owner in this process;
- 4) A photocopy of this form is as valid as the original.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

COUNTY OF SANTA BARBARA  
AFFORDABLE HOUSING PROGRAM

APPEAL PROCEDURES

**--The application fee is non-refundable if your application is denied--**

Applicants should make every reasonable effort to determine their eligibility prior to the submission of their application.

All appeal and/or disqualification decisions by Housing and Community Development Department are **final**.

Appeals are not granted for inconsistent information, omitting documentation, submitting falsified information, or concealing information regarding your residency, assets, income, or household information.

**If your application is denied you may appeal the denial along with a \$25 fee, only under the following terms:**

- (1) The person appealing must be the person or persons applying.
- (2) The appeal must be in writing, signed, dated, and received within **TEN CALENDAR DAYS** of the date of the postmark of the Residential Lease Application denial letter from Housing and Community Development's Property Management Division.
- (3) The appeal must be based on the original submittal to Housing and Community Development and must demonstrate in writing a factual error of the calculation of income. Housing and Community Development must have made such errors, as opposed to incorrect or incomplete submittals by the applicant.
- (4) The County of Santa Barbara is not responsible for lost or stolen mail. Appeals must be submitted in writing to:

County of Santa Barbara  
Housing and Community Development Department  
ATTN: Appeal Request  
123 East Anapamu Street, 2<sup>nd</sup> Floor  
Santa Barbara, CA 93101

**BY SIGNING BELOW: I HAVE READ, UNDERSTAND, AND AGREE TO THE ABOVE  
APPEAL PROCEDURES**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name



## **Declarations:**

### **1. Declaration of Non-Homeownership:**

Do you own any improved residential real estate?    ☐ Yes    ☐ No    INITIAL: \_\_\_\_\_

### **2. Declaration of Intent to Reside:**

I hereby declare that if I am able to rent one of the affordable units available through the County's Affordable Housing Program, I will reside in the unit as my primary place of residence and at no time will rent it out, either in whole or in part.

INITIAL: \_\_\_\_\_

### **3. Declaration of Asset Sale and Transfers:**

I certify that during the 2-year period preceding this application, myself and my household have not sold or transferred more than \$2,500 in assets, personal property, money in the form of gifts, charity, non-profit organizations, etc.

INITIAL: \_\_\_\_\_

**\*\*If assets were sold or transferred in excess of \$2,500 please describe below and provide documentation:**

**a. The asset    b. Its value    c. Date of disposition    d. Reason for disposition    e. Amount received**

\_\_\_\_\_  
\_\_\_\_\_

### **4. Declaration of Residency:**

All household members are citizens of the United States and/or have permanent residency status.

INITIAL: \_\_\_\_\_

### **5. Declaration of Financial Independence:**

I understand that financial independence is defined as having sufficient income to self-support the cost of living through my own earned income, without the assistance or support from others. I understand that money including loans or gifts from relatives, associates, or friends, regardless of the terms, is considered financial assistance. Being financially independent is also consistent with having the ability to demonstrate Applicant has not been claimed as a dependent on parents' tax returns for the previous year prior to submitting the application.

By initialing, I declare I am financially independent.

INITIAL: \_\_\_\_\_

### **6. Declaration of Accuracy:**

I understand that my failure to include all income accruing to my household or my failure to include the names of all persons who will occupy the affordable housing unit constitutes willful fraud on my part and an attempt to purchase an affordable housing unit in violation of the Affordable Housing Program guidelines.

INITIAL: \_\_\_\_\_



## **CERTIFICATION OF ACCURACY AND COMPLETENESS:**

I hereby declare under penalty of perjury that the information contained in this application and all attached materials are true, correct, and complete. I acknowledge and agree that the County of Santa Barbara is relying on the accuracy of this information and my representations in order to process this application and that any units rented by the County may be rescinded if it is determined that any information and materials submitted are not true and correct. I further acknowledge that I may be liable for any costs associated with this, including, but not limited to, any litigation costs.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

*COUNTY OF SANTA BARBARA*  
**AFFORDABLE HOUSING PROGRAM**

**WARNING:** Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.

### **CHECKLIST OF REQUIRED DOCUMENTS**

*Note: This completed checklist must be turned in with application. The documents listed below are required of all members of the household over the age of 18 applying for participation in the County of Santa Barbara's Affordable Housing Program. Failure to include any of the documents listed below may result in disqualification.*

- ☐ **Identification for ALL Household members – Do not submit originals – copies are accepted.**
  - ☐ Children's Social Security cards
  - ☐ Adults' Social Security cards, *and*
  - ☐ Picture ID (CA Driver's License, CA ID), *or*
  - ☐ U.S. Passport (in place of CA Drivers License and Social Security Card)
- ☐ **Right to Permanently Reside**
  - ☐ Adults' Birth Certificates, *and*
  - ☐ Children's Birth Certificates, *and*
  - ☐ Certificate of Naturalization (if applicable)
  - ☐ Certificate of Citizenship (if applicable)
  - ☐ Permanent Residency Status Card (if applicable)
- ☐ **Asset Verification**
  - ☐ Past 6 months of statements for all open financial accounts & any financial accounts closed within the past 6 months
  - ☐ Current balance print-outs for all financial accounts, as of the day application is turned in
  - ☐ Automobile registration, title, and loan statement
  - ☐ Official documentation for other monetary and non-monetary assets applicable to your household under "Verification of Assets" page of this application
- ☐ **Evidence of Income**
  - ☐ Past 6 months of paychecks from all employers (including most recent)
  - ☐ Past 6 months of statements for retirement accounts, 401(k), IRA, etc.
  - ☐ Past 6 months of statements for Worker's Comp., unemployment, self-employment, SSI,
  - ☐ Past 6 months of statements for all sources of income that apply to your household
  - ☐ **If Self Employed or a Business Owner**, you must provide the past 2 years of tax returns with all schedules, YTD profit and loss sheets, and all bank statements for the past 12 months
- ☐ **Evidence of Residency in Santa Barbara County (2 types)**
  - ☐ Lease agreement, and one of the following:
  - ☐ Photocopy of processed rent check, or
  - ☐ Rent receipt from Landlord, or
  - ☐ Utility bill in your name (Gas, electric, water, trash)

***If no lease agreement, please provide the following:***

  - ☐ Notarized Landlord written statement with signature regarding rent amount, address, tenants, term of lease
- ☐ **Tax Returns**
  - ☐ Tax returns for the past year for all persons who filed in your household
- ☐ **W-2's**
  - ☐ W-2's for the past year for all persons who filed taxes in your household
- ☐ **Completed and signed 8821 Tax Information form (Enclosed)**

**EXHIBIT I**

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

(To be used in the event of Transfer of a Restricted Unit)

RECORDING REQUESTED BY AND RETURN TO:

Community Services Department  
Housing and Community Development Division  
County of Santa Barbara  
123 East Anapamu Street, Room 202  
Santa Barbara, CA 93101-2062

Attn: Property Management

---

No fee per Government Code Sec. 6103

APN: xxx-xxx-xxx

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

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

**Project Name**  
**Unit Address**

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

**RECITALS:**

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

WHEREAS, \_\_\_\_\_ ("\_\_\_\_\_" and together with the County, collectively, the "Parties") has benefited from these development incentives through the opportunity to purchase the Property at a price substantially below fair market value; and

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

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

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

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

## **I. DEFINITIONS**

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

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

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

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

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

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

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

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

Maximum Sales Price =  $0.8 \times (\text{Affordable Mortgage Amount} + 5\% \text{ Down Payment [rounded to the nearest hundred dollars]})$ .

"Affordable Mortgage Amount" =

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

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

"Affordable Monthly Mortgage Payment" =

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

"Target Household Income" = 75% of AMI.

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

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

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

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

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

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

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

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

O. "Eligible Household": A Low-income household whose income does not exceed 80% of AMI.

P. "Low-Income Household": means a household whose annual gross income does not exceed 80% of Area Median Income, adjusted annually and for family size by County HCD.

## **II. TERM AND ENFORCEABILITY**

### **A. Term**

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

### **B. Covenants Running With the Land; Equitable Servitude**

The Property is held, and hereafter shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and occupied subject to all of the covenants, conditions, restrictions and limitations contained herein and in that

document entitled “**Agreement to Provide Affordable Housing**” executed by the parties on **MM/DD/YYYY** and recorded on **MM/DD/YYYY**, as Instrument No. **xxxx-xxxxxxx**, in the office of the Recorder of Santa Barbara County, California (“Agreement to Provide”).

The covenants and restrictions set forth herein shall be covenants running with the land, which shall pass to and be binding upon all parties having any interest in the Property throughout the Term. Each and every contract, deed, lease, or other instrument covering, conveying, or otherwise transferring the Property or any interest therein, as the case may be (“Contract”), shall conclusively be held to have been executed, delivered, and accepted subject to this Covenant, regardless of whether the parties to such Contract have actual knowledge of this Covenant.

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

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

#### **C. Binding Effect**

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

#### **D. Enforceability**

In order to preserve through this Covenant the affordability of the Property for persons of **Low-income (50-80% AMI)**, the Owner for itself and all successors and assigns, hereby grants and assigns to the County the right to review and enforce compliance with this Covenant and Chapter 46 of the Santa Barbara County Code, and in furtherance of this right, grants to the County an Assignment of Rents, described under Section XIII of this Covenant, and an Option to Purchase the Property, described under Sections III and XIV of this Covenant, the right to collect liquidated damages for certain violations as described in Section XIII of this Covenant, and assigns to the County any and all proceeds payable to the Owner from a foreclosure or deed in lieu of foreclosure in excess of the Maximum Sales Price, as described in Section XII.B of this Covenant.

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

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



## **A. Subordination**

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

### **1. Limit on Amount**

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

### **2. Default; Right to Cure**

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

### **3. Right to Exercise Option**

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

### **4. Request for Notice of Default**

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



#### **B. Rights Under Approved Institutional Lender First Deed of Trusts**

Subject to the conditions and limitations set forth herein, this Covenant shall not impair the rights of an Approved Institutional Lender, under an Approved Institutional Lender First Deed of Trust, to foreclose or take title to the Property pursuant to the remedies of the Approved Institutional Lender First Deed of Trust, or accept a deed in lieu of foreclosure in the event of default by a trustor under the Approved Institutional Lender First Deed of Trust. Subsequent to the Approved Institutional Lender, or its successors and assigns, acquiring title through foreclosure sale or accepting a deed in lieu of foreclosure under such Approved Institutional Lender First Deed of Trust, and payment to County of any excess proceeds as set forth in Section XII.B, below, (i) this Covenant shall terminate and be of no further force or effect as an encumbrance against the Property (or any owners, tenants or encumbrancers in the chain of title), and (ii) the Approved Institutional Lender or subsequent transferee may sell the Property to any purchaser at any price, or lease the Property to any tenant at any rental amount, without thereafter being subject to this Covenant, and (iii) at the request of such Approved Institutional Lender or its title insurer, County will execute a recordable instrument to confirm the termination of this Covenant.

#### **C. Covenant Not Subordinate to Any Other Deeds of Trust**

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

#### **D. Notice to County by Owner**

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

### **IV. OCCUPANCY, LEASING AND OWNERSHIP OF OTHER REAL PROPERTY**

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

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

#### **B. Rental of Property**

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

#### **C. Personal Hardship Exemption**

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

### **1. Definition**

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

### **2. Determination**

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

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

### **3. Remedies**

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

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

restrictions, terms and conditions of this Covenant, and the Property shall not be marketed or sold for more than the Maximum Sales Price.

#### **4. Submittal of Approved Rental Agreement to County**

In the event that Owner desires to lease the Property while the Property is for sale, in accordance with a Personal Hardship Exception Determination Notice, Owner shall first obtain the Director's written approval of the form of lease agreement for the Property with a month-to-month lease term, including the amount of monthly rent to be charged thereunder ("Form of Lease Agreement"). Following the Director's written approval of the Form of Lease Agreement, Owner may enter into a lease agreement for the Property using the Form of Lease Agreement ("Lease Agreement"), and shall, within 3 business days of executing such a Lease Agreement, provide a true and correct copy of the Lease Agreement, the names of the tenant(s), the amount of monthly rent being charged, and the new temporary address of the Owner. Owner shall not amend any Lease Agreement without the Director's prior written approval in each instance. Owner shall notify CSD within three (3) days of the termination of any Lease Agreement, and within three (3) days of Owner's re-occupation of the Property. Owner shall not rent or lease the Property other than in accordance with this Section IV.C.4, and Section IV.C.3, above.

#### **D. No Ownership of Other Residential Real Estate**

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

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

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

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

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

## **B. Exceptions**

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

### **1. Death**

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

### **2. Marriage**

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

### **3. Divorce**

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

## **VI. COUNTY OPTION TO PURCHASE UPON PROPOSED TRANSFER**

### **A. Grant of Option and Right of First Refusal**

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

### **B. Notice to County**

Anytime during the Term of this Covenant when Owner intends to offer to Transfer the Property or any portion thereof or any interest therein, Owner shall give to the County written notice at the address and in the manner specified in Section XVI.E, below, of Owner's intent to Transfer the Property ("Transfer Notice"). The Transfer Notice shall specify the proposed price for such Transfer with respect to the Property, which proposed price shall not exceed the Maximum Sales Price, or equal an amount less than the total amount of all liens encumbering the Property. After the County's receipt of such Transfer Notice, the County's Housing and Community Development Division ("HCD") staff or designee shall be granted access within 7 days to inspect the Property for damage and to determine whether any repair(s) and/or deferred maintenance ("Deferred Maintenance and Repairs") is required to put the Property in a good and salable condition, as reasonably determined by HCD staff, prior to any sale or other Transfer of the Property. Prior to any sale or Transfer of the Property, other than to the County, Owner shall undertake all such Deferred Maintenance and Repairs to the satisfaction of County.

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

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

Sales Price. The County does not guarantee any minimum price with respect to any Transfer of the Property by Owner.

### **C. Exercise of County Option**

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

1. The County shall have 90 days after receipt of a Transfer Notice from Owner to provide Owner with written notice of the County's intent to exercise its Option to purchase the Property ("Notice of Intent").
2. Should the County be required by law to request approval from the County Board of Supervisors before exercising the Option to purchase the Property, such 30-day time limit may be extended by HCD in order to receive such approval from the County Board of Supervisors. Once HCD provides to Owner a Notice of Intent to exercise the Option to purchase the Property, the County shall then have an additional 90 days to execute a purchase agreement for the Property for the following Option Sale Price:

The lesser of:

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

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

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

### **D. Term of Option**

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

## **VII. TRANSFER OF PROPERTY TO PRIVATE PARTY**

### **A. County Option to Select Purchaser**

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

### **B. Owner's Right to Transfer**

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

### **C. Approval of Transfer by County**

1. HCD shall oversee any sale or other Transfer of the Property to a Qualified Transferee. No sale or other Transfer of the Property shall occur under this Section VII without the prior written approval of the Director in each instance.
2. The Director may approve a proposed Transfer of the Property, provided that (i) Owner is not in breach of or default under this Covenant, (ii) the County does not elect to exercise its Option under Sections III, VI and/or XIV, and (iii) the County has determined that each of Owner and Owner's proposed Qualified Transferee(s) have complied with all of the requirements and provisions of this Covenant and then-current County affordable housing policies.
3. Each proposed Qualified Transferee of the Property shall complete, execute and deliver to HCD an Application for Eligibility Certification, in the form approved by HCD. Such proposed Qualified Transferee applicant ("Qualified Transferee Applicant") shall provide to the County all additional information requested by HCD to supplement such Application for Eligibility Certification, to verify such proposed Qualified Transferee's income.

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

4. In connection with such Application for Eligibility Certification, Owner shall submit to HCD the proposed sales contract, escrow Instructions, and all other related documents that set forth the terms of proposed Transfer of the Property to the Qualified Transferee Applicant ("Proposed Transfer Documents"). The proposed sales contract shall incorporate information including, but not limited to, all of the following:
  - a. Sales price;
  - b. The down payment to be paid by the Qualified Transferee;
  - c. All other amounts of money and other consideration, if any, to be paid by the Qualified Transferee to the Owner, or any other person or entity, in connection with the Property or the proposed Transfer, and the reason for such payment(s);
  - d. Financing terms of the new First Deed of Trust to be executed by the Qualified Transferee as the new Owner;
  - e. The monthly payments to be paid by the Qualified Transferee in connection with the proposed Transfer and ownership of the Property, itemized to reflect taxes, insurance, and homeowner's association fees.
5. In connection with its Application for Eligibility Certification, each Qualified Transferee Applicant shall submit to HCD information including, but not limited to, all of the following, to enable HCD to determine the eligibility of such Qualified Transferee Applicant:
  - a. Documents evidencing such Qualified Transferee Applicant's identity;
  - b. Documents evidencing such Qualified Transferee Applicant's residency;
  - c. Documents evidencing such Qualified Transferee Applicant's income and assets;
  - d. Documents evidencing such Qualified Transferee Applicant's savings and

- recent bank activity;
  - e. Documents evidencing all of such Qualified Transferee Applicant's current debts;
  - f. All documents evidencing all terms, conditions, and provisions of such Qualified Transferee Applicant's loans in connection with the Transfer.
6. The County reserves the right to collect a reasonable fee to cover HCD's costs of verifying such information and administering its rights and obligations under this Covenant.
  7. No goods or services shall be sold by Owner to the Qualified Transferee in connection with the transfer of the Property.

#### **VIII. ELIGIBILITY OF QUALIFIED TRANSFEE TO PURCHASE**

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

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

#### **IX. REQUIREMENTS FOR APPROVED TRANSFER TRANSACTION**

##### **A. Price**

The Transfer price shall not exceed the Maximum Sales Price.

##### **B. Recordation of Replacement Covenant**

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

##### **C. Escrow Documents**

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

##### **D. Unapproved or Fraudulent Transfer**

In the event any Transfer of the Property is made in violation of this Covenant, or false or misleading statements are made in any documents or application submitted to HCD for its approval of any Transfer or proposed Transfer, the County may declare a default under this Covenant. The County shall also have the right to file actions at law or in equity to force the parties to terminate and rescind any such Transfer contract and declare the purported Transfer void,

notwithstanding the fact that the Transfer may have closed and become final as between the Owner and such transferee. In any event, all costs, liabilities, and obligations incurred by the Owner and Qualified Transferee for the return of any moneys paid or received in violation of this Covenant, and for all costs and legal expenses incurred by County in the enforcement of this Covenant, shall be borne by the Owner, and not by the County.

#### **E. County Review**

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

#### **X. [INTENTIONALLY OMITTED]**

### **XI. REQUIREMENTS FOR COUNTY APPROVAL OF FINANCING OR REFINANCING**

#### **A. Approval by County**

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

#### **B. Requirements for Approval of Refinancing**

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

#### **C. Modification of Financing Requirements**

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



#### **D. Unapproved Financing**

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

### **XII. BEQUEST OR FORECLOSURE, INSURANCE AND CONDEMNATION**

#### **A. Transfers by Operation of Law**

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

#### **B. Excess Foreclosure Funds Payable to County**

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

#### **C. Insurance Proceeds**

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

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

### **XIII. DEFAULTS AND REMEDIES: ASSIGNMENT OF RENTS**

#### **A. Notice of Default**

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

## **B. Assignment of Rents**

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

## **C. Remedies Not Exclusive**

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

## **D. Liquidated Damages**

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

*Note: Liquidated damages for multiple violations are cumulative.*

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

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

#### **XIV. Purchase Option Upon Default**

##### **A. Option to Purchase Upon Default**

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

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

#### **XV. county requirements and authorizations from owner**

##### **A. County Requirements from Owner Regarding Compliance Monitoring**

###### **1. Annual Surveys.**

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

Housing and Community Development  
County of Santa Barbara  
123 East Anapamu Street #202  
Santa Barbara, CA 93101-2062

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

###### **2. Audits.**

By signing this Covenant, Owner covenants for itself and all of Owner's heirs, legal representatives, executors, successors and assigns that, for the Term, the County may audit Owner's household for the purpose of evaluating or re-evaluating Owner's eligibility for purchase and occupancy of the Property and for compliance with the terms of this Covenant, including, but not limited to, the Owner Occupancy and income requirements and refinancing restrictions set forth herein. Owner for itself and all of Owner's heirs, legal representatives, executors, successors, and assigns, agrees to assist and cooperate with the County in any such audit. Such assistance and cooperation shall include, but not be limited to, promptly supplying any and all information reasonably requested by County including, but not limited to, tax returns, utility bills, bank statements and employment records, and signing any reasonably requested release of information forms.

Owner hereby consents to and grants County the right to conduct financial background investigations, including, but not limited to, credit checks during the Term of the Covenant. If upon such audit it is determined that Owner supplied false or misleading information to the County, Owner's purchase of the Property may be voided in County's sole discretion and Owner shall be subject to the enforcement provisions set forth in this Covenant.

#### **B. Owner's Continuing Authorizations to County**

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

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

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

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

#### **XVI. ADDITIONAL PROVISIONS**

##### **A. Assignment**

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

##### **B. Purchase of Other Residential Real Estate**

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

##### **C. Severability**

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

##### **D. Choice of Law; Venue**

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

##### **E. Notices**

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

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

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

#### **G. Entire Agreement**

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

#### **H. Survival; No Merger**

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

#### **I. Authority and Execution**

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

#### **J. Waiver; Modification**

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

**K. Time of the Essence.** Time is of the essence in this Covenant as to each provision in which time is an element of performance.

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

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

#### **XVII. DECLARATION OF EACH OWNER**

Each Owner hereby declares, certifies, and warrants that:

- A. All of the financial and other information provided by such Owner in connection herewith is true and complete in

all respects.

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

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

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

OWNERS/OCCUPANTS:

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
Owner Occupant

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
Owner Occupant

(Signature(s) must be notarized)

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

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
\_\_\_\_\_, Affordable Housing Programs Manager  
(Signature must be notarized)

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

Approved as to form:

RACHEL VAN MULLEM  
COUNTY COUNSEL

DATED: \_\_\_\_\_

BY: \_\_\_\_\_  
\_\_\_\_\_, Deputy County Counsel

**EXHIBIT A**  
Legal Description

**Legal Description**

REAL PROPERTY IN THE UNINCORPORATED AREA OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED  
AS FOLLOWS:

THE EAST 100 FEET OF LOT 1 IN BLOCK "I" OF THE OCEAN TERRACE TRACT IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON MAP THEREOF RECORDED IN BOOK 15, PAGES 101, 102, AND 103 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 075-162-011



**EXHIBIT B**  
(Deed of Trust with Assignment of Rents)

RECORDING REQUESTED BY AND RETURN TO:

Community Services Department  
Housing and Community Development Division  
Attn: Property Management  
County of Santa Barbara  
123 East Anapamu St, #202  
Santa Barbara, CA 93101-2062

NO FEE DOCUMENT PURSUANT TO  
GOVERNMENT CODE SECTION 27383

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APN: **xxx-xx-xxx**

**DEED OF TRUST WITH  
ASSIGNMENT OF RENTS**

THIS DEED OF TRUST, ASSIGNMENT OF ("Deed of Trust") is made as of this \_\_\_\_ day of \_\_\_\_, 2021 by **OWNER VESTING** ("Trustor"), to \_\_\_\_\_ **Title Company**, as trustee ("Trustee"), for the benefit of the County of Santa Barbara, a public body corporate and politic ("Beneficiary").

**GRANT IN TRUST**

**1. GRANT.** Trustor, hereby irrevocably grants and conveys to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, all of Trustor's interest in the property located at **SUBJECT PROPERTY ADDRESS** in an unincorporated area of Santa Barbara County, California, as more particularly described in Exhibit A, incorporated herein by this reference (the "Property"); the Property is a condominium unit in that certain common interest development commonly known as the **PROJECT NAME**.

TOGETHER WITH all interest, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property; all buildings, structures, fixtures,

improvements, signs, and landscaping now or hereafter erected or located on the Property, together with rents, issues and profits.

All of the foregoing, together with the Property, is herein referred to as the "Security."

## **OBLIGATIONS SECURED**

**2. OBLIGATIONS.** Trustor makes this grant for the purpose of securing the following obligations:

- A. That certain RESALE RESTRICTIVE COVENANT AND PREEMPTIVE RIGHT ("Covenant") made by Trustor, to order of Beneficiary and extensions and renewals *thereof*; and
- B. Payment of any sums advanced by Beneficiary to protect the security and priority of this Deed of Trust; and
- C. Any liquidated damages accruing to Beneficiary under Covenant.

**3. ENFORCEMENT.** Upon the happening of a default under the Resale Restrictive Covenant and Preemptive Right recorded DATE OF COVENANT RECORDATION as instrument number INSTRUMENT NO., in the Official Records of Santa Barbara County, Beneficiary may, in addition to OTHER rights and remedies permitted by the Covenant, this Deed of Trust, or applicable law: (a) enter upon, take possession of, and manage the Security, either in person as a mortgagee-in-possession, by agent, or by a receiver appointed by a court, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Security, (b) collect all Rents, including those past due and unpaid, and apply the same to pay for the costs and expenses of operation of the Security, including attorneys' fees, and pay off any indebtedness secured by this Deed of Trust, all in such order as Beneficiary may determine.

**4. APPOINTMENT OF A RECEIVER.** In any action to enforce this assignment, Beneficiary may apply for the appointment of a receiver to take possession of the Security and take whatever measures are necessary to preserve and manage the Security for the benefit of Beneficiary and the public interest. Trustor hereby consents to the appointment of a receiver. The receiver shall have all of the authority over the Security that Beneficiary would have if Beneficiary took possession of the Security under this assignment as a mortgagee-in-possession, including the right to collect and apply Rents.

**5. NO WAIVER OF POWER OF SALE.** The entering upon and taking possession of the Security and the collection of Rents shall not cure or waive any default or notice of default

hereunder or invalidate any act done in response to such default or notice of default and, notwithstanding the continuance in possession of the Security or the collection and application of Rents, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust or by law upon occurrence of any Event of Default, including the right to exercise the power of sale.

### **RIGHTS AND OBLIGATIONS OF TRUSTOR**

**6. PERFORMANCE OF SECURED OBLIGATION.** Trustor shall promptly perform each obligation secured by this Deed of Trust in accordance with the Covenant.

**7. FORECLOSURE BY INSTITUTIONAL LENDER.** If the Security is foreclosed upon by an Institutional Lender which is the maker of a loan secured by a First Deed of Trust; and the Security is transferred through a trustee's sale, judicial *foreclosure* or deed in *lieu of* foreclosure by an Institutional Lender on a First Deed of Trust, Trustor shall promptly pay to Beneficiary the amount of surplus to which Beneficiary is entitled pursuant to **Section \_\_\_\_ of the Covenant.**

**8. MAINTENANCE OF THE SECURITY.** The Declaration of Covenants, Conditions and Restrictions, ("CC&Rs") recorded against the Security in the Official Records of Santa Barbara County, California provides that the Owners' Association ("Association") shall among other things provide exterior maintenance and repair of all condominiums in the common interest development. To the extent that the Association is not obligated to, or does not, maintain the Security under the CC&Rs, Trustor shall, at the Trustor's own expense, maintain and preserve the Security or cause the Security to be maintained and preserved in good condition, in good repair, and in a decent, safe, sanitary, habitable and tenantable condition. Trustor shall not cause or permit any violations of any laws, ordinances, regulations, covenants, conditions, restrictions, or equitable servitudes as they pertain to improvements, alterations, maintenance or demolition on the Security. Trustor shall not commit or permit waste on or to the Security. Trustor shall not abandon the Security. Beneficiary shall have no responsibility over maintenance of the Security.

**9. LIENS, ENCUMBRANCES, AND CHARGES.** Except for purchase money loans, Trustor shall discharge any lien or encumbrance not approved by Beneficiary in writing that may attain priority over *this* Deed of Trust.

**10. DEFENSE AND NOTICE OF CLAIMS AND ACTIONS.** Trustor shall appear in and defend, at its own expense, any action or proceeding purporting to affect the Security and/or the rights of Beneficiary. Trustor shall give Beneficiary and Trustee prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding and of any condemnation offer or action with respect to the Security upon Trustor's receipt of notice thereof.

**11. SUITS TO PROTECT THE SECURITY.** Beneficiary shall have power to institute and maintain such suits and proceedings as it may deem expedient (a) to prevent any impairment of the Security or the rights of Beneficiary, (b) to preserve or protect its interest in the Security and in the Rents, and (c) to restrain the enforcement of or compliance with any governmental legislation, regulation, or order, if the enforcement of or compliance with such legislation, regulation, or order would impair the Security or be prejudicial to the interest of Beneficiary.

**12. DAMAGE TO SECURITY.** Trustor shall give Beneficiary and Trustee prompt notice in writing of any damage to the Security. Beneficiary acknowledges that Section 10.1 of the CC&Rs provides the mechanism by which a decision shall be made to repair or rebuild a damaged condominium unit and for payment of the expense of such rebuilding and repair.

**13. TITLE.** Trustor warrants that Trustor lawfully has legal title to the Security.

**14. GRANTING OF EASEMENTS.** Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements **with** respect to the Security except those required or desirable for installation and maintenance of public utilities including water, gas, electricity, sewer, cable television, telephone, or those required by law. Beneficiary acknowledges that certain easements have been granted with respect to the Security to other condominium owners in the Project and to the Association.

**15. TAXES AND LEVIES.** Trustor shall pay prior to delinquency, all taxes, fees, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien *affecting* the Security. However, Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as (a) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings, and (b) Trustor maintains reserves adequate to pay any contested liabilities. In the event that Trustor fails to pay any of the foregoing items, Beneficiary may, but shall be under no obligation to, pay the same, after Beneficiary has notified Trustor of such failure to pay and Trustor fails to fully pay such items within seven business days after receipt of such notice. *Any* amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of interest as specified in the Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this Deed of Trust.

**16. CONDEMNATION.** Subject to the rights of any senior lienholders, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of taking all or any part of or interest in the Security under assertion of the power of eminent domain ("Funds") distributed to Trustor pursuant to **Article \_\_\_\_** of the CC&Rs are hereby assigned to and shall be paid to Beneficiary. Beneficiary is authorized (but not required) to collect and receive any Funds and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as Beneficiary shall determine at its sole option. All or any part of the amounts so collected and recovered by Beneficiary may be released to Trustor upon such conditions as Beneficiary may impose for its disposition. Application of all or any part of the Funds collected and received by Beneficiary or the release thereof shall not cure or waive any default



under this Deed of Trust.

Notwithstanding anything to the contrary set forth herein, Beneficiary shall, prior to the application of the Funds or any portion thereof to the indebtedness or other obligations, apply such portion of the funds as is reasonable and necessary to repair and preserve the value, marketability and rentability of the Security.

**17. ACCELERATION ON TRANSFER OF SECURITY; ASSUMPTION.** In the event that Trustor, without the prior written consent of the Beneficiary, sells, agrees to sell, transfers, or conveys its interest in the Security or any part thereof or interest therein, Beneficiary may at its option declare all sums secured by this Deed of Trust to be immediately due and payable.

**18. RECONVEYANCE BY TRUSTEE.** This trust is intended to continue for the entire term of the Covenant. At the end of the term of the Covenant, upon written request of Beneficiary and upon payment by Trustor of Trustee's reasonable fees, Trustee shall re-convey the Security to Trustor, or to the person or persons legally entitled thereto.

#### **DEFAULT AND REMEDIES**

**19. EVENTS OF DEFAULT.** A default of a material term of the Covenant shall also constitute an Event of Default under this Deed of Trust.

**20. ACCELERATION OF MATURITY.** Upon the happening of an Event of Default Beneficiary may declare this Deed of Trust immediately due and payable.

**21. BENEFICIARY'S REMEDIES.** Upon the happening of an Event of Default Beneficiary may proceed with any or all of the following remedies:

- A. Declare any and all sums advanced by Beneficiary to protect the security and priority of this Deed of Trust immediately due and payable by Trustor;
- B. Enforce the assignment of rents and right to possession as provided for in this Deed of Trust, and/or seek appointment of a receiver to take over possession of the Security and collect Rents;
- C. Cure any Monetary Default secured by the Property and add the amount of such payment to the amount owing to beneficiary;
- D. Commence an action to foreclose this Deed of Trust pursuant to California Code of Civil Procedure Section 725(a) *et seq.* as amended, and/or seek appointment of a receiver from a court of competent jurisdiction with the authority to protect Beneficiary's interests in the Security;

E. Deliver to Trustee a written declaration of Default and demand for sale, and a written Notice of Default and election to cause Trustor's interest in the Security to be sold and exercise its power of sale as provided for below; or

F. Pursue any other rights and remedies allowed at law or in equity.

**22. FORECLOSURE BY POWER OF SALE.** Should Beneficiary elect to foreclose by exercise of the power of sale contained in this Deed of Trust, Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust, and such receipts and evidence of any expenditures made or of liquidated damages accruing in favor of Beneficiary under the Covenant that are additionally secured hereby as Trustee may require.

Upon receipt of such notice from Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Default and Election to Sell as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Default and after Notice of Sale having been given as required by law, sell the Security, 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 payable at the time of sale. Trustee shall deliver to the purchaser its deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee, or Beneficiary, may purchase at the sale.

Trustee may postpone the 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, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

**23. APPLICATION OF SALE PROCEEDS.** After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale as follows: first, to the payment of all sums then secured by this Deed of Trust, in such order and amounts as Beneficiary in its sole discretion determines; and second, the remainder, if any, to the person or persons legally entitled thereto.

**24. REMEDIES CUMULATIVE.** No right, power or remedy conferred upon or reserved to Beneficiary by this Deed of Trust is intended to be exclusive of any other rights, powers or remedies, but each such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

**25. SUBORDINATION.** The terms and conditions of this Deed of Trust are and shall be subordinate to the terms and conditions of the CC&Rs. In addition, the terms and conditions of this Deed of Trust are and shall be subordinate to the liens, rights, duties and obligations of an Institutional Lender which is the maker of a purchase money loan secured by a deed of trust

recorded in first position or a loan for refinancing of the Property that has been approved by the County and that is secured by a deed of trust recorded in first position.

The provisions of this Deed of Trust shall not impair the rights of an Institutional Lender with a loan on the Property meeting the requirements set forth above, to:

1. Foreclose or take title to the Property pursuant to the remedies in the Institutional Lender's deed of trust; or
2. Accept a deed or assignment in lieu of foreclosure in the event of default by a trustor; or
3. Sell or lease the Property to any person at any price, subsequent to exercising its rights under the Institutional Lender's deed of trust.

### **GENERAL PROVISIONS**

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

**27. STATEMENT OF OBLIGATION.** Beneficiary may collect a fee not to exceed the maximum allowable under applicable law for furnishing a statement of obligations as provided in the California Civil Code.

**28. CONSENTS AND APPROVALS.** Any consent or approval of Beneficiary required under this Deed of Trust shall not be unreasonably withheld.

**29. TIME.** Time is of the essence in this Deed of Trust.

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

**BENEFICIARY:** County of Santa Barbara  
123 E. Anapamu Street #202  
Santa Barbara, CA 93101  
Attn: PROGRAM MANAGER

**TRUSTOR:** OWNER

SUBJECT PROPERTY STREET ADDRESS  
SITUS CITY, CA 9XXXX

**31. BINDING UPON SUCCESSORS.** All provisions of this Deed of Trust shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of Trustor, Trustee, and Beneficiary.

**32. WAIVER.** Any waiver by Beneficiary of any obligation of Trustor in this Deed of Trust must be in writing. No waiver will be implied from any delay or failure by Beneficiary to take action on any breach or default of Trustor or to pursue any remedy allowed under the Deed of Trust or applicable law. Any extension of time granted to Trustor to perform any obligation under this Deed of Trust shall not operate as a waiver or release Trustor from any of its obligations under this Deed of Trust. Consent by Beneficiary to any act or omission by Trustor shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for Beneficiary's written consent to future waivers.

**33. AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this Deed of Trust must be in writing, and shall be made only if mutually agreed upon by Beneficiary and Trustor.

**34. PROOFS OF CLAIM.** In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, re-composition or other proceedings affecting Trustor, its creditors or its property, Trustee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Beneficiary allowed in such proceedings and for any additional amount which may become due and payable by Trustor hereunder after such date.

**35. SEVERABILITY.** Every provision of this Deed of Trust *is* intended to be severable. If any term or provision of this Deed of Trust is declared to be illegal, invalid, or unenforceable by a court of competent jurisdiction, the legality, validity, and enforceability of the remaining provisions shall not be affected.

**36. SUBSTITUTION OF TRUSTEES.** Beneficiary may from time to time appoint another trustee to act in the place and stead of Trustee or any successor. Upon such appointment and without conveyance, the successor trustee shall be vested with all title, powers, and duties conferred upon Trustee.

**37. ACCEPTANCE BY TRUSTEE.** Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law, the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

**IN WITNESS WHEREOF,** Trustor has executed this Deed of Trust as of the day and year first above written



TRUSTOR:

BY: \_\_\_\_\_

OWNER

(Signature(s) must be notarized)