

**COUNTY HOME LOAN AGREEMENT
(\$1,488,000)**

Between
County of Santa Barbara

and

Patterson Point, L.P.

**Patterson Point Apartments
(80 North Patterson Avenue, Unincorporated Santa
Barbara County)**



HOME Investment Partnership Program
Federal Assistance Listing Number 14.239

State of California, Permanent Local Housing Allocation (PLHA)

This agreement (“County HOME Loan Agreement”) is made as of this 16 day of July 2024, by and between the County of Santa Barbara, a political subdivision of the State of California (“Lender” or “County”), and Patterson Point, L.P., a California Limited Partnership (“Borrower”).

RECITALS

A. Lender wishes to promote the development of affordable rental housing in Santa Barbara County communities and provide a greater choice of housing opportunities for low-income people.

B. There is a need to provide affordable rental housing to low-income persons, as documented in the County’s 2020-2024 Consolidated Plan.

C. Borrower intends to construct a 24-unit affordable rental housing development (the “Project”) located at 80 North Patterson Avenue, in the area of Goleta, in unincorporated Santa Barbara County, California, as more particularly described in the legal description attached hereto as Exhibit A and incorporated herein by reference (the “Property”). The Project will include 24 residential studio apartment units, of which one (1) such unit studio apartment will serve as a manager’s unit not subject to income and rent limits. The Project’s 24 affordable apartment units are targeted to serving households with incomes ranging between 30% and 50% of Area Median Income (defined below).

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

E. Lender has been awarded State of California Permanent local Housing Allocation funds (“PLHA Funds”), pursuant to SB2, the Building Homes and Jobs Trust Funds Act, as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB2)) for purposes of providing financing for development of affordable housing opportunities for lower-income residents.

F. Borrower wishes to borrow from Lender, and Lender wishes to extend to Borrower, a loan in the original principal amount of One Million, Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000) to pay for certain development costs of the Project (the “County HOME Loan”), comprised of One Million, Seventy-Two Thousand, Eight Hundred Ninety-Nine Dollars and Fifty-Seven Cents (\$1,072,899.57) in HOME Funds, and Four Hundred Fifteen Thousand, One Hundred Dollars and Forty-Three Cents (\$415,100.43) in PLHA Funds, subject to the terms and conditions set forth in this County HOME Loan Agreement.

G. Pursuant to the FY 2021 Annual Action Plan Substantial Amendment approved by the Board of Supervisors of the County of Santa Barbara (“Board”) on May 21, 2024, HOME funding has been designated for the Project.

H. The Lender and Borrower reasonably expect that construction of the Project will commence within one year of execution of this County HOME Loan Agreement.

I. Concurrently herewith, Borrower is executing a County HOME Loan Regulatory Agreement and Declaration of Restrictive Covenants (“County HOME Loan Regulatory Agreement”) restricting rents and tenant income with respect to eight (8) of the twenty-four (24) Units, of which six (6) Units shall be assisted by HOME Funds (the “HOME-Assisted Units”), and two (2) Units shall be assisted by PLHA Funds (the “PLHA-Assisted Units” and, together with the HOME-Assisted Units, collectively, the “Assisted Units”).

J. The County HOME Loan will be evidenced by a promissory note in the original principal amount of One Million, Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000), executed by Borrower in favor of Lender, and secured by a deed of trust.

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

ARTICLE 1 DEFINITIONS

The following terms have the respective meanings set forth in this Article I wherever used in this County HOME Loan Agreement, including the Exhibits attached hereto, and documents incorporated into this County HOME Loan Agreement by reference.

1.1 “**AFFIRMATIVE MARKETING**” means actions taken to provide information and otherwise attract eligible persons in the housing market area who are not likely to apply to rent the Units without special outreach, without regard to race, color, national origin, sex, religion, familial status or disability, in conformance with 24 CFR 92.351.

1.2 “**ANNUAL FINANCIAL STATEMENT**” means the audited financial statement of Operating Expenses and Revenue prepared, at Borrower’s expense, by an independent certified public accountant acceptable to Lender, which Borrower shall provide to Lender each year as part of Borrower’s annual reporting to Lender, in accordance with Section 5.12, below.

1.3 “**ANNUAL PAYMENT DATE**” means the date that is ninety (90) days after the end of each Fiscal Year until the County HOME Loan is repaid in full.

1.4 “**ASSISTED UNIT**” means, collectively, the six (6) HOME-Assisted Units and two (2) PLHA-Assisted Units.

1.3 “**AREA MEDIAN INCOME**” means the area median income for the Santa Maria-Santa Barbara Metropolitan Statistical Area as determined annually by HUD, with adjustments for household size.

1.4 **“BORROWER”** means Patterson Point, L.P., a California Limited Partnership, and its representatives and authorized assigns, transferees, and successors-in-interest to the extent permitted hereunder.

1.5 **“BUDGET”** means that budget for the construction of the Project attached hereto as Exhibit B, which is hereby incorporated into this County HOME Loan Agreement by this reference and which identifies the sources and eligible uses of funds for Project development costs, eligible to be paid with County HOME Loan funds in conformance with HOME Program requirements pursuant to 24 CFR 92.206, and PLHA Program implementing regulations, requirements, and the State of California Department of Housing and Community Development’s PLHA Final Guidelines (“PLHA Guidelines”).

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

1.7 **“CERTIFICATE OF OCCUPANCY”** means the Certificate of Occupancy issued for the Project by the Santa Barbara County Planning and Development Department’s Building Division.

1.8 **“COUNTY HOME LOAN”** means the loan by the County to Borrower of County HOME Funds and PLHA Funds in the total amount of One Million, Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000), comprised of One Million, Seventy-Two Thousand, Eight Hundred Ninety-Nine Dollars and Fifty-Seven Cents (\$1,072,899.57) in HOME Funds, and Four Hundred Fifteen Thousand, One Hundred Dollars and Forty-Three Cents (\$415,100.43) in PLHA Funds, as provided in this County HOME Loan Agreement, and as evidenced by the County HOME Loan Note, to finance certain development costs of the Project.

1.9 **“COUNTY HOME LOAN AGREEMENT”** means this loan agreement entered into by and between Lender and Borrower.

1.10 **“COUNTY HOME LOAN DEED OF TRUST”** means that certain deed of trust, assignment of rents, and security agreement dated on or about the date hereof and recorded against title to the Property and the improvements to be constructed thereon as security for the County HOME Loan by Borrower as trustor with Lender as beneficiary, as well as any amendments to, modifications of, and restatements of said County Loan Deed of Trust, a copy of which is attached hereto as Exhibit C and hereby incorporated into this County HOME Loan Agreement by this reference.

1.11 **“COUNTY HOME LOAN DOCUMENTS”** means, collectively, this County HOME Loan Agreement, the County HOME Loan Note, the County HOME Loan Deed of Trust, and the County HOME Loan Regulatory Agreement, as they may be amended, modified, or restated from time to time, along with all exhibits and attachments hereto and thereto.

1.12 **“COUNTY HOME LOAN NOTE”** means the promissory note of even date herewith, executed by Borrower in favor of Lender in the amount of One Million Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000), to evidence the County HOME Loan, as well as any

amendments to, modifications of, or restatements of said promissory note, substantially in the form attached hereto as Exhibit D, and hereby incorporated into this County HOME Loan Agreement by this reference.

1.13 **“COUNTY HOME LOAN REGULATORY AGREEMENT”** means the Regulatory Agreement executed by Borrower and Lender concurrently herewith, attached hereto as Exhibit E, incorporated herein by this reference, and recorded against the Property, which regulates the use of the eight (8) Assisted Units in the Project.

1.14 **“COUNTY MONITORING FEE”** means a fee, in the initial amount of \$2,500 and increasing annually by 3%, which shall be paid to the County by the Borrower annually on the day that is ninety (90) days after the end of each Fiscal Year during the Term. The initial County Monitoring Fee, in the amount of \$2,500, shall be paid ninety (90) days following the end of the Fiscal Year in which the Certificate of Occupancy is issued.

1.15 **“DEFERRED DEVELOPMENT FEE”** has the meaning set forth in that certain Development Agreement by and between the Borrower and the Housing Authority of the County of Santa Barbara, a public body, corporate and politic, dated on or about the date hereof.

1.16 **“FISCAL YEAR”** means the twelve (12) -month accounting period, beginning July 1 and ending June 30 of each year during the Term.

1.17 **“HAZARDOUS MATERIALS”** means any hazardous or toxic substances, materials, wastes, pollutants, or contaminants which are defined, regulated, or listed as “hazardous substances,” “hazardous wastes,” “hazardous materials,” “pollutants,” “contaminants,” or “toxic substances,” under any federal or state environmental and health and safety laws and regulations, including, but not limited to, petroleum and petroleum byproducts, flammable explosives, urea formaldehyde insulation, radioactive materials, asbestos, and lead.

1.18 **“AFFORDABILITY PERIOD”** means the period of time during which the eight (8) Assisted Units must meet the affordability requirements imposed under the HOME Program, commencing upon Project completion in conformance with 24 CFR 92.2 and 24 CFR 92.252(e), and terminating on the date that is six months after the date that is fifty-five (55) years after the date of the issuance of the Certificate of Occupancy.

1.19 **“HOME-ASSISTED UNIT”** means any one of the six (6) Units on the Property designated by Borrower as the HOME-Assisted Units subject to the requirements of the County HOME Loan Regulatory Agreement.

1.20 **“HOME FUNDS”** means Home Investment Partnerships Program funds from the United States Department of Housing and Urban Development and as defined in 24 CFR 92.2, which is the funding source for the County HOME Loan.

1.21 **“HUD”** means the United States Department of Housing and Urban Development.

1.22 **“INSURANCE REQUIREMENTS”** means the insurance coverages which must be in full force and effect during the Term of this County HOME Loan Agreement, as specified in Exhibit F, which is attached hereto and hereby incorporated into this County HOME Loan Agreement by this reference.

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

1.24 **“LIMITED PARTNER”** means RSEP Holding, LLC, a Delaware limited liability company, and, to the extent in accordance with the provisions of this County HOME Loan Agreement and the Regulatory Agreement, each of its permitted successors and assigns.

1.25 **“MANAGING GENERAL PARTNER”** means the Managing General Partner of the Borrower, Surf Development Company, a California non-profit public benefit corporation.

1.26 **“OPERATING EXPENSES”** means, actual, reasonable and customary costs, fees and expenses paid by or on behalf of Borrower and directly attributable to the operation, maintenance, and management of the Project, including painting, cleaning, repairs and alterations, landscaping, utilities, rubbish removal, certificates, permits and licenses, sewer charges, real and personal property taxes and assessments, insurance, reasonable Property Management Fee, annual County Monitoring Fee, supportive services, security, advertising, promotion and publicity, office, janitorial, cleaning and building supplies, purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishings, and reasonable fees and expenses of accountants, attorneys, consultants and other professionals. Borrower shall report Operating Expenses to Lender in each Annual Financial Statement.

1.27 **“PARTNERSHIP AGREEMENT”** means Borrower’s Amended and Restated Agreement of Limited Partnership dated as of July 1, 2024 by and between Borrower and Senior Lender reflecting the Construction Loan.

1.28 **“PROJECT”** means the construction, operation and management of the Property and the improvements to be constructed thereon according to the terms of this County HOME Loan Agreement and in accordance with 24 CFR 92.2.

1.29 **“PROPERTY”** means that certain real property and improvements thereon located at 80 North Patterson Avenue, in the area of Goleta in unincorporated Santa Barbara County, California, as more particularly described in Exhibit A, which is attached hereto and hereby incorporated into this County HOME Loan Agreement by this reference.

1.30 **“PROPERTY MANAGEMENT FEE”** means the amount paid to an external property management company to be employed by Borrower to manage the Property subject to the Property Management Agreement.

1.31 **“QUALIFYING HOUSEHOLD”** means a household that qualifies as a Very Low-Income Household as defined in Section 1.36, below, and as set forth in the County HOME Loan Regulatory Agreement.

1.32 **“QUALIFYING RENT”** means the total monthly charges for rent of an Assisted Unit, which shall not exceed, for each of the Assisted Units, thirty percent (30%) of the adjusted income of a family whose annual income equals fifty percent (50%) of AMI.

Qualifying Rent is not required to be lower than the HOME rent limits for the Project in effect as of the date of this County HOME Loan Agreement, i.e., \$1,295. In accordance with 24 CFR 92.252(d), if the tenant of an Assisted Unit pays for utilities and services (excluding telephone, television and Internet services), then the Qualifying Rent for such unit shall be reduced by the maximum monthly allowance for utilities and services using the annual HUD Utility Schedule Model, or other annual utility schedule as determined by Lender.

1.33 **“RESIDUAL RECEIPTS”** means the amount of annual Revenue *minus* the sum of annual Operating Expenses.

1.34 **“REVENUE”** means all income in connection with the Project, including, but not limited to, rents from the Units and income from laundry operations, vending machines, meeting space rental, storage, and parking. Borrower shall report all Revenue to Lender in each Annual Financial Statement. Excluded from the definition of Revenue are funds received by Borrower from any capital contributions, disbursements of loan proceeds, and any insurance payments.

1.35 **“SENIOR LOANS”** means, collectively, (i) that certain construction loan to be made to Borrower by Banc of California, a California state-chartered bank (“Senior Lender”), in an amount not to exceed Twenty Million Dollars (\$20,000,000) for construction of the Project (“Construction Loan”), which will convert to a Project permanent loan in an amount not to exceed Three Million Dollars \$3,000,000 (“Permanent Loan”), (ii) a loan provided to Borrower by the State of California Housing and Community Development Department (“State HCD”) through the Housing for a Healthy California Program (“HHC”), upon the conversion of the Construction Loan to permanent financing (“Conversion”), in the original principal amount of Four Million, Four Hundred Thousand Dollars (\$4,400,000), and (iii) a loan to Borrower from State HCD through the No Place Like Home Program (“NPLH”) in the original principal amount of Two Million, Three Hundred Twenty-Five Thousand, Four Hundred Fifty-Nine Dollars (\$2,325,459).

1.36 **“TERM”** shall have the meaning set forth in Section 9.8, below.

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

ARTICLE 2 TERMS OF THE COUNTY HOME LOAN

2.1 **COUNTY HOME LOAN.** On and subject to the terms and conditions of the County HOME Loan Documents, Lender agrees to make and Borrower agrees to accept the County HOME Loan subject to the following terms and conditions:

2.2 **AMOUNT.** The original principal amount of the County HOME Loan shall be an amount not to exceed One Million, Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000), which shall be evidenced by the County HOME Loan Note (“Maximum Loan Disbursement Amount”). In the event that sufficient HOME Funds or PLHA Funds for this County HOME Loan Agreement are not available to Lender for any reason at any time during the Term, Lender shall not be obligated to make payments to Borrower unless and until sufficient HOME Funds and PLHA Funds become available to Lender.

2.3 **INTEREST.** Subject to the provisions of Section 2.4, below, the County HOME Loan Note shall bear simple interest at a rate of three percent (3%) per annum on the outstanding balance from the date of the first disbursement under the County HOME Loan Note. Interest is not compounding.

2.4 **DEFAULT INTEREST.** In the event of an Event of Default by Borrower, and expiration of applicable cure periods, if any, Borrower shall pay to Lender, in addition to the interest rate specified in Section 2.3, above, interest on the then-outstanding principal of the County HOME Loan, at an annual rate equal to the lesser of (i) ten percent (10%), or (ii) the highest interest allowed by law, from the date of such default until the date that such default is cured, if subject to cure, or the County HOME Loan is repaid in full (“Default Interest”). Such Default Interest shall be paid by Borrower to Lender monthly on the first day of each month following such Event of Default.

2.5 **AMOUNT AND TIME OF PAYMENT.** The principal of the County HOME Loan and all accrued and unpaid interest thereon, in accordance with the County HOME Loan Note, shall be due and payable on the earlier of: (a) the date that is fifty-five (55) years after the date of the recordation of the Notice of Completion, or (b) the date the Property is sold or otherwise Transferred (defined below in Section 5.14), unless such Transfer is specifically and expressly approved by the Lender in advance in writing, or (c) the date that is twelve (12) months after the Effective Date, if Borrower has then failed to commence Project construction as set forth in Section 4.1 of this County HOME Loan Agreement, or (d) the occurrence of an Event of Default by Borrower, as defined below in Section 8.1, which, if subject to cure, has not been cured as provided for below in Section 8.2. Annual loan payments on the County HOME Loan shall be made in accordance with Section 2.9, below, and in accordance with the provisions of the County HOME Loan Note. In the event of an Event of Default by Borrower, as defined below in Section 8.1, which, if subject to cure, has not been cured as provided for below in Section 8.2, the entire principal amount of the County HOME Loan and all accrued and unpaid interest thereon shall be due and payable in accordance with Section 8.3, below. In any event, the entire principal amount of the County HOME Loan and all accrued and unpaid interest thereon shall be due and payable to the County no later than December 31, 2082.

2.6 **USE OF COUNTY HOME LOAN FUNDS.** County HOME Loan funds shall be used only for those certain development costs specified in the Budget attached hereto as Exhibit B, and shall only be disbursed in accordance with the provisions of Article 3, below. The Budget shall not be modified other than via an amendment to this County HOME Loan Agreement duly executed by Lender in accordance with Section 9.3, below, and provided that costs set forth in the Budget are eligible under 24 CFR 92.206, and provided further that the appropriate level of

Environmental Review is completed under the National Environmental Policy Act of 1969 (“NEPA”) (42 USC 4321, et seq.), and applicable related environmental authorities set forth at 24 CFR 50.4, and HUD’s implementing regulations set forth at 24 CFR Parts 50 and 58. County HOME Loan funds shall only be utilized for costs related to residential uses, and shall not be utilized for costs related to commercial uses or any other nonresidential uses associated with the Project.

2.7 [This section intentionally left blank.]

2.8 **SECURITY.** Borrower shall secure its obligation to repay the County HOME Loan by executing the County HOME Loan Deed of Trust, in the form attached hereto as Exhibit C, and recording it as a lien against the Property, subordinate only to the Senior Loans. Upon closing, Borrower shall cause the recordation of the County HOME Loan Deed of Trust and the County HOME Loan Regulatory Agreement with the Recorder for the County of Santa Barbara, and shall promptly cause the delivery of conformed copies of the recorded documents to Lender.

2.9 **REPAYMENT OF THE COUNTY HOME LOAN.** All accrued interest and principal of the County HOME Loan shall be due and payable in accordance with the terms set forth in Section 2.5, above. Annual payments on the County HOME Loan shall be made from Residual Receipts in the following order: *First*, to fund and replenish the Reserve Accounts; *second* to mandatory debt service on the Construction Loan (and, following Conversion, the Permanent Loan); *third* to the Deferred Developer Fee; *fourth* to asset management, partnership management and similar fees, including fees paid to investors, in an aggregate amount not to exceed, for the then-current year, \$39,505 for 2024 and increased at the rate of 3.5% for each subsequent year; *fifth*, of the remaining Residual Receipts, (i) fifty percent (50%) to Borrower for Distributions (including loan repayments and fees paid to Borrower’s partners and affiliates of any entity that has an ownership interest a partner of Borrower or the Project), and (ii) fifty percent (50%) to State HCD and Lender for repayment of the HCD Loans and the County HOME Loan in amounts proportional to such agencies’ respective assistance amounts until repaid in full, which respective assistance amounts, as of the Effective Date, are as follows: fifty-four percent (54%) to State HCD in connection with its HHC loan to Borrower; twenty-eight percent (28%) to State HCD in connection with its NPLH loan to Borrower; and eighteen percent (18%) to Lender for repayment of the County HOME Loan. All payments made on the County HOME Loan by Borrower shall be applied as follows: first to pay then-current annual interest due, then to the cumulative interest owed, if any; then to reduce the principal amount of the County HOME Loan.

2.9.1 **DISPUTE RESOLUTION.** In the event that either of Borrower or Lender determines that there has been an understatement or underpayment of the amount of Residual Receipts reported or paid to Lender, Borrower shall promptly pay to Lender the full amount of such understatement or underpayment, but in any event, no later than the date that is twenty (20) days after the earlier of (a) the date of Borrower’s determination of such understatement or underpayment, or (b) Lender’s notice to Borrower of Lender’s determination of such understatement or underpayment. In the event that Lender determines that there has been an overpayment of Residual Receipts to Lender, Lender shall promptly pay to Borrower the amount of such overpayment, but in any event, within twenty (20) days of such determination. If contested,

Borrower has the right to pay under protest and request and pay for an audit by an independent certified public accountant.

2.10 PREPAYMENT OF COUNTY HOME LOAN. No prepayment penalty will be charged to Borrower for payment of all or any portion of the County HOME Loan amounts prior to the end of the Term. However, prepayment of the County HOME Loan during the Term or the term of the County HOME Loan Regulatory Agreement shall require Lender approval and, in any event, shall not affect Borrower's obligations under the County HOME Loan Regulatory Agreement.

2.11 ANNUAL OPERATING EXPENSES. Thirty (30) days prior to the end of each Fiscal Year, during the Term. Borrower shall submit to Lender a proposed operating budget for the Project for the following Fiscal Year ("Proposed Operating Budget") for Lender's review and approval (as approved by Lender, the "Approved Operating Budget"). The Proposed Operating Budget shall include Operating Expenses and scheduled payments to be made into the Capital Replacement Reserve, the Operating Reserve, and all other Project-related operating and reserve accounts. Actual Operating Expenses incurred by Borrower during any Fiscal Year shall not exceed one hundred twenty percent (120%) of the amount of Operating Expenses approved by Lender as set forth in the Approved Operating Budget for such Fiscal Year without Lender's prior written consent in each instance.

2.12 OPERATING AND CAPITAL REPLACEMENT RESERVE FUNDS. Borrower shall fund a capital replacement reserve in the amount of not less than Five Hundred Dollars (\$500) per Unit per year ("Capital Replacement Reserve"), and shall capitalize an operating reserve in an amount of no less than the sum of the following: three (3) months of projected Operating Expenses, three (3) months' worth of Capital Replacement Reserve, and three (3) months of non-contingent debt service ("Operating Reserve" and, together with the Capital Replacement Reserve, the "Reserve Accounts"). The balances of the Capital Replacement and the Reserve Operating Reserve shall be provided in each Annual Financial Statement submitted to Lender. Each withdrawal from a Reserve Account shall require the prior written approval of Lender. The initial deposit to the Operating Reserve shall be funded from development funding sources following rent-up and prior to use of any cash flow to pay any Deferred Developer Fee, partnership management or similar fees, or Distributions.

ARTICLE 3 COUNTY HOME LOAN DISBURSEMENT

3.1 CONDITIONS PRECEDENT TO DISBURSEMENT. Lender shall not be obligated to make any disbursements of County HOME Loan funds or take any other action under the County HOME Loan Documents unless the following conditions precedent are satisfied prior to each disbursement of County HOME Loan funds:

- A. Borrower has acquired title to the Property;
- B. There exists no Event of Default or any act, failure, omission or condition that with the giving of notice or passage of time would constitute an Event of Default;

C. Borrower has executed and delivered to Lender all documents, instruments, and policies required under the County HOME Loan Documents, including, but not limited to, an ALTA Lender’s policy of title insurance in the amount of One Million, Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000) from a title insurance company approved by the Lender and in a form reasonably acceptable to Lender;

D. Borrower has provided to Lender the certificates of insurance as specified in the insurance provisions set forth in Exhibit F;

E. Borrower has secured all final permits, entitlements and approvals required by all permitting and regulatory authorities and jurisdictions;

F. Borrower has complied with all reporting requirements set forth in this County HOME Loan Agreement, including, but not limited to, in accordance with Sections 3.2, 5.11, and 5.12, below;

G Borrower has delivered to Lender a true and correct copy of the fully executed Partnership Agreement; and

H. There are sufficient HOME Funds available to Lender.

3.2 DISBURSEMENT OF FUNDS. Lender shall provide the County HOME Loan funds to Borrower for reimbursement of development costs incurred by Borrower and approved by Lender in accordance with the Budget (Exhibit B). County HOME Loan funds shall only be disbursed after the costs which are to be reimbursed therewith have been incurred. Borrower may not request disbursement of County HOME Loan funds until needed for payment of those certain development costs as specified in the Budget (Exhibit B). Disbursement of County HOME Loan funds shall not exceed a total of One Million, Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000).

County HOME Loan funds shall be disbursed through periodic payments based upon development costs incurred and work completed, as evidenced by documentation supporting the completed work signed by the Project architect and verified by Lender. Borrower shall submit to Lender disbursement requests (each a “Written Disbursement Request”) in writing no more frequently than one time per month using the County’s Expenditure Summary and Payment Request form, in the form attached hereto as Exhibit H and incorporated herein by reference (“ESPR”). Written Disbursement Requests shall include itemized invoices corresponding to the Budget (Exhibit B). Borrower shall also attach to each ESPR copies of receipts or other proof of each payment by Borrower for which Borrower requests reimbursement therein, in form acceptable to Lender, that demonstrate date and amount of each such payment by Borrower and the nature of the expense incurred. Borrower shall also attach to each Written Disbursement Request ESPR copies of certified payroll reports current to within twenty-one (21) calendar days of the date of such Written Disbursement Request ESPR documenting compliance with the Davis-Bacon Act. Additionally, Borrower shall provide to Lender evidence of compliance with Section 3 of the Housing and Community Development Act of 1968 (12 USC, 1701u) and 24 CFR Part 75, and evidence of compliance with the requirement to take all necessary affirmative steps to assure that minority firms, women’s business enterprises, and labor surplus area firms are used

when possible pursuant to 2 CFR Part 200. Lender reserves the right to request additional documentation as necessary to ensure compliance with the County HOME Loan documents and all Federal, state and local laws, regulations, ordinances, orders, rules, directives, circulars, bulletins, notices, guidelines, and policies (the foregoing, collectively, “Applicable Laws” or “Applicable Law”).

Written Disbursement Requests shall only include items included in the Budget (Exhibit B). No changes to the Budget shall be effective without the prior written approval of Lender in each instance in response to a written request from Borrower regarding same. In no event shall Lender’s obligations hereunder exceed the Maximum Loan Disbursement Amount. Any costs in excess of the Maximum Loan Disbursement Amount that are necessary for the completion of the Project shall be the sole responsibility of Borrower.

Notwithstanding the above, as a special disbursement condition, Lender shall retain Seven Thousand Five Hundred Dollars (\$7,500) of HOME Funds and Two Thousand Five Hundred Dollars (\$2,500) of PLHA funds until thirty (30) days after (i) Borrower has completed the construction of the Project, as evidenced by the Certificates of Occupancy, and provided beneficiary data for the eight (8) Assisted Units of the Project as required under the HOME Program, and (ii) any and all liens (except those otherwise approved in the Loan Documents) against the Property are released.

ARTICLE 4 DEVELOPMENT OF PROJECT

4.1 COMMENCEMENT OF CONSTRUCTION. Borrower shall commence construction of the Project no later than twelve (12) months after the Effective Date of this County HOME Loan Agreement. Commencement of construction shall mean obtaining all final permits, entitlements and approvals required by all permitting and regulatory authorities and jurisdictions, and commencing work on any task associated with a line item in the Budget (Exhibit B) at the Property that requires a permit, entitlement or approval. If Borrower fails to commence construction as set forth above, Lender may terminate this County HOME Loan Agreement pursuant to Article 8, below.

4.2 COMPLETION OF CONSTRUCTION. Borrower shall diligently pursue construction of the Project to completion, and shall complete construction of the Project no later than twenty-four (24) months after commencement of construction, as defined in Section 4.1, above. Borrower shall provide proof of completion as evidenced by the recording of a notice of completion for the Project (“Notice of Completion”) and securing the Certificate(s) of Occupancy.

4.3 FINANCING. Borrower shall promptly inform Lender in writing of any changes in the amount, terms, or sources of financing or funding for the Project.

4.4 CONTRACTS AND SUBCONTRACTS. All work and professional services for the Project shall be performed by persons or entities licensed or otherwise authorized to perform such work or service(s) in the State of California.

All costs incurred in development and operation of the Project shall be the responsibility and obligation solely of Borrower.

4.5 INSPECTIONS. Borrower shall permit and facilitate, and shall require its contractors to permit and facilitate, observation and inspection at the Project site by Lender and by public authorities during reasonable business hours upon reasonable notice for the purposes of determining compliance with this County HOME Loan Agreement. Copies of monthly construction inspection reports completed by the Senior Lender or Borrower pursuant to the Senior Loan documents shall be provided to the County by Borrower immediately upon completion of each such construction inspection report.

4.6 SITE SUPERVISION. During the construction of the Project, Borrower shall maintain a full-time site superintendent to supervise all construction work on the Property. The site superintendent shall be on-site at all times during construction work hours.

4.7 CONSTRUCTION RESPONSIBILITIES. Borrower shall be solely responsible for all aspects of Borrower's conduct and omissions, and conduct and omissions on behalf of Borrower, in connection with the Project, including, but not limited to, the quality and suitability of the construction work described in the Budget (Exhibit B), the supervision of construction work, and the qualifications, financial condition, and performance of all contractors, subcontractors, suppliers, consultants, and property managers. Any review or inspection undertaken by Lender with reference to the Project is solely for the purpose of determining whether Borrower is properly discharging its obligations under the Loan Documents, and should not be relied upon by Borrower or by any third parties as a warranty or representation by Lender as to the quality of the construction of the Project.

4.8 BARRIERS TO THE DISABLED. The Project shall be developed and the Property shall be maintained and operated in compliance with all applicable federal, state, and local requirements for access for disabled persons, including but not limited to Section 504 of the Rehabilitation Act of 1973 (29 USC 794), as amended, and with implementing regulations at 24 CFR Part 8, and the Fair Housing Act (42 USC 3601-3619), implemented at 24 CFR Part 100, Subpart D. Within thirty (30) days after Borrower has completed the construction of the Project, Borrower shall submit satisfactory documentation of compliance with these requirements, including, but not limited to, a certification from the Project architect documenting the unit number and type of accessibility features of each Unit.

4.9 LEAD-BASED PAINT AND ASBESTOS REMOVAL. Borrower and its contractors and subcontractors shall not use lead-based paint or asbestos in the construction or maintenance of the Project, and shall comply with Federal regulations set forth in 24 CFR Part 35, subparts A, B, J, K, M and R, 29 CFR, 40 CFR, the Residential Lead-Based Paint Hazard Reduction Act of 1992, also known as Title X (42 USC, 4851, et seq.), the Lead-Based Paint Poisoning Paint Provision Act (42 USC 4821, et seq.), California OSHA, California Health and Safety Code, and all other applicable Federal, state and County laws, regulations, and standards. Borrower shall incorporate, or cause to be incorporated, this provision in all contracts and subcontracts for work performed on the Project which involve the application of paint or removal of asbestos.

4.10 QUALITY OF WORK AND PROPERTY STANDARDS. Borrower shall construct the Project in conformance with all Applicable Laws, including, but not limited to:

- A. All applicable Federal, state, and local statutes and regulations;
- B. All applicable Federal, state, and local building codes and zoning ordinances;
- C. All permits, entitlements, and approvals for the Project;
- D. Applicable Federal, state, and local energy conservation codes; and
- E. Property standards set forth at 24 CFR 92.251.

4.11 MECHANICS LIENS AND STOP NOTICES. If any claim of lien is filed against the Property, or a stop notice affecting the County HOME Loan is served on Lender or any other lender or other third party in connection with the Project, Borrower shall, within sixty (60) days of such filing or service, either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to Lender a surety bond in sufficient form and amount, provide Lender with a lien-free endorsement, or provide Lender with other assurance reasonably satisfactory to Lender that the claim of lien or stop notice shall be promptly paid or discharged.

If Borrower fails to discharge any lien, encumbrance, charge, or claim referred to herein, then, in addition to any other right or remedy, Lender may, but shall be under no obligation to, discharge such lien, encumbrance, charge, or claim at Borrower's expense. Alternatively, Lender may require Borrower to immediately deposit with Lender the amount necessary to satisfy such lien or claim and any costs pending resolution thereof. Lender may use such deposit to satisfy any claim or lien that is adverse to or against Borrower or the Property.

Borrower shall record a valid notice of cessation or Notice of Completion upon cessation of construction work on the Project for a continuous period of thirty (30) days or more, and take all other reasonable steps to forestall the assertion of claims of lien against the Property. Borrower authorizes Lender, but without any obligation on the part of Lender, to record any notices of completion or cessation of labor, or any other notice that Lender deems necessary or desirable to protect its interest in the Project and Property.

4.12 COMPLIANCE WITH HOME PROGRAM, PLHA PROGRAM, AND OTHER FEDERAL REQUIREMENTS. All requirements imposed under the HOME program as contained in 42 USC Sections 12701, et seq., 24 CFR Part 92, under the PLHA program as contained in Chapter 364, Statutes of 2017 as authorized by Health and Safety Code Section 50470 and as implemented by the Permanent Local Housing Allocation Final Guidelines, and all other implementing laws, rules, regulations, and guidance, are incorporated herein by this reference. In the event of any conflict between this County HOME Loan Agreement and the HOME Regulations or PLHA Guidelines, the HOME Regulations and PLHA Guidelines shall govern. In the event of any conflict between the HOME Regulations and the PLHA Guidelines, the more restrictive requirements shall apply with respect to this County HOME Loan Agreement and Borrower's obligations hereunder.

The laws and regulations governing the use of the PLHA Funds and the HOME Funds (“HOME Regulations”) include, but are not limited to, the following:

A. Uniform Guidance. The applicable policies, guidelines, and requirements set forth in 2 CFR Part 200.

B. Audit requirements. Agencies that expend \$750,000 or more in federal funds in a year as calculated therein must undergo a single audit in compliance with 2 CFR 200.501.

C. Architectural Barriers. The requirements of the Architectural Barriers Act of 1968 (42 USC 4151-4157).

D. Handicap Discrimination. The requirements of Section 504 of the Rehabilitation Act of 1973 (29 USC 794), and federal regulations issued pursuant thereto, which prohibits discrimination against the handicapped in any federally assisted program.

E. Environmental Review. The provisions of NEPA, and applicable related environmental authorities set forth at 24 CFR Part 50.4, and HUD’s implementing regulations set forth at 24 CFR Parts 50 and 58.

F. Fair Housing. The requirements of the Fair Housing Act (42 USC 3601-3619) and implementing regulations at 24 CFR Parts 100, 109 and 110; Executive Order 11063 (Equal Opportunity in Housing) and implementing regulations at 24 CFR Part 107; and Title VI of the Civil Rights Act of 1964 (42 USC 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR Part 1.

G. Prevailing Wages. Borrower shall comply, and cause all contractors and subcontractors to comply with (1) Davis-Bacon and Related Acts (40 USC 3141, et seq.); (2) Contract Work Hours and Safety Standards Act, as amended (40 USC 327-333); (3) Copeland Anti-Kickback Act (40 USC 3145); and (4) Fair Labor Standards Act of 1938, as amended (29 USC 201 et. seq.).

H. Training Opportunities. The requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC 1701u, requiring that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the Project area and agreements for work in connection with the Project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the areas of the Project. Borrower agrees to include the following language in all contracts and subcontracts executed in connection with this County HOME Loan Agreement, as required pursuant to 24 CFR Part 75:

1. The work to be performed under this County HOME Loan Agreement is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-

assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. The regulations are found at 24 CFR Part 75.

2. Borrower shall comply with HUD's regulations in 24 CFR part 75, which implement section 3. Borrower shall comply with the requirements set forth in 24 CFR Sections 75.9 and 75.19, as applicable. As evidenced by their execution of this contract, Borrower certifies that it is under no contractual or other impediment that would prevent it from complying with the part 75 regulations.
3. Borrower shall, and shall cause its contractors and subcontractors to, (a) comply with part 75 regulatory requirements under this section 3 clause, and (b) conduct such party's business practices in a manner that provides records and reports consistent with HUD section 3 reporting and compliance under covered contracts, defined as 'any project that individually or in the aggregate receives greater than \$200,000 in any form of federal assistance'. This may include, but is not limited to: 1) certifications, records and documentation confirming contractor and business qualification as a Section 3 Business Concern, if applicable; 2) certifications, records and documentation confirming workers' qualification and status as a Section 3 and/or Targeted Section 3 Worker; if applicable; c) certified payroll records, reports and documentation reflecting time and hours for all labor performed on section 3 covered contracts, including hours for certified Section 3 and Targeted Section 3 workers, if and as applicable; and d) any such additional records, documents and reports that County may request to confirm compliance with part 75 requirements.
4. The Borrower shall, and shall cause its contractors and subcontractors to, include this section 3 clause in every contract or subcontract subject to compliance with regulations in 24 CFR part 75, and shall take appropriate action, as provided in an applicable provision of the contract or subcontract or in this section 3 clause, upon a finding that any contractor or subcontractor is in violation of the regulations in 24 CFR part 75. The Borrower shall not contract with or permit its contractors to subcontract with any contractor or subcontractor in the event that the Borrower has notice or actual or constructive knowledge that such contractor or subcontractor has been found to be in violation of the regulations in 24 CFR part 75.
5. In the event that County or HUD determines that it is necessary to deploy qualitative efforts in accordance with 24 CFR Sections 75.15(b) and/or 75.25(b), Borrower shall work in good faith with County in order to implement such qualitative efforts. Such efforts may include the qualitative efforts outlined in County's Section 3 Plan, Policies and Procedures, as it may be revised or amended from time to time. County's Section 3 Plan, Policies and Procedures are available upon request at HCD offices and provided electronically.
6. Noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, termination of this contract by Lender for default, and debarment or suspension from future HUD assisted contracts.

I. Build America, Buy America. Unless exempted by HUD under a General Waiver or Specific Waiver, the Borrower shall comply with the requirements of the Build America, Buy America Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended.

J. Minority and Women's Business Enterprise. The requirements of Executive Orders 11625, 12432 and 12138 and 2 CFR Part 200, whereby Borrower shall take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

K. Conditions for Faith-Based Organizations. Borrower shall comply with HOME regulations pertaining to faith-based activities found at 24 CFR 92.257.

L. Debarred Contractors. All contractors, subcontractors, and consultants used by Borrower in the development of the Project shall not be debarred or otherwise prohibited from participation in a federal project pursuant to 2 CFR Part 2424. Borrower shall furnish Lender with evidence of compliance with this provision generated from the System for Award Management ("SAM") at www.sam.gov.

M. Anti-Lobbying. Borrower hereby certifies that: (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and (3) It will require that the language of subparagraphs (1) and (2) of this paragraph (L) and the paragraph (M), immediately below, of this certification be included in the award documents for all awards and subawards at all tiers (including subcontracts, subgrants, contracts, and grants under grants, loans, and cooperative agreements) and that Borrower and all contractors and subcontractors shall certify and disclose accordingly.

N. Lobbying Certification. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, USC. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

O. HUD Regulations. All other HUD regulations in effect during the Term pertaining to use of the HOME Funds and/or the PLHA Funds.

P. California Uniform Multifamily Regulations. Subchapter 19 of Title 25, Division 1, Chapter 7 (commencing with Section 8300) of the California Code of Regulations, as amended from time to time, and the Multifamily Housing Program Guidelines (commencing with Section 7300), as amended from time to time.

4.13 **RELOCATION.** If and to the extent that development of the Project results in the permanent or temporary displacement of residential tenants, homeowners, or businesses, Borrower shall comply with all applicable local, state and federal statutes and regulations with respect to relocation planning, advisory assistance, and payment of monetary benefits, including but not limited to the Uniform Relocation and Real Property Acquisitions Act As Amended (42 USC 4601, et seq.) (“URA”), Section 104(d) of the Housing and Community Development Act of 1974 (42 USC 5304(d)), regulations at 24 CFR Part 42 and 49 CFR Part 24, and HUD Handbook 1378. Borrower shall be solely responsible for payment of any relocation benefits to any displaced persons and any other obligations associated with complying with said relocation laws. If, upon audit review by Lender or by any Federal agency, it is determined that additional relocation payments are due, then Borrower consents to make such payments. In the event Borrower does not make payments as requested by Lender, then such failure to make such payments shall constitute an Event of Default. Lender may require repayment of the County HOME Loan plus any and all relocation payments due. Without limiting or otherwise affecting the standard indemnity and insurance provisions set forth in Article 6 and Exhibit F, Borrower hereby agrees to indemnify Lender for any action brought against Lender based on an alleged failure to comply with relocation obligations on this Project.

4.14 **UNAVOIDABLE DELAY IN PERFORMANCE.** The time for performance by a party hereto of such party’s obligation(s) under this County HOME Loan Agreement may be extended for a period equal to the period of a delay in such performance which is directly caused by: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; freight embargoes; pandemics including any resultant quarantine restrictions other than in connection with COVID-19; or other events beyond the reasonable control of, and in no way directly or indirectly caused by, or otherwise attributable to or arising out of, any act or omission of the party claiming such delay (“Force Majeure Event”). An extension of time for a Force Majeure Event will be granted only if the party claiming such delay, within ten (10) calendar days from the commencement of such Force Majeure Event, provides written notice to the other party hereto specifying the Force Majeure Event, the performance purportedly delayed thereby, such party’s good faith estimate of the duration of such delay, and such extension of time is either (a) accepted by the other party hereto in writing, or (b) not rejected in writing by the other party within fourteen (14) calendar days of receipt of such notice. In any event, notwithstanding the foregoing, construction of the Project must be completed no later than four (4) years after the Effective Date. Times of performance under this County HOME Loan Agreement may also be extended for any cause for any period of time by written agreement duly executed by each of Lender and Borrower.

ARTICLE 5 OPERATION

5.1 **OPERATION OF PROJECT.** Borrower shall operate and manage the Project in full conformance with the terms of the County HOME Loan Regulatory Agreement.

Borrower shall maintain and operate the Assisted Units so as to provide decent, safe, and sanitary housing, and shall provide the Assisted Units with the same level of services (including security), amenities, and maintenance as are applied to the other Units in the Project. Optional services provided by or on behalf of Borrower to residents of any Unit(s) must be available to residents of all Units on the same terms and conditions.

5.2 **MANAGEMENT PLAN.** Borrower shall comply with the Management Plan attached hereto as Exhibit G and incorporated herein by this reference (“Management Plan”). No changes shall be made to the Management Plan without Lender’s prior written approval in each instance. Notwithstanding the foregoing, Lender reserves the right to require changes to the Management Plan as necessary to conform with HUD requirements.

5.3 **AFFIRMATIVE MARKETING PLAN.** In the marketing of the Project, Borrower shall comply with the affirmative marketing provisions of the Management Plan. The Management Plan must include information on affirmative marketing efforts and compliance with fair housing laws. At a minimum, Borrower, the Management Plan, and the Project must meet the affirmative marketing requirements set forth in 24 CFR 92.351, as may be amended from time to time.

5.4 **TENANT SELECTION.** In the selection of tenants, Borrower shall comply with the written tenant selection provisions of the Management Plan. Tenant selection and such provisions of the Management Plan must, at a minimum, meet the requirements for tenant selection set forth in 24 CFR 92.253, as may be amended from time to time.

Borrower shall rent the Assisted Units to any Qualifying Household(s) according to the tenant selection plan. Borrower shall verify each prospective tenant’s eligibility, and require from each tenant a statement that such household’s income from all sources does not exceed allowable limits as described in the County HOME Loan Regulatory Agreement.

5.5 **INCOME CERTIFICATION.** The Annual Income levels and other qualifications of each applicant for an Assisted Unit shall be certified by Borrower no earlier than six (6) months prior to such Qualifying Household's occupancy of an Assisted Unit, and shall be recertified by Borrower annually thereafter. If the size of a Qualifying Household occupying an Assisted Unit changes, Borrower may request additional information and documentation to determine eligibility.

A. Initial Annual Income Verification. Before a Qualifying Household occupies an Assisted Unit, the Borrower shall verify that the Annual Income provided in an Annual Income

certification for such Qualifying Household is accurate by taking both of the following steps as a part of the verification process:

- (1) Third Party Verification: All third parties (e.g., employer, Social Security Administration, public assistance agency, etc.) are contacted to provide information to verify Annual Income. Written requests and responses are required; and
- (2) Review of Documents: The Qualifying Household provides documents verifying their Annual Income (e.g., pay stubs, tax returns, etc.). These documents must then be retained by Borrower in the Project files.

B. Annual Income Recertification. At the time of each lease renewal or pursuant to an annual schedule adopted by the Borrower, and no later than the one-year anniversary of the initial Annual Income verification and annually thereafter, Borrower shall recertify the Annual Income of each Tenant occupying a HOME-Assisted Unit using the method as described in Section 5.5.A, above.

5.6 INITIAL LEASING OF THE PROJECT. Before leasing any portion of the Project, Borrower shall submit its proposed form of lease for the Units to Lender for Lender's review and approval. The initial term of each Assisted Unit lease shall be for no less than one year, unless a shorter term is requested by the tenant occupying such Assisted Unit, and no Assisted Unit lease shall contain any provision that is prohibited by 24 CFR Section 92.253(b), as may be amended from time to time. No rent increase shall occur at any time during the term of any Assisted Unit lease. Any refusal to renew or termination of an Assisted Unit lease must be in conformance with 24 CFR 92.253(c), as may be amended from time to time, and must be preceded by not less than thirty (30) days' written notice by the Borrower to the tenant(s) of such Assisted Unit specifying the grounds for such action. Borrower shall submit its proposed rents and utility allowance schedule to Lender for Lender's review and approval at least thirty (30) days prior to leasing any Assisted Unit. Borrower shall lease all eight (8) Assisted Units to Qualifying Households within six (6) months of completion of construction as defined in Section 4.2, above, and shall provide Lender with detailed occupancy data and demographic information on all tenants of the Assisted Units.

5.7 AFFORDABILITY RESTRICTIONS. Eight (8) Units in the Project shall be designated by Borrower as Assisted Units. Each of the Assisted Units shall be occupied by a Qualifying Household, as set forth in the County HOME Loan Regulatory Agreement, and shall meet the following standards:

- A. The Assisted Units shall be designated as "floating" so that the Unit designated as Assisted Units under the County HOME Loan Regulatory Agreement may change over time, as long as the total number and type of Assisted Units in the Project remains constant.
- B. The Assisted Units shall be similarly constructed and of comparable quality to all other Units in the Project;
- C. The Assisted Units shall be dispersed throughout the Project; and

D. Borrower shall provide tenants of Assisted Units with access to and enjoyment of all common areas and facilities of the Project on the same basis as tenants of other Units.

5.8 **RENTS FOR ASSISTED UNITS.** Rents for Assisted Units shall be limited to Qualifying Rents as set forth in the County HOME Loan Regulatory Agreement.

5.9 **CONFLICTS BETWEEN COVENANTS OR RESTRICTIONS AFFECTING THE PROPERTY.** Any conflicts between the restrictive provisions contained in this County HOME Loan Agreement, the County HOME Loan Note, the County HOME Loan Deed of Trust, the County HOME Loan Regulatory Agreement, and any other agreements in connection with the County HOME Loan and/or the Property are to be resolved by applying the more restrictive covenant(s) or restriction(s) in the applicable County HOME Loan Document(s).

5.10 **NONDISCRIMINATION.** Borrower shall not discriminate or segregate in the development, construction, use, enjoyment, occupancy, conveyance, lease, sublease, or rental of any part of the Property on the basis of race, color, ancestry, national origin, religion, sex, gender, gender identity or expression, sexual preference or orientation, age, marital status, family status, source of income, military or veteran status, physical or mental disability, medical condition, genetic information, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC) acquired or perceived, or any basis prohibited by law. Borrower shall otherwise comply with all applicable local, state, and federal laws concerning discrimination and equal opportunity in housing.

5.11 **RECORDS AND REPORTS.** Borrower shall be accountable to Lender for all County HOME Loan funds disbursed to Borrower pursuant to the County HOME Loan Documents and 24 CFR 92.508. Borrower shall maintain records that accurately and fully show the date, amount, purpose, and payee of all expenditures for construction costs drawn from County HOME Loan funds, and shall maintain all invoices, receipts, and other documents related to expenditures for construction costs using or reimbursed from County HOME Loan funds until the later of (i) the date that is five (5) years after recordation of the Notice of Completion issued for the Project, or (ii) June 30, 2035. Borrower shall maintain all records relating to this County HOME Loan Agreement and any revenue received by Borrower or the Project until five (5) years after the Term; provided, however, that in the event that any litigation, claim, negotiation, audit monitoring, inspection or other action has been started before the expiration of the required record retention period, all records must be retained until completion of all such action(s) and resolution of all issues which arise in connection with such action(s). Borrower shall maintain all records contemplated herein in an accurate and current manner. Tenant income, rent, and Unit inspection information, must be retained for the most recent five year period, until five years after the Affordability Period terminates.

Borrower shall promptly comply with all requirements and conditions of the County HOME Loan Documents. Borrower shall promptly supply, upon the request of Lender, any and all information and documentation which involves the Project, and shall cooperate with Lender.

Borrower shall submit to Lender:

- Monthly written Project construction progress reports and an updated construction schedule within ten (10) calendar days following the end of each month during the period commencing with the execution of this County HOME Loan Agreement and concluding upon the issuance of the Certificate of Occupancy.
- Records of all permits, entitlements and approvals, inspections and sign-offs required by all permitting and regulatory authorities and jurisdictions within thirty (30) days following the recordation of the Notice of Completion.
- Copies of the Certificate(s) of Occupancy upon receipt.
- Data on the initial lease-up of Assisted Units as defined herein sufficient to close out the Project in the federal Integrated Disbursement and Information System within ten (10) days following the first date when leases are in effect for each of the Assisted Units.

5.12 **AUDITS.** Borrower shall conduct annual audits in accordance with 2 CFR Part 200. Each year, at least thirty (30) days prior to the Annual Payment Date, Borrower shall submit to Lender an Annual Financial Statement. Borrower shall make available to Lender for examination at reasonable intervals and during normal business hours all books, accounts, reports, files, and other papers or property relating to or prepared in connection with the Property or any of the County HOME Loan Documents (“Records”), and shall permit Lender to audit, examine, and make excerpts or transcripts from such Records. Lender may make audits of any conditions relating to the County HOME Loan Documents, including, but not limited to, the right to review, obtain, and copy all records and supporting documentation pertaining to the performance of this County HOME Loan Agreement and the other County HOME Loan Documents. Borrower acknowledges and agrees that the State of California Department of Housing and Community Development likewise has the right to audit Borrower’s records and interview Borrower’s employees.

Lender shall notify Borrower of any Records it deems insufficient (“Deficiency Notice”). Borrower shall have fifteen (15) calendar days from the date of such Deficiency Notice to correct all deficiencies in the Records specified by Lender in such Deficiency Notice, or, if more than fifteen (15) days shall be reasonably necessary to correct such deficiencies, Borrower shall submit a written request to Lender for an extension of such 15-day period. Lender shall respond to extension requests within fifteen (15) days of Lender’s receipt thereof. Borrower shall begin to correct such deficiencies within fifteen (15) days, and shall diligently complete correction of all deficiencies identified in the Deficiency Notice as soon as reasonably possible, but in no event later than 60 days after the date of such Deficiency Notice.

5.13 **ENCUMBRANCE OF PROPERTY.** Except as otherwise provided in this County HOME Loan Agreement or the Loan Documents, including with respect to the Senior Loans, Borrower shall not engage in any financing or any other transaction creating any security interest or other encumbrance or lien upon the Property, whether by express agreement or operation of law or otherwise, or allow any encumbrance or lien to be made on or attached to the Property, except with the prior written consent of Lender. Borrower shall notify Lender in writing

in advance of any financing secured by any deed of trust, mortgage, or other similar lien instrument that it proposes to enter into with respect to the Project or Property, and of any encumbrance or lien that has been created on or attached to the Property whether by voluntary act of Borrower or otherwise.

5.14 **TRANSFERS.** Borrower has not made or created, and shall not make or permit, any sale, assignment, conveyance, or other transfer, directly or indirectly, whether by operation of law or otherwise, of the Property, this County HOME Loan Agreement, or any of Borrower's rights or obligations hereunder, including, but not limited to, the sale, assignment, or transfer of any general partnership interests ("Transfer"), other than a Permitted Transfer described in Paragraph A or B of Section 22 of the County HOME Loan Deed of Trust, without the prior written consent of Lender in each instance, which consent shall not be unreasonably withheld.

5.15 **FEES, TAXES, AND OTHER LEVIES.** Borrower shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property or the Project and shall pay such charges prior to delinquency. However, Borrower shall not be required to pay and discharge any such charge so long as (a) the legality thereof is being contested diligently and in good faith and by appropriate proceedings, and (b) if requested by Lender, Borrower deposits with Lender all funds or other forms of assurance Lender deems, in good faith from time to time, appropriate to protect Lender from the consequences of such contest being unsuccessful.

5.16 **DAMAGE TO PROPERTY.** If any building and/or improvement erected by Borrower on the Property is damaged or destroyed by an insurable cause, Borrower shall, at its sole cost and expense, diligently undertake to repair or restore all such building(s) and/or improvement(s) consistent with the original plans and specifications for the Project, unless Lender reasonably determines that such restoration or repair is not economically feasible. Lender shall commence such work or repair within one hundred twenty (120) days after such damage or loss occurs, and shall cause such work to be completed within one year thereafter. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, Borrower shall make up the deficiency.

If Lender determines that restoration or repair is not economically feasible, then Lender may declare an Event of Default, such that the unpaid principal and all accrued and unpaid interest on the County Home Loan shall then be immediately due and payable, and Borrower shall apply all insurance proceeds thereto.

5.17 **EQUAL EMPLOYMENT OPPORTUNITY.** Borrower and all contractors, subcontractors, and professional service providers performing services on the Property or otherwise in connection with the Project shall comply with all requirements hereunder concerning equal employment opportunity, and all requirements hereunder concerning equal opportunities for businesses and lower-income persons (referred to as the Section 3 clause of the HUD Act of 1968, 12 USC 1701u).

ARTICLE 6 INDEMNITY AND INSURANCE

6.1 **INDEMNITY.** Borrower shall comply with the indemnification provisions set forth in the “Standard Indemnification and Insurance Provisions” attached hereto as Exhibit F, and incorporated herein by reference (“Standard Indemnification and Insurance Provisions”).

6.2 **INSURANCE.** Borrower shall comply with the insurance provisions set forth in the Standard Indemnification and Insurance Provisions.

6.3 **NON-LIABILITY OF OFFICIALS, EMPLOYEES AND AGENTS.** No officials, employees or agents of Lender shall be personally liable to Borrower for any obligation created under the terms of these County HOME Loan Documents.

ARTICLE 7 HAZARDOUS MATERIALS

7.1 **REPRESENTATIONS AND WARRANTIES.** After reasonable investigation and inquiry, Borrower hereby represents and warrants that, as of the date of this County HOME Loan Agreement, and except as previously disclosed and acknowledged in writing by Borrower or as disclosed by the reports based on environmental audit(s) performed on the Property and submitted to Lender, that (a) the Property is not and has not been a site for the use, generation, manufacture, transportation, storage, or disposal of Hazardous Materials in violation of Applicable Law; (b) the Property is in compliance with all applicable environmental and health and safety laws, regulations, ordinances, administrative decisions, and common law decisions (whether federal, state, or local) with respect to Hazardous Materials, including, but not limited to, those relating to soil and groundwater conditions (collectively, “Hazardous Materials Laws”); (c) there are no claims or actions pending or threatened with respect to the Property by any governmental entity or agency or any other person relating to Hazardous Materials; and (d) there has been no release or threatened release of any Hazardous Materials on, under, or near the Property (including in the soil, surface water, or groundwater under the Property), or any other occurrences or conditions on the Property, or on any other real property, that could cause the Property or any part thereof to be classified as a “hazardous waste property” or as a “buffer zone property” under California Health and Safety Code Sections 25100, et seq., or regulations adopted in connection therewith.

7.2 **NOTIFICATION TO LENDER.** Borrower shall promptly notify Lender in writing of: (a) the discovery of any concentration or amount of Hazardous Materials of which Borrower becomes aware or of which Borrower has direct or constructive knowledge on or under the Property requiring notice to be given to any governmental entity or agency under Hazardous Materials Laws; (b) any knowledge, whether direct or constructive, by Borrower that the Property does not comply with any Hazardous Materials Laws; (c) the receipt by Borrower of notice of any Hazardous Materials claims; and (d) the discovery by Borrower of any occurrence or condition on the Property, or on any real property located within 2,000 feet of the Property, that could cause the Property or any part thereof to be designated as a “hazardous waste property” or as a “buffer zone property” under California Health and Safety Code Sections 25100, et seq., or regulations adopted in connection therewith.

7.3 **USE AND OPERATION OF PROPERTY.** Borrower shall ensure that none of Borrower, nor any agent, employee, or contractor of Borrower, nor any authorized user of the Property, shall use the Property or allow the Property to be used for the generation, manufacture, storage, disposal, or release of Hazardous Materials. At all times, Borrower shall comply, and cause the Project and use thereof to comply, with all Hazardous Materials Laws.

7.4 **REMEDIAL ACTIONS.** If at any time Borrower has actual or constructive knowledge of the presence of any Hazardous Materials on or under the Property, Borrower shall promptly undertake, at no cost or expense to Lender, all handling, treatment, removal, storage, decontamination, cleanup, transport, disposal, and other remedial actions, if any, required by any Hazardous Materials Laws, or by any orders or requests of any governmental entity or agency, or any judgment, consent decree, settlement or compromise with respect to any Hazardous Materials claims. The foregoing, however, shall be subject to Borrower's right of contest below.

7.5 **RIGHT OF CONTEST.** Borrower may contest in good faith any claim, demand, levy or assessment under Hazardous Materials Laws if: (a) the contest is based on a material question of law or fact raised by Borrower in good faith, (b) Borrower promptly commences and thereafter diligently pursues the contest, (c) the contest will not materially impair the taking of any remedial action with respect to such claim, demand, levy or assessment, and (d) if requested by Lender, Borrower deposits with Lender all funds and other forms of assurance and security that Lender in good faith from time to time determines appropriate to protect Lender from the consequences of such contest being unsuccessful, and any remedial action then reasonably necessary. No Event of Default shall be deemed to exist with respect to any claim, demand, levy or attachment being contested by Borrower under this Section 7.5, provided that Borrower does so in full compliance herewith and with the other Loan Documents and all applicable laws.

7.6 **ENVIRONMENTAL INDEMNITY.** Without limiting or otherwise affecting the indemnity and insurance provisions set forth in Article 6, above, and Exhibit F, Borrower shall defend, indemnify, and hold Lender free and harmless against any and all claims, demands, administrative actions, litigation, liabilities, losses, damages, response costs, and penalties, including, but not limited to, all costs of legal proceedings and reasonable attorney's fees, that Lender may directly or indirectly incur, sustain or suffer as a consequence of any inaccuracy or breach of any representation, warranty, agreement, or covenant contained in this County HOME Loan Agreement with respect to Hazardous Materials, or as a consequence of any use, generation, manufacture, storage, release, or disposal (whether or not Borrower knew of same) of any Hazardous Materials occurring prior to or during Borrower's use or occupancy of the Property.

ARTICLE 8 DEFAULT AND REMEDIES

8.1 **EVENTS OF DEFAULT.** The occurrence of any of the following events shall constitute an "Event of Default" under this County HOME Loan Agreement:

A. Monetary. (1) Borrower's failure to pay when due any sums payable under the County HOME Loan Note or any advances made by Lender under the County HOME Loan Deed of Trust or this County HOME Loan Agreement; (2) Borrower's use of County HOME Loan

funds for costs other than approved construction costs or for uses inconsistent with other terms and restrictions in the County HOME Loan Documents; (3) Borrower's failure to obtain and maintain the insurance coverage required under this County HOME Loan Agreement; (4) Borrower's failure to make any other payment or assessment due under the County HOME Loan Documents; (5) Borrower's failure to pay taxes; (6) Borrower's default under other debt secured by the Property after the applicable notice and cure periods provided in such other debt or security instruments have expired, if any;

B. Construction. (1) Borrower's deviation from the Budget, without Lender's prior written consent; (2) use of defective or unauthorized materials or defective workmanship in constructing the Project; (3) Borrower's failure to commence or timely complete construction in accordance with this County Home Loan Agreement; (4) the cessation of construction prior to completion of the Project for a period of more than thirty (30) consecutive calendar days without prior written approval from Lender; (5) Borrower's failure to remedy any deficiencies in recordkeeping or failure to provide records to Lender upon Lender's reasonable request; (6) Borrower's failure to substantially comply with any Applicable Laws or Lender policies pertaining to construction, including, but not limited to, provisions of this County HOME Loan Agreement pertaining to affirmative action and equal employment opportunity, minority and women-owned business enterprises, disabled access, lead-based paint, Hazardous Materials, and provision or relocation benefits and assistance;

C. Operation. (1) Discrimination by Borrower on any basis prohibited by this County HOME Loan Agreement or Applicable Law, or (2) the imposition of any encumbrances or liens on the Property without Lender's prior written consent;

D. General performance of County HOME Loan obligations. Any breach by Borrower beyond applicable notice and cure periods, if any, of any of Borrower's obligations under this County HOME Loan Agreement or any of the other County HOME Loan Documents;

E. General performance of other obligations. Any breach by Borrower of any material obligations on Borrower imposed by any other agreements, beyond applicable notice and cure periods set forth therein, if any, including, but not limited to, any grant agreements, with respect to the financing, construction, or operation of the Project or the Property, to the extent that such breach impairs Lender's security under any of the County HOME Loan Documents;

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

G. Damage to or failure to maintain Property. Material damage or destruction to the Property by fire or other casualty if Borrower does not take steps to reconstruct the Project as required by the County HOME Loan Documents, or if Borrower fails to maintain the Property pursuant to Section 5.1 above;

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

I. Program compliance. Any non-compliance with any of the HOME Regulations including, but not limited to, the provisions of Section 4.12, above, the County HOME Loan Regulatory Agreement, the HOME Investment Partnerships Program Final Rule set forth at 24 CFR Part 92, and other Federal requirements set forth at 24 CFR Part 92 Subpart H.

J. Tax Credit Compliance. The Project shall comply with the rent and income restrictions and other terms of the Regulatory Agreement recorded against title to the Property by the California Tax Credit Allocation Committee ("Tax Credit Regulatory Agreement"). Non-compliance under the terms of the Tax Credit Regulatory Agreement shall constitute an Event of Default under the County HOME Loan Agreement, subject to applicable cure periods, if any.

K. Relocation Benefits. Failure to make any payments pursuant to Section 4.13, above.

8.2 NOTICE OF DEFAULT; OPPORTUNITY TO CURE. In the event of an Event of Default, Lender shall give written notice to Borrower of such Event of Default ("Default Notice") specifying: (a) the nature of the event or deficiency giving rise to the Event of Default, (b) whether, in Lender's reasonable discretion, such Event of Default is subject to cure, and (c) if the Default Notice indicates that such Event of Default is subject to cure, the action(s) required to cure such Event of Default, and the date(s) by which such action(s) to cure, as specified therein, must be completed, which shall not be less than the time to cure as stated in Paragraph A or B, as applicable, of this Section 8.2, below. Borrower's Limited Partner(s) may, on Borrower's behalf, cure an Event of Default in accordance with the cure requirements set forth in the applicable Default Notice, which shall be deemed to be a cure by Borrower and shall be accepted or rejected on the same basis as if made or tendered by Borrower.

A. Time to Cure Monetary Default. In the event of a monetary Event of Default Borrower shall have a period of seven (7) days after such Default Notice within which to cure such monetary Event of Default prior to exercise of remedies by the Lender hereunder, or such longer period of time as may be specified in the Default Notice.

B. Time to Cure Non-Monetary Default. In the event of an Event of Default, Lender shall give written notice to Borrower of such Event of Default ("Default Notice") specifying: (a) the nature of the event or deficiency giving rise to the Event of Default, (b) whether, in Lender's sole discretion, such Event of Default is subject to cure, and (c) if the Default Notice indicates that such Event of Default is subject to cure, the action(s) required to cure such Event of Default, and the date(s) by which such action(s) to cure, as specified therein, must be completed.

Borrower's Limited Partner(s) may, on Borrower's behalf, cure an Event of Default in accordance with the cure requirements set forth in the applicable Default Notice, which shall be deemed to be a cure by Borrower and shall be accepted or rejected on the same basis as if made or tendered by Borrower.

8.3 **LENDER'S REMEDIES.** In the event of an Event of Default and, if applicable, failure to cure such Event of Default in accordance with the applicable Default Notice, Lender's obligation to disburse County HOME Loan funds shall terminate, and Lender may also, in addition to other rights and remedies permitted by the County HOME Loan Documents or Applicable Law, proceed with any or all of the following remedies in any order or combination Lender may choose, in Lender's sole discretion:

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

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

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

D. Enter the Property and take any actions Lender deems necessary to complete construction of the Project, including, but not limited to, (1) making changes in the construction work as described in the Budget (Exhibit B) or other work or materials with respect to the Project, (2) entering into, modifying, or terminating any contractual arrangements (subject to Lender's right at any time to discontinue work without liability), and (3) taking any remedial actions with respect to Hazardous Materials that Lender deems necessary to comply with Hazardous Materials Laws or to otherwise render the Property suitable for occupancy;

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

F. Order immediate stoppage of construction work and demand that any condition resulting in an Event of Default be corrected before construction work may continue;

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

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

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

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

K. Pursue any other remedy allowed at law or in equity. Nothing in this Section 8.3 is intended or shall be construed as precluding Lender from proceeding with a non-judicial foreclosure under the power of sale contained in the County HOME Loan Deed of Trust in the event of an uncured or incurable Event of Default.

ARTICLE 9 GENERAL PROVISIONS

9.1 **BORROWER'S WARRANTIES.** Borrower represents and warrants that (1) it has access to professional advice and support to the extent necessary to enable Borrower to fully comply with the terms of each of the County HOME Loan Documents and to otherwise carry out the Project in a good and workmanlike and professional manner, (2) it is duly organized, validly existing, and in good standing under the laws of the State of California, (3) it has the full power and authority to undertake the Project and to execute the County HOME Loan Documents, (4) the persons identified in Borrower's signature blocks, below, as executing and delivering the County HOME Loan Documents on behalf of Borrower are duly authorized to do so, (5) there has been no substantial adverse change in Borrower's financial condition since the date of application for the County HOME Loan, such as judgment liens, tax liens, mechanic's liens, bankruptcy, etc., and (6) all representations in the Borrower's loan application (including all supplementary submissions) are true, correct and complete in all respects and are offered to induce Lender to make the County HOME Loan.

9.2 **CONTRACT ADMINISTRATION.** The County's Community Services Department ("CSD") will serve as the County's (or Lender's) administrator of the Project and the County HOME Loan Documents. CSD is authorized to approve Budget revisions as authorized under Section 2.6 of this County HOME Loan Agreement, collect loan repayments, and perform loan and Project monitoring functions and other administrative duties.

9.3 **CHANGES OR AMENDMENTS.** No changes, modifications, or amendments to this County HOME Loan Agreement shall be effective unless set forth in a written amendment to this County HOME Loan Agreement duly executed by both Lender and Borrower which makes

specific reference to this County HOME Loan Agreement, and is signed by a duly authorized representative of each party hereto. Such amendment(s) shall not invalidate any parts of this County HOME Loan Agreement that are not changed by such amendment, nor relieve or release Lender or Borrower from its obligations under this County HOME Loan Agreement that are not changed by such amendment. Borrower agrees to not unreasonably withhold its approval of any amendments proposed by Lender that are necessary in order to conform with Applicable Laws and available funding amounts.

The Director of CSD (“Director”) or the Director’s designee is authorized to approve, in his or her discretion, and execute amendments to the County HOME Loan Agreement on behalf of Lender to make any one or more of the following changes:

9.3.1 Changes to this County HOME Loan Agreement that are necessary in order to conform with federal, state or local governmental laws, regulations, ordinances, orders, rules, directives, circulars, bulletins, notices, guidelines, policies and available funding amounts.

9.3.2 Amendments to this County HOME Loan Agreement which are deemed to be minor by the Director and County Counsel, and which do not adversely affect the County’s rights, responsibilities, or interests hereunder.

9.4 **MONITORING AND EVALUATION.** Except as otherwise provided for in this County HOME Loan Agreement, Borrower shall maintain and submit to Lender, within ten (10) business days of Lender’s request for same, records which clearly document Borrower’s performance under each requirement of the County HOME Loan Documents.

9.5 **CONFLICTS OF INTEREST.** Borrower covenants that:

A. Except for approved eligible administrative or personnel costs, no person described in subsection (B) below who exercises or has exercised any functions or responsibilities with respect to the activities funded pursuant to this County HOME Loan Agreement or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during, or at any time after, such person’s tenure. The Borrower shall exercise due diligence to ensure strict compliance with the provisions of this Section 9.5. Any conflict of interest must be reported to the County in accordance with 2 CFR 200.113.

B. The conflict of interest provisions of Section 9.5(A), above, apply to any person who is an employee, agent, consultant, officer, or any immediate family member of such person, or any elected or appointed official of the County, or any person related within the third (3rd) degree of such person.

9.6 **POLITICAL ACTIVITY.** None of the funds, materials, property or services contributed by Lender or Borrower under this County HOME Loan Agreement shall be used for any partisan political activity or the election or defeat of any candidate for public office.

9.7 **PUBLICITY.** Any publicity produced by Borrower for the Project during the term of the County HOME Loan and for one year thereafter shall make reference to the contribution of Lender in making the Project possible. The words “The County of Santa Barbara” shall be prominently displayed in any and all pieces of publicity, including but not limited to flyers, press releases, posters, signs, brochures, public service announcements, interviews, and newspaper articles. Borrower further agrees to cooperate with authorized staff and officials of Lender in any Lender-generated publicity or promotional activities undertaken with respect to the Project.

9.8 **TERM OF THIS AGREEMENT.** The term of this County HOME Loan Agreement shall commence as of the first date on which this County HOME Loan Agreement is duly executed by all of the parties hereto (“Effective Date”) and shall terminate on the date that is fifty-five (55) years after the date of the recordation of the Notice of Completion, unless earlier terminated in accordance with the provisions of this County HOME Loan Agreement (“Term”).

9.9 **GOVERNING LAW.** The County HOME Loan Documents shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law or those provisions preempted by federal law.

9.10 **STATUTORY REFERENCES.** All references in the County HOME Loan Documents or County HOME Loan Regulatory Agreement to particular statutes, regulations, ordinances, or resolutions of the United States, the State of California, or the County of Santa Barbara shall be deemed to include the same statute, regulation, ordinance, or resolution as hereafter amended or renumbered, or if repealed, to such other provisions as may thereafter govern the same subject as the provision to which specific reference was made.

9.11 **TIME.** Time is of the essence in this County HOME Loan Agreement and the other County HOME Loan Documents.

9.12 **CONSENTS AND APPROVALS.** Any consent or approval of Lender or Borrower required under this County HOME Loan Agreement and the other County HOME Loan Documents shall not be unreasonably withheld. No approval or consent required under this County HOME Loan Agreement or any of the other County HOME Loan Documents shall be effective unless in writing and executed by a duly authorized representative of the party granting such approval or consent.

9.13 **NOTICES, DEMANDS AND COMMUNICATIONS.** Formal notices, demands and communications between Borrower and Lender shall be sufficiently given if, 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 Borrower and Lender as follows:

LENDER: County of Santa Barbara
Housing and Community Development

123 E Anapamu Street, 2nd Floor
Santa Barbara, CA 93101
Attn: Deputy Director

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

BORROWER: Patterson Point, L.P.
815 West Ocean Avenue,
Lompoc, Ca. 93436
Attention: Bob Havlicek, Executive Director

With copy to: c/o Red Stone Equity Partners, LLC
90 Park Avenue, 28th Floor
New York, NY 10016
Attention: General Counsel and President

With copy to: PRICE, POSTEL & PARMA LLP
Attn: Mark S. Manion
200 East Carrillo Street, Fourth Floor
Santa Barbara, CA 93101

9.14 BINDING UPON SUCCESSORS. All provisions of these County HOME Loan Documents shall be binding upon and inure to the benefit of the permitted successors-in-interest, permitted transferees, and permitted assigns of each of the parties hereto; provided, however, that this Section 9.14 shall not be construed to waive the prohibition on Transfers by Borrower without Lender's prior written consent in each instance, as set forth in Section 9.16, below.

9.15 RELATIONSHIP OF PARTIES. The relationship of Borrower and Lender for this Project under this County HOME Loan Agreement is and at all times shall remain solely that of a debtor and a creditor, and shall not be construed as a joint venture, equity venture, partnership, or any other relationship. Lender neither undertakes nor assumes any responsibility or duty to Borrower (except as specifically provided for herein) or any third party with respect to the Project, the Property, or the County HOME Loan.

9.16 ASSIGNMENT AND ASSUMPTION. Borrower shall not assign or otherwise transfer, directly or indirectly, whether by operation of law or otherwise ("Transfer"), this County HOME Loan Agreement or any of the other County HOME Loan Documents, or any of its interest herein or therein, or any of its rights or obligations hereunder or thereunder, without the prior

written consent of Lender in each instance. Any purported Transfer in violation of the foregoing provisions of this Section 9.16 shall be void *ab initio*.

9.17 **WAIVER.** All consents and waivers by Lender of any obligation in County HOME Loan Agreement or any of the other County HOME Loan Documents must be in writing duly executed by Lender. No waiver shall be implied from any delay or failure by Lender to take action with respect to any breach or default of Borrower or to pursue any remedy allowed under this County HOME Loan Agreement or any of the other County HOME Loan Documents or Applicable Law. Any extension of time granted to Borrower to perform any obligation under this County HOME Loan Agreement or any of the other County HOME Loan Documents shall not operate as a waiver or release from any of Borrower’s obligations under the County HOME Loan Documents. Consent by Lender to any act or omission by Borrower shall not be construed to be consent to any other or subsequent act or omission or to waive the requirement for Lender’s written consent to any other action in any other instance.

9.18 **INTEGRATION.** This County HOME Loan Agreement and the other County HOME Loan Documents, including all exhibits hereto and thereto, contain the entire agreement of the parties hereto with respect to the subject matter hereof and supersede any and all prior negotiations and agreements with respect to the subject matter hereof.

9.19 **OTHER AGREEMENTS.** Borrower represents that it has not entered into any agreements that are inconsistent with the terms of this County HOME Loan Agreement or any of the other County HOME Loan Documents. Borrower shall not enter into any agreements that are inconsistent with the terms of this County HOME Loan Agreement or any of the other County HOME Loan Documents without Lender’s prior written consent in each instance.

9.20 **SEVERABILITY.** Every provision of this County HOME Loan Agreement is intended to be severable in the event that any provision of this County HOME Loan Agreement is held invalid, illegal, or unenforceable by a court of competent jurisdiction, in which case, the validity, legality, and enforceability of the remaining provisions of this County HOME Loan Agreement shall not thereby in any way be affected or impaired.

9.21 **COUNTERPARTS.** This County HOME Loan Agreement may be executed in any number of counterparts, each of which is an original and all of which taken together form one single document.

Exhibits

- A: Legal Description of the Property
- B: Budget
- C: County HOME Loan Deed of Trust
- D: County HOME Loan Promissory Note
- E: County HOME Loan Regulatory Agreement
- F: Standard Indemnification and Insurance Provisions
- G: Management Plan
- H Sample ESPR


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

IN WITNESS WHEREOF, County and Borrower have caused this County HOME Loan Agreement to be executed by their respective duly authorized representatives, as set forth below, effective as of the Effective Date.

BORROWER:

PATTERSON POINT, L.P.,
a California limited partnership

By: SURF DEVELOPMENT COMPANY, a California
nonprofit public benefit corporation,
its managing general partner

By  _____
Raymond F. Down, President

By: PPAGP, LLC, a California limited liability company,
its administrative general partner

By: HOUSING AUTHORITY OF THE COUNTY OF SANTA
BARBARA, a public body, corporate and politic, its sole member
and manager

By  _____
Robert P. Havlicek Jr, Executive Director

By: SANTA BARBARA HOUSING ASSISTANCE
CORPORATION, a California nonprofit public benefit
corporation, its co-administrative general partner

By  _____
Carlo Sarmiento, Executive Director

County signatures follow

IN WITNESS WHEREOF, County and Borrower have caused this County HOME Loan Agreement to be executed by their respective duly authorized representatives, as set forth below, effective as of the Effective Date.

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

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


By: 
Deputy

By: _____
Steve Lavagnino, Board Chair

APPROVED AS TO FORM:
RACHEL VAN MULLEM
COUNTY COUNSEL

By: 
Deputy County Counsel

APPROVED AS TO FORM:
RISK MANAGEMENT

By: 
Gregory Milligan ARM, AIC

APPROVED BY DEPARTMENT:
COMMUNITY SERVICES DEPARTMENT

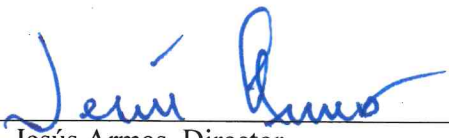
By: 
Jesús Armas, Director

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

Exhibit A

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Santa Barbara, State of California, described as follows:

THAT PORTION OF GOLETA RANCHO, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHWEST CORNER OF THE HENRY N. HILL TRACT IN LA GOLETA RANCHO DIVISION, MARKED H. HILL 5 ON EDMUND PEW MAP, FILED, SAID CORNER BEING A CROSS ON ROCK UNDER SURFACE OF GROUND IN THE CENTER OF 60 FOOT COUNTRY ROAD, AND RUNNING, THENCE FIRST SOUTH 83°11' EAST ALONG THE NORTHERLY LINE OF SAID HENRY N. HILL TRACT 18.18 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID LINE SOUTH 83°11' EAST 150.00 FEET; THENCE SOUTH 1°34'23" WEST 195.35 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF THE TRACT OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED JULY 14, 1960 AS INSTRUMENT NO. 22119 IN BOOK 1762, PAGE 98 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY; THENCE ALONG THE BOUNDARY LINE OF SAID STATE OF CALIFORNIA TRACT OF LAND FOLLOWING COURSES AND DISTANCES, NORTH 58°25'63" WEST 143 FEET, MORE OR LESS, TO AN ANGLE POINT IN SAID LINE; NORTH 34°17'54" WEST 43.08 FEET, AND NORTH 1°34'23" EAST 102.50 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THE RIGHT, TITLE AND INTEREST IN AND TO ANY AND ALL OIL, GAS, HYDROCARBONS, ASPHALTUM AND MINERALS LYING AND BEING BELOW THE DEPTH OF 500 FEET BENEATH THE SURFACE OF THE REAL PROPERTY HEREIN CONVEYED; PROVIDED, HOWEVER, THAT THIS EXCEPTION DOES NOT INCLUDE THE RIGHT TO ENTER UPON THE SURFACE OF THE REAL PROPERTY HEREIN DESCRIBED TO DRILL, WHIPSTOCK, DIRECTIONALLY DRILL, MINE, TUNNEL, DIG SHAFTS, OR OTHERWISE MAKE ENTRY BY ANY MEANS WHATSOEVER, THROUGH OR INTO ANY PORTION OF THE REAL PROPERTY HEREIN DESCRIBED LYING AND BEING 500 FEET OF THE SURFACE THEREOF OR TO USE THE SURFACE THEREOF FOR ANY PURPOSES, AS RESERVED IN THE DEED FROM JOHN S. EDWARDS, JR. AND OTHERS, RECORDED JANUARY 21, 1963, BOOK 1972, PAGE 1076 OF OFFICIAL RECORDS; BUT EXPRESSLY EXCEPTING HOWEVER, THE FOLLOWING RIGHTS AND INTEREST WITH RESPECT TO THAT PORTION OF THE REAL PROPERTY HEREIN DESCRIBED LYING AND BEING MORE THAN 500 FEET BENEATH THE SURFACE THEREOF.

(A) THE PERPETUAL RIGHT TO USE EVERY PORTION OF THE HEREIN DESCRIBED REAL PROPERTY LYING MORE THAN 500 FEET BENEATH THE SURFACE THEREOF FOR ANY AND ALL PURPOSES IN CONNECTION WITH THE EXPLOITATION OF, EXTRACTION OF, OR OPERATION FOR ANY AND ALL OF THE MINERALS, OIL, NATURAL GAS, ASPHALTUM OR OTHER HYDROCARBONS HEREINBEFORE RESERVED, OR IN CONNECTION WITH THE EXERCISE OF ANY AND ALL RIGHTS HEREINBEFORE RESERVED OR APPURTENANT TO SAID MINERALS, OIL, NATURAL GAS, ASPHALTUM OR OTHER HYDROCARBONS.

(B) THE PERPETUAL RIGHT TO WHIPSTOCK, DIRECTIONALLY DRILL, MINE AND CONSTRUCT TUNNELS OR SHAFTS FROM LANDS OTHER THAN THOSE HEREINABOVE DESCRIBED IN THE EXERCISE OF ANY AND ALL RIGHTS HEREINBEFORE RESERVED, AND TO BOTTOM SUCH WHIPSTOCKED, DIRECTIONALLY DRILLED WELL OR WELLS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS OF THE LAND HEREINABOVE DESCRIBED, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS, TUNNELS, SHAFTS OR MINES.

APN: 067-200-005

EXHIBIT B

BUDGET

USES, EXPENSES AND CREDIT	HASBARCO	PATTERSON POINT
23 units plus 1 mgr. unit		TE Bonds + 4% Credits
New Construction		Non-Rural
PW Special Needs project		QCT-No DDA-Yes

Development Uses				
Description	Amount	NC. Basis	Acq. Basis	Per Unit
Acquisition Cost	\$2,940,000	\$0	\$0	\$122,500
Building Fees & Permits	384,215	384,215	0	16,009
Impact Fees	631,785	631,785	0	26,324
Architectural & Engineering	505,000	505,000	0	21,042
Residential Construction	10,437,526	10,437,526	0	434,897
General Conditions	632,240	632,240	0	26,343
Contractor's Overhead & Profit	1,769,733	1,769,733	0	73,739
Perf Bond & Liab Ins	199,599	199,599	0	8,317
Construction Contingency	898,765	898,765	0	37,449
Developer Fee	2,645,612	2,645,612	0	110,234
Financial Advisory	250,000	250,000	0	10,417
Construction Manager	250,000	250,000	0	10,417
Builders Risk Insurance	160,494	160,494	0	6,687
Audit and Accounting	55,000	35,000	0	2,292
Legal Fees	125,000	25,000	0	5,208
Market Study	15,000	15,000	0	625
Project Contingency	100,000	50,000	0	4,167
Supportive Service Reserve	721,616	0	0	30,067
Capitalized Operating Reserve	280,529	0	0	11,689
Common Area Furnishings	145,000	145,000	0	6,042
HCD Transition Reserve	37,917	0	0	1,580
Construction Period Interest	1,731,145	990,928	0	72,131
Construction Loan Fees	248,298	142,129	0	10,346
Permanent Loan Fees	27,693	0	0	1,154
TCAC Fees	53,053	0	0	2,211
TCAC Refund	-25,406	0	0	-1,059
CDLAC Fees	65,228	0	0	2,718
Bond Issuance Costs	90,000	90,000	0	3,750
Title and Recording	60,000	25,000	0	2,500
Totals	\$25,435,042	\$20,283,025	\$0	\$1,059,793

Operating Expenses		
Description	Amount	Per Unit
Property Management	\$37,161	\$1,548
Audit	12,000	500
Legal	1,500	63
Office Expenses	4,800	200
On-site Manager	19,207	800
Maintenance Personnel	26,294	1,096
Payroll Taxes	17,339	722
Workers Compensation	5,957	248
Supplies	7,200	300
Repairs Contract	17,000	708
Pest Control	20,980	874
Grounds Contract	3,000	125
Elevator	10,000	417
Trash Removal	4,800	200
Electricity	6,500	271
Water & Sewer	22,800	950
Property & Liability Ins.	40,000	1,667
Business Taxes & License	800	33
Real Estate Taxes	3,600	150
Supportive Services	74,549	3,106
Replacement Reserves	12,000	500
Monitoring Fees	9,600	400
Total	\$357,087	\$14,879

50% Test		
Bond allocation	12,192,088	
Aggregate basis	23,223,025	= 52.50%
Exceeding 50% test by	580,576	

Tax Credit Calculation			
	4% Federal	Acq. Fed.	State
Eligible Basis	20,283,025	0	
Excluded	0	0	
Unadjusted	20,283,025	0	20,283,025
Basis Limit	30,919,271		
Boost	130%	100%	
Adjusted	26,367,933	0	
Applicable	100.0%	100.0%	100.0%
Qualified	26,367,933	0	20,283,025
Reduction	0	0	0
Adj. Qualified	26,367,933	0	
Rate Factor	4.00%	4.00%	30.00%
Annual Credits	1,054,717	0	
Federal Credits	10,547,170	State Credits	4,234,298
Credit Price	0.85		0.78
Proceeds	8,964,198		3,302,422
Total	\$12,266,620		

CASH FLOW YR 1-10		HASBARCO								PATTERSON POINT	
23 units plus 1 mgr. unit	Jan-00									TE Bonds + 4% Credits	
New Construction										Non-Rural	
PW Special Needs project										QCT-No DDA-Yes	

Cash Flow										
Year	1	2	3	4	5	6	7	8	9	10
Rental Income	242,479	248,541	254,755	261,124	267,652	274,343	281,202	288,232	295,437	302,823
Other Income	3,450	3,536	3,625	3,715	3,808	3,903	4,001	4,101	4,203	4,309
Subsidy Income	376,865	384,402	392,090	399,932	407,931	416,089	424,411	432,899	441,557	450,388
Vacancy Loss	31,140	31,824	32,523	33,239	33,970	34,717	35,481	36,262	37,060	37,876
Adjusted Gross Income	591,654	604,656	617,946	631,532	645,421	659,619	674,133	688,970	704,138	719,644
Standard Expenses	256,538	265,516	274,810	284,428	294,383	304,686	315,350	326,388	337,811	349,634
Property Taxes	4,400	4,488	4,578	4,669	4,763	4,858	4,955	5,054	5,155	5,258
Supportive Services	74,549	76,413	78,323	80,281	82,288	84,345	86,454	88,615	90,831	93,101
Non-Inflated Expenses	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Replacement Reserves	12,000	12,120	12,241	12,364	12,487	12,612	12,738	12,866	12,994	13,124
Total Expenses	357,087	368,137	379,552	391,342	403,521	416,102	429,098	442,523	456,391	470,719
Perm Debt Service	203,972	203,972	203,972	203,972	203,972	203,972	203,972	203,972	203,972	203,972
Total Debt Service	203,972	203,972	203,972	203,972	203,972	203,972	203,972	203,972	203,972	203,972
Operating Reserve Balance	280,529	280,529	280,529	280,529	280,529	280,529	280,529	280,529	280,529	280,529
Operating Reserve Draws	0	0	0	0	0	0	0	0	0	0
Net Operating Income	234,568	236,518	238,394	240,190	241,900	243,517	245,035	246,447	247,747	248,926
Debt Service Coverage	1.15	1.16	1.17	1.18	1.19	1.19	1.20	1.21	1.21	1.22
Cash after Exp & DS	30,596	32,546	34,423	36,218	37,928	39,545	41,063	42,476	43,775	44,954
LP Fee Balance	0	0	0	0	0	0	0	0	0	0
LP Fee Due	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
LP Fee Paid	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524
Cash Flow	25,596	27,396	29,118	30,755	32,301	33,749	35,093	36,326	37,441	38,430
MGP Fee Balance	0	0	0	0	0	0	0	0	0	0
MGP Fee Due	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
MGP Fee Paid	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
Cash Flow	15,596	17,096	18,509	19,828	21,045	22,156	23,153	24,027	24,773	25,382
Deferred Developer Fee	685,708	670,112	653,015	634,506	614,679	593,633	571,477	548,325	524,297	499,524
Dev. Fee Payments	15,596	17,096	18,509	19,828	21,045	22,156	23,153	24,027	24,773	25,382
Cash Flow	0	0	0	0	0	0	0	0	0	0
AGP Fee Balance	0	10,000	20,300	30,909	41,836	53,091	64,684	76,625	88,923	101,591
AGP Fee Due	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048
AGP Fee Paid	0	0	0	0	0	0	0	0	0	0
Cash Flow	0	0	0	0	0	0	0	0	0	0

Year	1	2	3	4	5	6	7	8	9	10
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CASH FLOW YR 11-20		HASBARCO				PATTERSON POINT				
23 units plus 1 mgr. unit	Jan-00									TE Bonds + 4% Credits
New Construction										Non-Rural
PW Special Needs project										QCT-No DDA-Yes

Cash Flow										
Year	11	12	13	14	15	16	17	18	19	20
Rental Income	310,394	318,154	326,108	334,260	342,617	351,182	359,962	368,961	378,185	387,639
Other Income	4,416	4,527	4,640	4,756	4,875	4,997	5,122	5,250	5,381	5,515
Subsidy Income	459,396	468,584	477,956	487,515	497,265	507,210	517,355	527,702	538,256	549,021
Vacancy Loss	38,710	39,563	40,435	41,327	42,238	43,169	44,122	45,096	46,091	47,109
Adjusted Gross Income	735,496	751,701	768,268	785,204	802,519	820,220	838,316	856,816	875,730	895,067
Standard Expenses	361,872	374,537	387,646	401,214	415,256	429,790	444,833	460,402	476,516	493,194
Property Taxes	5,364	5,471	5,580	5,692	5,806	5,922	6,040	6,161	6,284	6,410
Supportive Services	95,429	97,815	100,260	102,767	105,336	107,969	110,668	113,435	116,271	119,178
Non-Inflated Expenses	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600	9,600
Replacement Reserves	13,255	13,388	13,522	13,657	13,794	13,932	14,071	14,212	14,354	14,497
Total Expenses	485,520	500,811	516,608	532,929	549,791	567,213	585,212	603,810	623,025	642,879
Perm Debt Service	203,972	203,972	203,972	203,972	203,972	203,972	203,972	203,972	203,972	203,972
Total Debt Service	203,972	203,972	203,972	203,972	203,972	203,972	203,972	203,972	203,972	203,972
Operating Reserve Balance	280,529	280,529	280,529	280,529	280,529	280,529	280,529	280,529	280,529	280,529
Operating Reserve Draws	0	0	0	0	0	0	0	0	0	0
Net Operating Income	249,976	250,890	251,660	252,275	252,728	253,007	253,104	253,007	252,705	252,188
Debt Service Coverage	1.23	1.23	1.23	1.24	1.24	1.24	1.24	1.24	1.24	1.24
Cash after Exp & DS	46,004	46,919	47,688	48,303	48,756	49,035	49,132	49,035	48,733	48,216
LP Fee Balance	0	0	0	0	0	0	0	0	0	0
LP Fee Due	6,720	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768
LP Fee Paid	6,720	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768
Cash Flow	39,285	39,997	40,559	40,961	41,193	41,245	41,108	40,771	40,221	39,448
MGP Fee Balance	0	0	0	0	0	0	0	0	0	0
MGP Fee Due	13,439	13,842	14,258	14,685	15,126	15,580	16,047	16,528	17,024	17,535
MGP Fee Paid	13,439	13,842	14,258	14,685	15,126	15,580	16,047	16,528	17,024	17,535
Cash Flow	25,846	26,155	26,301	26,275	26,067	25,666	25,061	24,242	23,197	21,913
Deferred Developer Fee	474,142	448,296	422,141	395,840	369,565	343,498	317,832	292,771	268,529	245,332
Dev. Fee Payments	25,846	26,155	26,301	26,275	26,067	25,666	25,061	24,242	23,197	21,913
Cash Flow	0	0	0	0	0	0	0	0	0	0
AGP Fee Balance	114,639	128,078	141,920	156,178	170,863	185,989	201,569	217,616	234,144	251,169
AGP Fee Due	13,439	13,842	14,258	14,685	15,126	15,580	16,047	16,528	17,024	17,535
AGP Fee Paid	0	0	0	0	0	0	0	0	0	0
Cash Flow	0	0	0	0	0	0	0	0	0	0

Year	11	12	13	14	15	16	17	18	19	20
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EXHIBIT C

COUNTY HOME LOAN DEED OF TRUST

NO FEE DOCUMENT

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

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

NO FEE DOCUMENT PURSUANT TO
CALIFORNIA GOVERNMENT CODE SECTION 27383

**COUNTY HOME LOAN DEED OF TRUST,
ASSIGNMENT OF RENTS, AND SECURITY AGREEMENT**

THIS COUNTY HOME LOAN DEED OF TRUST, ASSIGNMENT OF RENTS, AND SECURITY AGREEMENT (“County HOME Loan Deed of Trust”) is made as of June __, 2024, by Patterson Point, L.P., a California limited partnership (“Trustor”), to First American Title Company as trustee (“Trustee”), for the benefit of the County of Santa Barbara, a political subdivision of the State of California (“Beneficiary”). This County HOME Loan Deed of Trust is junior and subordinate to (A) the Deed of Trust (“Senior Lien”) recorded prior to or concurrently herewith in favor of Banc of California, a California state-chartered bank (“Senior Lender”), securing a construction loan in an amount not to exceed Twelve Million Seven Hundred Twenty Thousand Dollars, (\$12,720,000), which will convert to a Senior Lender permanent loan in an amount not to exceed One Million, Eight Hundred Fifteen Thousand Dollars (\$1,815,000), and (B) two (2) permanent loans (“State HCD Loans”) provided by State of California Housing and Community Development Department (“State HCD”). One State HCD Loan is in the amount of Four Million Four Hundred Thousand Dollars (\$4,400,000), through the Housing for a Healthy California Program (“HHC”), and the second State HCD Loan is in the amount of Two Million Three Hundred Twenty-Five Thousand Four Hundred Fifty-Nine Dollars (\$2,325,459), provided through the No Place Like Home Program (“NPLH”).

GRANT IN TRUST

1. **GRANT.** Trustor, in consideration of the indebtedness referred to below, 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 80 North Patterson Avenue, in the area of Goleta, unincorporated Santa Barbara County, California (the “Property”), as more particularly described in the attached Exhibit A, incorporated herein by this reference;

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, including all equipment and machinery used for supplying or distributing heating, cooling, electricity, gas, water, air, and light, all kitchen and laundry appliances such as washers, dryers, refrigerators, garbage disposals, ovens, ranges, dishwashers, all plumbing and bathroom fixtures, all security and access control equipment, fire prevention and extinguishment equipment, elevators, floor coverings, window coverings, paneling, cabinets, (provided, however, that Trustor shall have the right to remove, if necessary, such fixtures, furnishings, and equipment for the purpose of replacement with similar items of the same quality performing the same functions, which replacements shall themselves become part of this grant); all building material and equipment either now or hereafter delivered to the Property and intended to be installed therein or any such material and equipment purchased in whole or in part with HOME Funds whether or not located on the Property; all reserves, accounts, deferred payments, and refunds relating to development on the Property; all Revenue, including rents and income generated by or derived from the Property or improvements thereon (subject however to the assignment of rents to Beneficiary contained herein); all leases, subleases, rental agreements and licenses covering the Property or any portion thereof now existing or hereafter entered into, and all interests of Trustor in security deposits, advance rentals, accounts, payments, and receivables of similar nature with respect to such leases, subleases, rental agreements and licenses; all easements and rights-of-way appurtenant to the Property, including parking and recreational easements, and all interests of Trustor in any land lying within the right-of-way of any streets, sidewalks, and areas of land adjacent to or used in connection with the Property; all development rights and credits, air rights, water rights, and oil, gas or mineral rights with respect to the Property; all claims or demands with respect to insurance proceeds, bonds, warranties, guarantees and sureties, and all awards made for a taking by eminent domain; all interests and rights in any private or government grants, subsidies, loans, or other financing with respect to development on the Property; all interests in personal property used in and about the Property (except furniture and other personal property of occupants of dwelling units on the Property); all intangible Property and rights relating to the Property or operations on the Property, including copyrights, patents, trade names, goodwill, trademarks, and service marks; all government permits, approvals, and map rights related to construction of the Property; all architectural, structural, and mechanical plans, specifications, designs, studies, and data with respect to construction or improvements on the Property; all environmental tests, studies and reports with respect to the Property; all current and future claims and rights of action of Trustor against prior owners and operators of the Property, neighboring property owners and operators, tenants and former tenants, consultants, advisors, and other third parties with respect to environmental or Hazardous Materials contamination and cleanup of the Property under any federal, state, or local ordinances, statutes, regulations, or administrative decisions or common law.

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 of Trustor:

A. Repayment of the indebtedness of Trustor to Beneficiary in the principal sum of One Million Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000), with interest thereon, evidenced by the County HOME Loan Promissory Note executed by Trustor on or about the date hereof, in the original principal amount of One Million Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000), (the “County HOME Loan Note”), on file at the offices of Beneficiary and hereby incorporated by reference into this County HOME Loan Deed of Trust, or as much of such principal sum as has been disbursed to Trustor thereunder; and

B. Payment of any sums advanced by Beneficiary to protect the Security and priority of this County HOME Loan Deed of Trust; and

C. Payment of any sums advanced by Beneficiary following a breach of Trustor’s obligation for payment of said sums, such as Trustor’s obligation to pay fees, assessments, taxes, charges, and levies imposed by any public authority or utility company and/or Trustor’s obligation to pay any sums payable under the County HOME Loan Note and the expiration of any applicable cure period, with interest thereon as provided herein; and

D. Performance of every obligation, covenant or agreement of Trustor contained in this County HOME Loan Deed of Trust, the County HOME Loan Note, and the County HOME Loan Agreement executed between Trustor and Beneficiary on file at the offices of Beneficiary and hereby incorporated into this County HOME Loan Deed of Trust by this reference, including all exhibits thereto (“County HOME Loan Agreement”), and the County HOME Loan Regulatory Agreement executed between Trustor and Beneficiary of even date herewith (“County HOME Loan Regulatory Agreement”), including all modifications, extensions and renewals of such obligations; and

E. Performance of any other obligation or repayment of any other indebtedness of Trustor to Beneficiary, where such evidence of obligation or indebtedness specifically recites that it is secured by this County HOME Loan Deed of Trust; and

F. Performance of any obligations of Trustor in any other agreements with respect to financing of development of the Property or the Security, the failure to perform or the absence of which would adversely affect Beneficiary, whether or not Beneficiary is a party to such agreements.

ABSOLUTE ASSIGNMENT OF RENTS AND RIGHT TO POSSESSION

3. **ASSIGNMENT.** As additional security, Trustor hereby assigns to Beneficiary: (a) all of the Revenue, rents, profits, and income from the Security, any deposits now or hereafter in Trustor's possession which have been collected with respect to the Security, and any reserve or capital funds now or hereafter held by Trustor with respect to construction or operation of the Security (collectively, the “Rents”); and (b) the right to enter, take possession of, and manage the

Security; provided, however that Trustor shall have, before an Event of Default, the exclusive right to possess the Security and to collect Rents and use them in accordance with the documents described in Section 2.D., above (collectively, the “County HOME Loan Documents”). The assignment in this Section 3 is intended to be an absolute and present transfer of Trustor’s interest in existing and future Rents, effective as of the date of this County HOME Loan Deed of Trust.

4. **ENFORCEMENT.** Upon the occurrence of an Event of Default which remains uncured after expiration of the applicable cure period, if any, pursuant to the terms of the County HOME Loan Agreement or other County HOME Loan Documents, Beneficiary may, in addition to other rights and remedies permitted by the County HOME Loan Agreement, this County HOME Loan 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 Project Related Costs, costs and expenses of operation of the Security, including attorneys’ fees, and pay off any indebtedness secured by this County HOME Loan Deed of Trust, all in such order as Beneficiary may determine, (c) enter upon and take possession of the Security, and complete construction of any improvements on the Security as provided for in the plans and specifications approved under the County HOME Loan Agreement or any modifications to the plans and specifications or the development of the Security that Beneficiary in its sole discretion believes is appropriate, and/or (d) Beneficiary may make, cancel, enforce, and modify leases and rental agreements, obtain and evict tenants, set and modify rent terms, sue for rents due, enter into, modify, or terminate any contracts or agreements, or take any legal action, as it deems necessary with respect to the Rents or to development or operation of the Security, subject to the rent restrictions imposed against the Property by the County HOME Loan Regulatory Agreement.

5. **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 and the right to complete construction of improvements.

6. **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 Event of Default or notice of default hereunder or under any of the County HOME Loan Documents or invalidate any act done by Beneficiary, Beneficiary’s agents or a receiver in response to such Event of 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 County HOME Loan Deed of Trust, in the County HOME Loan Documents or by law upon occurrence of any Event of Default, including the right to exercise the power of sale.

COMMERCIAL CODE SECURITY AGREEMENT

7. **GRANT.** This County HOME Loan Deed of Trust is intended to be a security agreement and financing statement pursuant to the California Commercial Code for any of the items specified above as part of the Security which under applicable law may be subject to a security interest pursuant to the California Commercial Code, and Trustor hereby grants Beneficiary a security interest in the Security. Beneficiary may file a copy of this County HOME Loan Deed of Trust in the real estate records or other appropriate index as a financing statement for any of the items specified as part of the Security. Trustor shall execute and deliver to Beneficiary at Beneficiary's request any financing statements, as well as extensions, renewals, and amendments thereof, and copies of this instrument in such form as Beneficiary may require to perfect a security interest with respect to the Security. Trustor shall pay all costs of filing such financing statements and shall pay all reasonable costs of any record searches for financing statements and releases. Without the prior written consent of Beneficiary, Trustor shall not create or permit any other security interest in the Security. This County HOME Loan Deed of Trust constitutes a fixture filing under Division 9 of the California Commercial Code.

8. **REMEDIES.** Upon Trustor's breach of any obligation or agreement in the County HOME Loan Documents, after expiration of any applicable cure period, Beneficiary shall have the remedies of a secured party under the California Commercial Code and at Beneficiary's option may also invoke the remedies provided for elsewhere in this County HOME Loan Deed of Trust or County HOME Loan Documents. Beneficiary may proceed against the Security specified above separately or together and in any order whatsoever.

RIGHTS AND OBLIGATIONS OF TRUSTOR

9. **PERFORMANCE OF SECURED OBLIGATION.** Trustor shall promptly perform each obligation secured by this County HOME Loan Deed of Trust in accordance with the County HOME Loan Documents.

10. **PAYMENT OF PRINCIPAL AND INTEREST.** Trustor shall promptly pay when due the principal and any interest due on the indebtedness evidenced by the County HOME Loan Note.

11. **MAINTENANCE OF THE SECURITY.** 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, ordinary wear and tear excepted, and in a decent, safe, sanitary, habitable and tenable condition. Trustor shall not cause or permit any violation 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 intentional waste on or to the Security. Trustor shall not abandon the Security. Beneficiary shall have no responsibility over maintenance of the Security. In the event Trustor fails to maintain the Security in accordance with the provisions of this County HOME Loan Deed of Trust or any of the other County HOME Loan Documents, and after any applicable cure periods, Beneficiary may, but shall be under no obligation to, make such repairs or replacements as are necessary and provide for payment thereof. 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 County HOME Loan 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 County HOME Loan Deed of Trust.

12. INSPECTION OF THE SECURITY. Trustor shall permit Beneficiary to enter and inspect the Security during normal business hours for compliance with these obligations upon at least 24 hours' advance notice of such visit by Beneficiary to Trustor or Trustor's management agent.

13. LIENS, ENCUMBRANCES, AND CHARGES. Trustor shall discharge any lien or encumbrance not approved by Beneficiary in writing that may attain priority over this County HOME Loan Deed of Trust, as provided for in the County HOME Loan Agreement.

14. 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.

15. SUITS TO PROTECT THE SECURITY. Beneficiary shall have all rights, power and authority to institute and maintain such suits and proceedings as it may deem expedient (a) to prevent any impairment of the Security or Rents or prejudice to any interest or right of Beneficiary, (b) to preserve or protect its interest in the Security and in the Rents, and (c) to restrain or enjoin 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 Rents or be prejudicial to any interest or right of Beneficiary.

16. DAMAGE TO SECURITY. Trustor shall give Beneficiary and Trustee prompt notice in writing of any damage to or destruction of the Security. If any Security is damaged or destroyed, Trustor shall, at its cost and expense, repair or restore said Security materially consistent with the original plans and specifications. Such work or repair shall be commenced within one hundred twenty (120) days after the damage or loss occurs and shall be completed within one year thereafter. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, Trustor shall make up the deficiency.

17. TITLE. Trustor warrants that Trustor lawfully has legal title to the Security without any limitation on the right to encumber other than those limitations set forth in the HOME Promissory Loan Document, Home County HOME Loan Agreement, County HOME Loan Deed of Trust and County HOME Loan Regulatory Agreement approved by Beneficiary.

18. 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.

19. TAXES AND LEVIES. Trustor shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property or the Project, and shall pay such charges prior to delinquency. However, Trustor shall not be required to pay and discharge any such charge so long as (a) the legality thereof is being contested diligently and in good faith and by appropriate proceedings, and (b) if requested by Beneficiary, Trustor deposits with Beneficiary any funds or other forms of assurance Beneficiary in good faith from time to time determines appropriate to protect Beneficiary from the consequences of the contest being unsuccessful.

20. INSURANCE. Trustor shall provide such insurance as required under the County HOME Loan Documents. In the event Trustor fails to maintain the full insurance coverage required by this County HOME Loan Deed of Trust and the County HOME Loan Documents, Beneficiary, after at least seven business days prior notice to Trustor, may, but shall be under no obligation to, take out the required policies of insurance and pay the premiums on such policies. Any amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of indebtedness as specified in the County HOME Loan 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 County HOME Loan Deed of Trust.

21. CONDEMNATION. Subject to the rights of State HCD and Senior Lender under the State HCD Loans and the Senior Lien, respectively, 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 (“Condemnation Funds”) are hereby assigned to and shall be paid to Beneficiary. Beneficiary is authorized (but not required) to collect and receive all Condemnation 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 Condemnation Funds so collected and recovered by Beneficiary may be released to Trustor upon such conditions as Beneficiary may impose in Beneficiary’s sole discretion. Application of all or any part of the Condemnation Funds collected and received by Beneficiary or the release thereof shall not cure or waive any Event of Default under this County HOME Loan Deed of Trust or any of the other County HOME Loan Documents.

Trustor shall have the right to rebuild repair or restore and operate the Security using available Condemnation Funds therefor, provided that (a) such Funds are sufficient to keep the all loans encumbering the Property in balance and rebuild repair or restore and operate the Security in compliance with the County HOME Loan Regulatory Agreement and in a manner that provides adequate security to Beneficiary for repayment of the County HOME Loan or, if such Funds are insufficient or such security is inadequate, then Trustor shall have funded such deficiency and/or provided additional security to the satisfaction of Beneficiary; (b) Beneficiary shall have the right to approve plans and specifications for any rebuild, repair or restoration and the right to require that disbursement of insurance proceeds and Funds for rebuilding repairing or restoring improvements on the Property be placed in a construction escrow or similar arrangement subject to Beneficiary’s approval ; and (c) no Event of Default then exists under any of the County HOME Loan Documents.

22. ACCELERATION ON TRANSFER OF SECURITY; ASSUMPTION. In the event that Trustor, without the prior written consent of the Beneficiary, sells, encumbers, transfers, or conveys, or agrees to sell, encumber, transfer, or convey, its interest in the Security or any part thereof or any interest therein, Beneficiary may, in its sole discretion, declare an Event of Default hereunder and declare any or all sums secured by this County HOME Loan Deed of Trust to be immediately due and payable; provided, however, that none of the following shall constitute an Event of Default (each a “Permitted Transfer”):

A. The grant of a leasehold interest to tenants who will occupy units in the Project as provided for under the County HOME Loan Agreement;

B. Sale or transfer of personal property pursuant to the grant provisions in this County HOME Loan Deed of Trust. Consent to a sale, encumbrance, or transfer shall not be deemed to be a waiver of the right to require such consent to future or successive transactions;

C. Removal of the general partner(s) of Trustor and substitution of a new general partner for cause in accordance with the Partnership Agreement (as defined in the County HOME Loan Agreement), provided that (i) Trustor promptly notifies Beneficiary in writing of any such general partner removal (and in no event later than three (3) days following such general partner removal), (ii) each of the general partner(s) selected to replace such removed general partner(s) is reasonably acceptable to Beneficiary, and (iii) each of the general partner(s) selected to replace such removed general partner(s) is selected with reasonable promptness;

D. Transfers of a Limited Partner’s interests in Trustor to a Beneficiary-approved entity and in accordance with the Partnership Agreement; or

E. Transfers of the Project and/or Property to the General Partner(s) of the Trustor following the expiration of the tax credit compliance period in accordance with the terms of a purchase option and/or right of first refusal agreement described in the Partnership Agreement, provided that such purchase option and all documents memorializing such transfer(s) are and remain subordinate to the County HOME Loan Documents; provided further that, as a condition precedent to such a transfer, the transferee agrees in writing in form acceptable to Beneficiary to assume all of the obligations of Trustor under, and be subject to the terms, conditions, and restrictions contained in the County HOME Loan Regulatory Agreement, this County HOME Loan Deed of Trust, and the other County HOME Loan Documents.

23. RECONVEYANCE BY TRUSTEE. This County HOME Loan Deed of Trust shall remain in effect and continue for the entire term of the County HOME Loan Agreement. Upon written request of Beneficiary stating that all sums secured by this County HOME Loan Deed of Trust have been paid and upon surrender of this County HOME Loan Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

DEFAULT AND REMEDIES

24. EVENTS OF DEFAULT. Any of the events listed in the County HOME Loan Agreement as an Event of Default shall also constitute an Event of Default under this County HOME Loan Deed of Trust. A cure of any default made or tendered by Trustor's limited partners shall be accepted or rejected on the same basis as if made or tendered by Trustor.

25. ACCELERATION OF MATURITY. Upon the happening of an Event of Default which, if subject to cure, has not been cured within the time and in the manner provided in the County HOME Loan Agreement, Beneficiary may declare all sums advanced to Trustor under the County HOME Loan Note and this County HOME Loan Deed of Trust immediately due and payable.

26. BENEFICIARY'S REMEDIES. Upon the happening of an Event of Default which, if subject to cure, has not been cured within the time and in the manner provided in the County HOME Loan Agreement, Beneficiary may, in addition to other rights and remedies permitted by the County HOME Loan Agreement, the County HOME Loan Note, or applicable law, proceed with any or all of the following remedies:

A. Enforce the assignment of Rents and right to possession as provided for in this County HOME Loan Deed of Trust, and/or seek appointment of a receiver to take over possession of the Security and collect Rents;

B. Enter the Security and take any actions necessary in its judgment to complete construction on the Security, either in person or through a receiver appointed by a court;

C. Advance any amount necessary to cure any monetary Event of Default under this County HOME Loan Deed of Trust, the County HOME Loan Agreement, or the County HOME Loan Note;

D. Commence an action to foreclose this County HOME Loan Deed of Trust pursuant to California Code of Civil Procedure Section 725a 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, including the authority to complete construction of improvements;

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; and/or

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

27. FORECLOSURE BY POWER OF SALE. Should Beneficiary elect to foreclose by exercise of the power of sale contained in this County HOME Loan Deed of Trust, Beneficiary shall notify Trustee and shall deposit with Trustee this County HOME Loan Deed of Trust (the deposit of which shall be deemed to constitute evidence that the unpaid sums disbursed under the

County HOME Loan Note are immediately due and payable), and such receipts and evidence of any advances made 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 County HOME Loan 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, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as it may determine unless specified otherwise by Trustor, at public auction to the highest bidder for cash or credit 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 Security so sold, but without any covenant or warranty, express or implied. 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 Security 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.

28. 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 County HOME Loan 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.

29. REMEDIES CUMULATIVE. No right, power or remedy conferred upon or reserved to Beneficiary by this County HOME Loan 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.

GENERAL PROVISIONS

30. GOVERNING LAW. This County HOME Loan 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.

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

32. CONSENTS AND APPROVALS. Any consent or approval of Beneficiary required under this County HOME Loan Deed of Trust shall not be unreasonably withheld.

33. TIME. Time is of the essence in this County HOME Loan Deed of Trust.

34. 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 USPS 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
Housing and Community Development
123 E. Anapamu Street, 2nd Floor
Santa Barbara, CA 93101
Attn: Deputy Director

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

TRUSTOR: Patterson Point, L.P.
815 West Ocean Avenue
Lompoc, Ca. 93436
Attn: Bob Havlicek, Executive Director

With copy to: c/o Red Stone Equity Partners, LLC
90 Park Avenue, 28th Floor
New York, NY 10016
Attention: General Counsel and President

With copy to: Price, Postel & Parma LLP
Attn: Mark S. Manion
200 East Carrillo Street, Fourth Floor
Santa Barbara, CA 93101

35. BINDING UPON SUCCESSORS. All provisions of this County HOME Loan 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.

36. WAIVER. No waiver by Beneficiary of any obligation of Trustor in this County HOME Loan Deed of Trust shall be effective unless in writing signed by Beneficiary. No waiver will be implied from any delay or failure by Beneficiary to take action on any breach or Event of Default of Trustor or to pursue any remedy allowed under the County HOME Loan Deed of Trust, the other County HOME Loan Documents, or applicable law. Any extension of time granted to Trustor to perform any obligation under this County HOME Loan Deed of Trust shall not operate as a waiver or release Trustor from any of its obligations under this County HOME Loan Deed of

Trust. Consent by Beneficiary to any act or omission by Trustor shall not be construed to be consent to any other or subsequent act or omission or to waive the requirement for Beneficiary's written consent to future waivers.

37. AMENDMENTS AND MODIFICATIONS. No amendment of or modification to this County HOME Loan Deed of Trust shall be effective unless it is in writing duly executed by both Beneficiary and Trustor.

38. LOAN AGREEMENT CONTROLS. If there is any contradiction between this County HOME Loan Deed of Trust and the County HOME Loan Agreement, the terms of the County HOME Loan Agreement shall control, except that Trustor shall have no defense or claim that this County HOME Loan Deed of Trust does not establish a valid lien on the Property or the Security.

39. DEFINITIONS. Capitalized terms used but not otherwise defined in this County HOME Loan Deed of Trust shall have the same meaning ascribed to such terms in the County HOME Loan Agreement.

40. PROOFS OF CLAIM. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, recomposition 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.

41. SEVERABILITY. Every provision of this County HOME Loan Deed of Trust is intended to be severable in the event that any term or provision of this County HOME Loan Deed of Trust is declared to be illegal, invalid, or unenforceable by a court of competent jurisdiction, in which case, the legality, validity, and enforceability of the remaining provisions hereof shall not be affected. If the lien of this County HOME Loan Deed of Trust is invalid or unenforceable as to any part of the Trustor's indebtedness or the Trustor's obligations secured thereby, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the Trustor's indebtedness and all payments made on the indebtedness (whether voluntary or under foreclosure or other enforcement action or procedure) shall be considered to have been first paid or applied to the payment of that portion of the indebtedness which is not secured or partially secured by the lien of this County HOME Loan Deed of Trust.

42. 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.

43. ACCEPTANCE BY TRUSTEE. Trustee accepts this trust when this County HOME Loan 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 County HOME Loan Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

44. **TAX CREDITS.** Notwithstanding anything to the contrary contained herein or in any documents secured by this deed of trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of foreclosure (collectively, "Foreclosure") with respect to the property encumbered by this deed of trust, the following rule contained in Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986, as amended, shall apply:

For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the regulatory agreement with the California Tax Credit Allocation Committee, (i) none of the tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.

45. **NONRECOURSE.** Except as expressly provided in the second paragraph of this Section 45, the Trustor, and the Trustor's partners, officers, directors, employees and agents shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the County HOME Loan Promissory Note. The sole recourse of the Beneficiary with respect to the principal of, or interest on, the County HOME Loan Promissory Note shall be to the property securing the indebtedness evidenced by this County HOME Deed of Trust. However, nothing contained in the foregoing limitation of liability shall (i) limit or impair the enforcement against all such security for the County HOME Loan Promissory Note of all the rights and remedies of the Beneficiary, or (ii) be deemed in any way to impair the right of the Beneficiary to assert the unpaid principal amount of the County HOME Loan Promissory Note as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto.

The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the County HOME Loan Promissory Note, except as hereafter set forth; nothing contained herein is intended to relieve the Trustor of personal liability to the extent of actual damages for (i) Trustor's fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges (which are not contested by the Trustor in good faith) which may create liens on the Property that are payable or applicable prior to any foreclosure under the County HOME Loan Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by the Trustor other than in accordance with the County HOME Loan Deed of Trust; (iv) the material misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property; (v) the Trustor's indemnification obligations under the County HOME Loan Agreement; and (vi) payment to the Beneficiary of any rental income or other income arising with respect to the Property received by the Trustor after the Beneficiary has given notice to the Trustor of the occurrence of an Event of Default and after the expiration of all applicable notice and cure periods, subject to the rights of State HCD and Senior Lender under the State HCD Loans and the Senior Lien, respectively.

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

IN WITNESS WHEREOF, Trustor has executed this County HOME Loan Deed of Trust as of the day and year first above written.

TRUSTOR:

PATTERSON POINT, L.P.,
a California limited partnership

By: SURF DEVELOPMENT COMPANY, a California
nonprofit public benefit corporation,
its managing general partner

By _____
Raymond F. Down, President

By: PPAGP, LLC, a California limited liability company, its
administrative general partner

By: HOUSING AUTHORITY OF THE COUNTY OF SANTA
BARBARA, a public body, corporate and politic, its sole member
and manager

By _____
Robert P. Havlicek Jr, Executive Director

By: SANTA BARBARA HOUSING ASSISTANCE
CORPORATION, a California nonprofit public benefit
corporation, its co-administrative general partner

By _____
Carlo Sarmiento, Executive Director

[TRUSTOR’S SIGNATURE MUST BE ACKNOWLEDGED]

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION

Exhibit A

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Santa Barbara, State of California, described as follows:

THAT PORTION OF GOLETA RANCHO, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHWEST CORNER OF THE HENRY N. HILL TRACT IN LA GOLETA RANCHO DIVISION, MARKED H. HILL 5 ON EDMUND PEW MAP, FILED, SAID CORNER BEING A CROSS ON ROCK UNDER SURFACE OF GROUND IN THE CENTER OF 60 FOOT COUNTRY ROAD, AND RUNNING, THENCE FIRST SOUTH 83°11' EAST ALONG THE NORTHERLY LINE OF SAID HENRY N. HILL TRACT 18.18 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID LINE SOUTH 83°11' EAST 150.00 FEET; THENCE SOUTH 1°34'23" WEST 195.35 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF THE TRACT OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED JULY 14, 1960 AS INSTRUMENT NO. 22119 IN BOOK 1762, PAGE 98 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY; THENCE ALONG THE BOUNDARY LINE OF SAID STATE OF CALIFORNIA TRACT OF LAND FOLLOWING COURSES AND DISTANCES, NORTH 58°25'63" WEST 143 FEET, MORE OR LESS, TO AN ANGLE POINT IN SAID LINE; NORTH 34°17'54" WEST 43.08 FEET, AND NORTH 1°34'23" EAST 102.50 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THE RIGHT, TITLE AND INTEREST IN AND TO ANY AND ALL OIL, GAS, HYDROCARBONS, ASPHALTUM AND MINERALS LYING AND BEING BELOW THE DEPTH OF 500 FEET BENEATH THE SURFACE OF THE REAL PROPERTY HEREIN CONVEYED; PROVIDED, HOWEVER, THAT THIS EXCEPTION DOES NOT INCLUDE THE RIGHT TO ENTER UPON THE SURFACE OF THE REAL PROPERTY HEREIN DESCRIBED TO DRILL, WHIPSTOCK, DIRECTIONALLY DRILL, MINE, TUNNEL, DIG SHAFTS, OR OTHERWISE MAKE ENTRY BY ANY MEANS WHATSOEVER, THROUGH OR INTO ANY PORTION OF THE REAL PROPERTY HEREIN DESCRIBED LYING AND BEING 500 FEET OF THE SURFACE THEREOF OR TO USE THE SURFACE THEREOF FOR ANY PURPOSES, AS RESERVED IN THE DEED FROM JOHN S. EDWARDS, JR. AND OTHERS, RECORDED JANUARY 21, 1963, BOOK 1972, PAGE 1076 OF OFFICIAL RECORDS; BUT EXPRESSLY EXCEPTING HOWEVER, THE FOLLOWING RIGHTS AND INTEREST WITH RESPECT TO THAT PORTION OF THE REAL PROPERTY HEREIN DESCRIBED LYING AND BEING MORE THAN 500 FEET BENEATH THE SURFACE THEREOF.

(A) THE PERPETUAL RIGHT TO USE EVERY PORTION OF THE HEREIN DESCRIBED REAL PROPERTY LYING MORE THAN 500 FEET BENEATH THE SURFACE THEREOF FOR ANY AND ALL PURPOSES IN CONNECTION WITH THE EXPLOITATION OF, EXTRACTION OF, OR OPERATION FOR ANY AND ALL OF THE MINERALS, OIL, NATURAL GAS, ASPHALTUM OR OTHER HYDROCARBONS HEREINBEFORE RESERVED, OR IN CONNECTION WITH THE EXERCISE OF ANY AND ALL RIGHTS HEREINBEFORE RESERVED OR APPURTENANT TO SAID MINERALS, OIL, NATURAL GAS, ASPHALTUM OR OTHER HYDROCARBONS.

(B) THE PERPETUAL RIGHT TO WHIPSTOCK, DIRECTIONALLY DRILL, MINE AND CONSTRUCT TUNNELS OR SHAFTS FROM LANDS OTHER THAN THOSE HEREINABOVE DESCRIBED IN THE EXERCISE OF ANY AND ALL RIGHTS HEREINBEFORE RESERVED, AND TO BOTTOM SUCH WHIPSTOCKED, DIRECTIONALLY DRILLED WELL OR WELLS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS OF THE LAND HEREINABOVE DESCRIBED, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS, TUNNELS, SHAFTS OR MINES.

APN: 067-200-005

EXHIBIT D

COUNTY HOME LOAN PROMISSORY NOTE

COUNTY HOME LOAN PROMISSORY NOTE

\$1,488,000

Santa Barbara, California
July 16, 2024

FOR VALUE RECEIVED, Patterson Point, L.P., a California limited partnership (“Borrower”), whose address is 815 West Ocean Avenue, Lompoc, California 93436, hereby promises to pay to the order of the County of Santa Barbara, a political subdivision of the State of California (“Lender”), whose address is 123 E. Anapamu Street, 2nd Floor, Santa Barbara, California 93101, the principal amount equal to One Million Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000), or so much thereof as may be advanced by Lender to Borrower, together with interest thereon, as set forth below.

1. **PURPOSE.** In order to assist Borrower in developing a total of twenty-four (24) residential housing units, comprised of twenty-three (23) affordable studio apartment rental housing units and one (1), studio apartment manager’s unit, located at 80 North Patterson Avenue, in the area of Goleta, in unincorporated Santa Barbara County, California (“Project”), Lender has agreed to loan to Borrower the amount of One Million Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000), (the “County HOME Loan”) comprised of One Million, Seventy-Two Thousand, Eight Hundred Ninety-Nine Thousand Dollars and Fifty-Seven Cents (\$1,072,899.57) in funds received by the Lender from the United States Department of Housing and Urban Development through the HOME Investment Partnerships Program (“HOME Funds”), and Four Hundred Fifteen Thousand, One Hundred Dollars and Forty-Three Cents (\$415,100.43) received by Lender from the State of California under the Permanent Local Housing Allocation (“PLHA”) program (“PLHA Funds”).

2. **BORROWER’S OBLIGATION.** This promissory note (“County HOME Loan Promissory Note”) evidences Borrower’s obligation to pay Lender the principal amount of One Million Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000), for the HOME Funds and PLHA Funds loaned to Borrower by Lender for the specific uses designated, and subject to the terms and conditions set forth, in that certain loan agreement by and between Borrower and Lender of even date herewith (“County HOME Loan Agreement”).

3. **INTEREST.** Subject to Section 4, below, this County HOME Loan Promissory Note shall bear simple interest at the rate of three percent (3%) per annum from the date of the first disbursement under the County HOME Loan Agreement and this County HOME Loan Promissory Note. Interest hereunder is not compounding.

4. **DEFAULT INTEREST.** In the event of an Event of Default by Borrower of any of its obligations under this County HOME Loan Promissory Note or any of the other County HOME Loan Documents, interest shall accrue on the outstanding principal of this County HOME Loan Promissory Note at an annual rate equal to the lesser of (i) ten percent (10%), or (ii) the highest interest allowed by law, in addition to the interest rate provided in Section 3, above, from the date of such Event of Default until the date that such Event of Default is cured, if subject to cure pursuant to Section 8 of the County HOME Loan Agreement, or the County HOME Loan is repaid in full, and such default interest shall be due and payable by Borrower to Lender monthly on the first day of each month.

5. AMOUNT AND TIME OF PAYMENT. All unpaid principal and accrued and unpaid interest hereunder shall be due and payable on the earlier of: (a) the date that is fifty-five (55) years after the date of the recordation of the Notice of Completion issued for the Project, or (b) the date the Property is sold or otherwise Transferred, unless it is a Permitted Transfer (as such term is defined in the County HOME Loan Deed of Trust) or Lender expressly consents in advance in writing to such Transfer in each instance, and each such Transfer is completed in accordance with all conditions imposed by Lender in connection with such consent, including, but not limited to, such transferee expressly assuming, in writing duly executed by such transferee in form approved by Lender, all of Borrower's obligations hereunder and under the other County HOME Loan Documents, or (c) Borrower has failed to commence construction as set forth in Section 4.1 of the County HOME Loan Agreement, or (d) an Event of Default by Borrower, as defined in Section 8.1 of the County HOME Loan Agreement, which, if subject to cure, has not been cured as provided for in Section 8.2 of the County HOME Loan Agreement. Annual payments on the County HOME Loan hereunder shall be made in accordance with Section 7, below. In the event of an Event of Default by Borrower, as defined in Section 8.1 of the County HOME Loan Agreement, which, if subject to cure, has not been cured as provided for in Section 8.2 of the County HOME Loan Agreement, all unpaid principal and all accrued and unpaid interest hereunder shall immediately be due and payable in accordance with Section 9 of this County HOME Loan Promissory Note. In any event, all unpaid principal and all accrued and unpaid interest hereunder shall be due and payable by Borrower to Lender no later than December 31, 2082.

6. DEFINITIONS. All capitalized terms used but not defined in this County HOME Loan Promissory Note shall have the respective meanings ascribed to such terms in the County HOME Loan Agreement. In the event of any conflict between the provisions of this County HOME Loan Promissory Note and the provisions of the County HOME Loan Agreement, the provisions of the County HOME Loan Agreement shall control and prevail.

7. PAYMENTS. All accrued interest and principal hereunder shall be due and payable in accordance with the terms set forth in Section 5, above. Annual payments on the County HOME Loan shall be made from Residual Receipts in the following order: *First*, to fund and replenish the Reserve Accounts; *second* to mandatory debt service on the Construction Loan (and, following Conversion, the Permanent Loan); *third* to the Deferred Developer Fee; *fourth* to asset management, partnership management and similar fees, including fees paid to investors, in an aggregate amount not to exceed, for the then-current year, \$39,505 for 2024 and increased at the rate of 3.5% for each subsequent year; *fifth*) of the remaining Residual Receipts, (i) fifty percent (50%) to Borrower for Distributions (including loan repayments and fees paid to Borrower's partners and affiliates of any entity that has an ownership interest a partner of Borrower or the Project), and (ii) fifty percent (50%) to State HCD and Lender for repayment of the HCD Loans and the County HOME Loan in amounts proportional to such agencies' respective assistance amounts until repaid in full, which respective assistance amounts, as of the Effective Date, are as follows: [fifty-four percent (54%)] to State HCD in connection with its HHC loan to Borrower; [twenty-eight percent (28%)] to State HCD in connection with its NPLH loan to Borrower; and [eighteen percent (18%)] to Lender for repayment of the County HOME Loan.

In the event that either of Borrower or Lender determines that there has been an understatement or underpayment of the amount of Residual Receipts reported or paid to Lender (which determination must be made no later than five (5) years from such understatement or

underpayment), Borrower shall promptly pay to Lender the full amount of such understatement or underpayment, but in any event, no later than the date that is twenty (20) days after the earlier of (a) the date of Borrower's determination of such understatement or underpayment, or (b) Lender's notice to Borrower of Lender's determination of such understatement or underpayment. In the event that Lender determines that there has been an overpayment of Residual Receipts to Lender, Lender shall promptly pay to Borrower the amount of such overpayment, but in any event, within twenty (20) days of such determination. If contested, Borrower has the right to pay under protest and request and pay for an audit by an independent certified public accountant.

8. PLACE AND MANNER OF PAYMENT. All amounts due and payable under this County HOME Loan Promissory Note are payable at the office of Lender at the address set forth above, or at such other place as Lender may designate to Borrower in writing from time to time, in any coin or currency of the United States which on the respective Annual Payment Dates shall be legal tender for the payment of public and private debts.

9. DEFAULT AND ACCELERATION. This County HOME Loan Promissory Note is secured by the County HOME Loan Deed of Trust. All covenants, conditions and agreements contained in the County HOME Loan Deed of Trust and the County HOME Loan Agreement are hereby made a part of this County HOME Loan Promissory Note. Borrower agrees that the amount of principal and all then-accrued and unpaid interest hereunder, shall, at the option of Lender, be immediately due and payable upon any Event of Default, as defined in the County HOME Loan Agreement, which, if subject to cure in accordance with Section 8.2 of the County HOME Loan Agreement and the applicable Notice of Default, has not been cured in accordance with the County HOME Loan Agreement and the applicable Notice of Default, including, but not limited to, the failure of Borrower to make any payment when due. Upon the occurrence of any Event of Default, Lender may exercise any other rights or remedies permitted under this County HOME Loan Promissory Note, any of the other County HOME Loan Documents, or applicable law. Cure of an Event of Default made or tendered by Borrower's limited partners shall be accepted or rejected on the same basis as if made or tendered by Borrower in accordance with the County HOME Loan Agreement.

10. PREPAYMENT OF COUNTY HOME LOAN. No prepayment penalty will be charged to Borrower for payment of all or any portion of the County HOME Loan amounts prior to the end of the Term. However, prepayment of the County HOME Loan during the 20-year term of the County HOME Loan Regulatory Agreement shall require Lender's prior written approval, and shall not affect Borrower's obligations under the County HOME Loan Regulatory Agreement.

11. NO OFFSET. Borrower hereby waives any and all rights of offset it now has or may hereafter have against Lender, its successors and assigns, and agrees to make the payments called for herein in accordance with the terms of this County HOME Loan Promissory Note.

12. WAIVERS. All presentments, notices of dishonor, and protests are waived by all makers, sureties, guarantors, and endorsers of this County HOME Loan Promissory Note, if any.

13. CONSENTS AND APPROVALS. Any consent or approval of Lender required under this County HOME Loan Promissory Note shall not be unreasonably withheld or delayed.

14. **NOTICES.** Except as may be otherwise specifically provided herein, no approval, notice, or consent of Lender shall be effective unless in writing signed by Lender. Notices to Borrower hereunder may be delivered to Borrower at the address of Borrower set forth below, or at such other place or places as Borrower may designate in writing, from time to time, in accordance with the Notice provisions of the County HOME Loan Agreement, for the receipt of communications from Lender. A copy of each notice sent to Borrower by Lender hereunder shall also be sent to Borrower's Limited Partner at the address set forth below.

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

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

Owner: Patterson Point, L.P.
8215 West Ocean Avenue,
Lompoc, Ca. 93436
Attention: Executive Director

With copy to: c/o Red Stone Equity Partners, LLC
90 Park Avenue, 28th Floor
New York, NY 10016
Attention: General Counsel and President

With copy to: Price, Postel & Parma LLP
Attn: Mark S. Manion
200 East Carrillo Street, Fourth Floor
Santa Barbara, CA 93101

15. **ASSIGNMENT; BINDING UPON SUCCESSORS.** All provisions of this County HOME Loan Promissory Note shall be binding upon and inure to the benefit of the permitted successors-in-interest, transferees, and assigns of Borrower and Lender; provided, however, that Borrower shall not assign or otherwise transfer, directly or indirectly, whether by operation of law or otherwise, this County HOME Loan Promissory Note or any of Borrower's rights or obligations hereunder without the prior written consent of Lender in each instance.

16. **GOVERNING LAW.** This County HOME Loan Promissory Note 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.

17. **SEVERABILITY.** Every provision of this County HOME Loan Promissory Note is intended to be severable in the event that any provision of this County HOME Loan Promissory Note shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, in

which case, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

18. **TIME.** Time is of the essence in this County HOME Loan Promissory Note.

19. **WAIVER.** No waiver by Lender of any provision of this County HOME Loan Promissory Note or any of the other County HOME Loan Documents shall be effective unless in writing signed by Lender. No waiver will be implied from any delay or failure by Lender to take action on any breach or default of Borrower or to pursue any remedy allowed under any of the County HOME Loan Documents or applicable law. Any extension of time granted to Borrower to perform any obligation hereunder or under and of the other County HOME Loan Documents shall not operate as a waiver of or release from any of the Borrower's obligations hereunder or under and of the other County HOME Loan Documents. Consent by Lender to any act or omission by Borrower shall not be construed to be consent to any other or subsequent act or omission or to waive the requirement for Lender's written consent to future waivers.

20. **AMENDMENTS AND MODIFICATIONS.** No amendment or modification to or of this County HOME Loan Promissory Note shall be effective unless in writing and duly executed by both Borrower and Lender.

21 **NONRECOURSE.** Except as expressly provided in the second paragraph of this Section 21, the Borrower, and the Borrower's partners, officers, directors, employees and agents shall not have any direct or indirect personal liability for payment of the principal of, or interest on, this County HOME Loan Promissory Note. The sole recourse of the Lender with respect to the principal of, or interest on, the County HOME Loan Promissory Note shall be to the property securing the indebtedness evidenced by the County HOME Loan Promissory Note. However, nothing contained in the foregoing limitation of liability shall (i) limit or impair the enforcement against all such security for the County HOME Loan Promissory Note of all the rights and remedies of the Lender, or (ii) be deemed in any way to impair the right of the Lender to assert the unpaid principal amount of the County HOME Loan Promissory Note as demand for money within the meaning and intent of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto.

The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the County HOME Loan Promissory Note, except as hereafter set forth; nothing contained herein is intended to relieve the Borrower of personal liability to the extent of actual damages for (i) fraud or willful misrepresentation or misconduct by or on behalf of Borrower or any of Borrower's officers, agents, partners, or any of Borrower's partner's members, managers, officers, directors, employees, or agents; (ii) the failure to pay taxes, assessments or other charges (which are not contested by the Borrower in good faith) which may create liens on the Property that are payable or applicable prior to any foreclosure under the County HOME Loan Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by the Borrower other than in accordance with the County HOME Loan Deed of Trust; (iv) the material misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property; (v) the Borrower's indemnification obligations under the County HOME Loan Agreement; and (vi) payment to the Lender of any

rental income or other income arising with respect to the Property received by the Borrower after the Lender has given notice to the Borrower of the occurrence of an Event of Default and after the expiration of all applicable notice and cure periods, subject to the rights of any lender providing a loan secured by the Property to which the Lender has subordinated the County HOME Loan Deed of Trust.

21. **COUNTY HOME LOAN AGREEMENT CONTROLS.** In the event that any provisions of this County HOME Loan Promissory Note and the County HOME Loan Agreement conflict, the terms of the County HOME Loan Agreement shall control.

(signatures appear on following page)

BORROWER:

PATTERSON POINT, L.P.,
a California limited partnership

By: SURF DEVELOPMENT COMPANY, a California
nonprofit public benefit corporation,
its managing general partner

By _____
Raymond F. Down, President

By: PPAGP, LLC, a California limited liability company, its
administrative general partner

By: HOUSING AUTHORITY OF THE COUNTY OF SANTA
BARBARA, a public body, corporate and politic, its sole member
and manager

By _____
Robert P. Havlicek Jr, Executive Director

By: SANTA BARBARA HOUSING ASSISTANCE
CORPORATION, a California nonprofit public benefit
corporation, its co-administrative general partner

By _____
Carlo Sarmiento, Executive Director

EXHIBIT E

COUNTY HOME LOAN REGULATORY AGREEMENT

NO FEE DOCUMENT

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

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

NO FEE DOCUMENT PURSUANT TO
CALIFORNIA GOVERNMENT CODE SECTION 27383

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

This County HOME Loan Regulatory Agreement and Declaration of Restrictive Covenants (this “Agreement”) is made as of this 16th day of July, 2024 (“Effective Date”) by and between the County of Santa Barbara, a political subdivision of the State of California (the “Lender” or “County”), and Patterson Point, L.P., a California limited partnership (the “Owner” or “Borrower” and, together with the County, collectively, the “Parties” and each individually a “Party”).

RECITALS

A. The Owner owns a parcel of real property located at 80 North Patterson Avenue, in the area of Goleta, unincorporated Santa Barbara County, California, as more particularly described in Exhibit A, attached hereto and incorporated herein by reference (the “Property”), upon which the Owner intends to construct twenty-four (24) studio apartment units of permanent rental housing, of which one such studio apartment unit is designated as a manager’s unit not subject to income or rent limits (the “Project”).

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

C. Lender has been awarded State of California Permanent local Housing Allocation (“PLHA”) funds (“PLHA Funds”), pursuant to SB2, the Building Homes and Jobs Trust Funds Act, as described in Health and Safety Code section 50470 et seq. (Chapter 364, Statutes of 2017 (SB2)) for purposes of providing financing for development of affordable housing opportunities for lower-income residents.

D. Concurrently herewith, Lender is lending to Owner a loan in the amount of One Million, Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000), comprised of One Million, Seventy-Two Thousand, Eight Hundred Ninety-Nine Dollars and Fifty-Seven Cents in HOME Funds (\$1,072,899.57), and Four Hundred Fifteen Thousand, One Hundred Dollars and Forty-Three Cents (\$415,100.43) in PLHA Funds, to provide financing for the Project (the “County HOME Loan”), as evidenced by that certain County HOME Loan Promissory Note of even date herewith executed by Borrower in favor of Lender in the amount of One Million, Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000), (“County HOME Loan Note”), and that certain County HOME Loan Agreement of even date herewith by and between Lender and Borrower (“County HOME Loan Agreement”), and secured by that certain Deed of Trust of even date herewith (“County HOME Loan Deed of Trust”).

E. As further consideration for the County HOME Loan and to further the interests of the Lender, the Owner has agreed to enter into and record this Agreement. The purpose of this Agreement is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Project. The covenants in this Agreement are intended to run with the land and be binding on the Owner and its successors and assigns with respect to the Property.

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

1. DEFINITIONS

All capitalized terms used but not defined in this Agreement shall have the respective meanings ascribed to such terms in the County HOME Loan Agreement. Some of the following terms are defined in the County HOME Loan Agreement and repeated herein for convenience of reference.

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

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

1.3 “**ASSISTED UNIT**” means, collectively, the six (6) HOME-Assisted Units and two (2) PLHA-Assisted Units.

1.4 “**COUNTY HOME LOAN**” means the loan of HOME Funds in the amount of One Million, Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000), made by the Lender to the Owner to finance certain development costs of the Project pursuant to the County HOME Loan Agreement and the County HOME Loan Note.

1.5 **“COUNTY HOME LOAN AGREEMENT”** means the County HOME Loan Agreement executed concurrently herewith by and between the Owner and the Lender, setting forth the terms and conditions governing the County HOME Loan.

1.6 **“COUNTY HOME LOAN DEED OF TRUST”** means that certain deed of trust, assignment of rents, and security agreement, executed concurrently herewith by the Owner, as trustor, and the Lender, as beneficiary, to be recorded against the Property and the improvements to be constructed thereon as security for the County HOME Loan, as well as any amendments to, modifications of, and restatements thereof.

1.7 **“COUNTY HOME LOAN DOCUMENTS”** means, collectively, the County HOME Loan Agreement, the County HOME Loan Note, the County HOME Loan Deed of Trust, and this Agreement, including all exhibits hereto and thereto, as such documents may be amended from time to time in accordance with the provisions hereof and thereof.

1.8 **“COUNTY HOME LOAN NOTE”** means the promissory note executed by the Owner concurrently herewith in favor of the Lender in the amount of One Million, Four Hundred Eighty-Eight Thousand Dollars (\$1,488,000), evidencing the County HOME Loan, which is secured by the County HOME Loan Deed of Trust, as well as any amendments to, modifications of, or restatements thereof.

1.9 **“HOME-ASSISTED UNIT”** means any of the six (6) Units on the Property designated by the Owner as “floating” HOME-Assisted Units with restricted occupancy and rents pursuant to and subject to the requirements of this Agreement, each of which must be occupied by a Qualifying Household. A Unit shall not be considered a HOME-Assisted Unit until such Unit has been constructed and made available for occupancy.

1.10 **“PLHA-ASSISTED UNIT”** means any of the two (2) Units on the Property designated by the Owner as “floating” PLHA-Assisted Units with restricted occupancy and rents pursuant to and subject to the requirements of this Agreement, each of which must be occupied by a Qualifying Household. A Unit shall not be considered a PLHA-Assisted Unit until such Unit has been constructed and made available for occupancy

1.10 **“PROJECT COMPLETION”** means that all necessary title transfer requirements and construction work for the Project have been performed; the Project complies with the requirements of 24 CFR Part 92 (including, but not limited to, 24 CFR 92.2, 24 CFR 92.252(e), and the property standards under § 92.251); and the Project completion information has been entered into the disbursement and information system established by HUD; provided, however, that, with respect to rental housing Project completion, for the purposes of § 92.502(d), Project completion occurs upon completion of construction and before occupancy.

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

1.12 [This section intentionally left blank.]

1.13 **“OWNER”** means Patterson Point, L.P., a California limited partnership.

1.14 **“PROJECT”** means the construction, operation and management of the Property and the improvements thereon, including, but not limited to, improvements constructed thereon during the Term.

1.15 **“PROPERTY”** means that certain real property and improvements thereon located at 80 North Patterson Avenue, in the area of Goleta, in unincorporated Santa Barbara County, in the State of California, as more particularly described in Exhibit A, attached hereto and incorporated herein by reference, and all improvements thereon, including, but not limited to, improvements constructed thereon during the Term.

1.16 **“QUALIFYING HOUSEHOLD”** means a household that qualifies as a Very Low-Income Household, as defined below. Subject to applicable fair housing laws and Section 42 of the Internal Revenue Code, a Qualifying Household who meets the definition of Veteran must be given a preference to be first considered for occupancy of a vacant Unit, or may be moved to the top of a waiting list, if applicable. “Veteran” is defined as the Head of Household or Spouse who has served in active duty in the United States Armed Forces for a minimum of six (6) continuous months, and if separated from military service, received other than dishonorable discharge. The Veteran preference shall also be given to a surviving spouse or registered domestic partner of a deceased Veteran, as defined herein. Verification of Veteran status will be by the submittal of a copy of such Veteran's DD-214.

1.17 **“QUALIFYING RENT”** means the total monthly charges for rent of an Assisted Unit, which shall not exceed, for each of the Assisted Units, thirty percent (30%) of the adjusted income of a family whose annual income equals fifty percent (50%) of the AMI.

Qualifying Rent is not required to be lower than the HOME rent limits for the Project in effect as of the Effective Date of this County HOME Loan Regulatory Agreement, i.e., \$1,295. In accordance with 24 CFR 92.252(d), if the Tenant of an Assisted Unit pays for utilities and services (excluding telephone, television and Internet services), then the Qualifying Rent for such Unit shall be reduced by the maximum monthly allowance for utilities and services using the annual HUD Utility Schedule Model, or other annual utility schedule as determined by the County.

1.18 **“TAX CREDIT REGULATORY AGREEMENT”** means that regulatory agreement required by the California Tax Credit Allocation Committee that will be recorded after completion of the Project and which restricts the Tenant income and rents for all Units in the Project, with the exception of the Project’s manager’s unit which shall not be so restricted.

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

1.20 **“TERM”** means the term of this Agreement, which shall commence on the Effective Date and terminate on the date that is fifty-five (55) years after the date of the issuance by the Santa Barbara County Planning and Development Department Building Official of a certificate of occupancy for the Project.

1.21 **“UNIT”** means a housing unit in the Project.

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

2. TERM AND COMPLIANCE

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

2.2 TERM OF AGREEMENT. This Agreement shall remain in full force and effect for the entirety of the Term. The requirements of this Agreement shall apply throughout the Term without regard to the term of any loan or mortgage or any Transfer.

2.3 COMPLIANCE WITH HOME AND PLHA PROGRAM REQUIREMENTS. At all times during the Term, the Owner shall comply with (i) all HOME program requirements, including, but not limited to, 24 CFR Part 92, and all HOME program guidelines, policies and procedures in effect during the Term (collectively the “HOME Requirements”), and (ii) all PLHA program requirements and regulations, including, but not limited to, the State of California Department of Housing and Community Development’s PLHA Final Guidelines (“PLHA Guidelines”).

3. PROJECT OCCUPANCY AND RENTS

3.1 OCCUPANCY OF PROJECT. A total of eight (8) Units in the Project shall be designated as Assisted Units. Each Assisted Unit must be occupied, or reserved for occupancy, by a Qualifying Household.

3.2 ASSISTED UNITS. At all times during the Term, the Owner shall limit rental of eight (8) Assisted Units to Qualifying Households at Qualifying Rents that do not exceed the maximum rental charges for each Assisted Unit as set forth in Sections 1.17(b) and 3.4 herein. The Assisted Units shall be designated as “floating” so the Assisted Units may change over time as long as the total number and type of Assisted Units in the Project remains constant.

All Assisted Units shall meet the following standards:

- A. The Assisted Units shall be similarly constructed and of comparable quality to all other Units in the Project, and shall be dispersed throughout the Project; and
- B. All Tenants of Assisted Units shall be provided with access to and enjoyment of all common areas and facilities of the Project on the same basis as Tenants of other Units.

3.3 OTHER PROJECT UNITS. The Units other than the Assisted Units, excluding any manager’s unit, must comply with the rent and income restrictions and other provisions of the Tax Credit Regulatory Agreement. Non-compliance under the terms of the Tax Credit Regulatory

Agreement shall constitute an event of default hereunder, and an Event of Default under the County HOME Loan Agreement.

Owner must maintain and operate the Project in compliance with all applicable federal, state, and local requirements for access for disabled persons, including, but not limited to, Section 504 of the Rehabilitation Act of 1973 (29 USC 794), as amended, and with implementing regulations at 24 CFR, Part 8, and the Fair Housing Act (42 USC 3601-3619), implemented at 24 CFR Part 100, Subpart D. Within thirty (30) days after Borrower has completed the construction of the Project, Borrower shall submit to Lender documentation satisfactory to Lender evidencing compliance with all such requirements, including, but not limited to, a certification from the Project architect documenting the Unit numbers and type of accessibility features of no less than two (2) Units accessible for persons with mobility impairments and one (1) Unit accessible for persons with either hearing or visual impairments.

3.4 MAXIMUM RENTAL CHARGES.

A. Maximum rental charges for each Assisted Unit shall not exceed the Qualifying Rent as defined above in Section 1.17(b) and Section 3.2.

B. The Qualifying Rent for each Assisted Unit shall be set by the Lender at the time of initial occupancy of the Project. Annual increases in Qualifying Rents shall be calculated based on the change in Area Median Income published annually by HUD. Owner shall not increase Qualifying Rents charged to any Tenant occupying an Assisted Unit without the prior written approval of the County in each instance. Owner shall submit to the County a written request for approval of each such increase at least sixty (60) calendar days prior to the requested effective date of such increase. Lender may approve such request if the increased Qualifying Rents would comply with all applicable HOME Requirements. Owner must deliver to Tenants of Home-Assisted Units written notice of each such County-approved increase at least thirty (30) days prior to any increase in Qualifying Rents, consistent with State law.

3.4.1 OCCUPANCY DEADLINES. Owner shall ensure that each Assisted Unit is occupied by a Qualifying Household Tenant in accordance with the deadlines for occupancy set forth at 24 CFR 92.252. Each Assisted Unit shall be occupied by a Qualifying Household within six (6) months after the date of Project Completion (“Occupancy Deadline”), which Project Completion shall be evidenced by the recording of a notice of completion and Certificate(s) of Occupancy. In the event that any Assisted Unit is not occupied by a Qualifying Household by the Occupancy Deadline Completion (“Assisted Unit Vacancy”), Owner shall (i) deliver to Lender, within five (5) days after the Occupancy Notice Date, written notice of each such Assisted Unit Vacancy, (ii) submit to Lender, within ten (10) days after the Occupancy Notice Date, a detailed record of Owner’s marketing efforts with respect to the Project and the Assisted Units, and (iii) comply with Lender’s reasonable requests for additional information pertaining to such marketing efforts. Any Assisted Unit vacancy on the date that is six (6) months after the date of the issuance of a Certificate of Occupancy shall constitute an Event of Default by Owner. On or before the date that is three (3) days after the last day of the sixth (6th) month after the date of Project Completion, Owner shall provide to Lender written notice of each such Assisted Unit vacancy and its marketing plan to Lender to evidence ongoing efforts to occupy the Assisted Units. Within five (5) days of receipt of such notice of Assisted Unit vacancy from Owner, Lender shall give written notice to

Owner of such Event of Default in accordance with Section 6.2, below. Owner shall cure such Event of Default before the last day of the twelfth (12th) month after the date of Project Completion. Notwithstanding any other provision of this Agreement, or any provision of any other County HOME Loan Document or subordination agreement to the contrary, Owner shall immediately repay to Lender all HOME Funds invested in Units that are not rented to Qualifying Households within 12 months of Project Completion.

3.5 INCOME CERTIFICATION.

A. The Annual Income levels and other qualifications of each applicant for an Assisted Unit shall be certified by Owner no earlier than six (6) months prior to such Qualifying Household applicant's expected occupancy of an Assisted Unit, and recertified annually thereafter by the Owner, in compliance with 24 CFR 92.203. Before an applicant occupies an Assisted Unit, the Owner shall verify that the Annual Income calculated in an Annual Income certification for such applicant is accurate by taking both of the following steps as a part of the verification process:

- (1) Third Party Verification: Owner shall contact all third parties referenced in such Qualifying Household's Annual Income Certification (e.g., employer, Social Security Administration, public assistance agency) are contacted in writing to obtain written verification from each such third party of such Qualifying Household's Annual Income; and
- (2) Review of Documents: Owner shall require each Qualifying Household to provide documents verifying such Qualifying Household's Annual Income (e.g., pay stubs, tax returns), and shall retain all such Qualifying Household Annual Income verification documents in the Project files.

B. Annual Income Recertification. At the time of each Assisted Unit lease renewal, or pursuant to an annual schedule adopted by the Owner, and in no event later than the one-year anniversary of the initial Annual Income verification for each Assisted Unit, and annually thereafter during the Affordability Period, Owner shall recertify the Annual Income of each Tenant occupying an Assisted Unit using the method described in Section 3.5.A, above. Such annual recertification shall be used in order to determine 30% of each Qualifying Household's tenant portion of rent payment for such Assisted Unit.

3.6 INCREASES IN QUALIFYING HOUSEHOLD INCOMES. In the event that recertification of the Annual Income of a Tenant who previously qualified as a Qualifying Household ("Previously-Qualifying Household") indicates that such Tenant's Annual Income exceeds the maximum designated for a Unit reserved for a Very Low-Income Household hereunder and pursuant to the HOME Requirements, the Owner may increase the amount of rent payable by such Tenant for such Unit only as permitted by HUD in accordance with regulations regarding "over-income tenants" at 24 CFR 92.252(i). If such Previously-Qualifying Household's income exceeds eighty-percent (80%) of AMI, then the Unit occupied by such Previously-Qualifying Household no longer qualifies as an Assisted Unit, and the next available Unit of comparable size and amenities or larger must be designated as the replacement Assisted Unit.

4. LEASING THE PROJECT

4.1 TENANT LEASES. The Owner shall execute a written lease agreement ("Lease") with Tenant(s) of each Assisted Unit for a term of at least one year, unless the Owner and such Tenant(s)

mutually agree to a shorter Lease term; provided, however, that no such Lease agreement may be for a term of less than thirty (30) days. Each Lease shall be in the form of the Form of Lease attached hereto as Exhibit C_ (“Form of Lease”), and all deviations from or changes thereto must be approved in writing in advance by Lender.

A. The Owner shall include in each Lease for each Assisted Unit provisions which provide that a Qualifying Household occupying such Assisted Unit is subject to annual certification of such Qualifying Household’s Annual Income, and that the tenancy of such Qualifying Household shall be terminated as soon as possible in accordance with State law should one or more of such Qualifying Household’s members misrepresent any material fact regarding such Qualifying Household’s qualification as a Low-Income Household. The Owner shall include in each Lease for each Assisted Unit provisions which prohibit Qualifying Household occupying such Assisted Unit from subleasing such Assisted Unit.

B. In addition to executing a Lease for each Assisted Unit, the Owner shall require that each Qualifying Household leasing an Assisted Unit execute a Declaration of Intent to Occupy, which shall require the Qualifying Household to occupy such Assisted Unit as the Qualifying Household’s primary residence.

C. The Lease for each Assisted Unit shall not contain any of the prohibited provisions identified at 24 CFR §92.253(b), including, but not limited to, the following:

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

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

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

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

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

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

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

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

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

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

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

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

4.2 TENANT SELECTION. Before leasing any Unit in the Project, the Owner must provide to Lender for Lender's review and approval the Owner's written tenant selection plan ("Tenant Selection Plan"). Tenant selection must, at a minimum, meet the requirements for tenant selection set out in 24 C.F.R. 92.253(d) and any modifications thereto. A Veteran's preference must be applied pursuant to amended Section 1.16 as described above, provided, however, such preference shall be subject to all applicable federal and state fair housing laws and Section 42 of the Internal Revenue Code. All changes to the Tenant Selection Plan require prior written approval from Lender.

4.3 SECTION 8 CERTIFICATE HOLDERS. The Owner will accept as Tenants, on the same basis as all other prospective Tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act, or its successor. The Owner shall not apply selection criteria to Section 8 certificate

or voucher holders that are more burdensome than criteria applied to all other prospective Tenants, nor shall the Owner apply or permit the application of management policies or lease provisions with respect to the Project which have the effect of precluding occupancy of Units by such prospective Tenants.

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

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

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

5. PROPERTY MANAGEMENT

5.1 MANAGEMENT RESPONSIBILITIES. The Owner shall be solely responsible for management of the Project, including all management functions with respect to the Project, including without limitation the selection of Tenants, certification and recertification of Qualifying Household size and Annual Income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The Owner shall submit its proposed Property Manager for the Project to Lender for Lender's approval. Lender hereby preapproves the Housing Authority of the County of Santa Barbara as the Property Manager for the Project. The Owner must not remove or replace the Property Manager without the prior written consent of the Lender in each instance, which consent shall not be unreasonably withheld.

5.2 APPROVAL OF MANAGEMENT POLICIES. The Owner shall submit its written management policies with respect to the Project ("Management Policies") to the Lender for Lender's review and approval. Owner shall amend the Management Policies in any way necessary to ensure that the Management Policies comply with the provisions of this Agreement, the HOME Requirements and the PLHA Guidelines, as may be amended from time to time, and the requirements of all lenders providing financing for the Project; provided, however, that in the event

of any conflict between the HOME Requirements or the PLHA Guidelines and the requirements of any lender providing financing for the Project, the HOME Requirements and the PLHA Guidelines shall prevail and control, and the Management Policies shall comply with the HOME Requirements and the PLHA Guidelines.

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

5.4 COMPLIANCE MONITORING. The Owner shall, at all times during the Term, operate the Property and the Project in full compliance with this Agreement, the PLHA Guidelines, and the HOME Program regulations ss set forth in 24 CFR Part 92 in effect as of the Effective Date, and as may be enacted or amended from time to time, and shall remain in compliance therewith throughout the entirety of the Term. The Owner shall permit the Lender to conduct compliance monitoring, including performing on-site records review and inspections of the Property, as required by applicable laws and regulations, the HOME Requirements, the PLHA Guidelines, and/or as requested by Lender.

5.5 ANNUAL REPORT. On or before March 1st of each year during the Term following recordation of a notice of completion issued for the Project, the Owner shall submit to the Lender a report, in a form approved by Lender, for the immediately preceding calendar year, containing all information requested by Lender so as to allow the Lender to determine the Owner's compliance with this Agreement ("Annual Report"). The Annual Report shall include, at a minimum: (i) an Annual Financial Statement, as defined in Section 1.2 of the County HOME Loan Agreement, (ii) a report on the occupancy of the Project, (iii) a report on the physical condition of the Project, (iv) a report on the general management of the Project, (v) for each Assisted Unit, the rent, Annual Income, and household size of the Tenant household in occupancy of such Unit, as well as the date such tenancy commenced, and (vi) all other information requested by Lender.

Within thirty (30) days after receipt of a written request, Owner shall submit all information and completed forms requested by the Lender in connection with reporting requirements of HUD, the State of California, or the Lender. The Lender shall have the right to examine and make copies of all books, records and other documents and data in Owner's possession, custody, or control which pertain to the Project, Property, or any Unit to determine compliance with this Agreement.

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

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

and Taxation Code Section 214(g) for the Property, and hereby provides its consent for such property tax exemption application.

5.8 MAINTENANCE OF EXISTING STRUCTURES. Owner shall maintain all buildings on the Property in good condition, in good repair, ordinary wear and tear excepted, and in a decent, safe, sanitary, habitable and tenantable condition. All Units in the Project must meet the standards set forth in 24 CFR 92.251(f)(2), as well as the standards in the PLHA Guidelines, at all times during the Term of this Agreement. In the event that Lender establishes property standards in accordance with 24 CFR 92.251(f)(1), and determines in its sole discretion that such standards are applicable to the Project, Lender shall send written notice of such determination to Owner. Upon Owner's receipt of such written notice, the property standards established by Lender pursuant to 24 CFR 92.251(f)(1) shall apply to all Units in the Project throughout the Term of this Agreement. Owner shall not cause or permit any violations of any laws, ordinances, regulations, covenants, conditions, restrictions, or equitable servitudes as they pertain to improvements, alterations, maintenance or demolition on the Property. Owner shall be solely responsible for maintenance of the Property.

6. GENERAL PROVISIONS

6.1 SUBORDINATION. This Agreement shall be senior to all, and shall not be subordinate to any, deeds of trust, notes, agreements, and other obligations of Lender concerning the Property, and may be subordinated in priority only as to liens and encumbrances otherwise approved in advance in writing by the Lender in each instance, in Lender's sole and absolute discretion. Lender hereby consents to the subordination of this Agreement as follows: two permanent loans provided by the State of California Housing and Community Development Department ("State HCD"): one in the amount of Four Million Four Hundred Thousand Dollars (\$4,400,000), through the Housing for a Healthy California Program ("HHC"), and a second in the amount of Two Million Three Hundred Twenty-Five Thousand Four Hundred Fifty-Nine Dollars (\$2,325,459, provided through the No Place Like Home Program ("NPLH").

6.2 DEFAULT AND REMEDIES In the event of any breach of any provision(s) of this Agreement by the Owner, the Lender shall provide written notice to the Owner of such breach; provided, however, that if Owner has actual or constructive knowledge of such breach and has not received written notice of such breach from Lender, Owner shall immediately provide written notice to Lender of such breach. If Lender determines that such breach is capable of cure, Lender shall provide written notice to Owner stating that such breach is capable of cure, the actions required to effect such a cure, and the date by which such cure must be completed ("Opportunity to Cure Notice"), provided that the Owner diligently undertakes to cure such breach in accordance with such Opportunity to Cure Notice. Lender shall accept a cure of such breach by the Owner's limited partner on the same basis as Lender would accept a cure of such breach by the Owner. If the Owner fails to perform a timely cure of the specified breach in accordance with such Opportunity to Cure Notice, or immediately upon the occurrence of a breach that the Lender determines to be incapable of cure, the Lender may proceed with any or all of the following remedies:

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

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

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

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

6.3 EVENT OF DEFAULT. In the event that, at any time during the Term, any of Owner or the Project are not in compliance with any of the HOME Requirements or any provision of this Agreement, subject to applicable notice and cure periods as provided herein, such failure shall constitute an Event of Default hereunder and under Sections 8.1.D, 8.1.E, and/or 8.1.I of the County HOME Loan Agreement. In the event that Owner or the Project fails to comply with any of the provisions of the Tax Credit Regulatory Agreement, such failure shall constitute an Event of Default hereunder and under Sections 8.1.D, 8.1.E, 8.1.I and/or 8.1.J of the County HOME Loan Agreement.

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

6.5 INSURANCE AND INDEMNITY. Owner shall, at all times during the Term, comply with all of the insurance and indemnification provisions set forth in Exhibit B, attached hereto and incorporated herein by this reference.

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

6.7 AGREEMENT CONTROLS. In the event of any conflict between any provision of this Agreement and any provision contained in any of the other County HOME Loan Documents, the terms of this Agreement shall control and prevail.

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

6.9 CONSENTS AND APPROVALS. Any consent or approval of the Lender required under this Agreement shall not be unreasonably withheld. No Lender consent or approval shall be effective unless in writing and executed by a duly authorized representative of the Lender.

6.10 NOTICES, DEMANDS AND COMMUNICATIONS. Formal notices, demands and communications to a Party hereunder shall be sufficiently given if, and shall not be deemed given unless, dispatched by U.S. Postal Service registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the such Party at the address set forth for such Party as

follows, or to such other address as such Party may from time to time designate in writing delivered to the other Party in accordance with this Section 6.10:

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

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

Owner: Patterson Point, L.P.
815 West Ocean Avenue
Lompoc, California 93436
Attention: Executive Director

With copy to: c/o Red Stone Equity Partners, LLC
90 Park Avenue, 28th Floor
New York, NY 10016
Attention: General Counsel and President

With copy to: Price, Postel & Parma LLP
Attn: Mark S. Manion
200 East Carrillo Street, Fourth Floor
Santa Barbara, CA 93101

6.11 BINDING UPON SUCCESSORS. This Agreement shall be recorded in the official records of the Santa Barbara County Clerk-Recorder's Office, and all provisions of this Agreement shall be binding upon and inure to the benefit of the permitted successors-in-interest, permitted transferees, and permitted assigns of the Owner, as permitted in accordance with the County HOME Loan Documents, and the Lender, and shall run with the land with respect to the Property for the full Term of this Agreement, regardless of any assignment, payment, prepayment, expiration, or extinguishment of the County HOME Loan or County HOME Loan Note, any reconveyance of the County HOME Loan Deed of Trust, or any conveyance or Transfer of the Property or any portion thereof or any interest therein; provided, however, that Owner shall not shall not assign or otherwise transfer, directly or indirectly, whether by operation of law or otherwise ("Transfer"), this Agreement or the Property, or any of Owner's interest herein or therein, or any of Owner's rights or obligations hereunder, without the prior written consent of Lender in each instance, other than a Permitted Transfer specified in Paragraph A or B of Section 22 of the County HOME Loan Deed of Trust, which Permitted Transfer shall not require the prior written consent of the Lender. Any purported Transfer in violation of the foregoing provisions of this Section 6.11 shall be void *ab initio*.

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

6.13 WAIVER. No waiver, consent, or approval by the Lender with respect to this Agreement shall be effective unless in writing executed by a duly authorized representative of Lender. No waiver shall be implied from any delay or failure by the Lender to take action on any breach or default of the Owner, or to pursue any remedy allowed under this Agreement or any of the other County HOME Loan Documents, or under applicable law. No extension of time granted by Lender to the Owner to perform an instance of an obligation under this Agreement shall operate as a waiver or release with respect to any other instance or obligation under this Agreement or any of the other County HOME Loan Documents. No consent by the Lender to an act or omission by the Owner shall be construed to constitute consent by Lender to any other or subsequent act or omission, or to waive the requirement that all waivers by Lender hereunder must be in writing executed by a duly authorized representative of Lender.

6.14 AMENDMENTS AND MODIFICATIONS. No amendment to or modification of this Agreement shall be effective unless in writing and duly executed by both the Owner and the Lender.

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

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

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

ATTEST:
Mona Miyasato
Clerk of the Board

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

By: _____
Deputy Clerk of the Board

By: _____
STEVE LAVAGNINO
Board Chair

**APPROVED AS TO ACCOUNTING
FORM:**
BESTY M. SCHAFFER, CPA, CPFO
AUDITOR-CONTROLLER

By: _____
Deputy

APPROVED AS TO FORM
RACHEL VAN MULLEM
COUNTY COUNSEL

By: _____
Deputy County Counsel

APPROVED AS TO FORM:
RISK MANAGEMENT

By: _____
Gregory Milligan, ARM, AIC
Risk Manager

BORROWER

PATTERSON POINT, L.P.,
a California limited partnership

By: SURF DEVELOPMENT COMPANY, a California
nonprofit public benefit corporation,
its managing general partner

By _____
Raymond F. Down, President

By: PPAGP, LLC, a California limited liability company, its
administrative general partner

By: HOUSING AUTHORITY OF THE COUNTY OF SANTA
BARBARA, a public body, corporate and politic, its sole member
and manager

By _____
Robert P. Havlicek Jr, Executive Director

By: SANTA BARBARA HOUSING ASSISTANCE
CORPORATION, a California nonprofit public benefit
corporation, its co-administrative general partner

By _____
Carlo Sarmiento, Executive Director

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A

Legal Description of the Property

Exhibit A

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Santa Barbara, State of California, described as follows:

THAT PORTION OF GOLETA RANCHO, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHWEST CORNER OF THE HENRY N. HILL TRACT IN LA GOLETA RANCHO DIVISION, MARKED H. HILL 5 ON EDMUND PEW MAP, FILED, SAID CORNER BEING A CROSS ON ROCK UNDER SURFACE OF GROUND IN THE CENTER OF 60 FOOT COUNTRY ROAD, AND RUNNING, THENCE FIRST SOUTH 83°11' EAST ALONG THE NORTHERLY LINE OF SAID HENRY N. HILL TRACT 18.18 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID LINE SOUTH 83°11' EAST 150.00 FEET; THENCE SOUTH 1°34'23" WEST 195.35 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF THE TRACT OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED JULY 14, 1960 AS INSTRUMENT NO. 22119 IN BOOK 1762, PAGE 98 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY; THENCE ALONG THE BOUNDARY LINE OF SAID STATE OF CALIFORNIA TRACT OF LAND FOLLOWING COURSES AND DISTANCES, NORTH 58°25'63" WEST 143 FEET, MORE OR LESS, TO AN ANGLE POINT IN SAID LINE; NORTH 34°17'54" WEST 43.08 FEET, AND NORTH 1°34'23" EAST 102.50 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OF THE RIGHT, TITLE AND INTEREST IN AND TO ANY AND ALL OIL, GAS, HYDROCARBONS, ASPHALTUM AND MINERALS LYING AND BEING BELOW THE DEPTH OF 500 FEET BENEATH THE SURFACE OF THE REAL PROPERTY HEREIN CONVEYED; PROVIDED, HOWEVER, THAT THIS EXCEPTION DOES NOT INCLUDE THE RIGHT TO ENTER UPON THE SURFACE OF THE REAL PROPERTY HEREIN DESCRIBED TO DRILL, WHIPSTOCK, DIRECTIONALLY DRILL, MINE, TUNNEL, DIG SHAFTS, OR OTHERWISE MAKE ENTRY BY ANY MEANS WHATSOEVER, THROUGH OR INTO ANY PORTION OF THE REAL PROPERTY HEREIN DESCRIBED LYING AND BEING 500 FEET OF THE SURFACE THEREOF OR TO USE THE SURFACE THEREOF FOR ANY PURPOSES, AS RESERVED IN THE DEED FROM JOHN S. EDWARDS, JR. AND OTHERS, RECORDED JANUARY 21, 1963, BOOK 1972, PAGE 1076 OF OFFICIAL RECORDS; BUT EXPRESSLY EXCEPTING HOWEVER, THE FOLLOWING RIGHTS AND INTEREST WITH RESPECT TO THAT PORTION OF THE REAL PROPERTY HEREIN DESCRIBED LYING AND BEING MORE THAN 500 FEET BENEATH THE SURFACE THEREOF.

(A) THE PERPETUAL RIGHT TO USE EVERY PORTION OF THE HEREIN DESCRIBED REAL PROPERTY LYING MORE THAN 500 FEET BENEATH THE SURFACE THEREOF FOR ANY AND ALL PURPOSES IN CONNECTION WITH THE EXPLOITATION OF, EXTRACTION OF, OR OPERATION FOR ANY AND ALL OF THE MINERALS, OIL, NATURAL GAS, ASPHALTUM OR OTHER HYDROCARBONS HEREINBEFORE RESERVED, OR IN CONNECTION WITH THE EXERCISE OF ANY AND ALL RIGHTS HEREINBEFORE RESERVED OR APPURTENANT TO SAID MINERALS, OIL, NATURAL GAS, ASPHALTUM OR OTHER HYDROCARBONS.

(B) THE PERPETUAL RIGHT TO WHIPSTOCK, DIRECTIONALLY DRILL, MINE AND CONSTRUCT TUNNELS OR SHAFTS FROM LANDS OTHER THAN THOSE HEREINABOVE DESCRIBED IN THE EXERCISE OF ANY AND ALL RIGHTS HEREINBEFORE RESERVED, AND TO BOTTOM SUCH WHIPSTOCKED, DIRECTIONALLY DRILLED WELL OR WELLS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS OF THE LAND HEREINABOVE DESCRIBED, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS, TUNNELS, SHAFTS OR MINES.

APN: 067-200-005

Exhibit B

Standard Indemnification and Insurance Provisions

EXHIBIT C

I. INDEMNITY

Borrower hereby agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless County and its officers, officials, employees, agents and volunteers from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person or entity and for any costs or expenses (including but not limited to attorneys' fees) incurred by County on account of any claim except where such indemnification is caused by the sole negligence of the County.

II INSURANCE

Borrower hereby covenants and agrees to provide the insurance coverage with limits as specified below. Borrower shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the County Home Loan Agreement as follows:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than \$2,000,000 per occurrence and \$4,000,000 in the aggregate.
2. **Automobile Liability:** Insurance Services Office Form CA 0001 covering Code 1 (any auto), with limits no less than \$2,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation:** Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. **Pollution Legal Liability and/or Asbestos Legal Liability:** (if project involves environmental hazards) with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

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

5. **Builders Risk Insurance:** Borrower shall obtain a Builders Risk Policy that provides 100% Replacement Cost. Coverage is to be effective upon the date of the Notice to Proceed, the date of site mobilization or the start of any shipment of materials, machinery or equipment to the site, whichever is earlier, and to remain in effect until replaced by permanent All Risk Property Insurance. The policy must include a Loss Payable Endorsement, including mortgage clause (CP 12 18 or similar) in favor of the County. The policy must not contain a coinsurance clause or self-insured retention. The policy must provide coverage for vandalism and Malicious Mischief Coverage.
6. **All Risk Property Insurance:** Borrower shall obtain and maintain in full force during the entire time of its ownership of the property described in this Agreement an All Risk Property Insurance policy that provides 100% Replacement Cost. The policy must contain a Lender's Loss Payable Endorsement, including mortgage clause (CP 12 18 or similar) in favor of the County. The policy may not contain a coinsurance clause or self-insured retention. Earthquake and fire coverage must be included.

7. **Flood Insurance:** If the property is deemed to be in an area identified by FEMA as a "special Flood Hazard area," Borrower must obtain flood insurance coverage with limits of at least the \$2,000,000 County is lending to Borrower.

B. Other Insurance Provisions

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

1. **Additional Insured** – County, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Borrower including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Borrower's insurance at least as broad as ISO Form CG 20 10 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).
2. **Primary Coverage** – For any claims related to this Agreement, the Borrower's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents or volunteers shall be excess of the Borrower's insurance and shall not contribute with it.
3. **Notice of Cancellation** – Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the County.
4. **Waiver of Subrogation Rights – Borrower hereby agrees to waive rights of subrogation which any insurer of Borrower may acquire** from Borrower by virtue of the payment of any loss. Borrower agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. **The Workers' Compensation policy shall be endorsed with a waiver of subrogation** in favor of the County for all work performed by the Borrower, its employees, agents and subcontractors. This provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.
5. **Deductibles and Self-Insured Retention** – Any deductibles or self-insured retentions must be declared to and approved by the County. At the option of the County, either: the Borrower shall cause the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County, its officers, officials, employees, agents and volunteers; or the Borrower shall provide a financial guarantee satisfactory to the County guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
6. **Acceptability of Insurers** – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of "A- VII".
7. **Verification of Coverage** – Borrower shall furnish the County with proof of insurance, original certificates and amendatory endorsements as required by this Agreement. The proof of insurance, certificates and endorsements are to be received and approved by the County before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Borrower's obligation to provide them. The Borrower shall furnish evidence of renewal of coverage throughout the term of the Agreement. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

8. **Failure to Procure Coverage** – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, County has the right but not the obligation or duty to terminate the Agreement. Maintenance of required insurance coverage is a material element of the Agreement and failure to maintain or renew such coverage or to provide evidence of renewal may be treated by County as a material breach of contract.
9. **Subcontractors** – Borrower shall require and verify that all contractors maintain insurance meeting all the requirements stated herein, and Borrower shall ensure that County is an additional insured on insurance required from contractors. For CGL coverage contractors shall provide coverage with a format least as broad as CG 20 38 04 13.
10. **Claims Made Policies** – If any of the required policies provide coverage on a claims-made basis:
 - i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
 - ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.
 - iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Borrower must purchase “extended reporting” coverage for a minimum of five (5) years after completion of contract work.
11. **Special Risks or Circumstances** – County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. Borrower agrees to execute any such amendment within thirty (30) days of receipt.

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

Exhibit C

Form of Lease

**Exhibit C
Form of Lease**

RESIDENTIAL TAX CREDIT LEASE AGREEMENT

Lease Number: _____ Number of Bedrooms _____ Project: Patterson Point

This Residential Tax Credit Lease Agreement ("Lease") and Resident's occupancy of the Leased Premises are governed by the State of California Tax Credit Allocation Committee Regulations and any amendment thereto ("TCAC Regulations").

The HOUSING AUTHORITY of the COUNTY of SANTA BARBARA, (hereinafter "MANAGEMENT"), relying upon statements made in the RESIDENT's application, upon the following terms and conditions does hereby lease to:

HEAD OF HOUSEHOLD

(hereinafter "RESIDENT"), the dwelling unit described as: 80 North Patterson Avenue
Santa Barbara, CA 93111 ("Leased Premises")

at a Monthly Rental rate of \$ _____

Contract Rent \$ _____

Housing Assistance Payment \$ _____, under terms and conditions stated below:

1. Term of Lease:

TWELVE MONTH LEASE: The Lease shall commence on _____, with the initial lease term terminating on _____, and thereafter continuing on a month-to-month basis.

2. Rent:

- a. RESIDENT agrees to pay to MANAGEMENT monthly rent, payable in advance on the first (1st) day of each month.
- b. Rent for the initial period under this Lease in the amount of \$ _____ is due and payable at the time this Lease is executed. Thereafter, the RESIDENT shall pay the full month's rental as provided above on the first day of each month. RESIDENT shall be personally responsible for all rent payments which are due.
- c. A flat fee of \$10.00 shall be due and payable immediately for all rent payments not received on or before the FIFTH (5th) calendar day of the month, unless MANAGEMENT has issued RESIDENT a written authorization for such lateness. This authorization must be requested and agreed to by MANAGEMENT in writing prior to the FIFTH (5th) of the month.
- d. All payments made by RESIDENT (or made on RESIDENTS' behalf) will be applied to the oldest outstanding financial obligation(s) due or past-due. For example, if RESIDENT fails to pay rent or another financial obligation that came due between March 1 and March 31, a rent payment timely tendered in April will first be applied to the outstanding obligation(s) from March, with the remainder, if any, then being applied to rent that came due between April 1 and April 30.
- e. If RESIDENT receives three (3) late payment notices in a twelve (12) month period, the Lease may be terminated for cause upon the RESIDENT's receipt of a fourth (4th) late payment notice within said period.
- f. Should this Lease be terminated by RESIDENT as set forth in Paragraph 19, and should RESIDENT fail to vacate the Leased Premises within the 30-day notice period, then MANAGEMENT shall have the option of requiring RESIDENT to pay rent on a daily basis until RESIDENT vacates the Leased Premises, or of requiring RESIDENT to serve MANAGEMENT with a new 30-day notice as provided in Paragraph 19. Should MANAGEMENT require a new 30-day notice, this Lease shall remain in full force and effect until the Lease is terminated by either party in accordance with the provision hereof. In the event RESIDENT vacates the Leased Premises without giving written notice required by Paragraph 19, RESIDENT shall remain obligated to pay rent under this Lease until thirty (30) days after MANAGEMENT obtains knowledge that the Leased Premises have been vacated. Rental credits or charges at termination of this Lease shall be based upon the actual days of tenancy in a given month.

3. Returned Checks:

For any returned or dishonored check, RESIDENT agrees to pay an amount equal to the returned check fee imposed upon MANAGEMENT. RESIDENT agrees to pay this returned check fee and the original check amount to MANAGEMENT by cash, cashier's check or money order immediately upon demand. Any rent check returned unpaid or dishonored for any reason renders the rent unpaid and subjects RESIDENT to termination of the Lease or other consequences under the Lease. MANAGEMENT will not accept personal checks from RESIDENT for rent payment or for other charges for a period of six (6) months after the date any RESIDENT check is returned unpaid or dishonored.

4. Security Deposit:

- a. On execution of this Lease, RESIDENT shall deposit with MANAGEMENT \$2330.00 as a security deposit to secure RESIDENT's faithful performance of all of RESIDENT's obligations under this Lease, including the payment of rent, repairs of damage, restoration, replacement or return of personal property or appurtenances, and cleaning and repair of the premises upon surrender. Any deductions made from the security deposit by MANAGEMENT, other than for rent or for the cleaning of the premises, shall be deemed to be for repair of damage to the premises caused by RESIDENT or RESIDENT's guests or invitees, which shall include damage to the common areas.
- b. Any refund of the security deposit to RESIDENT shall be made in the amount and manner established by California Civil Code §1950.5. MANAGEMENT may use any interest earned on the security deposit, and RESIDENT shall not be entitled to any such interest.



5. Utilities: The monthly dwelling rent **includes** the following utilities and appliances (if marked):

<input checked="" type="checkbox"/> ELECTRICITY	<input checked="" type="checkbox"/> GAS	<input checked="" type="checkbox"/> TRASH	<input checked="" type="checkbox"/> SMOKE DETECTOR
<input checked="" type="checkbox"/> REFRIGERATOR	<input checked="" type="checkbox"/> RANGE	<input checked="" type="checkbox"/> WATER	<input checked="" type="checkbox"/> SEWER

RESIDENT agrees to maintain the above-named utility services which are not provided by MANAGEMENT during the entire term of this Lease. RESIDENT agrees to promptly pay for all such utilities furnished to the premises. RESIDENT shall abide by all locally imposed restrictions on the use of water or any other such utility and shall abide by all MANAGEMENT policies relating to the use of any utility not EXCLUSIVELY paid for by RESIDENT. RESIDENT SHALL PAY FOR ANY AND ALL PENALTIES IMPOSED UPON MANAGEMENT BY ANY GOVERNMENTAL AGENCY BECAUSE OF RESIDENT'S FAILURE TO ABIDE BY ANY PROPERLY IMPOSED RESTRICTION ON THE USE OF ANY UTILITY.

6. Maintenance and Repair: Throughout the term of this Lease, RESIDENT shall:

- a. Keep the premises in clean and sanitary condition;
- b. Dispose of all rubbish, garbage and waste in a clean and sanitary manner;
- c. Properly use and operate all electrical, gas, plumbing, sanitary, heating, ventilation, and air conditioning fixtures and other facilities and appurtenances, including elevators, and keep the same in a clean condition;
- d. Not permit any person in or about the premises with RESIDENT's permission to deface, damage or remove any part of the structure of the premises of the facilities, equipment or appurtenances thereto, nor personally do any such thing;
- e. Occupy and use the premises in the manner in which it was designed and intended to be occupied and used.

RESIDENT will pay reasonable charges to MANAGEMENT for maintenance and repair beyond normal wear and tear for damage to the premises, facilities or common areas caused by RESIDENT, members of the household or guests. Charges will be billed to RESIDENT based on the cost to MANAGEMENT, including materials and pro rated staff time. Charges will be due and payable thirty (30) days after MANAGEMENT gives written notice to the RESIDENT.

MANAGEMENT shall make all necessary repairs, alterations and improvements to the dwelling as promptly as possible and give special attention to cases involving damage affecting health or safety. RESIDENT hereby waives all rights to make repairs upon the premises at the expense of MANAGEMENT, except as expressly permitted by Section 1942 of the California Civil Code.

The basis for maintenance and repair charges to the residence shall be the Schedule of Charges for Services and Repairs maintained by MANAGEMENT. Copies of this Schedule of Charges for Services and Repairs are posted in MANAGEMENT's office and may be obtained upon request by the RESIDENT.

7. Smoking is Prohibited:

RESIDENT agrees to refrain from and cause members of the household, guests, and other persons under RESIDENT's control to refrain from smoking inside the Leased Premises, patios and common areas of the complex. Residents and their guests may smoke only within smoking areas as designated by MANAGEMENT, if applicable.

8. Income Certification and Annual Recertification:

- a. RESIDENT's eligibility to occupy Leased Premises is based on information RESIDENT provides to MANAGEMENT regarding RESIDENT's household income and assets before initial entry into Leased Premises. RESIDENT's continued eligibility to occupy Leased Premises requires an annual income and asset recertification. RESIDENT agrees to participate and cooperate with MANAGEMENT's annual recertification process, and to do so within a reasonable time period after receiving written notice from MANAGEMENT of annual recertification appointment.
- b. RESIDENT agrees that all such information provided to MANAGEMENT regarding household income and assets is true, complete, and correct to the best of RESIDENT's knowledge. RESIDENT further accepts that failure to provide such information, or providing false or misleading information, may result in the termination of RESIDENT's occupancy and eviction from the Leased Premises. RESIDENT agrees and acknowledges that all information supplied shall be subject to independent third-party verification (and RESIDENT shall sign specific consent forms for such verifications). RESIDENT further agrees that all information supplied shall be subject to independent inspection by representatives from the State of California Tax Credit Allocation Committee ("TCAC").
- c. Based upon the information provided by RESIDENT pursuant to subparagraphs (a) and (b) above, MANAGEMENT may adjust the rent described in Paragraph 2 annually. MANAGEMENT will give RESIDENT thirty (30) days' written notice prior to the effective date of any increase in rent. RESIDENT agrees to accept such notice as an amendment to this Lease, and if necessary, RESIDENT shall sign a formal Lease amendment or the new lease that is warranted based on the changes resulting from such recertification. RESIDENT's refusal or failure to sign such a new lease with similar terms to this Lease or an amendment constitutes a serious violation of a material term of the Lease that may result in the termination of RESIDENT's tenancy.
- d. Retroactive Rent: If the RESIDENT has failed to report changes in family circumstances within thirty (30) days as required or misrepresented to MANAGEMENT the facts upon which rent is determined, and this misrepresentation or failure to report facts results in the RESIDENT paying less rent than he/she should have been charged, MANAGEMENT shall adjust the rent to the proper amount.
 - (1) To the extent permitted by state or federal laws and/or regulations, the increase in rent may be made retroactive to thirty (30) days after the change in family circumstances occurred.
 - (2) Where the new, increased rent is not made effective to thirty (30) days after the change in family circumstance occurred, the new, increased rent rate shall become effective thirty (30) days after MANAGEMENT gives written notice to the RESIDENT (or upon a shorter notice period as allowed by state or federal laws and/or regulations).
 - (3) Where RESIDENT misrepresents or fails to report the facts upon which rent is determined, RESIDENT may pay less rent than he/she is required to pay. Where MANAGEMENT determines that RESIDENT owes MANAGEMENT past-due rent in such circumstances (hereinafter "ADDITIONAL RENT"), RESIDENT must either (i) pay MANAGEMENT the ADDITIONAL RENT within thirty (30) days after MANAGEMENT gives written notice to RESIDENT of the ADDITIONAL RENT or (ii) enter into a repayment agreement for the repayment of all ADDITIONAL RENT. RESIDENT agrees and acknowledges

that, in the event that RESIDENT fails to make ADDITIONAL RENT payments pursuant to the repayment agreement, MANAGEMENT may serve RESIDENT a Notice to Pay or Quit pursuant to California Code of Civil Procedure § 1161(2) separately demanding ADDITIONAL RENT and any unpaid rent.

- (4) Should MANAGEMENT determine that a rent change is necessary, RESIDENT shall have the right to an explanation of these changes. If RESIDENT does not agree with the explanation, the RESIDENT shall have the right to request a hearing under MANAGEMENT's Grievance Procedure.

9. Reporting Interim Changes in Family Composition: The RESIDENT agrees to report, IN WRITING to MANAGEMENT, any changes in household composition within thirty (30) days of the change. Any addition of a member shall require MANAGEMENT's written approval PRIOR to move-in.

10. Required Transfer Due to Change in Family Composition or Status: Transfer of RESIDENTS from one housing unit to another operated by MANAGEMENT when such family is eligible for continued occupancy in the dwelling to which it is transferred shall not be subject to the preferences of other selection criteria contained in this section. If MANAGEMENT determines that the size or type of dwelling unit is no longer appropriate to RESIDENT's needs, RESIDENT shall be required to move to another unit of appropriate size or type. MANAGEMENT will give RESIDENT a reasonable time in which to move. RESIDENT may ask for an explanation of the specific reason for the transfer. If RESIDENT does not agree with MANAGEMENT's explanation, the RESIDENT shall have the right to request a hearing under MANAGEMENT's Grievance Procedure. If RESIDENT rejects the offer of a unit of appropriate size or type, MANAGEMENT shall not be obligated to offer any other unit, and MANAGEMENT may consider this as reasonable grounds for terminating this Lease in accordance with the provisions of Paragraph 19. MANAGEMENT shall not begin any court proceeding while a grievance is being processed. Note: RESIDENTS who transfer from one LIHTC project to another, or who transfer between buildings within a given LIHTC project, must be re-qualified on the basis of the current income limit for the project/building to which they are transferring.

11. Occupancy of the Dwelling Unit:

- a. RESIDENT shall have the right to exclusive use and occupancy of the unit by the members of the household authorized to reside in the unit in accordance with the Lease, including reasonable accommodation of RESIDENT's guests in accordance with subparagraphs (c), (d), and (e) below.
- b. RESIDENT agrees not to use or permit the use of the dwelling unit for any purpose other than as a private dwelling unit for the RESIDENT and members of his/her household (as specified in Paragraph 12 below) unless MANAGEMENT has given written approval for legal profit-making activities by RESIDENT or members of the household which do not interfere with the primary purpose of the unit as a residence and which do not interfere with the health and safety of others.
- c. RESIDENT further agrees not to assign this Lease, nor to sublet or transfer possession of the premises, nor to give accommodations to boarders or lodgers. RESIDENT agrees not to allow boarders, lodgers, homeless, or other persons to conduct "daytime stays" for the purpose of using RESIDENT's unit, bathing facilities, laundry rooms, parking lots, or other common areas.
- d. RESIDENT may not allow any person that is subject to a lifetime registration requirement under a State sex offender registration program to reside at the Premises for any period of time. Nor may RESIDENT allow such a person to register his/her address as the address of the Premises. RESIDENT agrees that the violation of this subparagraph (d) constitutes a serious violation of a material term of the Lease that may result in the termination of RESIDENT's tenancy.
- e. Subject to the limitations stated in subparagraphs (c) and (d) above, RESIDENT may accommodate visitors or guests provided the accommodation does not exceed fourteen (14) consecutive or cumulative days in any twelve (12) month period as to any individual, without the prior written permission of MANAGEMENT.
- f. RESIDENT may, at any time during tenancy, request permission for occupancy by a foster child, or live-in aide for a person with disabilities or elderly member of the household who requires a live-in aide, provided the accommodations of such persons conforms to MANAGEMENT's occupancy standards and MANAGEMENT has granted prior written approval for the foster child(ren), or Live-in aide, to reside in the unit. Such permission shall not be unreasonably withheld, and shall be subject to MANAGEMENT's right to transfer RESIDENT in accordance with provisions of Paragraph 10.
- g. RESIDENT must supply any information or certification requested by MANAGEMENT to verify that RESIDENT and all members of the household are living in the unit, or relating to absence from the unit, including any information or certification for the purposes of family absences. RESIDENT and all members of the household must cooperate with MANAGEMENT for this purpose. RESIDENT must promptly notify MANAGEMENT when all members of the household will be absent from the unit for an extended period. An "extended period" is defined as any period greater than thirty (30) calendar days. In such a case, "promptly" means within ten (10) business days of the start of the extended absence.
- h. If RESIDENT and all members of the household appear to have vacated the unit without giving proper notice to MANAGEMENT, MANAGEMENT will follow state and local landlord-tenant law pertaining to abandonment before taking possession of the unit. If necessary, MANAGEMENT will secure the unit immediately to prevent vandalism and other criminal activity.

12. RESIDENT Obligations:

The premises are rented to RESIDENT for residential purposes only and may not be used by RESIDENT or his/her guests or invitees for any other purpose. The RESIDENT and his/her guests or invitees, if applicable, shall:

- a. Maintain the Leased Premises including fixtures and furnishings in a decent, safe, and sanitary condition and comply with all obligations imposed upon RESIDENT by applicable provisions of building and/or housing codes materially affecting health and safety. Personal belongings in the Leased Premises may not be stored in such a manner as to cause an excessively cluttered, unsanitary, or unsafe condition to exist. Personal property deemed excessive by MANAGEMENT must be stored elsewhere at RESIDENT'S expense.
- b. Not disturb, annoy, endanger or inconvenience other residents of the building, neighbors, or MANAGEMENT staff, nor violate any law, nor commit or permit waste or nuisance in or about the premises. Act in a cooperative manner with neighbors and MANAGEMENT staff. Refrain from and cause members of Resident's household or guests to refrain

from acting or speaking in an abusive or threatening manner toward neighbors and MANAGEMENT staff or persons employed by MANAGEMENT. Further, RESIDENT shall not do or keep anything in or about the premises that will obstruct the public spaces available to other tenants. Lounging or unnecessary loitering on the front steps, public balconies or any of the common areas that interferes with the convenience of other residents or threatens the health and safety of the complex is prohibited.

- c. Abide by all regulations by MANAGEMENT which shall be posted in the MANAGEMENT office.
- d. Pets are not permitted unless RESIDENT has prior approval from MANAGEMENT per the MANAGEMENT's Pet Policy. All RESIDENTS with such approval are permitted to maintain common household pets in accordance with the conditions and limitations of the Pet Policy adopted by MANAGEMENT. In accordance with these policies, RESIDENT may maintain on the premises only common household pets as more specifically described in the Pet Policy and herein.
- e. Not install aerials, lighting fixtures, or other equipment, use excessive nails, screws, adhesive tape, or fastening devices on walls, ceiling or woodwork or alter or redecorate the premises without MANAGEMENT's prior written approval. Any alterations, additions and improvements by RESIDENT shall not be removed from the premises, and shall become the property of MANAGEMENT at the expiration of this Lease.
- f. Park automobiles, motorcycles and other motor vehicles only in such space(s) as assigned to RESIDENT, and not repair or disassemble the same on or near the general premises. RESIDENT shall not park nor allow any other person with his or her permission to park in spaces reserved for other residents' parking. No inoperable vehicles, trailers, recreational vehicles or boats shall be parked in the MANAGEMENT parking area. All vehicles parked in the MANAGEMENT parking area shall have current registration and vehicle licenses. RESIDENT shall comply with MANAGEMENT's Parking Enforcement Agreement (attached hereto and incorporated herein by this reference). RESIDENT UNDERSTANDS THAT VIOLATION OF THE PARKING ENFORCEMENT AGREEMENT SHALL BE CAUSE FOR TERMINATION OF TENANCY, AND FOR EVICTION FROM THE UNIT.
- g. Take every care to prevent fires, not to keep gasoline, solvents or other flammable materials or substances in the dwelling unit and exercise particular caution with respect to children playing with matches. Not to use gas grills, charcoal grills or any combustible material in breezeways, on balconies or within 10 feet of buildings and combustible materials such as pine straw, pine bark and other landscape materials.
- h. Not place or allow to be placed in the premises a waterbed without prior written consent from MANAGEMENT and providing proof of insurance naming MANAGEMENT as a co-insured.
- i. Not tamper with or disconnect any smoke alarm provided to the premises. RESIDENT further agrees to periodically check the functioning of said smoke alarms and to immediately report any malfunction to MANAGEMENT for repairs.
- j. Refrain from, and prevent any members of the household, guests or other persons under the RESIDENT's control from engaging in: (i) any criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents or by employees or agents of MANAGEMENT, or (ii) any drug-related criminal activity on or near the premises, or (iii) any gang related criminal activity on or near the premises. "Drug-related criminal activity" includes the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute, or use, controlled substances. "Gang-related criminal activity" includes but is not limited to graffiti, loitering with known gang members or affiliates, displaying gang related gestures verbal or otherwise, and/or gang related paraphernalia in or about the premises. **ANY CRIMINAL ACTIVITY IN VIOLATION OF THE PRECEDING SENTENCES OF THIS PARAGRAPH SHALL BE CAUSE FOR TERMINATION OF TENANCY, AND FOR EVICTION FROM THE UNIT.**
- k. Ability to comply with Lease terms: IF, during the term of this Lease, RESIDENT, by reason of physical or mental impairment is no longer able to comply with the material provisions of this Lease, and cannot make arrangements for someone to aid him/her in complying with the Lease and MANAGEMENT cannot make any reasonable accommodations that would enable RESIDENT to comply with the Lease, THEN, MANAGEMENT will refer the RESIDENT to appropriate agencies to secure suitable housing and will terminate the Lease.
- l. Be jointly liable for all obligations under this Lease, and shall indemnify MANAGEMENT for liability arising prior to the termination of the Lease for personal injuries or property damage caused or permitted by the negligent, willful, or intentional conduct of RESIDENT, their guests, or invitees. This does not waive MANAGEMENT's "duty of care" to prevent personal injury or property damage where the duty is imposed by law.
- m. Illegal use or illegal possession of firearms and/or other weapons shall be grounds for eviction.
- n. Any insurance or self-insurance maintained by MANAGEMENT is for the sole benefit of MANAGEMENT and not for the benefit of RESIDENT.

13. MANAGEMENT Obligations: MANAGEMENT shall:

- a. Maintain the premises and the complex in decent, safe and sanitary condition;
- b. Comply with the requirements of applicable State and local building and housing codes and regulations;
- c. Make necessary repairs to the premises, at its own expenses, except as otherwise provided in this Lease;
- d. Keep complex buildings, facilities and common areas, otherwise not assigned to the resident for maintenance and upkeep, in a clean and safe condition;
- e. Maintain in good and safe working order and condition electrical, plumbing, sanitary, heating, ventilating, elevator and other facilities and appliances supplied or required to be supplied by MANAGEMENT.
- f. Provide and maintain receptacles and facilities (except containers for the exclusive use of an individual RESIDENT's family) for the deposit of ashes, garbage, rubbish and other waste removed from the premises by the RESIDENT in accordance with Paragraph 6(b);
- g. Supply running water and reasonable amounts of hot water and heat at appropriate times of the year, except where heat or hot water are generated by an appliance within the exclusive control of the RESIDENT and supplied by a direct utility connection; and
- h. Notify RESIDENT of the specific grounds for any proposed adverse action by MANAGEMENT. (Such adverse action includes, but is not limited to, a proposed lease termination, transfer of RESIDENT to another unit, or imposition of charges for maintenance and repair, or for excess consumption of utilities.) When MANAGEMENT is required to

afford RESIDENT the opportunity for a hearing under MANAGEMENT's grievance procedure for a grievance concerning a proposed adverse action. the notice of proposed adverse action shall inform RESIDENT of the right to request such hearing. In the case of a lease termination, a notice of lease termination in accordance with Paragraph 19(a) shall constitute adequate notice of proposed adverse action. In the case of a proposed adverse action other than a proposed lease termination, MANAGEMENT shall not take the proposed action until the time for RESIDENT to request a grievance hearing has expired, and (if a hearing was timely requested by RESIDENT) the grievance process has been completed.

14. Possession: If MANAGEMENT is unable to deliver possession of the Leased Premises at the time this Lease commences, MANAGEMENT shall not be liable for any damage caused thereby, nor shall this Lease be void or voidable, but RESIDENT shall not be liable for rent until possession is delivered.
15. Defects Hazardous to Life, Health and Safety: In the event the premises are damaged to the extent that conditions are created which are hazardous to life, health and safety of the occupants, the RESIDENT must immediately notify MANAGEMENT of the damage; and
 - a. MANAGEMENT shall make repairs within a reasonable time but the cost of said repairs shall be charged to the RESIDENT if the damage was caused by RESIDENT, members of his/her household or guests;
 - b. If the damage was caused by RESIDENT and cannot be repaired by MANAGEMENT within a reasonable time, MANAGEMENT may terminate RESIDENT's tenancy and this Lease pursuant to California law.
 - c. In circumstances where necessary repairs cannot be made within a reasonable time MANAGEMENT shall offer, if available, standard alternative accommodations (such as a hotel or another property managed by MANAGEMENT). If RESIDENT is relocated to another property managed by MANAGEMENT, RESIDENT shall enter into a new lease for such property, if MANAGEMENT determines that a new lease is necessary given the circumstances. RESIDENT's refusal or failure to sign such a new lease with similar terms to this Lease constitutes a serious violation of a material term of the Lease that may result in the termination of RESIDENT's tenancy. If MANAGEMENT determines that a new lease is not necessary, this Lease will apply to RESIDENT's temporary or permanent occupancy of the relocation property. If RESIDENT is temporarily relocated to a hotel, motel, or similar accommodation, RESIDENT must comply with all of the rules and regulations that apply to guests of the hotel, motel, or similar accommodation. If RESIDENT violates said rules and regulations, or is otherwise ejected from the hotel, motel, or similar accommodation, MANAGEMENT shall have no obligation to move RESIDENT to a new hotel, motel, or similar accommodation. In all cases where MANAGEMENT offers standard alternative accommodations, MANAGEMENT shall treat the offer as an offer of a vacant unit to a new applicant and will only offer the first unit available for rent of any presently available units of the size and type suitable to the family's needs.
 - d. In the event repairs are not made in accordance with a. above, or alternative accommodations are not provided in accordance with b. above, abatement of rent shall occur in proportion to the seriousness of the damage and the loss in use of and value as a dwelling. If the Leased Premises are damaged by fire, wind, or rain to the extent that the unit is not habitable and the damage is not caused or made worse by the RESIDENT, RESIDENT will be responsible for rent only up to the date of the destruction. In such circumstances additional rent will not accrue until the unit has been repaired to a livable condition. NO ABATEMENT OF RENT SHALL OCCUR IF THE RESIDENT REJECTS STANDARD ALTERNATIVE ACCOMMODATIONS OR IF THE DAMAGE WAS CAUSED BY THE RESIDENT, RESIDENT'S HOUSEHOLD OR RESIDENT'S GUESTS.
 - e. RESIDENT shall not undertake, or permit his/her family or guests to undertake, any hazardous acts or do anything that will increase the project's insurance premiums. Such action constitutes material non-compliance.
16. Pre-Occupancy and Termination Inspections: Before RESIDENT moves in, MANAGEMENT and RESIDENT and/or his/her representative shall inspect the dwelling unit and MANAGEMENT shall give RESIDENT a written inventory of the condition of the dwelling unit and the equipment therein. This inventory shall be signed by MANAGEMENT and RESIDENT, and RESIDENT must notify MANAGEMENT of any defects in the condition of the dwelling unit within fourteen (14) days of moving in. When RESIDENT moves out, MANAGEMENT (jointly with RESIDENT and/or his/her representative, if requested, unless RESIDENT vacated the dwelling unit without notice to MANAGEMENT), will inspect the dwelling unit and give RESIDENT a written statement of the charges for damage, if any, for which RESIDENT is responsible. MANAGEMENT will maintain a copy of all inspections performed in the RESIDENT'S file. Any property left by RESIDENT in or about the premises after RESIDENT vacates will be considered as abandoned and may be disposed of as MANAGEMENT sees fit.
17. MANAGEMENT's Right of Entry:
 - a. MANAGEMENT's agents, employees or representatives may enter and inspect the premises during normal business hours and upon reasonable advance written notice of at least twenty-four (24) hours delivered to the dwelling unit, with or without RESIDENT's presence, for any lawful purpose. MANAGEMENT may enter the premises in such manner for the purpose of performing routine inspections and maintenance, for making improvements or repairs, or to show the unit for re-leasing.
 - b. When there is reasonable cause to believe that an emergency exists, MANAGEMENT may enter the dwelling unit at any time without advance notification.
 - c. If RESIDENT and all adult members of the household are absent from the dwelling unit at the time of entry, MANAGEMENT shall leave in the unit a written statement specifying the date, time and purpose of entry prior to leaving the dwelling unit.
18. Notices:
 - a. Except as otherwise provided herein, any notices to RESIDENT shall be in writing and delivered to RESIDENT or an adult member of the household residing in the unit, or sent by prepaid first class mail addressed to the RESIDENT at his/her last address shown on the records of MANAGEMENT. If the RESIDENT is visually impaired, all notices shall be in an accessible format.
 - b. Notice to MANAGEMENT shall be in writing and delivered to the central office, or sent by prepaid first class mail addressed to MANAGEMENT at the central office.

19. Termination of Lease:

- a. After the initial lease term has ended, RESIDENT may terminate this Lease at any time by giving thirty (30) days' written notice. RESIDENT agrees to move promptly and leave the unit in a clean and good condition (except for reasonable wear and tear), and to return the keys to MANAGEMENT when he/she vacates. Rent may continue until the keys are returned to MANAGEMENT's office.
- b. MANAGEMENT may terminate this Lease as follows:
 - (1) MANAGEMENT may not terminate or refuse to renew the Lease except for serious or repeated violation of material terms of the Lease such as failure to make payments due under the Lease or to fulfill the RESIDENT obligations under the Lease or for other good cause which shall include, but not limited to, violation of applicable Federal, State or local law and violation of the requirements of the Program described in Paragraph 19(f).
 - (2) Either of the following types of criminal activity by RESIDENT, any member of the household, a guest, or another person under the RESIDENT's control, shall be cause for termination of tenancy: (a) any criminal activity that threatens the health, safety or right to peaceful enjoyment of MANAGEMENT's housing premises by other residents; or (b) any drug-related criminal activity on or near such premises.
 - (3) Other Good Cause. MANAGEMENT will terminate the lease for the following reasons:
 - (i) Fugitive Felon or Parole Violation. If RESIDENT is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which RESIDENT flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or violating a condition of probation or parole imposed under federal or state law.
 - (ii) Persons subject to sex offender registration requirement. If any member of the household has, during their current public housing tenancy, become subject to a registration requirement under a state sex offender registration program.
 - (iii) Discovery of facts after admission to the program that would have made the RESIDENT ineligible.
 - (iv) Discovery of material false statements or fraud by RESIDENT in connection with an application for assistance or with a reexamination of income.
 - (v) If RESIDENT fails to furnish such information and certifications regarding family composition and income as may be necessary for MANAGEMENT to make determinations with respect to rent, eligibility, and the appropriateness of the dwelling unit size.
 - (vi) If RESIDENT fails to transfer to an appropriate size dwelling unit based on family composition, upon appropriate notice by MANAGEMENT that such a dwelling unit is available.
 - (vii) If RESIDENT fails to permit access to the unit by MANAGEMENT after proper advance notification for the purpose of performing routine inspections and maintenance, for making improvements or repairs, or to show the dwelling unit for re-leasing; or without advance notice if there is reasonable cause to believe that an emergency exists.
 - (viii) If RESIDENT fails to promptly inform MANAGEMENT of the birth, adoption or court-awarded custody of a child. In such a case, "promptly" means within ten (10) business days of the event.
 - (ix) If RESIDENT fails to abide by the provisions of MANAGEMENT's Pet Policy.
 - (x) If RESIDENT has breached the terms of a repayment agreement entered into with MANAGEMENT.
 - (xi) If RESIDENT repeatedly disconnects a unit smoke alarm or carbon monoxide detector, or is warned for smoking inside of the unit. "Repeatedly" for these situations is defined as four (4) times in any twelve (12) month period.
 - (xii) If RESIDENT repeatedly violates any terms of this Lease. "Repeatedly" for this purpose is defined as three (3) times in any twelve (12) month period.
 - (xiii) If RESIDENT has engaged in or threatened violent or abusive behavior toward MANAGEMENT personnel. "Abusive or violent behavior" includes verbal as well as physical abuse or violence, and the use of racial epithets or other language (written or oral) that is customarily used to intimidate. "Threatening" refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
 - (xiv) If RESIDENT is absent from the unit for more than 180 consecutive days and does not adequately verify that RESIDENT and all members of the household are living in the unit as required pursuant to paragraph 11(g).
 - (4) MANAGEMENT shall give written notice of termination or non-renewal of the Lease as follows:
 - (i) Three (3) days' notice in the case of failure to pay rent;
 - (ii) Three (3) days' notice upon a breach of the material terms of this Lease including those in Paragraph 12(k); and
 - (iii) In all other cases, thirty (30) days' notice.
 - (5) The notice of termination to the RESIDENT shall state the reasons for the termination, and shall inform RESIDENT of his/her rights to make such reply as he/she may wish. The notice shall also inform RESIDENT of the right to examine MANAGEMENT documents directly relevant to the termination or eviction. When MANAGEMENT is required to afford RESIDENT the opportunity for a grievance hearing, the notice shall also inform RESIDENT of his/her right to request a hearing in accordance with the MANAGEMENT Grievance Procedure described in Paragraph 20.
 - (6) A notice to vacate which is required by State or local law may be combined with, or run concurrently with, a notice of lease termination under subparagraph b.(3) of this Paragraph 19.
- c. When MANAGEMENT is required to afford RESIDENT the opportunity for a hearing under the MANAGEMENT Grievance Procedure for a grievance concerning the Lease termination, the tenancy shall not terminate (even if any

notice to vacate under State or local law has expired) until the time for RESIDENT to request a grievance hearing has expired, and (if a hearing was timely requested by RESIDENT) the grievance process has been completed.

d. When MANAGEMENT is not required to afford RESIDENT the opportunity for a hearing under the MANAGEMENT Grievance Procedure for a grievance concerning the Lease termination, and MANAGEMENT has decided to exclude such grievance from grievance procedure, the notice of Lease termination under subparagraph b.(3) of this Paragraph 19 shall:

- (1) State that RESIDENT is not entitled to a grievance hearing on the termination;
- (2) Specify the judicial eviction procedure to be used by MANAGEMENT for eviction of RESIDENT, and state that MANAGEMENT has determined that this eviction procedure provides the opportunity for a hearing in court that contains the basic elements of due process as defined by MANAGEMENT regulations; and
- (3) State whether the eviction is for a criminal activity or drug related activity.

e. MANAGEMENT may evict RESIDENT from the unit by bringing a court action as provided by California law.

f. Should this Lease or any provision hereof conflict with or threaten the qualifications or preservation of the Federal Low Income Housing Tax Credit Program ("Program") pursuant to Section 42 of the Internal Revenue Code of 1986 as amended, and the rules and regulations promulgated there under ("Section 42"), MANAGEMENT may terminate this Lease upon giving a notice pursuant to Paragraph 19(b)(4)(iii).

g. Any notice of termination of eviction shall contain a statement of facts constituting the cause for termination or eviction and a statement of RESIDENT's rights under the MANAGEMENT Grievance Procedure described in Paragraph 20.

h. Eviction for Criminal Activity:

- (1) In deciding to evict for criminal activity, MANAGEMENT shall have discretion to consider all of the circumstances of the case, including the seriousness of the offense, the extent of participation of family members, and the effects that the eviction would have on family members not involved in the proscribed activity. In appropriate circumstances, MANAGEMENT may permit continued occupancy by remaining family members and may impose a condition that family members who engaged in the proscribed activity will not reside in the unit. MANAGEMENT may require a family member who has engaged in the illegal use of drugs to present evidence of successful completion of a treatment program as a condition of being allowed to reside in the unit.
- (2) When MANAGEMENT evicts an individual or family from a dwelling unit for engaging in criminal activity, including drug-related criminal activity, MANAGEMENT shall notify the local post office serving that dwelling unit that such individual or family member is no longer residing in the dwelling unit (so that the post office will terminate delivery of mail for such persons at the unit, and that such persons not return to the project for pickup of mail).

20. Grievance Procedure: All disputes concerning the obligations of RESIDENT or MANAGEMENT, which do not concern either criminal activity or drug related criminal activity on or near the premises, shall be resolved in accordance with the MANAGEMENT Grievance Procedure .

21. Protections for victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking: The following provisions are applicable to situations involving incidents involving actual or threatened domestic violence, dating violence, sexual assault, or stalking, as those terms are defined in the Violence Against Women Act ("VAWA"), as amended (42 U.S.C. 13925 and 42 U.S.C. 14043e et seq.). To the extent any provision of this section shall vary from or contradict any other provision of this Lease, the provisions of this section shall prevail.

a. Termination of tenancy:

- (1) An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking shall not be construed as a serious or repeated violation of this Lease by the victim of such violence, or good cause for terminating the victim's tenancy. MANAGEMENT may not terminate this Lease on the basis or as a direct result of the fact that RESIDENT or a member of RESIDENT's household is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.
- (2) MANAGEMENT may not terminate this Lease on the basis or as a result of criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking, engaged in by RESIDENT or a member of RESIDENT's household, a guest, or other person under RESIDENT's control, if RESIDENT or any member of RESIDENT's family is a victim of that domestic violence, dating violence, or stalking.
- (3) Notwithstanding anything to the contrary contained in Paragraphs 21(a)(1) and 21(a)(2) above, MANAGEMENT may terminate this Lease if it can demonstrate an actual and imminent threat to other tenants or to those employed at or providing service to the development in which the unit is located, if the tenancy of RESIDENT or a member of RESIDENT's household is not terminated. In this context, words, gestures, actions, or other indicators will be considered an actual and imminent threat. "Actual and imminent threat" refers to a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur.
- (4) Further, nothing in this section shall prohibit MANAGEMENT from terminating this Lease based on any violation not premised on an act of domestic violence, dating violence, sexual assault, or stalking that is in question against RESIDENT or a member of RESIDENT's household. However, in taking any such action to terminate a tenancy, MANAGEMENT shall not subject the individual who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, or is affiliated with an individual who is or has been a victim of domestic violence, dating violence, sexual assault or stalking, to a more demanding standard than other tenants in determining whether to evict. Any eviction pursuant to this Paragraph 21(a)(4) should be utilized only when there are no other actions that could be taken to reduce or eliminate the threat, including, but not limited to, transferring the victim to a different unit, barring the perpetrator from the property, contacting law enforcement

to increase police presence or develop other plans to keep the property safe, or seeking other legal remedies to prevent the perpetrator from acting on a threat. Restrictions predicated on public safety cannot be based on stereotypes, but must be tailored to particularized concerns about individual residents.

- b. Bifurcation of Lease: MANAGEMENT may bifurcate this Lease in order to evict, remove, or terminate assistance to any individual who is a tenant or a lawful occupant under this Lease and who engages in criminal acts of physical violence directly relating to domestic violence, dating violence, sexual assault, or stalking against family members or others. MANAGEMENT may take such action without evicting, removing, terminating assistance to, or otherwise penalizing a victim of such violence who is the RESIDENT or a lawful occupant under this Lease.
 - c. Certification: If RESIDENT or a lawful occupant under this Lease, as a defense to termination of tenancy or an action to evict, claims protection under this Paragraph 21 against such action, MANAGEMENT will request the individual to provide documentation supporting the claim.
 - d. Emergency Transfers: If RESIDENT or a member of RESIDENT's household who is a victim of domestic violence, dating violence, sexual assault, or stalking reasonably believes there is a threat of imminent harm from further violence if the individual remains in the Leased Premises, RESIDENT or the victim may request an emergency transfer to a different location pursuant to MANAGEMENT's Emergency Transfer Plan, a copy of which has been provided to RESIDENT and is available at MANAGEMENT's office.
 - e. Confidentiality: The law requires that information provided to MANAGEMENT concerning an incident of incidents of domestic violence, dating violence, sexual assault, or stalking be retained in confidence, not placed in any shared database, nor provided to a related entity, except to the extent disclosure is requested or consented to by the individual supplying such information, or required for use in an eviction proceeding, or otherwise required by applicable law.
22. Modification: This Lease, together with any future adjustments of rent or dwelling unit, is the entire agreement between MANAGEMENT and RESIDENT. Any modification of this Lease shall be in writing. The rules and regulations of MANAGEMENT attached hereto and incorporated herein by reference may be modified from time to time by MANAGEMENT, provided that RESIDENT(S) shall be given thirty (30) days written notice of such change including the reasons therefore, and further be given an opportunity to present written comments for consideration by MANAGEMENT. Written notice advising RESIDENT of proposed changes shall be deemed given when MANAGEMENT delivers directly or mails a notice to each RESIDENT as well as post the notice in a conspicuous place in MANAGEMENT's office.
23. Accommodation of Persons with Disabilities: MANAGEMENT shall provide reasonable accommodation to the extent necessary to provide the person with disabilities with the opportunity to occupy his/her unit equal to a non-handicapped RESIDENT. RESIDENT may at any time during his/her tenancy request reasonable accommodation for a person with disabilities who is a member of the RESIDENT's household, including reasonable accommodation so that the person with disabilities can meet Lease and other requirements of tenancy.
24. No Waiver of Breach: MANAGEMENT's failure to require strict compliance with any condition of this Lease, or to exercise any right provided herein, shall not be deemed a waiver by MANAGEMENT of such condition or right. MANAGEMENT's acceptance of rent with knowledge of any default under this Lease by RESIDENT shall not be deemed a waiver of such default, nor shall it limit MANAGEMENT's rights with respect to that or any subsequent default.
25. Governing Laws: This Lease is controlled by the laws of the State of California, regulations of the Tax Credit Allocation Committee, and the laws of the United States of America. If any of the provisions of this Lease is inconsistent with any of the foregoing said provisions shall be void and of no effect.
26. Severability: If any provision of this Lease is held by a court to be unenforceable for any reasons, the remainder of that provision will be severable, and all remaining terms of the Lease will remain in effect. If it is possible, any unenforceable or invalid provision in this Lease shall be modified to conform to the original intention of MANAGEMENT and RESIDENT.
27. Attorney's Fees: In any action or proceeding arising from this Lease, the prevailing party (as determined by the court) between MANAGEMENT and RESIDENT shall be entitled to attorney's fees, costs, and any other necessary expenses, including costs of collection, in addition to any other relief to which the prevailing party may be entitled.
28. Federal Low Income Housing Tax Credit Program Required Information:
- a. RESIDENT acknowledges that the Leased Premises are operated pursuant to the rules and regulations of the Program. The Program provides for a specific maximum monthly rent that may be charged for the Leased Premises, which amount is subject to annual adjustment based upon median incomes as determined by the United States Department of Housing and Urban Development ("HUD"). The Program also requires that the Leased Premises be leased to "Qualified Households" as defined by Section 42. At this Leased Premises, Qualified Households must meet certain age and income limitations. RESIDENT agrees to notify MANAGEMENT immediately of any material changes in income or number of persons residing within the Leased Premises.
 - b. It is specifically agreed that each obligation of the Lease, Income Certification and Annual Recertification, described in Paragraph 8, is material and that violation of any obligation or misrepresentation of any information shall constitute a breach of the Lease. RESIDENT is fully aware that this Lease may not be cancelled or otherwise terminated by RESIDENT during the initial six (6) month term of this Lease and thereafter only by giving MANAGEMENT the written notice pursuant to Paragraph 19(a). Abandonment of the Leased Premises or termination of the Lease for breach will not release RESIDENT from the obligation to pay future Rent payments as provided for herein.
 - c. Within thirty (30) days written notice from MANAGEMENT, RESIDENT will submit to MANAGEMENT all documentation required by MANAGEMENT necessary to insure that RESIDENT remains a Qualified Household. In the event that RESIDENT fails to deliver such information or MANAGEMENT determines (whether in connection with renewal or otherwise) that RESIDENT is no longer a Qualified Household under the Program, RESIDENT agrees to vacate the Leased Premises upon the earlier of the expiration of a term and non-renewal of the Lease or upon thirty (30) days written notice from MANAGEMENT of non-qualifying status.
 - d. RESIDENT acknowledges that the premises are operated pursuant to the rules and regulations of the Program. The Program provides for specific qualification restrictions with respect to occupancy of Program units by full-time students. RESIDENT acknowledges that qualification to remain as a resident is at all times dependent upon the household

meeting all student status requirements. Should RESIDENT fail to meet all student status requirements, RESIDENT will be deemed an unqualified RESIDENT and will be subject to immediate eviction.

29. Statutory Disclosures:

- a. **Lead-Based Paint.** Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, owners must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Renters must also receive a federally approved pamphlet on lead poisoning prevention.

[Check One]

- MANAGEMENT has no knowledge of lead-based paint and/or lead-based paint hazards in the Property. MANAGEMENT has no reports or records pertaining to lead based paint and/or lead based paint hazards in the Leased Premises.
- MANAGEMENT has knowledge of lead-based paint and/or lead-based paint hazards that are present in the Property and has provided the RESIDENT with all available records and reports pertaining to lead-based paint and/or lead based paint hazards in the Leased Premises. The following documents have been provided: .
- b. **Bed Bugs.** Management has no knowledge of any infestation in the Leased Premises by bed bugs.

Information about Bed Bugs

Bed bug Appearance: Bed bugs have six legs. Adult bed bugs have flat bodies about $\frac{1}{4}$ of an inch in length. Their color can vary from red and brown to copper colored. Young bed bugs are very small. Their bodies are about $\frac{1}{16}$ of an inch in length. They have almost no color. When a bed bug feeds, its body swells, may lengthen, and becomes bright red, sometimes making it appear to be a different insect. Bed bugs do not fly. They can either crawl or be carried from place to place on objects, people, or animals. Bed bugs can be hard to find and identify because they are tiny and try to stay hidden.

Life Cycle and Reproduction: An average bed bug lives for about 10 months. Female bed bugs lay one to five eggs per day. Bed bugs grow to full adulthood in about 21 days. Bed bugs can survive for months without feeding.

Bed bug Bites: Because bed bugs usually feed at night, most people are bitten in their sleep and do not realize they were bitten. A person's reaction to insect bites is an immune response and so varies from person to person. Sometimes the red welts caused by the bites will not be noticed until many days after a person was bitten, if at all.

Common signs and symptoms of a possible bed bug infestation:

- Small red to reddish brown fecal spots on mattresses, box springs, bed frames, mattresses, linens, upholstery, or walls.
- Molted bed bug skins, white, sticky eggs, or empty eggshells.
- Very heavily infested areas may have a characteristically sweet odor.
- Red, itchy bite marks, especially on the legs, arms, and other body parts exposed while sleeping. However, some people do not show bed bug lesions on their bodies even though bed bugs may have fed on them.

More Information: For more information, see the Internet Web sites of the United States Environmental Protection Agency and the National Pest Management Association.

RESIDENT shall report suspected infestations by bed bugs to the MANAGEMENT at the mailing address, email address, or phone number provided in this Lease and cooperate with any inspection for a treatment of bed bugs. MANAGEMENT will notify RESIDENT of any suspected or confirmed infestations.

- c. **Megan's Law Database Disclosure.** In accordance with Civil Code § 2079.10a, MANAGEMENT provides the following notice:

Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which the offender resides.

- d. **Flood Hazard Disclosure.** Pursuant to Government Code § 8589.45, a landlord shall disclose to a tenant if the rental property is located in a special flood hazard zone, if the landlord has actual notice of that fact.

[Check One]

- MANAGEMENT does not have actual knowledge that the Leased Premises is located in a special flood hazard zone.
- MANAGEMENT has actual knowledge that the Leased Premises is located in a special flood hazard zone because (i) MANAGEMENT has received written notice from a public agency stating that the Leased Premises is located in a special flood hazard area or an area of potential flooding; (ii) the Leased Premises is located in an area in which MANAGEMENT's mortgage holder requires the owner to carry flood insurance; or (iii) MANAGEMENT currently carries flood insurance. Additional information about flood hazards can be found on the Office of Emergency Services Website and the MyHazards tool maintained by the Office of Emergency Services: <https://myhazards.caloes.ca.gov/>. MANAGEMENT's insurance does not cover the loss of RESIDENT's personal possessions and it is recommended that RESIDENT consider purchasing renters' insurance and flood insurance to insure RESIDENT's possessions from loss due to fire, flood, or other risk of loss. MANAGEMENT is not required to provide additional information concerning flood hazards and the information provided above is sufficient to inform RESIDENT.

- e. **Toxic Mold.** **[Check One]**

- MANAGEMENT does not know, or have reasonable cause to believe, that mold, visible or invisible or hidden, is present that affects the unit or the building or that mold exceeds the permissible exposure limits to molds established

by subdivisions (a), (b), and (c) of Section 26103 or poses a health threat according to the department's guidelines as developed pursuant to Section 26105.

- MANAGEMENT knows, or has reasonable cause to believe, that mold, both visible and invisible or hidden, is present that affects the unit or the building and the mold either exceeds the permissible exposure limits to molds established by subdivisions (a), (b), and (c) of Section 26103 or poses a health threat according to the department's guidelines as developed pursuant to Section 26105. MANAGEMENT has provided RESIDENT a copy of the California Department of Health Services consumer handbook describing the potential health risks from mold, which can be found here: <https://www.cdph.ca.gov/Programs/CCDPHP/DEODC/EHLB/IAQ/Pages/Mold.aspx>.

f. **Methamphetamine Contamination.** [Check One]

- The Leased Premises is not contaminated or subject to a remediation order.
- The Leased Premises is subject to a remediation order. MANAGEMENT has provided RESIDENT with written notice and a copy of the order. Before signing this Lease, RESIDENT must acknowledge, in writing, the receipt of the notice. A copy of the notice, order, and RESIDENT's acknowledgment are attached to this Lease.

g. **Death on the Property.** [Check One]

- MANAGEMENT has no knowledge of the occurrence of any occupant's death on the Leased Premises.
- MANAGEMENT has knowledge that within the past three (3) years, an occupant of the Leased Premises passed away on the Leased Premises.

h. **Military Ordinance Disclosure.** [Check One]

- MANAGEMENT does not have actual knowledge of any federal or state ordinance locations, areas once used for military training purposes that may contain potentially explosive munitions, within (1) mile of the Lease Premises.
- MANAGEMENT has actual knowledge that former federal or state ordinance locations, areas once used for military training purposes that may contain potentially explosive munitions, are located within one (1) mile of the Leased Premises.

I, the RESIDENT, whose signature appears immediately below, have read and do understand, and hereby agree to abide by, the provisions of this Lease and I further agree that my failure to observe and follow the Lease provisions and conditions of occupancy will be just and proper cause for the termination and cancellation of this Lease by MANAGEMENT.

Dated this ___ day of ___, 2024.

Signed: _____

HOUSING AUTHORITY OF THE COUNTY OF SANTA BARBARA

By: _____ Title: _____

EXHIBIT I

House Rules

GENERAL – This document (“House Rules”) is an addendum to and is part of the residential lease agreement (“Lease”) dated _____ between the Housing Authority of the County of Santa Barbara (“Management”) and _____ (“Resident”), for the dwelling unit located at 80 North Patterson Avenue, Santa Barbara, CA 93111 (“Premises”), which is part of the housing development commonly known as Housing Authority of the County of Santa Barbara (HASBARCO) (“Development”). Management may adopt amendments to these House Rules upon 30 days’ prior written notice to Resident. House Rules shall apply to Resident and his or her household members, guests, and invitees.

Resident acknowledges that these House Rules are reasonable and shall apply equally to all tenants for the enjoyment of their respective premises while respecting the rights of their neighbors. Compliance with these House Rules is an obligation of Resident’s tenancy, and violation may lead to termination of Resident’s tenancy pursuant to applicable law and the Lease. The Property Manager is directly responsible for all Management activities and can be contacted at the Property Manager’s office during the regular posted hours. The Property Manager’s office phone number is .

SMOKING ON PREMISES – No smoking of any kind is allowed in or near the Premises or the Development. Resident, his or her household members, and any guests or invitees shall not smoke in or on the Premises, balcony, patio, the common areas, or within 25 feet of any Development building or common area. This includes the use of hookahs, vaping, or any other form of alternative smoking. Secondhand smoke does not respect boundaries. It seeps through light fixtures, ceiling crawl spaces, and doorways into all areas of a building, equally affecting those who smoke and those who do not smoke. This policy applies to all tenants, guests, and service persons. See Management’s Non-Smoking Lease Agreement Addendum.

MOVE-INS AND MOVE-OUTS – Moving-in and moving-out of the Premises shall take place between the hours of 8:00 A.M. and 8:00 P.M. Move-in and move-out inspections shall take place during normal business hours.

EXTENDED ABSENCE – An extended absence is defined as Resident’s absence from the Premises for any period longer than 60 consecutive calendar days, or for longer than 180 consecutive calendar days for medical reasons. Resident must provide written notice to Management at the start of the extended absence or Resident will be in breach of the Lease, in which case Management may terminate the tenancy in accordance with applicable law and the Lease.

ABANDONMENT OF PREMISES – Management will consider the Premises to be abandoned if: (1) Resident has been absent from the Premises for at least 30 consecutive days without explanation; (2) more than 14 consecutive days have passed since Resident was required to pay rent and the Resident has failed to pay the rent; and (3) Resident has failed to acknowledge or respond to Management’s notice of belief of abandonment within the timeframe required by State law. If the Premises are considered abandoned in accordance with these House Rules and State law, Management will terminate the tenancy in accordance with applicable law and the Lease.

NOISE – Resident agrees not to make noises that will unreasonably interfere with the right of peaceful enjoyment and other rights and comforts of other tenants. The volume of any electronic devices or musical instruments in the Premises must be sufficiently reduced at all times so as not to disturb other tenants. Quiet time is 24 hours per day, 7 days per week. Resident, household members and/or guests shall not loiter in common areas or permit noise in common areas between the hours of 9:00 P.M. and 9:00 A.M.

PETS/STRAY ANIMALS – No pets of any kind are permitted in the Premises or on the Development unless it is an Assistive Animal or a Companion Animal approved by Management or unless otherwise allowed by applicable law and Management policies. No guest will be allowed to bring pet(s) on the Premises or the Development.

Feeding of stray animals is not allowed on or near the Premises or the Development. Resident shall not feed or place any type of food for stray animals, including birds, anywhere on the Development property. This rule is intended to prevent the spread of disease.

FLAMMABLES AND/OR HAZARDOUS MATERIALS – Resident will not store any flammable and/or hazardous or toxic materials (e.g., gas, paint, paint remover, oil, etc.) in or near the Premises or the Development.

LIGHT BULBS – Electric light bulbs will be supplied upon initial occupancy. Resident will furnish his/her replacements thereafter. Please do not climb on chairs to replace light bulbs. Resident can request light bulb replacement assistance by contacting the maintenance work order phone line.

GARBAGE DUMPSTER – Garbage dumpsters are provided on site at the Development. Trash must be placed in secured plastic bags and placed inside the dumpster. Large boxes must be broken down and placed in a recycle bin, where available. The garbage dumpster is for use by tenants only. Furniture and/or electronics may not be discarded in the dumpster. For disposal of large items such as furniture and mattresses or electronics, contact the Property Manager's office. Trash cans and/or bags are not to be placed at the front or back of the Premises. Recycling bins are to be used solely for recyclable materials; Resident will be charged a flat fee for any improper disposal of non-recyclables in the recycling bins in accordance with Management's maintenance service charge policy.

LOCKS AND KEYS – Exterior and interior locks and keys shall not be changed by Resident. Additional locks on exterior and/or interior doors are not allowed. No lockout service can be provided to a minor. Lockout service will be charged to Resident in accordance with Management's maintenance service charge policy. Upon termination of the Lease, all keys must be returned to the Property Manager.

GUEST/VISITOR POLICY – All guests must have their own separate, legal residence. Guests are expected to follow all House Rules. Resident is responsible for the actions of all guests. Guests shall not be left unattended and must be supervised at all times while in the Premises or the Development. Management must be informed in writing of visits lasting longer than two (2) weeks. An authorized visit cannot be more than two (2) weeks without written documentation and approval from the Property Manager. A visit of more than 14 days (consecutive or not) that is not approved by the Property Manager within any calendar year constitutes unauthorized occupancy, is a violation of the Lease. Management may issue a Notice to Quit to any tenant whom Management reasonably suspects may be housing unauthorized guests.

PORCHES, BALCONIES, WALKWAYS AND ADJACENT AREAS – Porches, balconies, walkways and adjacent areas are for pedestrian use only. Riding of bicycles, skateboards, scooters, electronic motorized boards, rollerblades/skates, or any wheeled shoe-like device are prohibited. No chalk on sidewalks is allowed to be used anywhere on the Premises or the Development property.

It is the responsibility of Resident to keep the Premises patio, balcony and walkway clean and free of debris. Nothing shall be swept or thrown out of windows or over balconies of the Premises or Development. Liquids of any kind including water shall not be used to clean porches, patios, balconies, or walkways.

All storage on patios, balconies, and porches is prohibited. All mops, brooms and buckets must be kept inside the Premises. The following items shall not be allowed to be stored on patios, and/or porches: bird feeders, tools of any size, boxes, crates, paper, garbage cans, household furniture and appliances, sheds, clothing, trash, recyclables, and/or holiday decorations; please note this list of prohibited items is not all-inclusive. Patio furniture is permitted to be kept on the patio; household furniture is not considered patio furniture. Nothing can be hung or draped over the railings. Shades of any type are not allowed to be hung on the patio.

POTTED PLANTS – Potted plants must be kept in a non-porous saucer. No more than five (5) potted plants will be allowed on the Premises patio/balcony/porch. Pots must not exceed eighteen (18) inches in diameter and must not be taller than the patio/balcony railing and/or retaining wall. Pots cannot block paths of travel. Plants cannot touch buildings or structures and cannot be placed on railings or balconies where they can blow off or fall off and injure people below.

BARBEQUES – No barbeques of any type are allowed on the Premises or the Development property. Where community barbeques are provided, Resident must adhere to posted rules.

YARD SALES – Yard sales are not permitted.

LITTERING – Littering on the Development property is prohibited and shall constitute a violation of the Lease.

SOLICITATION – Solicitation is not allowed on the Development property at any time.

PORTABLE HEATERS – Portable electric or gas heaters are not permitted to be used in the Premises or on the Development property due to extreme fire danger. Please use only the heating system provided in the Premises. If it is not working properly, please contact the work order number for assistance.

STOVES AND OVENS – Ovens and/or broilers may not be used for storage. Do not use your oven or burners on your stove for heat. Do not use aluminum foil to line the drip pans, oven or walls. Do not use any type of paper or cloth to line the walls around the stovetop or oven. These are fire hazards and may result in termination of your tenancy.

FIRE PITS – Fire pits of any kind (including but not limited to wood, charcoal, gas) are strictly prohibited anywhere on or near the Premises due to extreme fire danger and the potential to cause serious injury or death.

NO TRESPASSING – Management has the right to prohibit guests or visitors from entering onto the Premises or the Development at any time due to inappropriate behavior and/or violation of the Lease or House Rules. Resident, household members and/or guests will respect and not enter into patios/balconies/porches and/or into units of neighbors unless invited by the neighbor.

ALCOHOL – Alcohol is not permitted in the common areas. The common areas include, but are not limited to, the community room, laundry room, play area, walkways, driveways, patios, balconies, elevator, and parking garage, etc. Resident shall not abuse alcohol in a way that affects the health, safety and right to peaceful quiet enjoyment of other tenants.

SECURITY CAMERAS – Resident is aware there are security cameras installed in the common areas, and acknowledges and agrees that there is no reasonable expectation of privacy in common areas. Resident is not permitted to install his/her own security cameras or monitoring cameras except in accordance with Management's Video Doorbell Camera Policy. Home alarms will be allowed with prior written permission from Management.

BOUNCE HOUSES AND POOLS – No bounce houses or portable pools are allowed anywhere on the Development property at any time. Trampolines are not allowed in common areas and must be located well clear of the building and electric wires or other obstructions.

FIREARMS – Firearms must be kept in accordance with State law.

WATERBEDS – Tenants requesting to have a waterbed must comply with California Civil Code Section 1940.5 including all insurance requirements. A copy of Civil Code Section 1940.5 can be requested from Management.

SPEED LIMIT – The speed limit in the parking lot is 3 ½ mph. Resident, household members and/or guests shall not go above the posted speed limit while in the parking lot. Resident, household members and/or guests shall use the speed bumps accordingly. Unlicensed and uninsured persons may not drive in the parking lot.

INOPERATIVE VEHICLES – Inoperative vehicles, i.e. junked or non-running vehicles, and vehicles with spider webs, will be cited with a warning sticker and will be towed at the owner’s expense within 96 hours of said warning if not moved or in operating condition.

CAR MAINTENANCE – Car maintenance is not allowed on the Development property. This includes car washing, oil changes, and any other work involving the vehicle. Leaking oil from vehicles will be cleaned and charged at Resident’s expense.

UNLICENSED MOTORIZED VEHICLES – Mopeds, dirt bikes, electric scooters, and any other unlicensed motorized vehicles are not permitted on the Development property unless otherwise specified/exempted within Management’s Vehicle and Parking Policy.

BICYCLES – Bicycles shall be stored only inside the Premises, enclosed patios, or in the bicycle racks if provided. Bicycles stored in racks must be locked and kept clean and in working condition. Management reserves the right to dispose of bicycles that have been abandoned within a 72-hour written notice posted and delivered to Development tenants. There shall be no charging of electric bicycles or other motorized equipment with Lithium- ion batteries within the Development other than in designated areas within a bicycle room.

CRIMINAL ACTIVITY – Resident, any member of the Resident’s household, or guest or other person under Resident’s control shall not engage in criminal activity nor engage in any act intended to facilitate criminal activity, including drug-related criminal activity, at any location, whether on or near the Premises or the Development. “Drug related criminal activity”, means the illegal manufacturing, sale, distribution, use, storage, or possession with intent to manufacture, sell, distribution or use, of a controlled substance (as defined in section 102 of the Controlled Substance Act (21 U.S.C. 802)).

ILLEGAL ACTIVITY – Resident, any member of the Resident’s household, or guest or other person under the Resident’s control shall not engage in illegal activity, including prostitution, criminal street gang activity, threatening or intimidating assault, acts of violence or threats of violence, including but not limited to, the unlawful discharge of firearms, on or near the Premises or the Development, or any breach of the Lease that otherwise jeopardizes the health, safety, and welfare of Management, its agent(s), or other tenants, or involving serious property damage.

BULLYING – Resident, any member of the Resident’s household, or guest or other person under Resident’s control shall not intimidate, harass, or bully another tenant through words or actions.

MAINTENANCE – Request for routine maintenance to the Premises should be made by phone to the work order number during normal work hours. Resident shall be responsible for any damages that are not considered “normal wear and tear”. Resident agrees to report to Management any problems with the air conditioning or heating systems that are discovered by the Resident in a timely manner. Failure to report any needed maintenance within the Premises may result in the Resident being charged for any resultant damage due to the problem going unreported.

Resident shall allow designated Management personnel to inspect the Premises upon the proper notice. Resident is expected to maintain the Premises in a safe, decent, and sanitary condition. Resident will report immediately any cockroach, rodent, bedbug, or termite or other pest activity.

DAMAGES – The cost of damages caused by Resident, household members and/or guests will be charged to the Resident’s ledger for time, material, and parts associated with repair of said damages in accordance with Management’s maintenance service charge policy.

SMOKE ALARMS & CARBON MONOXIDE DETECTORS – Smoke alarms and carbon monoxide detectors are installed in the Premises for the safety of the occupants as well as the other tenants of the Development. Tampering with or disabling of the alarms shall be grounds for termination of Resident’s tenancy and/or charging Resident for the costs of repair in accordance with Management’s maintenance service charge policy. Resident shall report problems regarding smoke alarms or carbon monoxide detectors to Management as soon as possible.

INCIDENTAL BUSINESS – Resident may conduct an incidental business in the Premises, such as but not limited to computer work, limited babysitting, and direct sales. The following limitations are applicable:

- a) There may not be an increase of either foot or motor vehicle traffic associated with such incidental businesses;
- b) There must be a legitimate business with a business license;
- c) There may not be an increase in noise associated with the business;
- d) Signs or advertisements on the outside of the Premises or in windows are prohibited;
- e) The use of the parking lot within the Development for such incidental business is prohibited; and
- f) The hours of such business must not disturb the rights of comfort of neighbors.

Prior to initiating business activities in the Premises, Resident must notify Management in writing of his/her intent to conduct an incidental business in the Premises and receive written approval from Management.

SATELLITE DISHES - In compliance with Section 207 of the Telecommunications Act of 1996, as amended, and applicable regulations, Resident is permitted to install a satellite dish or antenna at the Premises only in accordance with Management’s “Policy for Installation of Satellite Dishes.”

VAWA PROTECTIONS - The landlord/owner may not consider incidents of domestic violence, dating violence, sexual assault, or stalking as serious or repeated violations of the lease or other “good cause” for termination of assistance, tenancy or occupancy of a victim who is protected from acts under the domestic violence laws of the jurisdiction.

The landlord/owner may not consider criminal activity directly related to abuse, engaged in by a member of a tenant’s household or any guest or other person under the tenant’s control, cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant’s family is the victim or threatened victim of that abuse.

Owners must provide tenants the option to complete the Certification of Domestic Violence, Dating Violence, or Stalking, form HUD-91066. The certification form may be made to all eligible families at the time of admission or, in the event of a termination or start of an eviction for cause proceeding, the certification may be enclosed with the appropriate notices, directing the family to complete, sign and return the form within 14 business days. The landlord/owner may request in writing from the victim, or a family member on the victim’s behalf, certify the individual is a victim of abuse and the Certification of Domestic Violence, Dating Violence or Stalking, Form HUD-5382, or other documentation as noted on the certification form. The form must be completed and submitted within 14 business days, or an agreed upon extension date, to receive protection under the VAWA.

Failure to provide the certification or other supporting documentation within the specified timeframe may result in eviction. The identity of the victim and all information provided to the owner relating to the incident(s) of domestic violence, dating violence or stalking must be retained in confidence by the owner and must not be entered into any shared database or provided to a related entity. The only exception to the extent the disclosure will be requested or consented to by the individual in writing is required for use in an eviction proceeding; or otherwise required by applicable law.

Landlord/Owner must retain all documentation relating to an individual’s domestic violence, dating violence, dating violence or stalking in a separate file that is kept in a separate secure location from other tenant files. Owners will have all tenants age 18 or older to sign the VAWA lease addendum, from HUD-91067.

REASONABLE ACCOMMODATIONS – Reasonable Accommodations shall be granted for those unable to report in writing.

RESIDENT AGREES TO INDEMNIFY AND HOLD HARMLESS MANAGEMENT FROM ANY ACTIONS, CLAIMS, LOSSES, DAMAGES, AND EXPENSES INCLUDING BUT NOT LIMITED TO, ATTORNEYS' FEES. MANAGEMENT MAY SUSTAIN OR INCUR AS A RESULT OF THE NEGLIGENCE OF RESIDENT OR ANY GUEST OR OTHER PERSON LIVING IN, OCCUPYING, OR USING THE PREMISES.

The undersigned agree(s) to adhere to the House Rules:

_____ Date _____

Management Representative _____ Date _____

EXHIBIT II

RESIDENT’S DRUG AND CRIME ABSTENTION AGREEMENT

IN CONSIDERATION OF THE EXECUTION OR RENEWAL OF A LEASE OF THE DWELLING UNIT IDENTIFIED IN THIS LEASE, MANAGEMENT AND RESIDENT AGREE AS FOLLOWS:

1. Resident, any member of the Resident’s household, or a guest or other person under the Resident’s control shall not engage in criminal activity, including drug-related criminal activity, on or off the Leased Premises. “Drug-related criminal activity” means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use a controlled substance (as defined in Section 102 of the Controlled Substance Act, 21 U.S.C. 802).
2. Resident, any member of the Resident’s household, or a guest or other person under Resident’s control shall not engage in any act intended to facilitate criminal activity, including drug-related criminal activity, gang activity, or illegal defacement of property with graffiti, on or near public or private property and the Leased Premises.
3. Resident or members of the Resident’s household will not permit the Leased Premises to be used for or facilitate criminal activity, including drug-related criminal activity, regardless of whether the individual engaging in such activity is a member of the household or a guest.
4. Resident, or members of the Resident’s household, will not engage in the manufacture, sale, or distribution of illegal drugs at any location, whether on or near the Leased Premises or otherwise.
5. Resident or any member of the Resident’s household, or a guest or other person under Resident’s control shall not engage in the abuse of alcohol in a way that Management determines may interfere with the health, safety or right to peaceful enjoyment of the Leased Premises by other Residents.
6. Resident or members of the Resident’s household, or a guest or other person under the Resident’s control shall not engage in acts of violence or threats of violence, including, but not limited to, the unlawful discharge of firearms, threatening and/or brandishing of weapons likely to cause serious bodily injury, or acts likely to provoke an act of violence on or near the Leased Premises.
7. VIOLATION OF THE ABOVE PROVISIONS SHALL BE A MATERIAL VIOLATION OF THE LEASE AND GOOD CAUSE FOR TERMINATION OF THE TENANCY. A single violation of any of the provisions of this added addendum shall be deemed a serious violation and a material noncompliance with the Lease. It is understood and agreed that a single violation shall be good cause for termination of the Lease. Unless otherwise provided by law, proof of violation under this Addendum shall not require criminal conviction, but may exist by a preponderance of the evidence.

Resident Signature

Management Signature

Signatures of all other Adult Members of the Household:

EXHIBIT III

SPECIAL AMENDMENT FOR ACCESSIBLE UNITS

Check one of the boxes below, sign and date:

An accessible unit has been provided to accommodate you, or a member of your household, who has a physical handicap. It is understood that at such time that the person with the physical handicap is no longer part of your household or no longer needs the accommodation of this accessible unit, you agree to transfer to another designated unit.

You have been housed in an accessible unit especially designated for persons with a physical handicap (although no one in your household qualifies as physically handicapped) due to the lack of eligible clients for this accessible unit at the present time, and your immediate need for housing. At such time as the need arises, and Management has eligible clients in need of an accessible unit, you must transfer to another designated unit.

Resident Signature

Management Signature

Date

Date

EXHIBIT IV

SCHEDULE OF MAINTENANCE/REPAIR CHARGES

The following Maintenance/Repair Charges will be used to estimate resident charges on vacated units that cannot be completed within nine (9) calendar days after move-out. These time Standards are to be used as a general guide only. In extreme cases, the total labor cost may be significantly higher or lower.

GENERAL CLEANING

<u>One Bedroom Units</u>		
Heavy Cleaning	9	hrs
Medium Cleaning	5	hrs
Light Cleaning	2	hrs
<u>Two Bedroom Units</u>		
Heavy Cleaning	10	hrs
Medium Cleaning	6	hrs
Light Cleaning	2-1/2	hrs

- General cleaning of all units will consist of the following: Washing of kitchen cabinets, inside and out; washing and disinfecting of kitchen counter tops, sink and plumbing fixtures. Cleaning of range hood and filter.
- Washing and disinfecting of bathroom sinks, toilet bowls and tanks, shower enclosures and doors, bathtubs, tile, and plumbing fixtures. Cleaning of mirrors and medicine cabinets.
- Washing and disinfecting of utility sinks and shelves in utility rooms. Washing of all light globes, cleaning of windows and window tracks, furnaces, furnace grills, furnace filters, and thermostat covers.
- Washing and adjusting of shades, cleaning curtain and traverse rods, and stripping and waxing of floors.
- All cleaning materials are included in the cleaning fees.

In Addition To The General Cleaning, The Following Cleaning Times Will Be Estimated:

<u>STOVES</u>	Heavy Cleaning	3	hrs
	Medium Cleaning	2	hrs
	Light Cleaning	1	hr
<u>REFRIGERATORS</u>	Heavy Cleaning	2	hrs
	Medium Cleaning	1	hr
	Light Cleaning	1/2	hr

- Each trip to the dump will be estimated at one (1) hour, plus dump fees.
- All stoppages in drainage systems will be estimated at one hour.
- All building repairs will be estimated at our Prevailing Maintenance Cost per hour, plus materials.

A Partial List of Commonly Repaired Items and the Labor Standards Used to Estimate Them Are:

REPLACEMENT OF:		
Toilet and Tank	1	hr
Medicine Cabinet	1	hr
Light Fixture	1/2	hr
Light Switch or Receptacle	1/4	hr
Toilet Seat	1/4	hr
Bathroom or Kitchen Faucet	1	hr
Towel Bar	1/4	hr
Door Stop	1/4	hr
Door	2-1/2	hrs
Door Jam and Casing	2	hrs
Range Hood	3/4	hr
Furnace Thermostat	1/4	hr
Restring Clothesline	1/2	hr
Fence Board	1/4	hr
Gate Repair	1/2	hr
Smoke Alarm Installation	1/4	hr
Reset Toilet	1/2	hr
Window Shade	1/4	hr
Traverse Rod	1/2	hr
Curtain Rod	1/4	hr
Light Shade	1/2	hr
Screens	1/2	hr
Broken Window	1	hr

Patching Of Holes In Walls Will Be Estimated As Follows:

Small Holes	Larger than nail holes to door knob size	1/2	hr
Medium Holes	Larger than door knob size	1	hr
Large Holes	Any holes larger than 16" x 16"	2	hrs

Patching of nail holes will not be charged to residents, except in extreme cases (more than 10 nail holes per wall will constitute an extreme case). Labor will be estimated at 1/2 hour per wall.
 The actual cost of contracted services will be charged.

EXHIBIT V

PARKING ENFORCEMENT AGREEMENT

RESIDENT NAME:

UNIT NUMBER:

Each unit has been assigned ONE (1) designated parking space.
THE FOLLOWING PARKING SPACE HAS BEEN ASSIGNED TO YOUR UNIT:

(1)

EVERY RESIDENT OF THE COMPLEX IS SUBJECT TO MANAGEMENT’S VEHICLE AND PARKING POLICY ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE, AS THE SAME MAY BE AMENDED FROM TIME TO TIME.

I HAVE READ AND UNDERSTAND MY RESPONSIBILITIES AND OBLIGATIONS CONCERNING MANAGEMENT’S PARKING ENFORCEMENT AGREEMENT AND AGREE TO ABIDE BY THEM.

Resident Signature

Date

Management Representative

Date

EXHIBIT VI

THE HOUSING AUTHORITY OF THE COUNTY OF SANTA BARBARA (“MANAGEMENT”)

NON-SMOKING LEASE AGREEMENT ADDENDUM

This Non-Smoking Lease Agreement Addendum is incorporated into the Lease Agreement between Management and the Resident(s) listed below:

Name(s) of Resident(s) (print) _____

Housing Development Housing Authority of the County of Santa Barbara (HASBARCO) Unit No. _____

Address of Residence 80 North Patterson Aveunue, Santa Barbara, CA 93111

EXCEPT FOR ANY SPECIFIED DESIGNATED SMOKING AREAS, SMOKING IS STRICTLY PROHIBITED IN THE HOUSING DEVELOPMENT, INCLUDING IN INDIVIDUAL UNITS, COMMON AREAS, EVERY BUILDING, AND ADJOINING GROUNDS

1. **Purpose of Non-Smoking Policy.** The purpose of the Smoke-Free policy is to mitigate (i) the irritation and known health effects of secondhand smoke; (ii) the increased maintenance and cleaning costs associated with smoking; and (iii) the increased risk of fire from smoking.
2. **Definition of Smoking.** The term “smoking” shall mean engaging in an act that generates smoke for the purpose of human inhalation, including but not limited to using a lighted pipe (including water pipe), a lighted hookah, a lighted cigar, a lighted cigarette, or an operating electronic smoking device such as an electronic vaporizer.
3. **Definition of Smoke.** The term “smoke” shall mean the gases, particles or vapors released into the air as a result of combustion, electrical ignition or vaporization, including from an electronic smoking device, when the purpose of the combustion, electrical ignition or vaporization is human inhalation of the gases, particles or vapors. Smoke includes, but is not limited to: tobacco smoke, electronic cigarette vapors, marijuana smoke, and vapor or airborne emissions as a result of the combustion for inhalation of any other substances or products, legal or illegal.
4. **Non-Smoking Areas.** Resident agrees and acknowledges that smoking is not allowed anywhere on Management owned or operated property unless smoking areas are designated by Management. Smoking is not permitted in non-smoking areas including but not limited to dwelling units, including the Resident's own dwelling unit, the common areas, including but not limited to community rooms, community bathrooms, lobbies, reception areas, hallways, laundry rooms, stairways, offices, elevators, playground areas, parking structures or surface lots, vehicles, entry ways, porches, steps, balconies and patios. Not only shall the Resident refrain from smoking, but the Resident shall not permit any household members, guests or visitors under the control of the Resident to smoke in said non-smoking areas.
5. **Designated Smoking Area:** Smoking will be permitted only in any specified open-air areas designated by Management and identified with clear signage as a “Designated Smoking Area”. If there is no Designated Smoking Area on the property, then smoking will be permitted only in outdoor areas more than 25 feet away from all dwelling units, including the Resident's own dwelling unit, the common areas, including but not limited to community rooms, community bathrooms, lobbies,

reception areas, hallways, laundry rooms, stairways, offices, elevators, playground areas, parking structures or surface lots, vehicles, entry ways, porches, steps, balconies and patios.

6. **Resident to Promote Non-Smoking Policy.** Resident shall inform Resident's guests or visitors of the non-smoking policy.
7. **Resident Financial Responsibility.** Residents acknowledges that that the Resident shall be financially responsible for the mitigation of any damages or costs incurred by Management caused by smoking in the Resident's unit or caused by the Resident, household members, guests or others under the control of the Resident, by smoking in non-smoking areas. Residents shall pay for these damages as set forth in the Lease as "other charges". Costs incurred may include but are not limited to cleaning, sealing, painting, deodorizing, duct cleaning, and possible replacement of fixtures and various surface materials.
8. **Management to Promote Non-Smoking Policy.** Management shall post no-smoking signs at entrances and exits, in common areas, and in conspicuous locations adjoining the grounds of the Non-Smoking Area.
9. **Evidence of Violation of Smoke-Free Policy.** Evidence of a violation of the Smoke-Free Policy may include, but shall not be limited to: visual evidence of smoking such as smoke, used ash trays, cigarette butts, roaches, used pipes, burn marks, or ash; observable odors connected to smoking such as the smell of smoke, tobacco, marijuana or other odors; the results of scientific tests of air or surface samples for the presence of smoke residue, ash, nicotine, or other evidence of smoking; and the results of reports from any smoking detection device installed in the Resident's dwelling unit. Such evidence may be collected and documented through photographs, written declarations by Management staff and other tenants, smoking detection device reports, or the results of scientific tests.
10. **Smoking Detection Devices.** Resident acknowledges and agrees that there may currently be installed in the Resident's dwelling unit, or that Management may install in the Resident's dwelling unit at a future date, a smoking detection device which will monitor and record the presence of tobacco and marijuana smoke in the dwelling unit. Data from such smoking detection devices is transmitted to Management and may be used as evidence of a violation of this Smoke-Free Policy as set forth above. Such smoking detection device is separate from and in addition to any smoke alarms or carbon monoxide detectors in the Resident's dwelling unit. Resident's obligations with respect to disconnecting, damaging or tampering with a smoking detection device shall be the same as Resident's obligations under the Lease Agreement with respect to smoke alarms and carbon monoxide detectors.
11. **Effect of Breach and Right to Terminate Lease.** In the event of Resident's violation of the Smoke-Free Policy, Management shall have the discretion to terminate Resident's tenancy in accordance with applicable law and procedures. The non-smoking policy shall be enforced by Management as follows:
 - (a) Resident will be issued a verbal warning upon the first violation of the non-smoking policy, which shall include a referral to a program that can assist Resident in quitting smoking.
 - (b) Upon the second violation of the non-smoking policy, Resident will be issued a written warning, setting forth the basis for the non-smoking policy violation, and notice that a subsequent violation will result in a notice of violation. The written warning shall also include a referral to a program that can assist Resident in quitting smoking.
 - (c) Resident will be issued a written notice of violation upon the third violation of the non-smoking policy, warning Resident that a subsequent violation will result in a notice to quit for repeated lease violations.

- (d) Upon the fourth violation of the non-smoking policy, Management shall have the discretion to serve Resident with a notice to quit for repeated lease violations.
12. **No Rights Conferred.** This Addendum does not confer any rights upon the Resident, household member of the Resident, guest or any other person or entity except Management.
13. **Disclaimer by Management.** Resident acknowledges that Management's adoption of a Smoke-Free policy does not in any way change the standard of care that Management would have to provide to a resident household to render buildings and premises designated as non-smoking any safer, more habitable, or improved in terms of air quality standards than any other rental premises. Management specifically disclaims any implied or express warranties that the building, common areas, or Resident's premises will have any higher or improved air quality standards than any other rental property. Management cannot and does not warrant or assert that the rental premises or common areas will be free from secondhand smoke. Resident acknowledges that Management's ability to police, monitor, or enforce the agreements of this Addendum is dependent in significant part on voluntary compliance by the Resident and Resident's guests/visitors. Residents and Resident's guests/visitors with respiratory ailments, allergies, or any other physical or mental condition relating to smoke are put on notice that Management does not assume any higher duty of care to enforce this Addendum than any other Management obligation under the Lease.
14. Enforcement of this Non-Smoking Lease Agreement Addendum will become effective on commencement of the leased period.

(Signature Page Follows)

IN WITNESS, WHEREOF, the parties have executed this Lease Addendum this _____ day
of _____ at _____
Housing Authority of the County of Santa Barbara (HASBARCO)

By (HASBARCO Rep Sign): _____

Resident Signature: _____ Date: _____

Resident Signature: _____ Date: _____

The following adult members of the Resident's household have reviewed and acknowledge their receipt of this Lease Agreement Addendum:

I provided to the Resident a copy of this Agreement in:

Spanish

HASBARCO Initial(s) _____

EXHIBIT VII

VIDEO DOORBELL CAMERA LEASE ADDENDUM

Personal doorbell security cameras that allow tenants to view live or recorded footage in front of their apartments are becoming more common. The Housing Authority of the County of Santa Barbara (“Management”) permits the installation of personal video doorbell security cameras on Management property, subject to the terms of this Video Doorbell Camera Lease Addendum (“Addendum”).

1. No Expectation of Privacy in the Common Areas of Any Management Property

- a. Tenants are advised that, in any common or public corridor or space on any Management property, it is possible and indeed likely that there may be video surveillance in progress. Tenants are advised that their presence and actions in common spaces and public corridors may be recorded.
- b. Whether from the installation of permitted tenant-owned video doorbell cameras or Management-owned security cameras, tenants at all properties should have no expectation of privacy in any common area of any property.

2. Request to Install Video Doorbell Camera

- a. Management does not provide personal video doorbell cameras in any apartment. Tenants have the option of buying and having the camera professionally installed at their own expense
- b. If a resident requests permission to install a video doorbell camera, the request must be submitted in writing.
- c. Before installation, the tenant must agree to the terms of this Video Doorbell Camera Policy by signing the attached Acknowledgement and Consent form.
- d. If the door has a wired doorbell, the tenant shall be permitted to replace the doorbell with the video doorbell camera and use the doorbell’s wire to power the doorbell camera. If there is no wired doorbell or if the tenant prefers to install a battery-powered video doorbell camera, the tenant may install a battery-powered video doorbell camera.
- e. All installations shall be minimally invasive; no portions of the door or surrounding wall shall be cut and the camera shall only be attached using a minimal amount of screws.

3. Use and Operation of Video Doorbell Camera

- a. The video doorbell camera shall only be used for purposes of personal security for the tenant’s apartment only and not to observe and/or spy on other tenants or activity on the property.
- b. To the extent possible, tenants must position the camera to capture footage only in the immediate vicinity of the tenant’s front door, and not in a way that would allow recording of common spaces (*e.g.*, hallways, courtyards, parking lots) or private spaces (*e.g.*, into the windows or doors of other apartment units or parked cars).
- c. Tenants may not use personal doorbell cameras to intentionally record anything except the activity in the immediate vicinity of their front door.
- d. Tenants are advised that under California law, it is illegal to record a “confidential communication” without consent from a person to record his or her voice. Tenants can avoid potential liability by deactivating the audio recording function of their security camera.
- e. Tenants agree to remove their camera immediately upon request if the tenant does not comply with this policy.

4. Repair or Removal of Camera

- a. Management maintenance staff will not repair or service tenant-provided video doorbell cameras.
- b. Existing cameras at apartment doors should be removed by the tenant upon vacancy of the apartment. The tenant must remove the video doorbell camera in the most minimally damaging manner possible. Unreasonable damage to the door or surrounding wall will be deducted from the tenant’s security deposit.
- c. If the tenant does not remove the camera upon vacancy of the apartment, Management maintenance will remove it and repair the area and the tenant will be charged for this work.

The undersigned agree(s) to adhere to the Addendum:

Resident Signature

Date

Management Representative

Date

EXHIBIT VIII

Policy for Installation of Satellite Dishes (“Policy”)

Purpose. The Federal Communications Commission (“FCC”) has ruled that residents of leased housing must be allowed to install satellite dishes and antennas. The FCC ruling also allows the property owner or manager to set reasonable rules for installation to ensure that the satellite dishes or antennas and the installation thereof do not create a safety risk or damage the property. Installation of satellite dishes on HASBARCO property is inherently dangerous unless proper procedures and methods are followed. Improperly installed satellite dishes and antennas risk falling off of roofs and balconies onto passersby. There is also an increased risk of damage to HASBARCO property and utility services if satellite dishes and antennas are not installed carefully by qualified professionals. HASBARCO has adopted this Policy in order to accomplish the foregoing safety objectives in compliance with FCC regulations.

Policy. All satellite dish and antenna installations on HASBARCO property must comply with the following requirements:

- **HASBARCO Permission Required.** Prior to installing a satellite dish or antenna, all residents must obtain written permission from HASBARCO in order to verify that the proposed installation of the satellite dish or antenna will not pose a safety risk and will not cause damage to HASBARCO property or utility services. If a satellite dish or antenna is installed without written permission from HASBARCO and/or in violation of this Policy, the satellite dish or antenna may be removed without notice and the resident billed for the work.
- **Size and Specifications.** Satellite dishes may not exceed one meter (three feet three inches) in diameter, measured across the widest part. Satellite dishes and antennas may only receive signals; no satellite dishes or antennas may transmit signals.
- **Location.** Satellite dishes and antennas may be installed only within a resident’s leased space (*i.e.*, inside a dwelling unit, within the unit’s fenced yard, or on the private balcony if there is no yard). Satellite dishes may not be installed in locations outside a resident’s leased space (*i.e.*, exterior walls of buildings, common areas, roofs, or any other location outside of the leased space) unless the resident demonstrates a need therefor, and obtains HASBARCO’s prior written consent. A resident’s need to install a satellite dish or antenna outside the leased space will be considered by HASBARCO on a case-by-case basis, balancing the resident’s need against safety concerns and the potential for damage to HASBARCO property and utility services.
- **Centralized Satellite Dishes.** If a resident resides in a development with access to a centralized satellite dish, the resident must demonstrate a need to install his or her own satellite dish in lieu of connecting to the centralized satellite dish (*i.e.*, access to additional content or programming) prior to obtaining HASBARCO approval therefor.
- **Installation.** Satellite dishes and antennas must be mounted securely and installed in a manner that minimizes the risk of falling on passersby from above, making contact with power lines, obstructing access to fire exits, and otherwise causing a health and safety risk. No portion of a satellite dish or antenna may extend beyond the edge of the resident’s leased space or be mounted in windows or on window frames. Satellite dishes and antennas may not be installed in ways that damage the leased space or HASBARCO property beyond ordinary wear and tear. Only clamp-style mountings are permitted. No holes may be drilled in railings, fences, roofs or exterior walls during the installation of satellite dishes or antennas without HASBARCO’s prior written consent. Mounting satellite dishes and antennas in this way harms building weatherproofing and poses a risk to electrical wiring, water pipes, and other utility services.
- **Wiring.** Professional installers have special wiring that can be run inside the building without requiring any holes in the building exterior. If a resident’s satellite dish or antenna is installed outside the resident’s unit (on a balcony, patio, or yard), signals received by the resident’s satellite dish or antenna may be transmitted to the interior of the unit only by: (1) running a “flat” cable under a door jam or window sill in a manner that does not physically alter the premises and does not interfere with proper operation of the door or window; (2) running a traditional or flat cable through a pre-existing hole in the wall (that will not need to be enlarged to accommodate the cable); or (3) any other method approved by HASBARCO in writing.

- **Workmanship.** In order to protect the safety of other tenants, HASBARCO staff, and guests and invitees, residents may not install satellite dishes or antennas themselves. Residents must have satellite dishes and antennas professionally installed by a HASBARCO-approved company with workman's compensation insurance and adequate public liability insurance coverage. HASBARCO's approval of an installation company shall not be unreasonably withheld. HASBARCO does not install satellite dishes or antennas. Any damage from installation beyond normal wear and tear must be repaired to HASBARCO standards. If repairs are not done properly, the Housing Authority will make the necessary repairs and charge for the work.
- **Maintenance.** Residents will have sole responsibility for maintaining their own satellite dish or antenna and all related equipment. HASBARCO may require that a resident temporarily remove the satellite dish or antenna if necessary to make repairs to or maintain HASBARCO property or utilities.
- **Removal and Damages.** Upon vacating the leased premises, residents must remove satellite dishes and antennas and restore the premises to the original condition. If repairs do not meet HASBARCO standards, HASBARCO will complete the repairs and the resident will be charged for the work through the security deposit in accordance with applicable laws.
- **Insurance and Indemnity.** Residents assume all risk and responsibility for any injury or property damage caused by the installation, operation or removal of a satellite dish or antenna, including any injury or damage caused by failure to securely attach or install the dish, and shall indemnify and hold HASBARCO and its managers, directors, officers, agents, employees, successors and assigns of and from any and all liability, claims, demands, actions, and causes of action whatsoever, arising out of or related to any loss, property damage, personal injury, or death that may be sustained by any party as a result of the resident's installation of a satellite dish or antenna. Because of the safety risks posed by installation of satellite dishes and antenna, residents with satellite dishes or antennas are encouraged to maintain renter's insurance which covers any and all losses from the installation, operation and removal of the satellite dish or antenna.

CTCAC Section 42 Low Income Housing Tax Credit (LIHTC) Addendum

This Addendum is being attached to, and incorporated by reference in, the Lease Agreement (the “Lease”) between the undersigned Landlord and the undersigned Resident(s) for the purpose of modifying certain terms and conditions of the Lease. The parties agree that, if any terms of the Lease and this Addendum are inconsistent, the terms set forth on the Addendum will govern.

1. **Premises (“Property”)**: The premises (property) are to be operated in accordance with the requirements of the low-income housing credit program under Section 42 of the Internal Revenue Code of 1986, as amended (the “Program”). Resident’s must cooperate with Landlord in verifying their eligibility for this Program. The Program requires that the Property be leased to “Qualified Households” and must meet certain income limitations. The Program also provides for a specific maximum monthly rent, which may be charged for the premise, which is subject to annual adjustment based upon Area Median Income (AMI) as determined by the Department of Housing and Urban Development (HUD). Landlord must be immediately notified if changes occur to the current household status. Resident(s) understand and agree that this Lease may be amended at any time upon thirty (30) days’ notice as necessary to ensure compliance with all laws, rules, and regulations governing the Program.

2. **Income Eligibility and Certification**: The Resident must be initially certified for eligibility for the Program and annually thereafter. The Lease and the monthly rent are based upon information provided by the Resident regarding the Resident’s household income and assets. Upon request, the Resident must complete the certification process, verification of all income, assets, and other eligibility information. Occupancy is subject to continuing eligibility under the Program requirements. Landlord will contact the Resident approximately 120 days prior to the next effective date to begin processing the necessary documentation for a recertification. It is the Resident’s responsibility to cooperate and provide all necessary information for the initial and annual certification process. If at the time there are no original household members in the unit, remaining household members must be certified under the current income limit in order for the unit to determine if the unit retains eligibility.

3. **Income Increases/140% Rule**: The LIHTC program protects annual household income increases without issue up to 140% of the AMI. If the income of the occupants of a qualifying unit increases to more than 140% of the current income limit, the next unit of comparable or smaller size must be occupied by a qualified low-income Resident(s). If the property contains conventional units as well as LIHTC units, the rent on the household over 140% may be increased to market rent and/or other mitigating actions may occur as directed by other funding sources (nonLIHTC).

4. **Escalation Clause/Utility Allowance**: If the Program increases the maximum amount of rent allowed and/or the utility allowance is changed, Landlord shall have the right to increase the amount of rent and utility allowance up to the maximum allowable rent limit. The increase may occur anytime during the Lease period including the initial lease period, and must be done in accordance with the CTCAC regulations and applicable laws.

5. **Student Status**: The LIHTC Program requires that households comprised entirely of full-time students must meet certain requirements in order for the household to retain its eligibility. If at any time the household becomes comprised of all full-time students or student status changes from part-time to full time, Resident must notify Landlord immediately.

6. **Assignment/Subletting:** Subletting is strictly prohibited. Resident may not sublet or advertise the unit on a hospitality exchange service, such as, but not limited to, Airbnb, Couchsurfing, and Craigslist.

7. **Other Programs:** In addition to the LIHTC Program, the property may have other or additional funding sources (such as HUD Section 8, HOME, USDA-RD, City, County, other State Programs, or private investor funding) that may require additional or more restrictive guidance than the LIHTC program alone. In most instances, it is not a violation of the LIHTC program if the other funding source's requirement is more restrictive than the LIHTC program, but the requirements of the other program do not supersede the requirements of the LIHTC Program.

By signing below, I indicate my understanding of the terms and consent to the provisions of this Lease Addendum:

_____ Tenant/Applicant Name (print)	_____ Signature	_____ Date
_____ Tenant/Applicant Name (print)	_____ Signature	_____ Date
_____ Tenant/Applicant Name (print)	_____ Signature	_____ Date
_____ Tenant/Applicant Name (print)	_____ Signature	_____ Date
_____ Property Representative Name	_____ Signature	_____ Date

CTCAC GOOD CAUSE EVICTION LEASE RIDER

Property Name: Patterson Point Unit #: _____
Household Name: _____

Dear Tenant or Applicant:

The owner(s) of this property rents residential units under the federal Low-Income Housing Tax Credit Program (LIHTC) administered by the California Tax Credit Allocation Committee (CTCAC). Under the program, the owner has agreed to rent some or all of the units in the property to low-income households and restrict the rents for those units. Another protection provided by federal law is that Low Income Tenants may not be evicted or have their tenancy terminated without good cause.

The Lease or Rental Agreement dated _____ is hereby amended by adding the following provision:

Terms

Owner may not terminate the tenancy, lease, or rental agreement of a low income tenant except for Good Cause, including a serious or repeated violation of the material terms and conditions of the Lease, or a violation of applicable Federal, State, or local law. To terminate the tenancy or the lease, the Owner must provide written notice to the Tenant of the grounds with sufficient specificity to enable the tenant to prepare a defense. The notice must be served at least three days before the termination of tenancy, and must comply with all requirements of California law and other applicable programs. Tenant has the right to enforce this requirement in state court, including presenting a defense to any tenancy termination or eviction action brought by Owner.

To the extent that any terms contained in the Lease or rental agreement, or any other agreement between the owner and the tenant, contradict the terms of this Rider, the provisions of this Rider shall control. A copy of this lease rider should be provided to the tenant/applicant.

By signing below, I indicate my understanding of the terms and consent to the provisions of this Lease Rider:

_____	_____	_____
Tenant/Applicant Name (print)	Signature	Date
_____	_____	_____
Tenant/Applicant Name (print)	Signature	Date
_____	_____	_____
Tenant/Applicant Name (print)	Signature	Date
_____	_____	_____
Tenant/Applicant Name (print)	Signature	Date
_____	_____	_____
Property Representative Name	Signature	Date

**HOUSING AUTHORITY OF THE COUNTY OF SANTA BARBARA
 LEASE ADDENDUM
 BED BUG DISCLOSURE**

The following terms and conditions are hereby incorporated in and made a part of the Residential Lease or Month-to-Month Rental Agreement, (“Agreement”), dated _____, on property known as Patterson Point in which _____ is referred to as (“Tenant”) and the Housing Authority of the County of Santa Barbara (“Landlord”).

INFORMATION ABOUT BED BUGS:

1. **Bed Bug Appearance:** Bed bugs have six legs. Adult bed bugs have flat bodies about ¼ of an inch in length. Their color can vary from red and brown to copper colored. Young bed bugs are very small. Their bodies are about 1/16 of an inch in length. They have almost no color. When a bed bug feeds, its body swells, may lengthen, and becomes bright red, sometimes making it appear to be a different insect. Bed bugs do not fly. They can either crawl or be carried from place to place on objects, people, or animals. Bed bugs can be hard to find and identify because they are tiny and try to stay hidden.
2. **Life Cycle and Reproduction:** An average bed bug lives for about 10 months. Female bed bugs lay one to five eggs per day. Bed bugs grow to full adulthood in about 21 days.
3. Bed bugs can survive for months without feeding.
4. **Bed Bug Bites:** Because bed bugs usually feed at night, most people are bitten in their sleep and do not realize they were bitten. A person’s reaction to insect bites is an immune response and so varies from person to person. Sometimes the red welts caused by the bites will not be noticed until many days after a person was bitten, if at all.
5. **Common signs and symptoms of a possible bed bug infestation:**
 - Small red to reddish brown fecal spots on mattresses, box springs, bed frames, mattresses, linens, upholstery, or walls.
 - Molted bed bug skins, white, sticky eggs, or empty eggshells.
 - Very heavily infested areas may have a characteristically sweet odor.
 - Red, itchy bite marks, especially on the legs, arms, and other body parts exposed while sleeping. However, some people do not show bed lesions on their bodies even though bed bugs may have fed on them.
6. For more information, see the Internet Websites of the United States Environmental Protection Agency and the National Pest Management Association.
7. Tenant shall report suspected infestations by bed bugs to the Landlord or Property Manager at the mailing, or email address or phone number provided in the Agreement and cooperate with any inspection for the treatment of bed bugs.
8. Landlord will notify tenants of any units inspected by a pest control operator of the findings by such an operator within 2 business days of the receipt of the findings. All Tenants will be notified of confirmed infestations within common areas.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date _____

Date _____

Tenant _____

Landlord _____

Tenant _____

Landlord _____

Tenant _____

AUTORIDAD DE VIVIENDA DEL CONDADO DE SANTA BARBARA ADENDA DE ARRENDAMIENTO DIVULGACIÓN DE CHINCHE

Las condiciones y términos siguientes se incorporan y forman parte del Contrato de Arrendamiento Residencial o Contrato de Alquiler de Mes a Mes, ("Contract"), con fecha _____, en la propiedad conocida como Patterson Point en la cual _____ se refiere como ("Tenant") y Autoridad de Vivienda del Condado de Santa Barbara ("Landlord").

INFORMACIÓN SOBRE EL CHINCHES:

1. La apariencia del chinche: Los chinches tienen seis patas, los chinches adultos tienen cuerpos planos de ¼ de pulgada de largo. Su color puede variar de rojo a marrón o cobre en color. Los chinches jóvenes son muy pequeños. Sus cuerpos miden aproximadamente 1/16 de pulgada de largo. Casi no tienen color. Cuando un chinche se alimenta, su cuerpo se hincha, puede alargarse y se vuelve de color rojo brillante, lo que a veces hace que parezca ser un insecto diferente. Los chinches no vuelan. Pueden arrastrarse o transportarse de un lugar a otro en objetos, personas o animales. Los chinches pueden ser difíciles de encontrar e identificar porque son pequeños y tratan de permanecer ocultos.
2. Ciclo de vida y reproducción: un chinche promedio vive durante unos 10 meses. Los chinches femeninos ponen uno a cinco huevos diario. Los chinches llegan a su madurez en 21 días
3. Los chinches pueden sobrevivir por meses sin alimentarse.
4. Mordeduras de chinches: Porque los chinches generalmente se alimentan durante la noche, la mayoría de las personas mordidas mientras duermen y no se dan cuenta que fueron mordidas. La reacción de una persona a las picaduras de insectos es una respuesta inmune y varía de persona a persona. A veces, las ronchas rojas causadas por las picaduras no se notarán hasta muchos días después de que una persona fue mordida.
5. Signos y síntomas comunes de una posible infestación de chinches:
 - Pequeñas manchas fecales de color rojizo a marrón rojizo en colchones, muelles de caja, armazones de cama, colchones, ropa de cama, tapicería o paredes.
 - Pielas de chinches molidas, huevos blancos, pegajosos o cáscaras de huevo vacías.
 - Las áreas muy infestadas pueden tener un olor típicamente dulce.
 - Marcas de mordeduras picantes rojas, especialmente en las piernas, los brazos y otras partes del cuerpo expuestas mientras duerme. Sin embargo, algunas personas no muestran lesiones del chinche en su cuerpo, aunque el chinche se haya alimentado.
6. Para obtener más información, consulte los sitios web de Internet de la Agencia de Protección Ambiental de los Estados Unidos y la Asociación Nacional de Manejo de Plagas.
7. El inquilino informará las infestaciones sospechosas de chinches al propietario o al administrador de la propiedad en el correo postal o dirección de correo electrónico o número de teléfono provisto en el acuerdo y cooperará con cualquier inspección para el tratamiento de chinches.
8. El propietario notificará a los inquilinos de cualquier unidad inspeccionada profesionalmente y cuales el chinche sea positivamente identificado dentro de los 2 días siguientes a la confirmación de plaga. Los inquilinos serán notificados de infestaciones confirmadas en las áreas inmediatas o cercanas.

Con su firma usted confirma recibo de este documento y reconoce las condiciones y los términos que aquí se incorporan.

Fecha _____

Fecha _____

Inquilino _____

Dueño _____

Inquilino _____

Dueño _____

Inquilino _____

Housing Authority of the County of Santa Barbara

Notice of Occupancy Rights under the Violence Against Women Act¹

To all Tenants

The Violence Against Women Act (VAWA) provides protections for victims of domestic violence, dating violence, sexual assault, or stalking. VAWA protections are not only available to women, but are available equally to all individuals regardless of sex, gender identity, or sexual orientation.² The U.S. Department of Housing and Urban Development (HUD) is the Federal agency that oversees that **the Housing Choice Voucher / Project Based Voucher Program** is in compliance with VAWA. This notice explains your rights under VAWA. A HUD-approved certification form is attached to this notice. You can fill out this form to show that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking, and that you wish to use your rights under VAWA.”

Protections for Tenants

If you are receiving assistance under **the Housing Choice Voucher / Project Based Voucher Program**, you may not be denied assistance, terminated from participation, or be evicted from your rental housing because you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

Also, if you or an affiliated individual of yours is or has been the victim of domestic violence, dating violence, sexual assault, or stalking by a member of your household or any guest, you may not be denied rental assistance or occupancy rights under **the Housing Choice Voucher / Project Based Voucher Program** solely on the basis of criminal activity directly relating to that domestic violence, dating violence, sexual assault, or stalking.

Affiliated individual means your spouse, parent, brother, sister, or child, or a person to whom you stand in the place of a parent or guardian (for example, the affiliated individual is in your care, custody, or control); or any individual, tenant, or lawful occupant living in your household.

Removing the Abuser or Perpetrator from the Household

HASBARCO may divide (bifurcate) your lease in order to evict the individual or terminate the assistance of the individual who has engaged in criminal activity (the abuser or perpetrator) directly relating to domestic violence, dating violence, sexual assault, or stalking.

If HASBARCO chooses to remove the abuser or perpetrator, HASBARCO may not take away the rights of eligible tenants to the unit or otherwise punish the remaining tenants. If the evicted abuser or perpetrator was the sole tenant to have established eligibility for assistance under the program, HASBARCO must allow the tenant who is or has eligibility under the program or under another HUD housing program covered by VAWA, or, find alternative housing.

In removing the abuser or perpetrator from the household, HASBARCO must follow Federal, State, and local eviction procedures. In order to divide a lease, HASBARCO may, but is not required to, ask you for documentation or certification of the incidences of domestic violence, dating violence, sexual assault, or stalking.

¹ Despite the name of this law, VAWA protection is available regardless of sex, gender identity, or sexual orientation.

² Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise.

³ Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

Moving to Another Unit

Upon your request, HASBARCO may permit you to move to another unit, subject to the availability of other units, and still keep your assistance. In order to approve a request, HASBARCO may ask you to provide documentation that you are requesting to move because of an incidence of domestic violence, dating violence, sexual assault, or stalking. If the request is a request for emergency transfer, the housing provider may ask you to submit a written request or fill out a form where you certify that you meet the criteria for an emergency transfer under VAWA. The criteria are:

(1) You are a victim of domestic violence, dating violence, sexual assault, or stalking. If your housing provider does not already have documentation that you are a victim of domestic violence, dating violence, sexual assault, or stalking, your housing provider may ask you for such documentation, as described in the documentation section below.

(2) You expressly request the emergency transfer. Your housing provider may choose to require that you submit a form, or may accept another written or oral request.

(3) You reasonably believe you are threatened with imminent harm from further violence if you remain in your current unit. This means you have a reason to fear that if you do not receive a transfer you would suffer violence in the very near future.

OR

You are a victim of sexual assault and the assault occurred on the premises during the 90-calendar-day period before you request a transfer. If you are a victim of sexual assault, then in addition to qualifying for an emergency transfer because you reasonably believe you are threatened with imminent harm from further violence if you remain in your unit, you may qualify for an emergency transfer if the sexual assault occurred on the premises of the property from which you are seeking your transfer, and that assault happened within the 90-calendar-day period before you expressly request the transfer.

HASBARCO will keep confidential requests for emergency transfers by victims of domestic violence, dating violence, sexual assault, or stalking, and the location of any move by such victims and their families.

HASBARCO's emergency transfer plan provides further information on emergency transfers, and HASBARCO must make a copy of its emergency transfer plan available to you if you ask to see it.

Documenting You Are or Have Been a Victim of Domestic Violence, Dating Violence, Sexual Assault or Stalking

HASBARCO can, but is not required to, ask you to provide documentation to "certify" that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking. Such request from HASBARCO must be in writing, and HASBARCO must give you at least 14 business days (Saturdays, Sundays, and Federal holidays do not count) from the day you receive the request to provide the documentation. HASBARCO may, but does not have to, extend the deadline for the submission of documentation upon your request.

You can provide one of the following to HASBARCO as documentation. It is your choice which of the following to submit if HASBARCO asks you to provide documentation that you are or have been a victim of domestic violence, dating violence, sexual assault, or stalking.

- A complete HUD-approved certification form given to you by HASBARCO with this notice, that documents an incident of domestic violence, dating violence, sexual assault, or stalking. The form will ask for your name, the date, time, and location of the incident of domestic violence, dating violence, sexual assault, or stalking, and a description of the incident. The certification form

provides for including the name of the abuser or perpetrator if the name of the abuser or perpetrator is known and is safe to provide.

- A record of a Federal, State, tribal, territorial, or local law enforcement agency, court, or administrative agency that documents the incident of domestic violence, dating violence, sexual assault, or stalking. Examples of such records include police reports, protective orders, and restraining orders, among others.
- A statement, which you must sign, along with the signature of an employee, agent, or volunteer of a victim service provider, an attorney, a medical professional or a mental health professional (collectively, “professional”) from whom you sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse, and with the professional selected by you attesting under penalty of perjury that he or she believes that the incident or incidents of domestic violence, dating violence, sexual assault, or stalking are grounds for protection.
- Any other statement or evidence that HASBARCO has agreed to accept.

If you fail or refuse to provide one of these documents within the 14 business days, HASBARCO does not have to provide you with the protections contained in this notice.

If HASBARCO receives conflicting evidence that an incident of domestic violence, dating violence, sexual assault, or stalking has been committed (such as certification forms from two or more members of a household each claiming to be a victim and naming one or more of the other petitioning household members as the abuser or perpetrator), HASBARCO has the right to request that you provide third-party documentation within thirty 30 calendar days in order to resolve the conflict. If you fail or refuse to provide third-party documentation where there is conflicting evidence, HASBARCO does not have to provide you with the protections contained in this notice.

Confidentiality

HASBARCO must keep confidential any information you provide related to the exercise of your rights under VAWA, including the fact that you are exercising your rights under VAWA.

HASBARCO must not allow any individual administering assistance or other services on behalf of HASBARCO (for example, employees and contractors) to have access to confidential information unless for reasons that specifically call for these individuals to have access to this information under applicable Federal, State, or local law.

HASBARCO must not enter your information into any shared database or disclose your information to any other entity or individual. HASBARCO, however, may disclose the information provided if:

- You give written permission to HASBARCO to release the information on a time limited basis.
- HASBARCO needs to use the information in an eviction or termination proceeding, such as to evict your abuser or perpetrator or terminate your abuser or perpetrator from assistance under this program.
- A law requires HASBARCO or your landlord to release the information.

VAWA does not limit HASBARCO’s duty to honor court orders about access to or control of the property. This includes orders issued to protect a victim and orders dividing property among household members in cases where a family breaks up.

Reasons a Tenant Eligible for Occupancy Rights under VAWA May Be Evicted or Assistance May Be Terminated

You can be evicted and your assistance can be terminated for serious or repeated lease violations that are not related to domestic violence, dating violence, sexual assault, or stalking committed against you. However, HASBARCO cannot hold tenants who have been victims of domestic violence, dating violence, sexual assault, or stalking to a more demanding set of rules than it applies to tenants who have not been victims of domestic violence, dating violence, sexual assault, or stalking.

The protections described in this notice might not apply, and you could be evicted and your assistance terminated, if HASBARCO can demonstrate that not evicting you or terminating your assistance would present a real physical danger that:

- 1) Would occur within an immediate time frame, and
 - 2) Could result in death or serious bodily harm to other tenants or those who work on the property.
- If HASBARCO can demonstrate the above, HASBARCO should only terminate your assistance or evict you if there are no other actions that could be taken to reduce or eliminate the threat.

Other Laws

VAWA does not replace any Federal, State, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault, or stalking. You may be entitled to additional housing protections for victims of domestic violence, dating violence, sexual assault, or stalking under other Federal laws, as well as under State and local laws.

Non-Compliance with The Requirements of This Notice

You may report a covered housing provider's violations of these rights and seek additional assistance, if needed, by contacting or filing a complaint with **the U.S. Department of Housing & Urban Development, (415) 489-6400.**

For Additional Information

You may view a copy of HUD's final VAWA rule at <https://www.federalregister.gov/documents/2016/11/16/2016-25888/violence-against-women-reauthorization-act-of-2013-implementation-in-hud-housing-programs>

Additionally, HASBARCO must make a copy of HUD's VAWA regulations available to you if you ask to see them.

For questions regarding VAWA, please contact (805) 736-3423 extension 4000.

For help regarding an abusive relationship, you may call the National Domestic Violence Hotline at 1-800-799-7233 or, for persons with hearing impairments, 1-800-787-3224 (TTY). You may also contact Domestic Violence Solutions, (805) 963-4458.

For tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.

For help regarding sexual assault, you may contact **Santa Barbara Rape Crisis Center, (805) 564-3696.** Victims of stalking seeking help may contact **Santa Barbara Rape Crisis Center, (805) 564-3696.**

Attachment: Certification form HUD-5382

Autoridad de Vivienda del Condado de Santa Bárbara¹
Aviso de Derechos de Ocupación bajo la Ley sobre la Violencia en Contra de la Mujer²

A todos los inquilinos

La Ley sobre la Violencia Contra de la Mujer (VAWA por sus siglas en inglés) dispone protecciones para las víctimas de violencia doméstica, violencia de pareja, asalto/agresión sexual o acoso. Las protecciones de VAWA no sólo están disponibles para las mujeres, sino que están igualmente disponibles para todas las personas independientemente del sexo, identidad de género u orientación sexual³. El Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos (HUD por sus siglas en inglés) es la Agencia Federal que supervisa que los **Cupones de Elección de Vivienda/ Programa de Proyecto Basado en Cupones** cumpla con VAWA. Este aviso explica sus derechos bajo VAWA. Un formulario de certificación que ha sido aprobado por HUD se adjunta a este aviso. Usted puede llenar este formulario para demostrar que usted es o que ha sido víctima de violencia doméstica, violencia de pareja, agresión sexual o acoso, y que usted desea usar sus derechos bajo VAWA.

Protección para los Inquilinos

Si usted recibe asistencia bajo los **Cupones de Elección de Vivienda/ Programa de Proyecto Basado en Cupones** no se le puede negar asistencia, terminar su participación en el programa, o ser desalojado de su vivienda de alquiler porque es o ha sido víctima de violencia doméstica, violencia de pareja, agresión sexual o acoso.

Además, si usted o una persona asociada a usted es o ha sido víctima de violencia doméstica, violencia de pareja, agresión sexual o acoso por parte de un miembro de su hogar o algún huésped/invitado, a usted no se le puede negar la asistencia de renta o derechos de ocupación bajo los **Cupones de Elección de Vivienda/ Programa de Proyecto Basado en Cupones** exclusivamente sobre la base de actividad criminal directamente relacionada con tal violencia doméstica, violencia de pareja, agresión sexual o acoso.

Un “persona asociada” se refiere a su cónyuge, padre, hermano, hermana, o hijo/a, una persona para quien usted cumple el papel de padre o guardián (por ejemplo, la persona asociada está a su cuidado, custodia o control); o cualquier persona, inquilino u ocupante legal viviendo en su hogar.

Desalojar al Agresor o Perpetrador del Hogar

HASBARCO (Public Housing/Vivienda Pública) podría dividir (ramificar) su contrato de arrendamiento de manera que pueda desalojar a la persona o dar por terminada la asistencia de la persona que haya participado en actividades delictivas (el agresor o perpetrador) que se relacionan directamente con violencia doméstica, violencia de pareja, agresión sexual o acoso.

Si HASBARCO decide desalojar al agresor o perpetrador, HASBARCO no puede retirar los derechos de los inquilinos elegibles ni castigar de otro modo a los inquilinos restantes. Si el agresor o perpetrador que fue desalojado era el único inquilino con elegibilidad establecida para recibir asistencia bajo el programa, HASBARCO debe permitir al inquilino que es, o ha sido víctima y a otros miembros del hogar permanecer en la unidad por un período de tiempo, a fin de que se establezca elegibilidad bajo el programa o bajo otro programa del programa de vivienda de HUD cubierto por VAWA, o bien, para encontrar una vivienda alternativa.

Al remover al agresor o perpetrador del hogar, HASBARCO debe seguir los procedimientos federales, estatales y locales de desalojo. A fin de dividir el contrato de arrendamiento, HASBARCO podría, pero no le es requerido, pedirle la documentación o certificación de las incidencias de violencia doméstica, violencia de pareja, agresión sexual o acoso.

¹Las regulaciones específicas del programa HUD identifican a la persona o entidad responsable de proporcionar el aviso de derechos de ocupación.

² A pesar del nombre de esta ley, las protecciones de VAWA están disponibles sin distinción de sexo, identidad de género u orientación sexual.

³ Los proveedores de vivienda no pueden discriminar por razón de ninguna característica protegida, incluidos la raza, color, origen nacional, religión, sexo, estado familiar, discapacidad o edad. Las viviendas con ayuda de HUD y garantizadas por HUD deben estar disponibles para todas las personas elegibles independientemente de su orientación sexual real o percibida, identidad de género o estado civil.

Trasladarse a Otra Unidad

A petición suya, HASBARCO podría permitirle mudarse a otra unidad, sujeto a la disponibilidad de otras unidades, y aun así mantener su asistencia. Para aprobar una solicitud, HASBARCO podría pedirle que les provea documentación que indique que usted solicita mudarse debido a un caso de violencia doméstica, violencia de pareja, agresión sexual o acoso. Si la solicitud es una petición de asistencia de emergencia, el proveedor de vivienda podría pedirle que presente una solicitud por escrito o llene un formulario donde usted certifica que reúne los requisitos para un traslado de emergencia bajo los requisitos de VAWA. Los requisitos son:

- (1) **Usted es una víctima de violencia doméstica, violencia de pareja agresión sexual, o acoso.** Si su proveedor de vivienda no tiene ya la documentación de que usted es víctima de violencia doméstica, violencia de pareja, agresión sexual o acoso, su proveedor de vivienda puede pedirle dicha documentación, según se describe en la sección de documentos a continuación.
- (2) **Usted solicita expresamente el traslado de emergencia.** Su proveedor de vivienda podría optar por solicitar que usted presente un formulario, o puede aceptar otra solicitud oral o por escrito.
- (3) **Usted tiene razón para creer que se encuentra en peligro de daño inminente de violencia adicional si permaneciera en su unidad actual.** Esto significa que usted tiene razón para temer que si no recibe el traslado puede sufrir violencia en un futuro cercano.

O BIEN

- (4) **Usted ha sido víctima de agresión sexual y la agresión ocurrió en las instalaciones durante los 90 días calendario previo a la fecha en que usted solicita al traslado.** Si usted ha sido víctima de agresión sexual, entonces, además de calificar para un traslado de emergencia porque usted tiene razón para temer que se encuentra en peligro de daño inminente de violencia adicional si permanece en su unidad actual, usted puede además calificar para un traslado de emergencia si la agresión sexual ocurrió en las instalaciones de la propiedad de la cual está solicitando el traslado, y la agresión ocurrió dentro de un periodo de 90 días calendario previos a su solicitud expresa de trasladarse de unidad.

HASBARCO mantendrá confidencial las solicitudes para traslados de emergencia hechos por víctimas de violencia doméstica, violencia de pareja, agresión sexual o acoso, y el lugar al que se muden las víctimas y sus familias.

El Plan de traslado de emergencia de HASBARCO proporciona más información sobre los traslados de emergencia, y HASBARCO debe facilitarle una copia de su plan de traslado de emergencia si usted lo solicita.

Documentos de que usted es o ha sido víctima de violencia doméstica, violencia de pareja, asalto sexual o acoso.

HASBARCO puede, pero no le es requerido, solicitar que presente documentos para “certificar” que usted es o ha sido víctima de violencia doméstica, violencia de pareja, agresión sexual o acoso. Dicha solicitud de HASBARCO debe ser por escrito, y HASBARCO debe concederle un mínimo de 14 días hábiles (Sábados, domingos, y feriados Federales no cuentan como días hábiles) desde el día en que usted recibe la solicitud de proporcionar la documentación. HASBARCO puede, pero no está bajo la obligación, de extender el plazo para la presentar la documentación a petición suya.

Usted puede proveer uno de los siguientes documentos a HASBARCO. Usted puede escoger cuál de los siguientes documentos desea someter si HASBARCO le requiere proveer documentación de que usted es o ha sido víctima de violencia doméstica, violencia de pareja, agresión sexual o acoso.

- Un formulario completo de certificación aprobado por HUD que HUD le ha entregado este aviso que documentan un caso de violencia doméstica, violencia de pareja, agresión sexual o acoso. El formulario le preguntará su nombre, la fecha, hora y lugar del incidente de violencia doméstica, violencia de pareja, agresión sexual o acoso, y una descripción del incidente. El formulario de certificación pide el nombre del agresor o perpetrador, en caso de conocer el nombre del agresor o perpetrador y es seguro proporcionarlo.
- Un registro de una agencia policial, administrativa o corte federal, estatal, tribal, territorial o local que documente el incidente de violencia doméstica, violencia de pareja, agresión sexual o acoso. Ejemplos de tales registros incluyen informes de la policía, órdenes de protección, y órdenes de restricción, entre otras.

- Una declaración firmada por usted y un empleado, agente o voluntario de un proveedor de servicio a víctimas, un abogado, profesional médico, profesional de salud mental (colectivamente, "profesional") de quien usted haya solicitado ayuda por el incidente de violencia doméstica, violencia de pareja, agresión sexual o acoso, o los efectos de dicho abuso, donde el profesional que usted seleccionó atestigüe bajo pena de perjurio que él o ella cree que el incidente o incidentes de violencia doméstica, violencia de pareja, agresión sexual o acoso son motivos para la protección.
- Cualquier otra declaración o evidencia que HASBARCO ha acordado que recibirá.

Si usted no cumple o se rehúsa a proveer uno de estos documentos dentro del plazo de 14 días laborales, HASBARCO no tiene que proporcionarle las protecciones contenidas en este aviso.

Si HASBARCO recibe evidencia contradictoria de que se ha cometido un incidente violencia doméstica, violencia de pareja, agresión sexual o acoso (tales como formularios de certificación de dos o más miembros del hogar en los que cada uno afirma ser la víctima y nombra a uno o más de los miembros del hogar quienes también han presentado una solicitud como el agresor o perpetrador), HASBARCO tiene el derecho de solicitar que usted proporcione documentación de terceros dentro de 30 días calendario con el fin de resolver el conflicto. Si usted incumple o se rehúsa a proveer la documentación de terceros en caso de haber evidencia, HASBARCO no tiene que proporcionarle las protecciones contenidas en este aviso.

Confidencialidad

HASBARCO debe mantener en confidencialidad cualquier información que usted provea relacionada con el ejercicio de sus derechos bajo VAWA, incluyendo el hecho de que usted está ejerciendo sus derechos bajo VAWA.

HASBARCO no debe permitir que ninguna persona que administre asistencia u otros servicios a nombre de HASBARCO (por ejemplo, empleados y contratistas) tener acceso a información confidencial a menos que sea por razones que específicamente requieran que estas personas tengan acceso a esta información bajo estipulación de leyes federales, estatales o locales aplicables.

HASBARCO no debe ingresar su información a ninguna base de datos compartida, o revelar su información a cualquier otra entidad o persona. Sin embargo, HASBARCO puede revelar su información si:

- Usted da su autorización por escrito para que HASBARCO de revele la información con un tiempo limitado.
- HASBARCO necesita usar la información en un proceso de desalojo o terminación, tal como desalojar al agresor o perpetrador o dar por terminada la asistencia que el agresor o perpetrador recibe bajo este programa.
- Una ley requiere que HASBARCO o su arrendador revele la información.

VAWA no limita la responsabilidad de HASBARCO de cumplir con las órdenes judiciales sobre del acceso o control de la propiedad. Esto incluye las órdenes emitidas para proteger a una víctima y las órdenes para la división de bienes entre los miembros del hogar en casos de ruptura familiar.

Razones para que un inquilino elegible de posesión de derechos bajo VAWA podría ser desalojado o su asistencia dada por terminada.

Usted puede ser desalojado o su asistencia puede ser terminada por violaciones serias o repetidas de su contrato que no están relacionadas con violencia doméstica, violencia de pareja, agresión sexual o acoso cometidos en contra de usted. Sin embargo, HASBARCO no puede exigir que los inquilinos que hayan sido víctimas de violencia doméstica, violencia de pareja, agresión sexual o acoso cumplan con un conjunto de reglas más estricto que el que se aplica a los inquilinos quienes no han sido víctimas de violencia doméstica, violencia de pareja, agresión sexual o acoso.

Es posible que las protecciones descritas en este aviso no sean aplicables, y usted podría ser desalojado y su asistencia terminada, si HASBARCO puede demostrar que el no desalojarlo o terminar su asistencia podría representar un verdadero peligro físico que:

- 1) Podría ocurrir dentro de un plazo inmediato, y
- 2) Podría resultar en muerte o daño físico grave de otros inquilinos o aquellos quienes trabajan en la propiedad.

Si HASBARCO puede demostrar lo anterior, HASBARCO solamente puede terminar su asistencia o desalojarlo si no puede tomar ninguna otra acción para reducir o eliminar la amenaza.

Otras leyes

VAWA no reemplaza ninguna ley federal, estatal o local que proporcione mayor protección a las víctimas de violencia doméstica, violencia de pareja, agresión sexual o acoso. Puede que usted tenga derecho a otras protecciones de vivienda para las víctimas de violencia doméstica, violencia de pareja, agresión sexual o acoso bajo otras leyes federales, así como también bajo leyes estatales y locales.

Incumplimiento de los requisitos de este aviso

Usted puede reportar las violaciones de estos derechos por parte de su proveedor de vivienda (cubierta bajo este aviso) y buscar ayuda adicional, si es necesario, mediante comunicación o presentar una queja a el **Departamento de Vivienda y Desarrollo Urbano al (415)489-6400**.

Para información adicional

Usted puede ver una copia de las reglas finales de HUD para VAWA en el sitio de internet:

<https://www.federalregister.gov/documents/2016/11/16/2016-25888/violence-against-women-reauthorization-act-of-2013-implementation-in-hud-housing-programs>

Además HASBARCO deber facilitarle una copia de las regulaciones VAWA de HUD si usted solicita verlas. Si tiene preguntas acerca de VAWA, por favor llame al (805)736-3423 extensión 4000.

Para ayuda con respecto a una relación abusiva, usted puede llamar a la Línea Nacional de Ayuda para la Violencia Doméstica al 1-800-799-7233, o para personas con impedimentos auditivos, 1-800-787-3224 (TTY). Usted puede también contactar **Soluciones contra la violencia doméstica, (805) 963-4458**.

Los inquilinos que son o han sido víctimas de acoso o que están en busca de ayuda para visitar el Centro de Recursos para el Acoso del Centro Nacional para Víctimas del Crimen en <https://www.victimsofcrime.org/our-programs/stalking-resource-center>

Para obtener ayuda con respecto a la agresión sexual, puede comunicarse a **Santa Barbara Rape Crisis Center, (805) 564-3696**.

Las víctimas de acoso que están en busca de ayuda pueden comunicarse con **Santa Barbara Rape Crisis Center, (805) 564-3696**.

Adjunto: Formulario de certificación HUD-5382

Para inquilinos quienes son o han sido víctimas de acecho buscando ayuda pueden visitar el Centro de Recursos del Centro Nacional de Víctimas de Crímenes de Acecho en <https://www.victimsofcrime.org/our-programs/stalking-resource-center>

Para ayuda referente a un asalto sexual, usted puede contactar Centro Santa Bárbara para Crisis por Violación **(805) 564-3696**. Víctimas de acecho buscando ayuda pueden también contactar al Centro Santa Bárbara para Crisis por Violación **(805) 564-3696**.

Documento adjunto: Aplicación (forma) de Certificación HUD-5382.

**CERTIFICATION OF
DOMESTIC VIOLENCE,
DATING VIOLENCE,
SEXUAL ASSAULT, OR STALKING,
AND ALTERNATE DOCUMENTATION**

**U.S. Department of Housing
and Urban Development**

OMB Approval No. 2577-0286
Exp. 06/30/2017

Purpose of Form: The Violence Against Women Act (“VAWA”) protects applicants, tenants, and program participants in certain HUD programs from being evicted, denied housing assistance, or terminated from housing assistance based on acts of domestic violence, dating violence, sexual assault, or stalking against them. Despite the name of this law, VAWA protection is available to victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

Use of This Optional Form: If you are seeking VAWA protections from your housing provider, your housing provider may give you a written request that asks you to submit documentation about the incident or incidents of domestic violence, dating violence, sexual assault, or stalking.

In response to this request, you or someone on your behalf may complete this optional form and submit it to your housing provider, or you may submit one of the following types of third-party documentation:

- (1) A document signed by you and an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional (collectively, “professional”) from whom you have sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse. The document must specify, under penalty of perjury, that the professional believes the incident or incidents of domestic violence, dating violence, sexual assault, or stalking occurred and meet the definition of “domestic violence,” “dating violence,” “sexual assault,” or “stalking” in HUD’s regulations at 24 CFR 5.2003.
- (2) A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency; or
- (3) At the discretion of the housing provider, a statement or other evidence provided by the applicant or tenant.

Submission of Documentation: The time period to submit documentation is 14 business days from the date that you receive a written request from your housing provider asking that you provide documentation of the occurrence of domestic violence, dating violence, sexual assault, or stalking. Your housing provider may, but is not required to, extend the time period to submit the documentation, if you request an extension of the time period. If the requested information is not received within 14 business days of when you received the request for the documentation, or any extension of the date provided by your housing provider, your housing provider does not need to grant you any of the VAWA protections. Distribution or issuance of this form does not serve as a written request for certification.

Confidentiality: All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking shall be kept confidential and such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections to you, and such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.

**CERTIFICACIÓN DE
VIOLENCIA DOMÉSTICA,
VIOLENCIA DE PAREJA,
ASALTO SEXUAL, O ACECHO,
Y DOCUMENTACIÓN ALTERNA**

**Departamento de Vivienda y
Desarrollo Urbano de EE.UU.**

OMB Approval No. 2577-0286
Exp. 06/30/201

Propósito de esta Forma: El Acta sobre la Violencia en Contra de la Mujer (“VAWA” por sus siglas en Inglés) protege solicitantes, inquilinos y participantes en ciertos programas de HUD (Departamento de Vivienda y Desarrollo Urbano de los Estados Unidos) de ser desalojados, de negárseles el recibir asistencia de vivienda o de darse por terminados sus beneficios de recibir asistencia de vivienda basados en actos de violencia doméstica, violencia de pareja, asalto sexual y acecho sin importar el sexo, identidad de género u orientación sexual.

Usos de ésta forma opcional: Si usted está buscando protección basado en el acta VAWA (Acta sobre la Violencia en Contra de la Mujer) de su proveedor de vivienda, su proveedor de vivienda puede darle una solicitud por escrito en donde le requiere someter documentación de una tercera persona acerca del incidente o incidentes de violencia doméstica, violencia de pareja, asalto sexual o acecho.

En respuesta a dicha solicitud, usted o alguien actuando en su nombre puede completar esta forma opcional y someterla a su proveedor de vivienda, o usted puede someter uno de los siguientes tipos de documentos aportados por terceros:

(1) Una declaración firmada por usted y un empleado, agente o voluntario de un proveedor de servicio a víctimas, un abogado, profesional médico, profesional de salud mental (colectivamente, “profesional”) de quien usted haya buscado recibir asistencia relacionada con violencia doméstica, violencia de pareja, asalto sexual o acecho, o los efectos de dicho abuso. El documento debe especificar, bajo pena de perjurio, que el profesional cree que el incidente o incidentes de violencia doméstica, violencia de pareja, asalto sexual o acecho ocurrieron y cumplen la definición de “violencia doméstica”, “violencia de pareja”, “asalto sexual” o “acecho” en las regulaciones de HUD en CFR (Código de Regulaciones Federales en español) 5.2003.

(2) Un registro de una agencia de aplicación de la ley Federal, Estatal, Tribal o local, una corte, agencia administrativa; o

(3) A discreción del proveedor de vivienda, una declaración u otra evidencia proveída por el solicitante o inquilino.

Sumisión de Documentos: El lapso de tiempo para someter documentación es de 14 días hábiles, desde la fecha en que usted recibió una solicitud por escrito de parte de su proveedor de vivienda pidiéndole que usted provea documentación del incidente de violencia doméstica, violencia de pareja, asalto sexual o acecho. Su proveedor de vivienda puede, pero no se le requiere, extender el lapso de tiempo para someter dichos documentos, en el caso que usted requiera una extensión del lapso de tiempo. Si la información que se requiere no se ha recibido dentro de los 14 días hábiles desde que usted recibió la solicitud de someter documentación, o cualquier extensión de tiempo suministrada por su proveedor de vivienda, su proveedor de vivienda no necesita garantizarle ninguna de las protecciones proveídas por VAWA. La distribución o emisión de esta forma no sirve como una solicitud por escrito de certificación.

Confidencialidad: Toda la información proporcionada a su proveedor de vivienda concerniente al (los) incidente(s) de violencia doméstica, violencia de pareja, asalto sexual o acecho serán mantenida confidencialmente y los detalles expuestos no serán incluidos en ninguna de las bases de datos compartida. Empleados de su proveedor de vivienda no tendrán acceso a aquellos detalles a menos que sean para garantizar o negar protección de VAWA para usted, y dichos empleados no podrán revelar ésta información a ninguna otra entidad o individual, excepto al grado que dicha revelación es: (i) aprobada por usted de forma escrita y con un tiempo limitado de divulgación; (ii) requerida para uso en una situación de desalojo, o audición con respecto a su terminación de asistencia; o (iii) de otra manera requerida por una ley aplicable.

TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

1. Date the written request is received by victim: _____

2. Name of victim: _____

3. Your name (if different from victim's): _____

4. Name(s) of other family member(s) listed on the lease: _____

5. Residence of victim: _____

6. Name of the accused perpetrator (if known and can be safely disclosed): _____

7. Relationship of the accused perpetrator to the victim: _____

8. Date(s) and times(s) of incident(s) (if known): _____

10. Location of incident(s): _____

In your own words, briefly describe the incident(s):

This is to certify that the information provided on this form is true and correct to the best of my knowledge and recollection, and that the individual named above in Item 2 is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature _____ Signed on (Date) _____

Public Reporting Burden: The public reporting burden for this collection of information is estimated to average 1 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information provided is to be used by the housing provider to request certification that the applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking. The information is subject to the confidentiality requirements of VAWA. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

**PARA SER COMPLETADA POR, O EN FAVOR DE LA VÍCTIMA DE VIOLENCIA DOMÉSTICA,
VIOLENCIA DE PAREJA, ASALTO SEXUAL O ACECHO**

1. Fecha en que la solicitud por escrito fue recibida por la víctima: _____

2. Nombre de la víctima: _____

3. Su nombre (si diferente del de la víctima): _____

4. Nombre de otro(s) miembro(s) de la familia enumerados en el contrato de arrendamiento:

5. Residencia de la víctima: _____

6. Nombre del presunto agresor (si conocido, y si puede ser revelado de manera segura):

7. Relación del presunto agresor con la víctima: _____

8. Fecha(s) y hora(s) del incidente(s) (si conocido(s)): _____

10. Lugar del incidente(s): _____

En sus propias palabras, describa el incidente(s) brevemente:

Sirva la presente para certificar que la información proveída en esta forma es verdadera y correcta de acuerdo a lo mejor de mi conocimiento y recuerdo, y que el individuo mencionado en la línea 2 es o ha sido víctima de violencia doméstica, violencia de pareja, asalto sexual o acecho. Yo reconozco que el suministro de información falsa puede poner en peligro la elegibilidad en el programa y podría ser la base para la negación de admisión o terminación de asistencia, así como de desalojo

Firma _____ Firmado en (Fecha) _____

Informe de Carga Público: El informe de carga público para esta recolección de información es estimada de una hora por respuesta. Esto incluye el tiempo para recolectar, revisar y reportar los datos. La información proveída es para ser usada por el proveedor de vivienda para requerir certificación de que el solicitante o inquilino es víctima de violencia doméstica, violencia de pareja, asalto sexual, o acecho. La información está sujeta a los requisitos de confidencialidad de VAWA. Esta agencia puede que no recaude esta información, y a usted no se le requiere completar esta forma, a menos que esta muestre un número de control vigente de la Oficina de Administración y Presupuesto.

EXHIBIT F

STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS

EXHIBIT C

I. INDEMNITY

Borrower hereby agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless County and its officers, officials, employees, agents and volunteers from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person or entity and for any costs or expenses (including but not limited to attorneys' fees) incurred by County on account of any claim except where such indemnification is caused by the sole negligence of the County.

II INSURANCE

Borrower hereby covenants and agrees to provide the insurance coverage with limits as specified below. Borrower shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the County Home Loan Agreement as follows:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than \$2,000,000 per occurrence and \$4,000,000 in the aggregate.
2. **Automobile Liability:** Insurance Services Office Form CA 0001 covering Code 1 (any auto), with limits no less than \$2,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation:** Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. **Pollution Legal Liability and/or Asbestos Legal Liability:** (if project involves environmental hazards) with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

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

5. **Builders Risk Insurance:** Borrower shall obtain a Builders Risk Policy that provides 100% Replacement Cost. Coverage is to be effective upon the date of the Notice to Proceed, the date of site mobilization or the start of any shipment of materials, machinery or equipment to the site, whichever is earlier, and to remain in effect until replaced by permanent All Risk Property Insurance. The policy must include a Loss Payable Endorsement, including mortgage clause (CP 12 18 or similar) in favor of the County. The policy must not contain a coinsurance clause or self-insured retention. The policy must provide coverage for vandalism and Malicious Mischief Coverage.
6. **All Risk Property Insurance:** Borrower shall obtain and maintain in full force during the entire time of its ownership of the property described in this Agreement an All Risk Property Insurance policy that provides 100% Replacement Cost. The policy must contain a Lender's Loss Payable Endorsement, including mortgage clause (CP 12 18 or similar) in favor of the County. The policy may not contain a coinsurance clause or self-insured retention. Earthquake and fire coverage must be included.

7. **Flood Insurance:** If the property is deemed to be in an area identified by FEMA as a "special Flood Hazard area," Borrower must obtain flood insurance coverage with limits of at least the \$2,000,000 County is lending to Borrower.

B. Other Insurance Provisions

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

1. **Additional Insured** – County, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Borrower including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Borrower's insurance at least as broad as ISO Form CG 20 10 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).
2. **Primary Coverage** – For any claims related to this Agreement, the Borrower's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents or volunteers shall be excess of the Borrower's insurance and shall not contribute with it.
3. **Notice of Cancellation** – Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the County.
4. **Waiver of Subrogation Rights – Borrower hereby agrees to waive rights of subrogation which any insurer of Borrower may acquire** from Borrower by virtue of the payment of any loss. Borrower agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. **The Workers' Compensation policy shall be endorsed with a waiver of subrogation** in favor of the County for all work performed by the Borrower, its employees, agents and subcontractors. This provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.
5. **Deductibles and Self-Insured Retention** – Any deductibles or self-insured retentions must be declared to and approved by the County. At the option of the County, either: the Borrower shall cause the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County, its officers, officials, employees, agents and volunteers; or the Borrower shall provide a financial guarantee satisfactory to the County guaranteeing payment of losses and related investigations, claim administration, and defense expenses.
6. **Acceptability of Insurers** – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of "A- VII".
7. **Verification of Coverage** – Borrower shall furnish the County with proof of insurance, original certificates and amendatory endorsements as required by this Agreement. The proof of insurance, certificates and endorsements are to be received and approved by the County before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Borrower's obligation to provide them. The Borrower shall furnish evidence of renewal of coverage throughout the term of the Agreement. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

8. **Failure to Procure Coverage** – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, County has the right but not the obligation or duty to terminate the Agreement. Maintenance of required insurance coverage is a material element of the Agreement and failure to maintain or renew such coverage or to provide evidence of renewal may be treated by County as a material breach of contract.
9. **Subcontractors** – Borrower shall require and verify that all contractors maintain insurance meeting all the requirements stated herein, and Borrower shall ensure that County is an additional insured on insurance required from contractors. For CGL coverage contractors shall provide coverage with a format least as broad as CG 20 38 04 13.
10. **Claims Made Policies** – If any of the required policies provide coverage on a claims-made basis:
 - i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
 - ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.
 - iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Borrower must purchase “extended reporting” coverage for a minimum of five (5) years after completion of contract work.
11. **Special Risks or Circumstances** – County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. Borrower agrees to execute any such amendment within thirty (30) days of receipt.

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

EXHIBIT G
MANAGEMENT PLAN

PROPERTY MANAGEMENT AGREEMENT

I. PARTIES

1. This Property Management Agreement ("Agreement") made this 1st Day of September 2023 at Goleta, California, by and between Patterson Point, L.P. a California Limited Partnership hereinafter referred to as "Owner" and the HOUSING AUTHORITY OF THE COUNTY OF SANTA BARBARA, a California public body, corporate and politic, hereinafter referred to as "Agent".

The parties hereto agree as follows:

II. PROFESSIONAL MANAGEMENT STANDARDS

1. Job Description

The Owner appoints the Agent as the exclusive agent to manage, operate, maintain, lease and rent the "property" described hereinafter and the Agent accepts the appointment subject to the terms and conditions set forth in this Agreement.

2. Property Description

The property to be managed is described as follows:

Name:	Patterson Point
Address:	80 North Patterson Ave
City & State:	Goleta, CA
County:	Santa Barbara
Number of units:	24
Type of facility:	Rental housing for low-income Special Needs households (i.e. chronically homeless mentally ill, veterans, formerly homeless individuals, and others with special needs).

3. Professional Management Standards

Agent agrees to exert its best efforts, to furnish the services of its organization, and to exercise the highest degree of professional competence in managing the property so as to provide Owner with sufficient revenue to pay current debts and expenses of the property and to comply with regulatory agreements affecting the property consistent with proper management. The Agent shall carry out management of the property in accordance with the Property Management Plan ("Management Plan"). A copy of the Agent's Management Plan is attached (Exhibit A).

4. Initial Professional Analysis

Agent shall do the following at the outset of its stewardship:

Inform itself with respect to the neighborhood, layout, construction, location, character, plan, and operation of the property and any mechanical or physical systems operating within the property.

5. Requirements

Agent shall manage the property subject to all requirements imposed on the property by (i) HUD, or (ii) Section 42 of the Internal Revenue Code with respect to the Owner receiving Tax Credits for each of the Tax Credit Units; (iii) the California Tax Credit Allocation Committee; or (iv) any financing relating to the property, including No Place Like Home Program Guidelines ("Requirements").

III. LEASING OF PROPERTY

1. Obligation to Lease

Agent agrees to use its best efforts, utilizing the full range of services and facilities of its organization, to obtain qualified tenants for presently vacant space within the property, or space which may become vacant during the term of this Agreement.

2. Advertisements

Agent agrees to promote leasing and renting by full use of available advertising devices such as newspapers and the display of signs on the property, the cost of which shall be a property expense.

3. Leasing Standards

All renting shall be accomplished by lease on terms and conditions provided by Owner and governmental agencies, as applicable.

The Agent shall follow a tenant selection policy based on the tenants' credit history, tenants occupancy history and tenants qualification under any governmental regulation. If a tenant is rejected because of information obtained from a credit report, the source of the report will be revealed to the tenant in accordance with the Fair Credit Reporting Act.

The Agent will also use its best efforts to maintain eligibility under any governmental programs providing financial assistance to the property.

4. Nondiscrimination

In the performance of its obligations under this Agreement, the Agent will comply with the provisions of any Federal, State or local law prohibiting discrimination in housing on the grounds of race, color, religion, sex, age, marital status, national origin, or physical or mental handicap.

5. Action Authorized With Respect to Leases

Agent is authorized to execute all leases, rental agreements, renewals, and cancellations. Agent may also serve notice on any tenant to quit a property when the Agent deems such notice necessary and is authorized to institute such actions or other proceedings as may be deemed advisable in Agent's or Owner's name in order to evict tenants, recover rent, charges, or other sums payable to Owner. Agent may discontinue any such action or proceeding, or compromise or settle any such action or proceeding.

6. Tenants' Problems

Agent shall maintain businesslike relations with tenants. Problems of a serious nature shall, after thorough investigation, be reported to the Owner with appropriate recommendations.

IV. OPERATION AND MAINTENANCE

1. Employees

Agent shall hire, discharge, and supervise, all labor and persons and/or services to perform duties and responsibilities at the property site to properly maintain and operate the property. Compensation of such persons and/or services will be paid as provided in the "Management Plan". The number of employees hired will be consistent with those contemplated by the property's annual budget. Employees

of the property will be treated as employees of the Agent and not as employees of the Owner.

2. Maintenance, Repairs and Rehabilitation

- a. Agent shall cause the property, and its appurtenances and grounds, to be maintained according to standards acceptable to Owner, or a governmental agency, if applicable, including but not limited to interior and exterior cleaning, painting, decorating, plumbing, heating and ventilating systems, elevators, carpentry, and such other normal maintenance and repair work as may be necessary. Agent is authorized by Owner to conduct rehabilitation necessary to have the property meet building codes and maintain the appearance to complement the surrounding community.
- b. In fulfillment of its duties under (a) of this section, Agent may purchase from a third party company such supplies, equipment, and services as necessary for the operation and maintenance of the property; provided, however, that no single disbursement for this purpose shall be made which is not in the annual budget approved by the Owner or which would cause Agent to exceed a budget line item by more than \$2,000.00 unless specifically authorized by Owner or authorized representative except that emergency repairs, involving manifest danger to life or property, or immediately necessary for the preservation and safety of the property, or for the safety of its tenants, or required to avoid the suspension of any necessary service to the property, may be made by Agent irrespective of the cost limitation imposed by this section.
- c. If major repairs are required, the Agent will solicit bids from third party companies to complete such repairs. From comparable bids, the most reasonable and qualified bid will be selected.

3. Services and Utilities

Agent shall implement and maintain the contracts considered in its name or in the name of Owner for all services and utilities necessary for the efficient operation and maintenance of the property, including but not limited to water, electricity, gas, fuel, telephone, vermin extermination and rubbish hauling.

4. Compliance with Governmental Regulations

Agent shall take such action as may be necessary to comply promptly with any and all orders or requirements affecting the property placed thereon by federal,

state, county, or municipal authority having jurisdiction therefore, subject to the same limitation contained herein regarding maximum amounts which may be disbursed without Owner's written consent. Agent, however, shall not take any action under this section so long as Owner is contesting, or has, after prompt notification of the facts by Agent, affirmed its intention to contest any such order or requirement. Agent shall promptly notify Owner in writing of all such orders and notices of requirements.

5. Insurance Coverage

When specifically directed by Owner in writing, Agent will cause insurance coverage, in the types and amounts so specified by Owner, or as required by law, lender, or unit(s) of government, to be placed and kept in effect at all times with insurance companies satisfactory to Owner. Typically, coverage will include, but not be limited to, workers' compensation insurance, public liability insurance, fire and extended coverage insurance, and burglary and theft insurance. All of the various types of insurance coverage required for the benefit of Owner shall be placed with the company or companies whose bids have been accepted by Agent, in such amounts, and with such beneficial interests appearing therein as shall be acceptable to Owner; provided, however, that the Agent shall be named as a coinsured in all policies related to public liability insurance. Proof of all such insurance shall be delivered to Owner in a form acceptable to Owner. Agent shall promptly investigate and make a full written report as to all accidents or claims for damage relating to the ownership, operation, and maintenance of the property including any damage or destruction to the property, the estimated cost of repair, and shall cooperate and make any and all reports required by any insurance company in connection herewith.

V. COLLECTION AND DISBURSEMENT OF REVENUES

1. Operating Account

Agent will designate and maintain an Operating Account which will be in the Agent's name and designated of record in an account name identifying the property. The account shall be opened in a bank whose deposits shall be insured by the Federal Deposit Insurance Corporation.

2. Collection of Rent

Agent shall use its best efforts to collect all rents and revenues from the property.

3. Deposit of Collections

Agent shall promptly deposit all monies collected from the property in the Operating Account. Agent shall have the authority to draw on this account for any payments which Agent must make to discharge any liabilities or obligations incurred pursuant to this Agreement, and for the payment of Agent's fee, all of which payments shall be subject to the limitations of this Agreement.

4. Tenant Security Deposit Account (When Applicable)

Upon receipt, all tenant security deposit funds collected shall be deposited in a separate account at a federally insured financial institution and shall be handled according to any State or local laws governing tenant security deposits. All tenant security deposit funds collected shall be recorded in a bookkeeping account that is separate from the Property's bookkeeping accounts. Funds in the Tenant Security Deposit Account shall only be used for authorized purposes as intended. They shall be held by the Agent in trust for the respective tenants until so used. Any amount in the Tenant Security Deposit Account which is retained by the Agent as a result of lease violations shall be transferred to the Operating Account and treated as income of the property.

5. Replacement Reserve Account

A separate bank account shall be set up called replacement reserve account. Deposits shall be made to this account at a rate of \$300.00 per unit per year. Annual deposits are due from the anniversary funding date of the permanent loan. Uses of this reserve are restricted to capital expenditures. Withdrawals from the replacement reserve account shall be monitored by the permanent lender during its review process.

6. Bonding

The Agent directly and those employees of Agent who handle or are responsible for the handling of Owner's monies shall, be bonded by a fidelity bond acceptable both to Agent and Owner, indemnifying Owner as obligee against loss, theft, embezzlement, or other fraudulent acts on the part of Agent or Agent's employees.

7. Disbursements

Disbursements from the Operating Account shall be governed by the following:

- (a) From the funds collected and held by Agent in the Operating Account pursuant to paragraph V.2 hereof, and subject to the Owner-approved operating budget, Agent shall make the following disbursements promptly when payable, in the following order of priority:
- (i) Salaries and any other compensation due and payable to the employees referred to in the "Management Plan", including Agent's compensation, together with related payroll taxes;
 - (ii) Fire and other hazard insurance premiums, utilities, debt service on first trust deed, and establishment and maintenance of replacement reserve funds;
 - (iii) Other payments due and payable by Owner as operating expenses incurred pursuant to Owner-approved operating budget and in accordance with this Agreement;
 - (iv) Distributions to Owner's partners in accordance with Owner's partnership agreement, and
 - (v) Payments of interest on loans specified in the Owner's partnership agreement.
- (b) In the event that the balance in the Operating Account is at any time insufficient to pay disbursements due and payable under subparagraph 6(a) hereof, Agent shall promptly inform Owner of the fact and Owner may then remit to Agent sufficient funds to cover the deficiency. In no event shall Agent be required to use its own funds to pay such disbursements.

8. Controls on Disbursements

Agent shall maintain proper internal controls appropriate to organize and maintain a system of controls designed to insure the authenticity of bills paid, and the fairness of the price charged. In furtherance of this goal, Agent shall authorize all purchasing and hiring of services only by supervisory personnel.

VI. FINANCIAL RECORDS AND REPORTS

1. Records

Agent agrees to keep accurate, complete, and separate records in accordance with generally accepted accounting standards and procedures, showing income and expenditures in connection with the operation of the property, to the end that any accounts payable, other obligations, cash, accounts receivable, and other assets pertaining thereto can be identified and the amount determined at all times. Owner shall have the right at any reasonable time, through his representatives or in person, to inspect any record of Agent which in his opinion may verify the financial or monthly reports, including, but not limited to, all checks, bills, vouchers, statements, cash receipts, correspondence, and all other records in connection with management of the property. Owner shall further have the right to cause an audit to be made of all account books and records connected with the management of the property.

2. Monthly and Annual Statements

Agent shall prepare and deliver to Owner (i) within twenty (20) days after the end of each calendar month during the term of this Agreement a written statement showing in detail acceptable to Owner, all receipts and disbursements with respect to the property for the immediately preceding calendar month, and itemizing all delinquent accounts and vacant space, and (ii) within forty-five (45) days after the end of each calendar year during the term of this Agreement a written statement showing, in detail acceptable to Owner and sufficient to enable Owner to prepare its income tax returns for such calendar year, the actual receipts and disbursements with respect to the property during the immediately preceding calendar year.

3. Operating Budget

Agent shall prepare a recommended annual operating budget for the property for each fiscal year during the term of this Agreement, and will submit same to Owner at least sixty (60) days before the beginning of such fiscal year. The annual operating budget shall include a schedule of rent increases with respect to Lease renewals and new Leases. Proposed annual operating budgets for the property shall be subject to approval by Owner. Owner will promptly inform Agent of any changes to be incorporated in the approved operating budget, and Agent shall make no expenditures in excess of the amounts set forth in such approved operating budget, for each line item of operating expense itemized, without the prior written approval of Owner, except as permitted pursuant to paragraph IV.2.b. hereof for

emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any services to the property.

4. Reports

Agent agrees to prepare, or cause to be prepared, on behalf of Owner, and deliver to Owner a reasonable period prior to the due date for such forms and declarations:

- (a) All payroll forms and reports concerning property employees;
- (b) Workers' compensation forms;
- (c) Business tax fauns;
- (d) Personal property declarations.

All corporate, partnership, and individual income tax returns are the responsibility of Owner, except that the records and reports furnished Owner by Agent shall be sufficient for these purposes.

Agent shall file, on behalf of Owner, the customary property management compliance reports required by the Tax Credit Allocation Committee and the Internal Revenue Service. Agent shall also file compliance reports with the County of Santa Barbara Affordable Housing Program as required in the City and County regulatory agreements and loan agreements. Agent shall, at Owner's request, provide copies of all compliance reports to the General Partner.

VII. COMPENSATIONS

1. Fee

For on-going management services rendered pursuant to this Agreement, Owner shall pay Agent a fee up to 6% of the rental revenue per unit per month for each unit in a building which is occupied. Rental revenue is defined as rents approved annually by the County of Santa Barbara excluding any subsidized rents in excess of the County of Santa Barbara approved rent amounts. Management fees will be computed and paid according to HUD requirements.

2. Other Reimbursements

Agent shall be entitled to the following reimbursements: For full time or part time personnel employed at the property, who shall be the employees of the Agent, salaries, employer contributions mandated by any governmental agency, worker's compensation insurance premiums, employer health benefits and other costs incurred for the benefit of the property. Such costs shall be advanced by the Agent and Agent shall be reimbursed the amount of such payments on the first of each month from the property operating account.

VIII. AGENT'S AND OWNER'S OBLIGATIONS

I. Information to be furnished

As soon as possible the Owner will furnish the Agent with a complete set of "as built" plans and specifications and copies of all guarantees and warranties relevant to construction, fixtures and equipment, and all regulatory agreements affecting the property. With the aid of this information and inspection by competent personnel, the Agent will become thoroughly familiar with the character, location, construction, layout, plan and operation of the Property, and especially with the physical plant.

2. Agent's Indemnification

Notwithstanding any provision of this Agreement or any obligation of Agent hereunder, it is understood and agreed:

(a) That Owner has assumed and will maintain their responsibility and obligation throughout the term of this Agreement for the finances and the financial stability of the Property, and

(b) That Agent shall have no obligation, responsibility or liability to fund authorized Property costs, expenses or accounts other than those funds generated by the Property itself or provided to the Property or to Agent by Owner, and

(c) That Owner shall be solely responsible for bearing that portion of the costs of the Property which exceed the amount of income generated by the Property.

In accordance with the foregoing, Owner agrees that Agent shall have the right at all times to secure payment of its compensation, as provided for under this Agreement, from the General Operating Account immediately when such compensation is due and without regard to other Property obligations or expenses provided the agent has satisfactorily discharged all duties and responsibilities under

this Agreement. Moreover, except for losses, costs, expenses, liabilities, and obligations arising by reason of Agent's negligence or breach of its obligations under this Agreement, Owner hereby indemnifies Agent and agrees to hold it harmless from any loss, with respect to Property costs, expenses, accounts, liabilities, and obligations during the term of this Agreement and further agrees to guarantee to Agent the payment of its compensation under this Agreement during the term of this Agreement to the extent that the Project's General Operating Account for this purpose is insufficiently funded. Failure of Owner at any time to abide by and to fulfill the foregoing shall be a breach of this Agreement entitling Agent to obtain from Owner upon demand, full payment of all compensation owed to Agent through the date of such breach and entitling Agent, at its option, to terminate this Agreement forthwith.

3. Owner's indemnification

Agent shall indemnify, defend, and hold Owner free and harmless from and against all claims, costs, damages, causes of action, and liabilities of whatsoever type and kind arising from or relating to Agent's breach of its obligations under this Agreement.

4. Tax Credit Compliance

Agent shall indemnify, defend and hold Owner and its partners harmless from and against all damages, losses, costs, causes of action, actions, suits, liabilities, claims, costs and expenses (including, without limitation, attorney's fees and court costs) in the event Agent (a) leases any unit to a third party or parties who fail to satisfy the eligibility or income requirements established for such unit(s), or (b) charge rent for any unit in excess of the amount allowed by any lender, Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"), or any regulatory agreement recorded against or otherwise binding upon the Property or Owner. Agent shall not be responsible under this paragraph for the fraudulent acts of any third party or parties if the Agent properly followed the income verification procedure required by the Code, or otherwise approved by Owner. Such indemnity obligation shall survive the expiration or earlier termination of this Agreement.

IX. TERM AND TERMINATION

1. Basic Period

Subject to termination pursuant to subparagraph IX(3), below, the term of this Agreement shall commence on January 1st of each year. The length/term of this Agreement will be for a minimum one-year term.

2. Renewals

Subject to termination pursuant to subparagraph 3, below, this Agreement shall be automatically renewed for consecutive one-year terms. Notwithstanding any such automatic renewal, Owner and Agent shall meet prior to each renewal term and negotiate in good faith to determine whether the amount of compensation being paid to Agent is fair and reasonable under the circumstances and whether any other changes in this Agreement may be appropriate, and shall exercise their reasonable best efforts to agree, prior to the commencement of each renewal term, upon the amount of compensation to be paid to Agent and other appropriate changes, if any, in this Agreement. If the parties are unable to agree upon a revised compensation schedule or other changes in this Agreement prior to the commencement of a renewal term, then the amount of compensation in effect immediately prior to such renewal term and the remainder of this Agreement shall remain in effect during such renewal term.

3. Termination

This Agreement shall be terminated for cause three (3) business days after one party delivers to the other written notice of its election to terminate for cause. For purposes of this Agreement, the term "cause" shall mean (i) material breaches of a party's obligations under this Agreement which are not cured within fourteen (14) days after delivery of written notice that such breach has occurred, (ii) substantial and repeated material violations of a party's obligations under this Agreement, and (iii) gross negligence or intentional misconduct.

The Agent hereby acknowledges that the Owner has entered into an agreement in which it agrees that Patterson Point is to be managed in accordance with the terms specified by the California Department of Housing and Community Development Regulatory Agreement, which is attached hereto and made part of this Agreement. The Agent agrees to abide by the requirements stated therein. And specifically acknowledges that this Agreement may be terminated by the California Department of Housing and Community Development in accordance with Section 11 of the Regulatory Agreement.

In addition, HUD may require the owner to terminate the Agreement:

- (1) Immediately if a default occurs under the Mortgage, Note, Regulatory Agreement, or Rental Assistance Contract that is attributable to the actions of the management agent;
- (2) Upon 30 days written notice, for failure to comply with the provisions of the Management Certification or for other good cause; or,
- (3) When HUD takes over the property as Mortgagee in Possession.

If HUD terminates the Agreement pursuant to its authority under the loan documents, the owner will promptly make arrangements for obtaining an alternative management agent that is satisfactory to HUD.

HUD's rights and requirements will prevail in the event of any conflicts with the terms of this Agreement.

4. Consequences of Termination

Upon termination of this Agreement, it is agreed:

(a) That all of the records in the possession of Agent pertaining to the operation of the premises, together with any other property of Owner in Agent's possession, shall be immediately delivered to Owner, including all of the project's cash, accounts, deposits, investments, and records immediately, but in no event more than 30 days after the date the Agreement is terminated.

(b) That Agent's right to compensation shall immediately cease, except for any amounts payable hereunder before the date of the termination.

MISCELLANEOUS

1. Notices

All notices required under this or any article of this Agreement shall be in writing and: (1) delivered by certified mail, postage prepaid, return receipt requested; (2) express delivery with a delivery receipt; or (3) by personal delivery with a delivery receipt. Notice shall be deemed communicated on the date shown on the delivery receipt as: (1) the date of delivery, (2) the date delivery was refused, or (3) the date the notice was returned as undeliverable. The place to which notices shall be addressed to each party appears after the

signatures below; provided, however, that each party may change his address by notice in accordance with this section.

2. Status of Parties

The parties hereto do not intend to create an employer-employee relationship. The Agent is an independent contractor.

3. Timely Performance

Owner and Agent shall each perform all of their respective obligations under this Agreement in a proper, prompt, and timely manner. Each shall furnish the other with such information and assistance as the other may from time to time reasonably request in order to perform its responsibilities under this Agreement. Owner and Agent each shall take all such actions as the other may from time to time reasonably request and otherwise cooperate with the other so as to avoid or minimize any delay or impairment of either party's performance of its obligations under this Agreement.

4. Arbitration

(a) Except as provided in subparagraph (b), if a dispute arises between the parties with respect to the interpretation or enforcement of rights and duties created under this Agreement, and such dispute is not resolved within thirty (30) days after one party delivers to the other written notice invoking the provisions of this Paragraph X(4), then such dispute shall be resolved by arbitration in Santa Barbara, California, in accordance with the rules then-obtaining of the American Arbitration Association. This agreement to arbitrate shall be specifically enforceable, and judgment may be entered on the order of the arbitrator.

(b) Notwithstanding the foregoing, this paragraph X(4) is not intended to prevent, and shall not be construed as preventing, one party from exercising its power to terminate this Agreement for cause. If a dispute arises with respect to the existence of cause, then a party may consent to a termination while reserving the ability to contest the existence of cause, and any dispute concerning whether cause existed or whether such termination was wrongful shall be resolved by arbitration pursuant to subparagraph (a), above.

5. General Provisions

This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State wherever this Agreement has been executed. This Agreement embodies the entire agreement and understanding between the parties and supersedes all prior agreements and understandings relating to the subject matter hereof.

This Agreement may not be modified, amended, or terminated, nor may any term or provision hereof be waived or discharged, except in writing signed by the party against whom such amendment, modification, termination, waiver, or discharge is sought to be enforced. All of the terms of this Agreement, whether so expressed or not, shall be binding upon the respective successors and permitted assigns of the parties hereto and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns. If any of the provisions of this Agreement shall to any extent be invalid or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. The headings of this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any references in this Agreement to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

If any legal action is brought to enforce this Agreement, the prevailing party shall be entitled to its attorney's fees and costs of its suit.

XI. EXECUTION

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed by their duly authorized officers as of the day and year first above written.

OWNER:

Patterson Point, L.P.
a California limited partnership

AGENT:

Housing Authority of the
County of Santa Barbara.
a public body corporate and politic

By:



Robert P. Havlicek Jr.

Title: Executive Director

Its: Managing General Partner,
Surf Development Company,
a California non-profit public
benefit corporation

By:



Robert P. Havlicek Jr.

Title: Executive Director

EXHIBIT A

MANAGEMENT PLAN

PROJECT: Patterson Point, Goleta, California

OWNER: Patterson Point, L.P.

MANAGING AGENT: Housing Authority of the County of Santa Barbara

This Management Plan has been developed as Exhibit A to the First Amended and Restated Property Management Agreement ("the Agreement") as negotiated between Patterson Point, L.P., and the Housing Authority of the County of Santa Barbara.

ON-SITE AND INDIRECT MANAGEMENT

Indirect management services will be provided out of the Agent's offices at Lompoc and Santa Maria, California. These managerial services are identified in the Agreement and are more specifically detailed in this Management Plan.

Agent will also employ an "on-site" manager who will reside in the development. All direct management services such as this, will be considered Project costs which are chargeable to the rental agency account. Other more indirect forms of management services including overall project management, supervision of management staff, cost of replacement staff while the manager is away for vacation, sick or personnel time from his/her role of employment as manager and an on-site presence would ordinarily be provided and coordination of management services will not be considered as Project costs, but will instead be compensated for out of the Project's management fee.

Management staff, including their duties and responsibilities, are identified and discussed in greater detail under the various sections of this plan. Management positions and project expense relationships are presented as part of the Project's Operating Budget.

The Agent will assume the responsibility for making and carrying out the daily decisions which are necessary to provide this project with the management services identified in this Plan and the Agreement. Where either this Plan or the Agreement requires prior authorization from the Owner before action by the Agent, it is understood that the President or Executive Director of the General Partner of the Owner must provide necessary authorization.

Typical activities are as follows:

INITIAL RENT-UP AND CONTINUED OCCUPANCY

- Marketing
- Publications, as required
- Tenant Screening and Selection
- Tenant Eligibility Certification and Recertification
- Tenant Orientation
- Rental Agreements
- Move-In and Move-Out Inspections

RENT COLLECTION

- Rent Roll and Service Charge Collection Management
- Rent Delinquencies
- Security Deposit Collection and Refunds
- Eviction

MAINTENANCE

- Routine
- Non-Routine
- Extraordinary Maintenance
- Betterments and Additions
- Preventive

ACCOUNTING AND FINANCIAL

- General Ledger
- Purchasing and Disbursements
- Financial Reports
- Investments
- Governmental Reporting

TENANT RELATIONS AND SERVICES

- Tenant Services
- Tenant Grievances and Problems
- Housing Rules and Policies

More detailed descriptions of the above-listed typical activities are as follows:

RENT-UP AND OCCUPANCY

Appropriate Housing Authority Agent staff will:

- 1) Determine and certify eligibility of all new residents, including screening, selection and orientation of residents and establishment of a waiting list in accordance with Agent's Affirmative Fair Housing Marketing Plan and appropriate eligibility criteria as established by Agent in compliance with local, State and Federal regulations. Tenant selection and assignment will be made based on the relevant sections in Agent's Public Housing Statement of Policies. Agent shall comply with the express requirements of Section 202 (h) (4) of the No Place Like Home Program Guidelines
- 2) Annually re-determine and certify eligibility and rent payments for all tenants.
- 3) Conduct all move-in and move-out inspections.

RENT COLLECTION

- 1) Agent will collect all rents and service charges. Residents may pay rent by mail or direct payment at Agent-designated locations. All rents will be due and payable on the first day of each month. Residents will have five days to make rent payments, after which time the Goleta Area Housing Manager will initiate appropriate delinquency procedures. As necessary, residents will be contacted in person regarding payment of delinquent accounts. A \$10.00 late charge will be assessed for delinquent rents and the current bank charge for returned checks.
- 2) Assume responsibility for the collection and disbursement of resident security deposits. Security deposits will be established at an amount determined by the Owner. All security deposits will be placed in a separate account as specified in the Agreement.
- 3) The Agent will assume responsibility for dealing with all delinquencies regarding rents and charges including taking any legal action as may be required. Any legal action which may be instituted will be in compliance with applicable local, state and federal laws as well as the provisions of the lease.

MAINTENANCE SERVICES

All maintenance services, unless otherwise identified, will be provided by Housing Authority maintenance employees. Maintenance personnel will schedule time on a weekly basis to perform routine, responsive and preventive maintenance as required. The Agent will assume responsibility for the following maintenance related services:

- 1) Screening and hiring of Maintenance employees.
- 2) Supervision and training.
- 3) Monitoring of service order requests for efficient and timely processing.

Availability and response to emergency maintenance requests will be part of maintenance employees' job descriptions. However, in those instances where extraordinary repairs are required or when maintenance employees are unavailable, the Agent will execute "stand-by" contracts with licensed Contractors for completion of such repairs.

The Agent will secure bids for such contracts.

ACCOUNTING AND FINANCIAL

All routine accounting and financial services required by the Project will be provided by the Agent. The Agent will establish a separate set of books and accounts and an inventory of equipment for the Project. The Agent will be responsible for making the routine operating expense disbursements required of the Project. A rental agency account will be established for the purpose of depositing all Development operating receipts and disbursing all Project operating expenses. Operating funds will be disbursed in accordance with the approved operating budget, however, in the event that any incurred monthly routine operating expenditure exceeds the estimated monthly expense by more than 10% the Owner will be notified and an agreement shall be reached regarding payment. In addition, prior approval of the Owner will be required for any single maintenance or repair expenditure which is not in the annual budget approved by the Owner or which would cause the Agent to exceed a budget line item by more than Two Thousand Dollars (\$2,000) for labor and materials, except where emergency repairs may be required because of danger to the residents or to the property or to avoid suspension of any necessary service to the Project.

Routine accounting will be completed by the Agent's clerical and technical staff, under the supervision of the Agent's Controller. Agent will provide Owner with monthly financial reports. All reporting, accounting and purchasing will be consistent with generally accepted accounting principles.

All financial operations of the Agent are audited on an annual basis. The expense of a similar audit will be borne by the Project, not by the Management Fee. The Agent will make all financial information necessary to complete the audit available to the Auditor on a timely basis.

The Agent will also prepare and submit to the Owner within 60 days of the beginning of a new fiscal year a proposed operating budget for review.

TENANT RELATIONS AND SERVICES

The Agent will maintain good-faith communication with the tenants so that problems may be avoided or solved on the basis of mutual self-interest. Grievances will be heard in accordance with the Agent's established grievance procedures for its public housing program. The Agent will counsel tenants and make referrals to available community social service agencies in cases of financial hardship or under similar circumstances to avoid involuntary termination of tenancies.

A quarterly newsletter will be published and distributed to the tenants which will include reminders about their obligations relative to various housing rules and policies.

AFFIRMATIVE FAIR MARKETING HOUSING PLAN

As a Public Housing Agency, Agent is acutely aware of the need to Affirmatively Fair Market the project's units. Agent will make outreach efforts through various community organizations and newspapers. Statistical reports will be reviewed on a regular basis to target outreach to specific groups where representation is weakest.

An Outreach Program will be maintained to ensure that public notices and other information about the availability and nature of the housing will reach qualified individuals with handicaps, and organizations serving such individuals. The outreach will include, but not be limited to:

- The advertisement of the availability of accessible units in local newspapers;
- Regular notices to organizations serving handicapped individuals;
- Public posting of information about the availability of accessible units;
- Individual counseling to assist applicants being placed in suitable, accessible units; and
- All advertisements, brochures, etc., will feature Equal Opportunity and Fair Housing logos and information.

MANAGEMENT FEE

The Agent shall be compensated for its service under the Agreement as follows:

- 1) A fee payable each month, equal to the amount specified in paragraph VII.1 of the Agreement.

- 2) Maintenance expenses are to be reimbursed directly by the Project at actual material and contract costs. Where Agent's maintenance personnel are used the Project will be charged the rate currently being charged tenants in the Agent's Public Housing program.
- 3) Utility expenses such as water, sewer, telephone, gas, and electricity will be reimbursed directly by the Project.
- 4) Any Legal Costs for evictions carried out by the Agent will be reimbursed directly by the Project.

MISCELLANEOUS

It is hereby understood that the Agent has in place numerous standard operating procedures and policies that it follows in the normal course of all its business operations as a Public Housing Authority. Where relevant and appropriate, these procedures and policies will be followed in the management of this property.

EXHIBIT H
SAMPLE ESPR

**EXHIBIT C
EXPENDITURE SUMMARY AND PAYMENT REQUEST (ESPR)**

FY 2024 - 25
July - June

INSTRUCTIONS: Complete tab 2 first, then complete only the yellow shaded cells on tab 1. Print, sign and submit.

Agency Name Patterson Point L.P.,
 Program Name Patterson Point Apartments
 Address 815 West Ocean Avenue, Lompoc Ca 93436
 Contact Person Bob Havlicek
 Phone 805 920-8908
 Email bobhavlicek@hasbarco.org

Invoice/Request # _____ Revised
 Date Submitted _____
 Check one: PLHA HOME
 IDIS # _____
 HCD Project # _____
 PO/Contract No _____ Expiration Date _____
 Report Period: (enter month for capital projects and quarter for public services)
 Month _____
 Quarter Qtr 1 (July - Sep) Qtr 2 (Oct - Dec)
 Qtr 3 (Jan - Mar) Qtr 4 (Apr - Jun)

SUBMIT COMPLETED FORM TO Carlos Jimenez Housing Program Specialist
 Phone: 805-568-3529 Email: cjimenez@countyofsb.org

I. GRANT BUDGET AND EXPENDITURES

BUDGET LINE ITEM	ACTIVITY	TOTAL GRANT BUDGET	TOTAL OF PREVIOUS DRAWDOWNS	REQUESTED DRAWDOWN THIS PERIOD	NEW AVAILABLE BALANCE
Cat. 1 Construction Costs		\$ 1,488,000.00	\$ -	\$ -	\$ 1,488,000.00
Cat. 2 				\$ -	\$ -
Cat. 3 				\$ -	\$ -
Cat. 4 				\$ -	\$ -
TOTAL		\$ 1,488,000.00	\$ -	\$ -	\$ 1,488,000.00

Check this box if this is the final payment. Any balances will be rescinded and returned to the County.

Certification:

I certify to the best of my knowledge and belief that this report is true and complete, and I have reviewed all supporting documentation. Disbursements have been made for the purpose and conditions of this grant and have not been paid by any other source.

Manager / Fiscal Officer

Name _____ Title Director of Finance
 Signature _____ Date _____

Administrator / Executive Director

Name _____ Title _____ Executive Director
 Signature _____ Date _____

Public Service programs: Payment requests are due for each quarter by the **10th** of the month following quarter end.

Capital Projects: Payment requests are due monthly by the **10th** of the month following the reporting month.

This form has been tailored for the funding year noted in the upper-right corner of this form. Other ESPR forms are obsolete.