

Attachment A

RESOLUTION NO. 25-249

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA FOR THE SALE OF COUNTY REAL PROPERTY LOCATED AT 2615 CASPIA LANE, SUMMERLAND, CA (ASSESSOR PARCEL NUMBER 005-700-008)**

WHEREAS, the County of Santa Barbara (“County”) owns property located at 2615 Caspia Lane, located in the Villas at Summerland Development in Summerland, California (Assessor Parcel Number 005-700-008) as more fully described in the Property Description included as an attachment to this Resolution (Exhibit A) (hereinafter, the “Caspia Lane Property”).

WHEREAS, the Caspia Lane Property is encumbered by an “Agreement to Provide Affordable Housing” recorded as instrument number 1999-0095533 in the Official Records of the County of Santa Barbara on December 8, 1999, and a “Resale Restrictive Covenant and Preemptive Right” recorded as instrument number 2002-0019290 in the Official Records of the County of Santa Barbara on February 28, 2002 (collectively, the “Affordability Restrictions”).

WHEREAS, the “Agreement to Provide Affordable Housing” was recorded against the Villas at Summerland Property in 1999 to satisfy the County’s requirement for the provision of affordable housing, which the County imposed as a condition of approval for the development of a residential development known as Villas at Summerland.

WHEREAS, on or about May 6, 2025, to preserve the availability of housing affordable to very low-income families, the County Board of Supervisors accepted the Grant Deed of the Caspia Lane Property on behalf of the County of Santa Barbara consistent with the Coastal Land Use Plan Policy 5.2 and the adopted County Housing Element Goal 4 and Policies 4.1-4.2.

WHEREAS, resale of the property will aid the County’s efforts to preserve the availability of housing affordable to very low-income families, and, specifically ensure that an affordable housing unit that was produced under a County affordable housing program remains available to lower income residents of the County.

WHEREAS, it is intended that this resolution shall satisfy the resolution of intention requirement described at California Government Code Section 25535.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA AS FOLLOWS:

Section 1. The above recitals are true and correct.

Section 2. This Board declares its acceptance of Madoricela Badillo DelGado's bid of \$160,800.00 to purchase the above Caspia Lane Property, which was received through the open bidding process using the Request for Proposals and Lottery Applications attached hereto and incorporated herein as Exhibit B. The sale shall be made under the terms and conditions contained in the Buyer Information Packet attached hereto and incorporated herein as Exhibit C and made a part by reference.

Section 3. The Board authorizes and directs the Chair of the Board, or their designee, and the CSD Director to execute a Grant Deed, and related escrow documents, and to deliver them to the Escrow Agent prior to closing of Escrow (Closing) and upon performance and compliance by the purchaser of all the terms or conditions of their contract (Exhibit D) to be performed concurrently therewith.

Section 4. Prior to Closing, the purchaser Madoricela Badillo DelGado must execute a Grant of Preemptive Right: Resale Restrictive Covenant and Option to Purchase Secured by Deed of Trust (Covenant) attached hereto and incorporated herein as Exhibit E, to be recorded in senior position against title to the property, and execute a performance Deed of Trust with Assignment of Rents to secure the Covenant on title, attached hereto and incorporated herein as Exhibit F.

**PASSED AND ADOPTED** by the Board of Supervisors of the County of Santa Barbara, State of California, this 18<sup>th</sup> day of 2025, by the following vote:

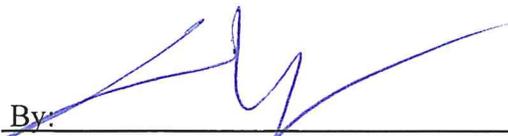
AYES: Supervisors Lee, Capps, Hartmann, Nelson and Lavagnino

NOES: None

ABSENT: None

ABSTAIN: None

COUNTY OF SANTA BARBARA

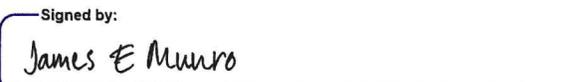
By: 

Laura Capps, Chair  
Board of Supervisors

ATTEST:  
MONA MIYASATO  
COUNTY EXECUTIVE OFFICER  
CLERK OF THE BOARD

By:   
Deputy Clerk of the Board

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

Signed by:  
By:   
02BA147EF8A84DE...  
Deputy Auditor-Controller  
James Munro

APPROVED AS TO FORM:  
RACHEL VAN MULLEM  
COUNTY COUNSEL

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

EXHIBITS:

- Exhibit A – Legal Description of Subject Property
- Exhibit B – Request for Proposals
- Exhibit C – Buyer Information Packet
- Exhibit D – Purchase Contract
- Exhibit E – Grant of Preemptive Right: Resale Restrictive Covenant & Option to Purchase
- Exhibit F – Deed of Trust with Assignment of Rents

EXHIBIT "A"

LEGAL DESCRIPTION

APN: 005-700-008

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

DESCRIPTION:

\*A CONDOMINIUM COMPRISED OF:

PARCEL 1: AN UNDIVIDED 1/10 INTEREST IN AND TO LOT 1 OF TRACT 14, 381, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS PER MAP THEREOF RECORDED IN BOOK 184, PAGE 90 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THAT INTEREST IN OIL, GAS, MINERAL AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET BUT WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED BY DAWN C. ASHER, IN DEED RECORDED SEPTEMBER 12, 1980, AS INSTRUMENT NO. 80-35918 AND SEPTEMBER 15, 1980, AS INSTRUMENT NO. 80-36361 OF OFFICIAL RECORDS.

ALSO EXCEPTING THAT INTEREST IN OIL, GAS, MINERAL AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET BUT WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED BY PATRICK MCCARRON IN DEED RECORDED AUGUST 9, 1982 AS INSTRUMENT NO. 82-33015 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THE FOLLOWING:

- (A) UNITS 1 THROUGH 10 AS SHOWN AND DEFINED UPON THE CONDOMINIUM PLAN RECORDED IN BOOK 193, AT PAGE 1 OF OFFICIAL RECORDS OF SAID COUNTY.
- (B) THE EXCLUSIVE USE OF ALL THOSE AREAS DESIGNATED AS CARPORTS AND YARDS AS SHOWN UPON THE CONDOMINIUM PLAN REFERRED TO ABOVE.

PARCEL 2: UNIT 8 AS SHOWN ON THE CONDOMINIUM ABOVE REFERRED TO.

PARCEL 3: THE EXCLUSIVE RIGHT TO USE THOSE PORTIONS OF LOT 1 IN PARCEL 1 ABOVE, DESIGNATED AS CP8 AND Y8 AS APPURTENANT TO PARCELS 1 AND 2 ABOVE DESCRIBED.

PARCEL 4: AN EASEMENT OVER COMMON AREA LOTS 22,23, 24 AND 25 OF TRACT 14,381, RECORDED IN BOOK 184 PAGES 90-95 OF MAPS FOR RECREATION AND INCIDENTAL PURPOSES.

PARCEL 5: A 20 FOOT EASEMENT FOR FUTURE PUBLIC UTILITY AND SEWER PURPOSES, WHOSE SOUTHERLY LINE IS DESCRIBED AS FOLLOWS:

THAT PART OF THE ORTEGA RANCHO, BEING A PORTION OF THE OUTSIDE PUEBLO LANDS, OF THE CITY OF SANTA BARBARA, AS DELINEATED ON THE MAP RECORDED IN BOOK 1, PAGE 20 OF MAPS AND SURVEYS, RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE EASTERLY LINE OF SAID ORTEGA RANCHO WITH THE NORTHERLY LINE OF PARCEL OF LAND DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED OCTOBER 9, 1950, IN VOLUME 945, OF OFFICIAL RECORDS, AT PAGE 426, RECORDS OF SAID COUNTY, THENCE NORTH 0°51'50" EAST, ALONG SAID EASTERLY LINE OF ORTEGA RANCHO, A DISTANCE OF 229.75 FEET TO THE TRUE POINT OF BEGINNING, THENCE ALONG A CURVE TO THE WEST, WHOSE RADIUS POINT BEARS NORTH 5°36'31" WEST AND A RADIUS CURVE OF 1955 FEET, THROUGH AN ANGLE OF 33°48'49" FOR A DISTANCE OF 1152.76 FEET; THENCE, NORTH 60°57'20" WEST, A DISTANCE OF 734.73 FEET TO A POINT; THENCE NORTH 40°17'40" WEST, A DISTANCE OF 31.23 FEET, MORE OR LESS, TO A POINT IN THE EASTERLY LINE GREENWELL AVENUE AND THE END OF THE 20 FOOT EASEMENT, SAID EASTERLY LINE OF GREENWELL AVENUE, DESCRIBED IN SAID DEED, RECORDED IN VOLUME 945, PAGE 426, OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN PARCELS ONE THROUGH FOUR DESCRIBED ABOVE.

EXHIBIT "B"



Request for Lottery Applications and  
Proposals  
Affordable Housing Unit for Sale  
2615 Caspia Lane, Summerland CA

Lottery Application Deadline:  
**9/12/25, 3 p.m. PST**

Proposal Submittal Deadline:  
**9/26/25, 3 p.m. PST**

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

## Introduction

Notice is hereby given that the County is accepting applications (“Lottery Applications” and each individually a “Lottery Application”) submitted in response to this Request for Lottery Applications and Proposals (“RFP”) by applicants with a family size of 2-5 persons and whose household earns 0-50% of the Area Median income for Santa Barbara County (each such applicant a “Qualified Buyer”) to participate in a lottery (“Lottery”) for the purchase of an **Affordable Housing Unit located at 2615 Caspia Lane in Summerland, California** (the “Property”). Lottery Applications will be received by the Housing and Community Development Division (“HCD”) of the County’s Community Services Department until **3:00 p.m. PST on September 26, 2025, or until the number of applicants is at least three times the number of restricted units available, or 3 applicants.** To be considered by the County, each Application must be submitted in accordance with the instructions provided in this RFP.

## Description of the Property

The Property is located at 2615 Caspia Lane in Summerland, California, and is a 2 bedroom/1 bath unit located at the Villas at Summerland Development in the Summerland neighborhood. The Property is a single level end unit containing 908 square feet of living space, kitchen stovetop, laundry hook-ups, central heating, and a carport. The community amenities include a security gate, private access to Oceanview Park, and guest parking spaces for visitors. It is centrally located to nearby parks, beaches, hiking trails, polo fields, and the charming Summerland village. Built in 2002, the Property has dual pane windows, sliding glass doors, and an enclosed backyard patio. There is easy access to Highway 101 for commuters. Taking only minutes to walk to the beach and only a short drive to Carpinteria, Montecito or downtown Santa Barbara, homeowners will enjoy the best of Southern Santa Barbara County.

The Property will be sold subject to a Resale Restrictive Covenant with the County of Santa Barbara, in the form attached hereto as Attachment A, which will expire 90 years from the date of sale of the Property (“Resale Restrictive Covenant”). The Resale Restrictive Covenant requires any subsequent sale of the Property to be made to a Qualified Buyer. The Property must be the owner’s primary residence, and will be subject to an owner occupancy requirement, as set forth in the Resale Restrictive Covenant. The maximum sales price for the Property is \$160,800, and monthly HOA dues are \$482. All Lottery Applications properly submitted by Applicants who are Qualified Buyers will be considered. However, the County retains the right to reject all Lottery Applications and Proposals (defined below) and to re-initiate a request for lottery applications and proposals for this Property in the future.

Showings of the Property will be conducted by brokers or staff from HCD. To schedule a viewing of the Property, please contact Andrew Kish, Housing Program Specialist, at (805) 568-3534 or by email at [akish@countyofsb.org](mailto:akish@countyofsb.org)

## Examination of the Request for Proposal

Applicants should carefully examine the entire RFP and addenda, if any, and should be fully aware of the requirements for submitting a response.

## Preparation

To be considered by the County, each Lottery Application and Proposal (defined below) must be complete in all respects in accordance with the requirements set forth in RFP. Each Lottery Application and Proposal should be prepared in such a way as to provide a straightforward and

concise discussion of the Applicant's ability to satisfy the requirements of this RFP. Emphasis should be placed on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content.

### [Steps for Lottery Application and Proposal Development and Submittal](#)

#### **Step 1: Read the Buyer's Information Packet**

The *Buyer's Information Packet* included herein as Attachment B includes all eligibility requirements the buyer of the Property must meet, including household size restrictions, income and asset restrictions, application review procedures, income determinations, asset determination, and a copy of the HCD Homeownership Application.

*Please read this informational packet thoroughly.*

#### **Step 2: Pre-Approval of Lottery Application & Lender Financing**

Each Lottery Application must contain a completed *Lottery Application for Purchase*, included herein as Attachment C, a mortgage pre-approval letter from an institutional mortgage lender ("Pre-Approval Letter"), and an initial application fee of \$25, and be sent to HCD by mail or in person at **123 East Anapamu Street, 2<sup>nd</sup> floor #202, Santa Barbara CA 93101**. A list of County participating lenders is included in the Lottery Application. HCD shall have five (5) business days to review each Lottery Application and respond to the Applicant informing such Applicant of their eligibility to participate in the Lottery to purchase the Property.

**The deadline for submitting a Lottery Application is 9/12/2025 at 3:00 p.m. PST.**

Once the Lottery ranking has been established by HCD, HCD will provide a formal *Home Ownership Application*, in the form attached hereto as Attachment D, to the top three (3) ranked Applicants, each of whom will be eligible to submit a Proposal to HCD, as set forth below.

#### **Step 3: Cover Letter & Offer to Purchase**

Each of the top 3 ranked Lottery Applicants may submit a Proposal to HCD by **September 26, 2025**. To be considered by HCD, each "Proposal" must include a completed Homeownership Application, an additional \$50 application fee, and a cover letter providing the Proposer's primary contact information and offered purchase price for the Property.

#### **Step 4: Delivery of Proposal**

Sealed Proposals will be received and recorded by HCD until **3:00 p.m. PST on September 26, 2025**, at the following address:

**County of Santa Barbara  
Community Services Department – HCD  
Attn: 2615 Caspia RFP Response  
123 East Anapamu Street, #202  
Santa Barbara, CA 93101**

[Required Proposal Contents](#)

Each Proposals must include, at a minimum, the information described in Step 3, above. The inclusion of any additional information the Proposer believes will assist in the evaluation is encouraged.

## Proposal Terms

### **Right to Reject Proposals and Waive Defects**

This is not a bid solicitation and, therefore, the County is not obligated to accept any Proposal or to negotiate with any Proposer. In addition, the County reserves the right to reject any or all Proposals without cause or liability, or waive any technical defect or discrepancy in a Proposal.

### **Ownership of Proposal Documents**

By submitting a Proposal, each Proposer represents that such Proposer understands that all information, documents, records, and materials submitted to the County in response to this RFP, and subsequent documents deemed necessary by the County, will become and remain irrevocably the exclusive property of the County. All information, documents, and materials, with the exception of any documents that are exempt from public disclosure by law, will become public information and made available upon request for review to the other Proposers and the public after a selection has been made and recommended to the County Board of Supervisors.

### **Public Information Notice**

All information received from Proposers will be considered confidential during the review process. After the proposal review team completes its evaluation, the team will recommend selection or another action to the County Board of Supervisors . At that point, all Applicant and Proposer information will be treated as public information and made available upon request for review to the other Proposers and the public, with the exception of any documents that are exempt from public disclosure by law.

## Proposal Evaluation Process

### **Criteria for evaluation**

Specific criteria have been established to assist the County in the evaluation of the Proposals.

- A. Proposer's ability to meet the IHP Eligibility Restrictions
- B. Completed *Lottery Application for Purchase* that is written clearly and signed.
- C. Lottery Ranking
- D. Pre-approval by an institutional mortgage lender as a Qualified Buyer.
- E. Completed *Home Ownership Application*.

### **Home Ownership Application Review Procedures**

- 1) Meet the qualification requirements detailed in Buyer's Information Packet.
- 2) Proposer submits a payment of \$50 with Home Ownership Application.
- 3) HCD Staff reviews the Home Ownership Application for completeness.
- 4) HCD Staff will have up to two weeks to review each Proposal, beginning the date the Proposal is deemed complete. Once a complete application including all supporting documentation is received, HCD will review the Proposal and notify the Proposer when a final decision is reached.
- 5) Certifications are valid for a 90-day time period.
- 6) The Property will be sold to an eligible buyer according to the Lottery ranking.

### **Additional Information from Proposers**

HCD reserves the right to use any additional criteria they deem to be appropriate in selecting the best Proposal and may request information from Proposers beyond that specified in the RFP. Upon conclusion of the evaluation process, all Proposers that meet the Affordable Eligibility Requirements, are pre-approved by an institutional mortgage lender, and have an approved Home Ownership Application, shall be notified in writing of their status as a Qualified Proposer.

### **Final Determination by County Board of Supervisors**

Once the County's proposal review team has completed its evaluation process, the County's Community Services Department, it will recommend acceptance of a Proposal to the Board of Supervisors. The Board of Supervisors will meet in open session to consider the recommendations of the Community Services Department. The offered purchase price shown in the recommended Proposal shall be read aloud in open session. Ultimately, the Board retains the right to reject all Proposals and initiate a new RFP process, or opt not to sell the Property at that time.

### **Questions**

If further information is needed regarding the requirements contained in this RFP, please contact Andrew Kish with the County's HCD Division at: (805) 568-3534 or [akish@countyofsb.org](mailto:akish@countyofsb.org)

If it becomes evident that this RFP must be amended, a formal amendment will be issued including, if necessary, a new due date for Lottery Applications and/or Proposals, as applicable. Verbal communications from County staff concerning the RFP are not binding on the County and shall in no way excuse Lottery Applicants or Proposers from compliance with the obligations as set forth in this RFP.

EXHIBIT "C"

**Buyer/Seller Information Sheet**

RE: Inclusionary Housing Deed Restricted Unit  
2 Bedroom/1 bath (908 sqft.)- – Very-low Income Category  
Maximum Resale Restrictive Sales Price: \$160,800

The general County application rules are listed below to assist you in self-determining if your household may qualify for an affordable unit. Please note that additional rules do apply and all County rules are subject to change at any time without prior notice in order to maintain the integrity of the Affordable Housing Program.

Currently, applicants must:

- 1) Full-time residency or full-time employment in the County for at least 6 months prior to applying.
- 2) At least one member of the household must have current full-time employment (35 hours or more a week) **and** have held consistent full-time employment within Santa Barbara County for the previous 2 years.
- 3) All household members must have the permanent right to reside in the U.S.
- 4) Applicants cannot currently own or in the past 3 years have owned or held interest in any residential property in the U.S.
- 5) Have proof of available funds to make a required minimum 3% down-payment and pay all closing costs.
- 6) Have a Minimum occupancy of 2 household members and a Maximum occupancy of 5 household members for a 2-bedroom unit.
- 7) Meet the asset restrictions having a total of liquid assets of not exceeding  $\frac{1}{2}$  the purchase price of the home.  
For a 2-bedroom unit in the **Very Low-Income Category** that would equal \$80,400 ( $\frac{1}{2}$  of \$160,800).
- 9) Must demonstrate financial independence during the two (2) years prior to submitting a Home Ownership Application.
- 10) Applicants' household, as identified in the Home Ownership Application, must be living together as a housekeeping unit  
for a period of at least six (6) months prior to applying.
- 11) Applicants must have a FICO credit score of 620+ and a total debt to income ratio of 45% or less
- 12) Applicant household must earn below the Very-low income category limits described below:

Household Size (# of people)	Very-Low (0-50% AMI)
2	\$47,650
3	\$53,600
4	\$59,550
5	\$64,300

### Financing

Additionally, the County does not provide financial assistance to purchase one of our units. Applicants are required to provide a minimum down payment of 3% and obtain their own financing through a federally insured lender or mortgage company which is licensed to engage in the business of providing mortgage financing for residential real property. Our applications require a pre-approval letter. The County will NOT consider a pre-approval letter on a loan that:

- is fully financed
- has a co-signer
- is an adjustable rate mortgage (ARM)
- contains a pre-pay penalty or a balloon payment
- is an interest only loan
- Contains a 1st and 2nd Deed of Trust (exception can be made depending on the financing)
- Does not provide proof of 3% available funds. (exception is made for VA financing)

### Costs and Fees

The restrictive covenant states the maximum sales price has been set to include allowances for real estate sales commissions and the Owner (seller) may not require the purchaser to pay any commissions or other costs of sale typically paid by the seller of residential real property. Therefore, the real estate transaction costs for the sale of the home should be handled as outlined below:

Seller's costs are:

1. Seller's agent fee (reasonable)
2. ½ the cost of any escrow fees.
3. Documentary Transfer Tax

Costs that can be negotiated and/or split between Seller and Buyer are:

1. Title Insurance
2. Loan fees
3. Home inspection fees
4. Termite reports
5. Related repairs

No price increase above the maximum allowable resale price will be allowed for real and/or personal property improvements made by the Owner. The Owner is free to make legal improvements, but will not be compensated for these improvements upon resale.

### Covenant Restrictions

If your application is approved by the County and you complete the home sale, the following is a summary of the covenant restrictions. Other restrictions may apply. The general restrictions on the property are as followed:

1. Owner agrees to occupy the property as his/her principal place of residence. Owner may not rent out the property. Fines and penalties apply if the home is not owner-occupied and/or is rented.
2. The owner agrees to assist and cooperate with any County-sponsored survey of property owners (i.e. Annual Survey/Certification) and acknowledges failure to cooperate may result in fines of up to \$500 per day.
3. The restrictive covenant remains in effect currently until the year 2115.
4. The County has the first Option to Purchase the property should it be for sale or if there is a declaration of default.
5. The covenant is binding on the owner and the owner's heirs, successors, executors, etc. You may will your property to heirs, but they must be certified in the applicable income category. If they cannot be certified, then they must sell the property to a household who can qualify.
6. The Owner agrees that by signing the covenant the County may audit the household for the purpose of re-evaluating their household if it is suspected that false or misleading information was provided during the income certification.
7. The owner may sell the property at any time for the restricted affordable price set by the County of Santa Barbara, to a County certified buyer whose household meets the Inclusionary Housing program criteria in which it was purchased.
8. The terms of all financing at the time of sale OR ANY OTHER TIME (i.e. REFINANCING or securing additional financing) must be approved by the County of Santa Barbara in writing. The County will approve refinancing of the first mortgage loan by an Institutional Lender if no additional cash is taken out and the terms of the new loan are more favorable than the old loan. Exceptions can be made on a case by case basis.

EXHIBIT "D"

Authenticsign ID: 1964ABE8-F2B5-F011-8E61-00003A1E5303

**CALIFORNIA RESIDENTIAL REAL ESTATE PURCHASE AGREEMENT**

**1. THE PARTIES.** This Real Estate Purchase Agreement ("Agreement") made on 10/30/2025 (mm/dd/yyyy) ("Effective Date") is between:

Ma Doricela Badillo Delgado (Buyer Name) with a mailing address of 414 East Sola St,  
City of Santa Barbara, State of CA ("Buyer"), who agrees to buy

**AND**

City of Santa Barbara (Seller Name) with a mailing address of 123 East Anapamu St,  
City of Santa Barbara, State of CA ("Seller"), who agrees to sell  
and convey real and personal property as described in Sections 2 & 3. Buyer and Seller shall be  
collectively known as the "Parties."

**2. LEGAL DESCRIPTION.** The real property is a: (check one)

- Single-Family Home
- Condominium
- Planned Unit Development (PUD)
- Duplex
- Triplex
- Fourplex
- Other: \_\_\_\_\_

Street Address: 2615 Caspia Lane, Summerland CA 93067

Tax Parcel Information (i.e., "Parcel ID" or "Tax Map & Lot"): \_\_\_\_\_

Other Description: \_\_\_\_\_

**3. PERSONAL PROPERTY.** In addition to the real property described in Section 2, the Seller shall include the following personal property:

Fridge and Range/stove

The real property and personal property shall be collectively known as the "Property."

**4. EARNEST MONEY.** After acceptance by all Parties, the Buyer agrees to make a payment in the amount of \$ 2,000 as consideration by within 3 business day after acceptance. at \_\_\_\_\_  AM  PM ("Earnest Money"). The Earnest Money shall be applied to the Purchase Price at Closing and subject to the Buyer's ability to perform under the terms of this Agreement. Any Earnest Money accepted  IS  IS NOT required to be placed in a separate trust or escrow account in accordance with California law.

**5. PURCHASE PRICE AND TERMS.** The Buyer agrees to purchase the Property by payment of \$ 160,800 (one hundred sixty thousand Dollars) as follows: (check one) eight hundred

- **All Cash Offer.** No loan or financing of any kind is required in order to purchase the Property. Buyer shall provide Seller written third (3<sup>rd</sup>) party documentation verifying sufficient funds to close no later than \_\_\_\_\_ (mm/dd/yyyy) at \_\_\_\_\_  AM  PM. Seller shall have three (3) business days after the receipt of such documentation to notify Buyer, in writing, if the verification of funds is not acceptable. If Buyer fails to provide such documentation, or if Seller finds such verification of funds is not acceptable, Seller may terminate this Agreement. Failure of Seller to provide Buyer written notice of objection to such verification shall be considered acceptance of verification of funds.

- **Bank Financing.** The Buyer's ability to purchase the Property is contingent upon the Buyer's ability to obtain financing under the following conditions: (check one)

- Conventional Loan
- FHA Loan (Attach Required Addendums)
- VA Loan (Attach Required Addendums)
- Other: \_\_\_\_\_

- a.) In addition, Buyer agrees, within a reasonable time, to make a good faith loan application with a credible financial institution;
- b.) If Buyer does not reveal a fact of contingency to the lender and this purchase does not record because of such nondisclosure after initial application, the Buyer shall be in default;
- c.) On or before \_\_\_\_\_ 17 days after acceptance the Buyer will provide the Seller a letter from a credible financial institution verifying a satisfactory credit report, acceptable income, source of down payment, availability of funds to close, and that the loan approval  IS  IS NOT contingent on the lease, sale, or recording of another property;
- d.) In the event the Buyer fails to produce the aforementioned letter or other acceptable verification by the date above in Section 5(c), this Agreement may be terminated at the election of the Seller with written notice provided to the Buyer within \_\_\_\_\_ days from the date in Section 5(c);
- e.) Buyer must obtain Seller's approval, in writing, to any change to the letter described in Section 5(c) regarding the financial institution, type of financing, or allocation of closing costs; and
- f.) Buyer agrees to pay all fees and satisfy all conditions, in a timely manner, required by the financial institution for processing of the loan application. Buyer agrees the interest rate offered by lender or the availability of any financing program is not a contingency of this Agreement, so long as Buyer qualifies for the financing herein agreed. Availability of any financing program may change at any time. Any licensed real estate agent hired by either party is not responsible for representations or guarantees as to the availability of any loans, project and/or property approvals or interest rates.

- **Seller Financing.** Seller agrees to provide financing to the Buyer under the following terms and conditions:

- a.) **Loan Amount:** \$ 160,800
- b.) **Down Payment:** \$ 8,040
- c.) **Interest Rate** (per annum): 6.5 %
- d.) **Term:** 30  Months  Years
- e.) **Documents:** The Buyer shall be required to produce documentation, as required by the Seller, verifying the Buyer's ability to purchase according to the Purchase Price and the terms of the Seller Financing. Therefore, such Seller Financing is contingent upon the Seller's approval of the requested documentation to be provided on or before \_\_\_\_\_ (mm/dd/yyyy). The Seller shall have until \_\_\_\_\_ (mm/dd/yyyy) to approve the Buyer's documentation. In the event Buyer fails to obtain Seller's approval, this Agreement shall be terminated with the Buyer's Earnest Money being returned within five (5) business days.

**6. SALE OF ANOTHER PROPERTY.** Buyer's performance under this Agreement: (check one)

- **Shall not** be contingent upon selling another property.
- **Shall be** contingent upon selling another property with a mailing address of \_\_\_\_\_, City of \_\_\_\_\_, State of \_\_\_\_\_ within \_\_\_\_ days from the Effective Date.

**7. CLOSING COSTS.** The costs attributed to the Closing of the Property shall be the responsibility of  Buyer  Seller  **Both Parties**. The fees and costs related to the Closing shall include but not be limited to a title search (including the abstract and any owner's title policy), preparation of the deed, transfer taxes, recording fees, and any other costs by the title company that is in standard procedure with conducting the sale of a property.

**8. FUNDS AT CLOSING.** Buyer and Seller agree that before the recording can take place, funds provided shall be in one (1) of the following forms: cash, interbank electronic transfer, money order, certified check or cashier's check drawn on a financial institution located in the State, or any above combination that permits the Seller to convert the deposit to cash no later than the next business day.

**9. CLOSING.** This transaction shall be closed on \_\_\_\_ 30 days after acceptance at \_\_\_\_\_  AM  PM or earlier at the office of a title company to be agreed upon by the Parties ("Closing"). Any extension of the Closing must be agreed upon in writing by Buyer and Seller. Real estate taxes, rents, dues, fees, and expenses relating to the Property for the year in which the sale is closed shall be prorated as of the Closing. Taxes due for prior years shall be paid by Seller.

**10. SURVEY.** Buyer may obtain a survey of the Property before the Closing to assure that there are no defects, encroachments, overlaps, boundary line or acreage disputes, or other such matters, that would be disclosed by a survey ("Survey Problems"). The cost of the survey shall be paid by the Buyer. Not later than 7 business days prior to the Closing, Buyer shall notify Seller of any Survey Problems which shall be deemed to be a defect in the title to the Property. Seller shall be required to remedy such defects within \_\_\_\_\_ business days and prior to the Closing.

If Seller does not or cannot remedy any such defect(s), Buyer shall have the option of canceling this Agreement, in which case the Earnest Money shall be returned to Buyer.

**11. MINERAL RIGHTS.** It is agreed and understood that all rights under the soil, including but not limited to water, gas, oil, and mineral rights shall be transferred by the Seller to the Buyer at Closing.

**12. TITLE.** Seller shall convey title to the property by warranty deed or equivalent. The Property may be subject to restrictions contained on the plat, deed, covenants, conditions, and restrictions, or other documents noted in a Title Search Report. Upon execution of this Agreement by the Parties, Seller will, at the shared expense of both Buyer and Seller, order a Title Search Report and have delivered to the Buyer.

Upon receipt of the Title Search Report, the Buyer shall have \_\_\_\_\_ business days to notify the Seller, in writing, of any matters disclosed in the report which are unacceptable to Buyer. Buyer's failure to timely object to the report shall constitute acceptance of the Title Search Report.

If any objections are made by Buyer regarding the Title Search Report, mortgage loan inspection, or other information that discloses a material defect, the Seller shall have \_\_\_\_\_ business days from the date the objections were received to correct said matters. If Seller does not remedy any defect discovered by the Title Search Report, Buyer shall have the option of canceling this Agreement, in which case the Earnest Money shall be returned to Buyer.

After Closing, Buyer shall receive an owner's standard form policy of title insurance insuring marketable title in the Property to Buyer in the amount of the Purchase Price, free and clear of the objections and all other title exceptions agreed to be removed as part of this transaction.

**13. PROPERTY CONDITION.** Seller agrees to maintain the Property in its current condition, subject to ordinary wear and tear, from the time this Agreement comes into effect until the Closing. Buyer recognizes that the Seller, along with any licensed real estate agent(s) involved in this transaction, make no claims as to the validity of any property disclosure information. Buyer is required to perform their own inspections, tests, and investigations to verify any information provided by the Seller. Afterward, the Buyer shall submit copies of all tests and reports to the Seller at no cost.

Therefore, Buyer shall hold the right to hire licensed contractors, or other qualified professionals, to further inspect and investigate the Property until \_\_\_\_\_ 17 days after acceptance at \_\_\_\_\_  AM  PM.

After all inspections are completed, Buyer shall have until \_\_\_\_\_ 7 days or less at \_\_\_\_\_  AM  PM to present any new property disclosures to the Seller in writing. The Buyer and Seller shall have 3 business days to reach an agreement over any new property disclosures found by the Buyer. If the Parties cannot come to an agreement, this Agreement shall be terminated with the Earnest Money being returned to the Buyer.

If the Buyer fails to have the Property inspected or does not provide the Seller with written notice of the new disclosures on the Property, in accordance with this Agreement, Buyer hereby accepts the Property in its current condition and as described in any disclosure forms presented by the Seller.

In the event improvements on the Property are destroyed, compromised, or materially damaged prior to Closing, the Agreement may be terminated at Buyer's option.

**14. SELLER'S INDEMNIFICATION.** Except as otherwise stated in this Agreement, after recording, the Buyer shall accept the Property AS IS, WHERE IS, with all defects, latent or otherwise. Neither Seller nor their licensed real estate agent(s) or any other agent(s) of the Seller shall be bound to any representation or warranty of any kind relating in any way to the Property or its condition, quality or quantity, except as specifically set forth in this Agreement or any property disclosure, which contains representations of the Seller only, and which is based upon the best of the Seller's personal knowledge.

**15. APPRAISAL.** Buyer's performance under this Agreement: (check one)

- **Shall NOT** be contingent upon the appraisal of the Property being equal to or greater than the agreed upon Purchase Price.

- **Shall** be contingent upon the appraisal of the Property being equal to or greater than the agreed upon Purchase Price. If the Property does not appraise to at least the amount of the Purchase Price, or if the appraisal discovers lender-required repairs, the Parties shall have 7 business days to renegotiate this Agreement ("Negotiation Period"). In such event the Parties cannot come to an agreement during the Negotiation Period, this Agreement shall terminate with the Earnest Money being returned to the Buyer.  
Lender to approve appraisal

**16. REQUIRED DOCUMENTS.** Prior to the Closing, the Parties agree to authorize all necessary documents, in good faith, in order to record the transaction under the conditions required by the recorder, title company, lender, or any other public or private entity.

**17. TERMINATION.** In the event this Agreement is terminated, as provided in this Agreement, absent of default, any Earnest Money shall be returned to the Buyer in full within 3 business days with all parties being relieved of their obligations as set forth herein.

**18. SEX OFFENDERS.** Section 2250 of Title 18, United States Code, makes it a federal offense for sex offenders required to register pursuant to the Sex Offender Registration and Notification Act (SORNA), to knowingly fail to register or update a registration as required. State convicted sex offenders may also be prosecuted under this statute if the sex offender knowingly fails to register or update a registration as required, and engages in interstate travel, foreign travel, or enters, leaves, or resides on an Indian reservation.

A sex offender who fails to properly register may face fines and up to ten (10) years in prison. Furthermore, if a sex offender knowingly fails to update or register as required and commits a violent federal crime, he or she may face up to thirty (30) years in prison under this statute. The Buyer may seek more information online by visiting <https://www.nsopw.gov/>.

**19. TIME.** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter and they may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement.

**20. BUYER'S DEFAULT.** Seller's remedies shall be limited to liquidated damages in the amount of the Earnest Money set forth in Section 4. It is agreed that such payments and things of value are liquidated damages and are Seller's sole and only remedy for Buyer's failure to perform the obligations of this Agreement. The Parties agree that Seller's actual damages in the event of Buyer's default would be difficult to measure, and the amount of the liquidated damages herein provided for is a reasonable estimate of such damages.

**21. SELLER'S DEFAULT.** Buyer may elect to treat this Agreement as canceled, in which case all Earnest Money paid by Buyer hereunder shall be returned and Buyer may recover such damages as may be proper, or Buyer may elect to treat this Agreement as being in full force and effect and Buyer shall have the right to specific performance or damages, or both.

**22. EARNEST MONEY DISPUTE.** Notwithstanding any termination of this Agreement, the Parties agree that in the event of any controversy regarding the release of the Earnest Money that the matter shall be submitted to mediation as provided in Section 23.

**23. DISPUTE RESOLUTION.** Buyer and Seller agree to mediate any dispute or claim arising out of this Agreement, or in any resulting transaction, before resorting to arbitration or court action.

- a.) **Mediation.** If a dispute arises, between or among the Parties, and it is not resolved prior to or after recording, the Parties shall first proceed in good faith to submit the matter to mediation. Costs related to mediation shall be mutually shared between or among the Parties. Unless otherwise agreed in mediation, the Parties retain their rights to proceed to arbitration or litigation.
- b.) **Arbitration.** The Parties agree that any dispute or claim in law or equity arising between them out of this Agreement or any resulting transaction, which is not settled

through mediation, shall be decided by neutral, binding arbitration. The arbitrator is required to be a retired judge or justice, or an attorney with at least five (5) years of residential real estate law experience unless the Parties mutually agree to a different arbitrator. Under arbitration, the Parties shall have the right to discovery in accordance with California law. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this Agreement to arbitrate shall be governed by the Federal Arbitration Act.

c.) **Exclusions.** The following matters shall be excluded from the mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed, mortgage or installment land sale contract as defined in accordance with California law; (ii) an unlawful detainer action, forcible entry detainer, eviction action, or equivalent; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver or violation of the mediation and arbitration provisions of this Section.

**24. GOVERNING LAW.** This Agreement shall be interpreted in accordance with the laws in the State of California.

**25. TERMS AND CONDITIONS OF OFFER.** This is an offer to purchase the Property in accordance with the above stated terms and conditions of this Agreement. If at least one, but not all, of the Parties initial such pages, a counteroffer is required until an agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of acceptance. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of licensed real estate agent(s) compensation. This Agreement and any supplement, addendum or modification, including any copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

**26. BINDING EFFECT.** This Agreement shall be for the benefit of, and be binding upon, the Parties, their heirs, successors, legal representatives, and assigns, which therefore constitutes the entire agreement between the Parties. No modification of this Agreement shall be binding unless signed by both Buyer and Seller.

**27. SEVERABILITY.** In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, will be inoperative.

**28. OFFER EXPIRATION.** This offer to purchase the Property as outlined in this Agreement shall be deemed revoked and the Earnest Money shall be returned unless this Agreement is signed by Seller and a copy of this Agreement is personally given to the Buyer by \_\_\_\_\_ (mm/dd/yyyy) at \_\_\_\_\_ AM PM.

**29. ACCEPTANCE.** Seller warrants that Seller is the owner of the Property or has the authority to execute this Agreement. Therefore, by the Seller's authorization below, he/she/they accepts the above offer and agrees to sell the Property on the above terms and conditions and agrees to the agency relationships in accordance with any agreement(s) made with licensed real estate agent(s). Seller has read and acknowledges receipt of a copy of this Agreement and authorizes any licensed real estate agent(s) to deliver a signed copy to the Buyer.

Delivery may be in any of the following: (i) hand delivery; (ii) email under the condition that the party transmitting the email receives electronic confirmation that the email was received to the intended recipient; and (iii) by facsimile to the other party or the other party's licensee, but only if the transmitting fax machine prints a confirmation that the transmission was successful.

**30. LICENSED REAL ESTATE AGENT(S).** If Buyer or Seller have hired the services of licensed real estate agent(s) to perform representation on their behalf, he/she/they shall be entitled to payment for their services as outlined in their separate written agreement.

**31. DISCLOSURES.** It is acknowledged by the Parties that: (check one)

- There are no attached addendums or disclosures to this Agreement.
- The following addendums or disclosures are attached to this Agreement:
  - Lead-Based Paint Disclosure Form.
  - Pending disclosures from seller \_\_\_\_\_
  - \_\_\_\_\_
  - \_\_\_\_\_

**32. MEGAN'S LAW DATABASE DISCLOSURE.** 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](http://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.

**33. ADDITIONAL TERMS AND CONDITIONS.**

Lender to approve property insurance

**34. ENTIRE AGREEMENT.** This Agreement together with any attached addendums or disclosures shall supersede any and all other prior understandings and agreements, either oral or in writing, between the parties with respect to the subject matter hereof and shall constitute the sole and only agreements between the parties with respect to the said Property. All prior negotiations and agreements between the parties with respect to the Property hereof

are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement and that any agreement, statement or promise that is not contained in this Agreement shall not be valid or binding or of any force or effect.

35. SIGNATURES

\_\_\_\_\_  
Seller's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Seller's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

-----  
  
Buyer's Signature

10/31/2025  
Date

M<sup>a</sup> Donzela Badillo Delgado  
Printed Name

\_\_\_\_\_  
Buyer's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

-----  
\_\_\_\_\_  
Agent's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Agent's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

EXHIBIT "E"

RESALE RESTRICTIVE COVENANT AND PREEMPTIVE RIGHT

RECORDING REQUESTED BY AND RETURN TO:

Community Services Department  
Housing and Community Development Division  
County of Santa Barbara  
123 E. Anapamu St. #202  
Santa Barbara, CA 93101-2062

Attn: Affordable Housing Program

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No fee per Government Code Sec. 6103

APN: 005-700-008

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

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

Project Name

Unit Address

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

**RECITALS:**

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

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

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

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

Covenant requires; and,

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

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

## **I. DEFINITIONS**

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

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

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

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

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

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

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

The Maximum Sales Price shall be calculated through the following formula:

$3 \times 50\% \text{ of } 2025 \text{ County AMI} \times .9 \text{ unit size adjustment factor (2 bedroom unit), rounded to nearest } \$100$

$3 \times .5 \times \$119,100 \times .9 = \$160,785, \text{ rounded to } \$160,800$

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

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

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

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

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

owner of such real property.

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

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

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

O. "Eligible Household": A Very Low-income household whose income does not exceed 50% of AMI.

## **II. TERM AND ENFORCEABILITY**

### **A. Term**

Effective as of the Effective Date, this Covenant shall bind the Owner and Owner's heirs, legal representatives, executors, successors in interest and assigns, and the benefit hereof shall inure to the County, its successors, designees, and assigns until the date that is **90 years** after the Effective Date of this Covenant, subject to tolling and extension as set forth in this Covenant ("Term").

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

The Property is held, and hereafter shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and occupied subject to all of the covenants, conditions, restrictions and limitations contained herein and in that document entitled "**Agreement to Provide Affordable Housing**" executed by the parties on **11/16/1999** and recorded on **12/8/99**, as Instrument No. **1999-0095533**, in the office of the Recorder of Santa Barbara County, California ("Agreement to Provide").

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

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

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

### **C. Binding Effect**

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

#### **D. Enforceability**

In order to preserve through this Covenant the affordability of the Property for persons of **Very Low-income (0-50% AMI)**, the Owner for itself and all successors and assigns, hereby grants and assigns to the County the right to review and enforce compliance with this Covenant and Chapter 46 of the Santa Barbara County Code, and in furtherance of this right, grants to the County an Assignment of Rents, described under Section XIII of this Covenant, and an Option to Purchase the Property, described under Sections III and XIV of this Covenant, the right to collect liquidated damages for certain violations as described in Section XIII of this Covenant, and assigns to the County any and all proceeds payable to the Owner from a foreclosure or deed in lieu of foreclosure in excess of the Maximum Sales Price, as described in Section XII.B of this Covenant.

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

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

#### **A. Subordination**

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

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

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

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

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

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

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

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

The holder of the Approved Institutional Lender First Deed of Trust shall be under no obligation to provide notice of default to the County other than a duly filed request for notice of default under Section 2924b of the California Civil Code. In the event the County elects to exercise its Option, and notwithstanding anything herein to the contrary with regard to the rights of the County, the County must complete such purchase no later than the end of the period established by Section 2924c of the California Civil Code for the reinstatement of a monetary default under such deed of trust. In the event of the recordation of a notice of default, then the County shall be deemed to be Owner's successor in interest under California Civil Code

Section 2924c (or successor section) solely for purposes of reinstatement of any mortgage on the Property that has led to the recordation of the notice of default. As Owner's deemed successor in interest, the County shall be entitled to pay all amounts of principal, interest, taxes, assessments, homeowners' association fees, insurance premiums, advances, costs, attorneys' fees, and expenses required to cure the default. If the County exercises the Option, then any and all amounts paid by the County pursuant to this section shall be deducted from the Option Sale Price.

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

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

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

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

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

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

V, IX and XI, below.

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

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

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

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

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

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

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

###### **1. Definition**

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

###### **2. Determination**

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

- a. Liquidation of the Owner's assets, to the extent the liquidation of such

assets would not itself cause severe financial hardship; or

b. Reimbursement or compensation via insurance or otherwise.

### **3. Remedies**

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

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

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

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

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

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

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

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

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

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

**B. Exceptions**

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

**1. Death**

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

**2. Marriage**

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

**3. Divorce**

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

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

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

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

## B. Notice to County

Anytime during the Term of this Covenant when Owner intends to offer to Transfer the Property or any portion thereof or any interest therein, Owner shall give to the County written notice at the address and in the manner specified in Section XVI.E, below, of Owner's intent to Transfer the Property ("Transfer Notice"). The Transfer Notice shall specify the proposed price for such Transfer with respect to the Property, which proposed price shall not exceed the Maximum Sales Price, or equal an amount less than the total amount of all liens encumbering the Property.

After the County's receipt of such Transfer Notice, the County's Housing and Community Development Division ("HCD") staff or designee shall be granted access within 7 days to inspect the Property for damage and to determine whether any repair(s) and/or deferred maintenance ("Deferred Maintenance and Repairs") is required to put the Property in a good and salable condition, as reasonably determined by HCD staff, prior to any sale or other Transfer of the Property. Prior to any sale or Transfer of the Property, other than to the County, Owner shall undertake all such Deferred Maintenance and Repairs to the satisfaction of County.

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

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

## C. Exercise of County Option

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

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

The lesser of:

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

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

- c. The amount necessary to pay the balance then-due on the outstanding County-approved

First Deed of Trust, or any refinancing with respect to the Property that was approved by HCD.

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

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

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

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

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

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

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

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

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

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

4. In connection with such Application for Eligibility Certification, Owner shall submit to HCD the proposed sales contract, escrow Instructions, and all other related documents that set forth the terms of proposed Transfer of the Property to the Qualified Transferee Applicant ("Proposed Transfer Documents"). The proposed sales contract shall incorporate information including, but not limited to, all of the following:

- a. Sales price;
  - b. The down payment to be paid by the Qualified Transferee;
  - c. All other amounts of money and other consideration, if any, to be paid by the Qualified Transferee to the Owner, or any other person or entity, in connection with the Property or the proposed Transfer, and the reason for such payment(s);
  - d. Financing terms of the new First Deed of Trust to be executed by the Qualified Transferee as the new Owner;
  - e. The monthly payments to be paid by the Qualified Transferee in connection with the proposed Transfer and ownership of the Property, itemized to reflect taxes, insurance, and homeowner's association fees.
5. In connection with its Application for Eligibility Certification, each Qualified Transferee Applicant shall submit to HCD information including, but not limited to, all of the following, to enable HCD to determine the eligibility of such Qualified Transferee Applicant:
- a. Documents evidencing such Qualified Transferee Applicant's identity;
  - b. Documents evidencing such Qualified Transferee Applicant's residency;
  - c. Documents evidencing such Qualified Transferee Applicant's income and assets;
  - d. Documents evidencing such Qualified Transferee Applicant's savings and recent bank activity;
  - e. Documents evidencing all of such Qualified Transferee Applicant's current debts;
  - f. All documents evidencing all terms, conditions, and provisions of such Qualified Transferee Applicant's loans in connection with the Transfer.
6. The County reserves the right to collect a reasonable fee to cover HCD's costs of verifying such information and administering its rights and obligations under this Covenant.
7. No goods or services shall be sold by Owner to the Qualified Transferee in connection with the transfer of the Property.

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

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

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

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

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

The Transfer price shall not exceed the Maximum Sales Price.

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

Upon Transfer of the Property, each Owner and Qualified Transferee shall execute and cause the recordation of a new

Grant of Preemptive Right Resale Restriction Covenant and Option to Purchase secured by Deed of Trust ("Replacement Covenant") in form approved by HCD and substantially similar to this Covenant and the Deed of Trust securing this Covenant, as may be revised to reflect changes to the County's adopted affordability policies, and which shall supersede this Covenant and the Deed of Trust securing this Covenant.

### **C. Escrow Documents**

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

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

In the event any Transfer of the Property is made in violation of this Covenant, or false or misleading statements are made in any documents or application submitted to HCD for its approval of any Transfer or proposed Transfer, the County may declare a default under this Covenant. The County shall also have the right to file actions at law or in equity to force the parties to terminate and rescind any such Transfer contract and declare the purported Transfer void, notwithstanding the fact that the Transfer may have closed and become final as between the Owner and such transferee. In any event, all costs, liabilities, and obligations incurred by the Owner and Qualified Transferee for the return of any moneys paid or received in violation of this Covenant, and for all costs and legal expenses incurred by County in the enforcement of this Covenant, shall be borne by the Owner, and not by the County.

### **E. County Review**

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

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

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

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

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

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

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

will not be approved.

7. The total outstanding balance of principal and all accrued interest on all loans secured by the Property does not exceed the Maximum Sales Price

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

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

### **D. Unapproved Financing**

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

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

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

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

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

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

### **C. Insurance Proceeds**

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

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

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

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

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

**B. Assignment of Rents**

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

**C. Remedies Not Exclusive**

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

**D. Liquidated Damages**

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

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

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

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

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

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

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

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

#### **XV. COUNTY REQUIREMENTS AND AUTHORIZATIONS FROM OWNER**

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

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

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

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

or to such other person or address as may be designated by the County.

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

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

By signing this Covenant, Owner covenants for itself and all of Owner’s heirs, legal representatives, executors, successors and assigns that, for the Term, the County may audit Owner’s household for the purpose of evaluating or re-evaluating Owner’s eligibility for purchase and occupancy of the Property and for compliance with the terms of this Covenant, including, but not limited to, the Owner Occupancy and income requirements and refinancing restrictions set forth herein. Owner for itself and all of Owner’s heirs, legal representatives, executors, successors, and assigns, agrees to assist and cooperate with the County in any such audit. Such assistance and cooperation shall include, but not be limited to, promptly supplying any and all information reasonably requested by County including, but not limited to, tax returns, utility bills, bank statements and employment records, and signing any reasonably requested release of information forms. Owner hereby consents to and grants County the right to conduct financial background investigations, including, but not limited to, credit checks during the Term of the Covenant. If upon such audit it is determined that Owner supplied false or misleading information to the County, Owner’s purchase of the Property may be voided in County’s sole

discretion and Owner shall be subject to the enforcement provisions set forth in this Covenant.

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

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

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

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

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

XVI. ADDITIONAL PROVISIONS

**A. Assignment**

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

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

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

**C. Severability**

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

**D. Choice of Law; Venue**

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

**E. Notices**

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

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

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

**G. Entire Agreement**

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

**H. Survival; No Merger**

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

**I. Authority and Execution**

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

**J. Waiver; Modification**

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

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

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

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

**XVII. DECLARATION OF EACH OWNER**

Each Owner hereby declares, certifies, and warrants that:

- A. All of the financial and other information provided by such Owner in connection herewith is true and complete in all respects.
- B. Such Owner has received a copy of this Covenant and agrees to comply with the all of the provisions of this Covenant.
- C. No persons or entity will be on title to the Property other than as listed below as Occupant Purchasers or Non-

Occupant Title-holders. Owner understands that no other person or entity shall be listed on the title to the Property without the prior written consent of HCD in each instance.

- D. Owner has not paid and shall not pay any consideration to anyone, or any real estate commissions, or any costs normally paid by sellers, except as already disclosed in the purchase contract and escrow instructions which have been delivered to and approved by the County Housing and Community Development Division.
- E. Owner understands and agrees that any false statements or misrepresentations to the County in connection with this Covenant will constitute a default under this Covenant, and may constitute fraud.

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

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

OWNERS/OCCUPANTS:

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

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

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

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

(Signature(s) must be notarized)

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

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

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

Affordable Housing Programs Manager  
(Signature must be notarized)

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

Approved as to form:

RACHEL VAN MULLEM  
COUNTY COUNSEL

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

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

Deputy County Counsel

EXHIBIT "F"

RECORDING REQUESTED BY AND RETURN TO:

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

NO FEE DOCUMENT PURSUANT TO  
GOVERNMENT CODE SECTION 27383

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APN: **xxx-xx-xxx**

**DEED OF TRUST WITH  
ASSIGNMENT OF RENTS**

THIS DEED OF TRUST, ASSIGNMENT OF ("Deed of Trust") is made as of this \_\_\_\_ day of \_\_\_\_, 2025 by **OWNER VESTING** ("Trustor"), to \_\_\_\_\_ **Title Company**, as trustee ("Trustee"), for the benefit of the County of Santa Barbara, a public body corporate and politic ("Beneficiary").

**GRANT IN TRUST**

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

TOGETHER WITH all interest, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property; all buildings, structures, fixtures, improvements, signs, and landscaping now or hereafter erected or located on the Property, together with rents, issues and profits.

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

**OBLIGATIONS SECURED**

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

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

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

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

**5. NO WAIVER OF POWER OF SALE.** The entering upon and taking possession of the Security and the collection of Rents shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or notice of default and, notwithstanding the continuance in possession of the Security or the collection and application of Rents, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust or by law upon occurrence of any Event of Default, including the right to exercise the power of sale.

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

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

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

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

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

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

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

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

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

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

**15. TAXES AND LEVIES.** Trustor shall pay prior to delinquency, all taxes, fees, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien *affecting* the Security. However, Trustor shall not be required to pay and discharge any such tax,

assessment, charge or levy so long as (a) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings, and (b) Trustor maintains reserves adequate to pay any contested liabilities. In the event that Trustor fails to pay any of the foregoing items, Beneficiary may, but shall be under no obligation to, pay the same, after Beneficiary has notified Trustor of such failure to pay and Trustor fails to fully pay such items within seven business days after receipt of such notice. *Any* amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of interest as specified in the Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this Deed of Trust.

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

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

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

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

#### **DEFAULT AND REMEDIES**

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

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

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

- A. Declare any and all sums advanced by Beneficiary to protect the security and priority of this Deed of Trust immediately due and payable by Trustor;
- B. Enforce the assignment of rents and right to possession as provided for in this Deed of Trust, and/or seek appointment of a receiver to take over possession of the Security and collect Rents;
- C. Cure any Monetary Default secured by the Property and add the amount of such payment to the amount owing to beneficiary;
- D. Commence an action to foreclose this Deed of Trust pursuant to California Code of Civil Procedure Section 725(a) et seq. as amended, and/or seek appointment of a receiver from a court of competent jurisdiction with the authority to protect Beneficiary's interests in the Security;
- E. Deliver to Trustee a written declaration of Default and demand for sale, and a written Notice of Default and election to cause Trustor's interest in the Security to be sold and exercise its power of sale as provided for below; or
- F. Pursue any other rights and remedies allowed at law or in equity.

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

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

Trustee may postpone the sale of all or any portion of the property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

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

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

**25. SUBORDINATION.** The terms and conditions of this Deed of Trust are and shall be subordinate to the terms and conditions of the CC&Rs. In addition, the terms and conditions of this Deed of Trust are and shall be subordinate to the liens, rights, duties and obligations of an Institutional Lender which is the maker of a purchase money loan secured by a deed of trust recorded in first position or a loan for refinancing of the Property that has been approved by the County and that is secured by a deed of trust recorded in first position.

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

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

### **GENERAL PROVISIONS**

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

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

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

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

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

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

**TRUSTOR:** OWNER  
SUBJECT PROPERTY STREET ADDRESS  
SITUS CITY, CA 9XXXX

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

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

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

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

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

**36. SUBSTITUTION OF TRUSTEES.** Beneficiary may from time to time appoint another trustee to act in the place and stead of Trustee or any successor. Upon such appointment and without

conveyance, the successor trustee shall be vested with all title, powers, and duties conferred upon Trustee.

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

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

TRUSTOR:

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

(Signature(s) must be notarized)