

NO FEE DOCUMENT

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

County of Santa Barbara  
105 East Anapamu Street, Room 105  
Santa Barbara, CA 93101  
Attn: Grants Administration Division Chief

NO FEE DOCUMENT PURSUANT TO  
GOVERNMENT CODE SECTION 27383

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**REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS  
(CDBG)**

This Regulatory Agreement and Declaration of Restrictive Covenants (this “Agreement”) is made as of this \_\_\_ day of \_\_\_\_\_, 2010 by and between the County of Santa Barbara, a political subdivision of the State of California (the “Lender”), and Peoples’ Self-Help Housing Corporation, a California nonprofit public benefit corporation, (the “Owner”).

**RECITALS**

A. The Owner is acquiring the property located 1300 Dahlia Court, in the City of Carpinteria, in the County of Santa Barbara, as more particularly described in Exhibit A (the “Property”) upon which the Owner intends to construct thirty-three (33) units of multi-family rental housing (the “Development”).

B. The Lender has received Community Development Block Grant funds (“CDBG Funds”) under the Community Development Block Grant Program (hereinafter referred to as “CDBG”).

C. Owner has received a loan from Lender of CDBG Funds in the amount of Four Hundred Forty-Six Thousand Four Hundred Eighty-Nine Dollars (\$446,489) to provide financing for the Development (the “Loan”).

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

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

## **1. DEFINITIONS**

The following terms have the meanings and content set forth in this section wherever used in this Agreement or attached exhibits.

1.1 **“AFFORDABILITY PERIOD”** means the thirty (30) year term of this Agreement.

1.2 **“ANNUAL INCOME”** means the Section 8 Program definition of Annual (gross) Income as more particularly defined at 24 CFR 5.609.

1.3 **“ASSISTED UNIT”** means any of the seventeen (17) Units in the Development with restricted occupancy and rents pursuant to this Agreement which has been designated as an Assisted Unit. A Unit shall not be considered an Assisted Unit until the Unit has been constructed and made available for occupancy.

1.4 **“AREA MEDIAN INCOME”** means the median income for the Santa Barbara/Santa Maria/Lompoc Primary Metropolitan Statistical Area, with adjustments for household size, as determined from time to time by the United States Department of Housing and Urban Development (“HUD”) pursuant to the United States Housing Act of 1937, as amended, or such other method of median income calculation applicable to the Lender that HUD may hereafter adopt in connection with said Act.

1.5 **“DEED OF TRUST”** means that certain deed of trust, placed on the Property as security for the Loan with the Owner as trustor and the Lender as beneficiary, as well as any amendments to, modifications of, and restatements of said deed of trust.

1.6 **“DEVELOPMENT”** means the thirty-three (33) units of housing with appurtenant parking and site improvements on the Property to be constructed by the Owner on the Property according to the terms of the Loan Agreement.

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

1.8 **“LOAN”** means the loan of CDBG Funds made by the Lender to the Owner for the Development pursuant to the Loan Agreement and the Note.

1.9 **“LOAN AGREEMENT”** is the Loan Agreement executed by and between the Owner and the Lender, setting forth the terms and conditions governing the Loan.

1.10 **“LOAN DOCUMENTS”** are collectively the Loan Agreement, the Note evidencing the Loan, the Deed of Trust securing the Note, and this Agreement as they may be

amended, modified, or restated from time to time, along with all exhibits and attachments to these documents.

1.11 **“LOW INCOME HOUSEHOLD”** means a household whose income meets the definition of a low income household as set forth in the CDBG regulation 24 CFR 570.3 with adjustments for household size.

1.12 **“MODERATE INCOME HOUSEHOLD”** means a household whose income meets the definition of a moderate income household as set forth in the CDBG regulation 24 CFR 570.3 with adjustments for household size.

1.13 **“NOTE”** means the promissory note executed by the Owner in favor of the Lender evidencing the Loan, which is secured by the Deed of Trust, as well as any amendments to, modifications of, or restatements of said promissory notes.

1.14 **“OWNER”** means Peoples’ Self-Help Housing Corporation, a California nonprofit public benefit corporation.

1.15 **“PROPERTY”** means the real property described in Exhibit A attached hereto and incorporated herein, including the improvements constructed thereon pursuant to the Loan Agreement.

1.16 **“QUALIFYING LOW INCOME HOUSEHOLD”** means a household that qualifies as a Low Income Household.

1.17 **“QUALIFYING MODERATE INCOME HOUSEHOLD”** means a household that qualifies as a Moderate Income Household.

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

1.19 **“TERM”** means the thirty (30) year term of this Agreement as described herein.

1.20 **“UNIT”** means a housing unit in the Development.

## **2. TERM AND COMPLIANCE**

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

2.2 **TERM OF AGREEMENT.** This Agreement shall commence upon execution and shall remain in full force and effect until thirty (30) years following disbursement of the Loan. The requirements of this Agreement shall apply throughout the Term without regard to the term of any loan or mortgage or any transfer of ownership of the Property.

### **3. DEVELOPMENT OCCUPANCY AND RENTS**

3.1 **OCCUPANCY OF DEVELOPMENT.** Seventeen (17) Units in the Project shall be designated as Assisted Units. Two of the Assisted Units must be occupied, or reserved for occupancy by, Qualifying Moderate Income Households. Fifteen of the Assisted Units must be occupied, or reserved for occupancy by, Qualifying Low Income Households.

3.2 **ASSISTED UNITS.** The Owner shall limit for the full term of this Agreement the rental of the) Assisted Units to Low-Income and Moderate Income Households at rents that do not exceed the maximum rental charges for each Assisted Unit as set forth in this Agreement.

The 17 Assisted Units shall meet the following standards:

- A. Be similarly constructed and of comparable quality to all other Units in the Development and;
- B. Provide tenants access and enjoyment of all common areas and facilities of the Development on the same basis as tenants of other Units.

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

A. For a Low Income household occupying one of the Assisted Units reserved for Low Income Households, the total charges for monthly rent, utilities, and related services shall not exceed one-twelfth (1/12) of thirty percent (30%) of eighty percent (80%) of Area Median Income as determined by HUD annually with adjustments for household size and allowances for utilities and services.

B. For a Moderate Income Household occupying one of the Assisted Units reserved for Moderate Income Households, the total charges for monthly rent, utilities, and related services shall not exceed one-twelfth (1/12) of one hundred and twenty percent (120%) of Area Median Income as determined by HUD annually with adjustments for household size and allowances for utilities and services.

C. Maximum rents for each Assisted Unit shall be set by the Lender at the time of initial occupancy of the Development. Annual rent increases shall be calculated based on the change in Area Median Income published annually by HUD.

3.4 **INCOME CERTIFICATION.** The income levels and other qualifications of applicants for Assisted Units shall be certified by Owner within sixty (60) business days of the household's expected occupancy of an Assisted Unit and recertified annually thereafter by the Owner. If the household size of a household occupying an Assisted Unit changes, the Owner may request additional information and documentation to determine eligibility.

### **4. LEASING THE DEVELOPMENT.**

4.1 **TENANT LEASES.** The Owner shall execute a written lease with tenants of Assisted Units for a term of at least one year, unless the Owner and the tenant mutually agree to a

shorter period. A lease may not be for a period less than thirty (30) days. The tenant lease and any changes thereto must be approved by Lender.

A. The Owner shall include in leases for all Assisted Units provisions which provide that the household is subject to annual certification of income and that the tenancy of the household shall be immediately terminated should one or more of the household's members misrepresent any material fact regarding the household's qualification for an Assisted Unit. The Owner shall include in all leases for Assisted Units provisions which prohibit the household from subleasing the Assisted Unit.

B. In addition to executing a lease for an Assisted Unit, the Owner shall require that each household leasing an Assisted Unit execute a declaration of intent to occupy which shall require the household to occupy the Assisted Unit as the household's primary residence.

**4.3 SECTION 8 CERTIFICATE HOLDERS.** The Owner will accept as tenants, on the same basis as all other prospective tenants, persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act, or its successor. The Owner shall not apply selection criteria to Section 8 certificate or voucher holders that is more burdensome than criteria applied to all other prospective tenants, nor shall the Owner apply or permit the application of management policies or lease provisions with respect to the Development which have the effect of precluding occupancy of units by such prospective tenants.

**4.4 CONDOMINIUM CONVERSION.** The Owner shall not convert Units to condominium or cooperative ownership or sell condominium or cooperative conversion rights in the Property during the term of this Agreement.

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

## **5. PROPERTY MANAGEMENT**

**5.1 MANAGEMENT RESPONSIBILITIES.** The Owner is responsible for all management functions with respect to the Development, including without limitation the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The Lender shall have no responsibility over management of the Development. The Owner shall submit to the Lender for its approval its proposed property manager. The Owner may only remove and/or replace the property manager with the prior written consent of the Lender which consent shall not be unreasonably withheld.

**5.2 INSPECTION AND RECORDS.** The Owner shall maintain records which clearly document the Owner's performance of its obligations to operate the Property under the terms of this Agreement. The Owner shall submit any records to the Lender within ten (10) business days of the Lender's request. The Owner shall permit the Lender to enter and inspect the Development for compliance with obligations under this Agreement upon twenty-four (24) hours advance notice of such visit by the Lender to the Owner or the Owner's management agent and to tenants of any Units.

**5.3 COMPLIANCE MONITORING.** . The Owner shall permit the Lender to conduct periodic compliance monitoring, including performing on-site records review and property inspections, as may be reasonably requested by County.

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

**5.5 PROPERTY TAX EXEMPTION.** The Owner shall not apply for a property tax exemption for the Property under any provision of law other than Revenue and Taxation Code Section 214(g) without the Lender's prior written consent.

## **6. GENERAL PROVISIONS**

**6.1 SUBORDINATION.** This Agreement shall be subordinated in priority only as provided in the Loan Agreement or to liens and encumbrances otherwise approved in writing by the Lender in its sole and absolute discretion.

**6.2 DEFAULT AND REMEDIES** In the event of any breach of any agreement or obligation under this Agreement by the Owner, the Lender shall provide written notice to the Owner of such breach. The Owner shall have an opportunity to cure such breach within thirty (30) days from the Owner's receipt of such written notice or such longer period of time as the Lender determines is necessary to cure the breach if the Owner diligently undertakes to cure such breach. If the Owner fails to perform a timely cure of the specified breach, the Lender may proceed with any or all of the following remedies upon the Owner's failure to cure:

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

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

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

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

**6.3 NON-LIABILITY OF OFFICIALS, EMPLOYEES AND AGENTS.** No officers, directors, employees and agents of the Lender shall be personally liable to the Owner for any obligation created under the terms of this Agreement.

**6.4 INDEMNITY.** Borrower shall comply with the insurance and indemnification provisions set forth Exhibit B and incorporated by this reference.

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

**6.6 AGREEMENT CONTROLS.** In the event that any provisions of this Agreement and any Loan Document conflict, the terms of this Agreement shall control.

**6.7 ATTORNEYS' FEES AND COSTS.** In the event that any legal or administrative action is commenced to interpret or to enforce the terms of this Agreement, the prevailing party in any such action shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

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

**6.9 CONSENTS AND APPROVALS.** Any consent or approval of the Lender required under this Agreement shall not be unreasonably withheld. Any approval must be in writing and executed by an authorized representative of the Lender.

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

**Lender:** County of Santa Barbara  
Housing and Community Development  
105 E. Anapamu Street, Rm. 105  
Santa Barbara, CA 93101  
Attn: Grants Administration Division Chief

And to

County of Santa Barbara  
Office of the County Counsel  
105 E. Anapamu Street, Rm. 105  
Santa Barbara, CA 93101

**Owner:**

Peoples' Self-Help Housing Corporation,  
3533 Empleo Street  
San Luis Obispo, CA 93401  
Attn: Executive Director

6.11 **BINDING UPON SUCCESSORS.** This Agreement shall be recorded and all provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferee, and assigns of the Owner, and the Lender, and shall run with the land for the full term of this Agreement, regardless of any assignment, payment, prepayment, expiration, extinguishment of the Loan or Note, any reconveyance of the Deed of Trust, or any conveyance or transfer of the Property or portion thereof.

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

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

6.14 **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this Agreement must be in writing, and shall be made only if executed by both the Owner and the Lender.

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



**IN WITNESS WHEREOF**, County and Peoples' Self-Help Housing Corporation have caused this Agreement to be executed by their respective duly authorized officer.

**APPROVED AS TO FORM:**  
DENNIS MARSHALL  
COUNTY COUNSEL

**LENDER:**  
County of Santa Barbara  
a political subdivision of the State of California

By: \_\_\_\_\_  
Mary McMaster  
Deputy County Counsel

By: \_\_\_\_\_  
Janet Wolf  
Chair of the Board of Supervisors  
(Signature must be notarized)

**APPROVED AS TO FORM**  
RISK MANAGEMENT

**OWNER:**  
Peoples' Self-Help Housing Corporation, a  
California nonprofit public benefit corporation

By: \_\_\_\_\_  
Ray Aromatorio  
Risk Program Administrator

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
(Signature must be notarized)

**APPROVED AS TO FORM:**  
[BOB GEIS]  
AUDITOR CONTROLLER

By: \_\_\_\_\_  
Juan Izquierdo  
Specialty Accounting Division Chief

State of California  
County of Santa Barbara

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**EXHIBIT A**

**Legal Description of the Property**

## EXHIBIT A

That part of the portion of the Outside Pueblo Lands of the City of Santa Barbara, in the City of Carpinteria, County of Santa Barbara, conveyed to the State of California by deed recorded January 12, 1953 in Volume 1121, Page 236 of Official Records and by deed recorded September 25, 1952 in Volume 1098, Page 65 of Official Records, both records of said County, described as follows:

Beginning at a point common to courses numbered 15 and 16 of Parcel Three in the Relinquishment of State Highway in the County of Santa Barbara, Road V-SB-2-H, recorded October 28, 1955 in Volume 1343, Page 383 of Official Records, records of said County;

thence along courses 16 through 20 of said Parcel Three:

- (1) from a tangent that bears North 7°00' West along a curve to the right with a radius of 31 feet, through an angle of 77°30', for a distance of 41.93 feet;
- (2) South 84°39' East, 112.09 feet;
- (3) tangent to last described course along a curve to the right with a radius of 33.79 feet, through an angle of 100°53'30", for a distance of 59.50 feet to a point of reverse curvature;
- (4) along a curve with a radius of 145 feet through an angle of 92°32'32", for a distance of 234.20 feet;
- (5) thence South 76°09' East, 158.69 feet to the Easterly line of the parcel conveyed to the State, in the second above said deed;
- (6) thence along said Easterly line, South 16°17'30" West, 28.57 feet;
- (7) thence North 77°05' West, 399.81 feet;
- (8) thence North 7°00' West, 180.00 feet to the point of beginning.

Excepting all oil, oil rights, minerals, mineral rights, natural gas, natural gas rights and other hydrocarbons by whatsoever name known, that may be within or under the parcel of land hereinabove described, without, however, the right ever to drill, dig or mine through the surface of said land heretofore or otherwise as reserved by Samuel Edwards Associates in deed recorded January 12, 1953 as Instrument No. 436 in Book 1121, page 236 of Official Records.

Assessor's Parcel Number: **003-590-51**

## **EXHIBIT B**

### **STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS**

#### **INDEMNIFICATION**

CONTRACTOR shall defend, indemnify and save harmless the COUNTY, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of the CONTRACTOR or his agents or employees or other independent contractors directly responsible to him; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the COUNTY.

CONTRACTOR shall notify the COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement.

#### **INSURANCE**

Without limiting the CONTRACTOR's indemnification of the COUNTY, CONTRACTOR shall procure the following required insurance coverages at its sole cost and expense. All insurance coverages are to be placed with insurers which (1) have a Best's rating of no less than A: VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the COUNTY. Such insurance coverage shall be maintained during the term of this Agreement. Failure to comply with the insurance requirements shall place CONTRACTOR in default. Upon request by the COUNTY, CONTRACTOR shall provide a certified copy of any insurance policy to the COUNTY within ten (10) working days.

1. **Workers' Compensation Insurance:** Statutory Workers' Compensation and Employers Liability Insurance shall cover all CONTRACTOR's staff while performing any work incidental to the performance of this Agreement. The policy shall provide that no cancellation, or expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after receipt of such notice by the COUNTY. In the event CONTRACTOR is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if CONTRACTOR has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Agreement and CONTRACTOR submits a written statement to the COUNTY stating that fact.
2. **General and Automobile Liability Insurance:** The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations of CONTRACTOR and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by the CONTRACTOR in the indemnity and hold harmless provisions [above] of the Indemnification Section of this Agreement between COUNTY and CONTRACTOR. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of CONTRACTOR pursuant to CONTRACTOR's activities hereunder. CONTRACTORS shall require all subcontractors to be included under its policies or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. COUNTY, its officers, agents, and employees shall be Additional Insured status on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each shall be included in the policies. A copy of the endorsement evidencing that the policy has been changed to reflect the Additional Insured status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000 per

occurrence and \$2,000,000 in the aggregate. Any deductible or Self-Insured Retention {SIR} over \$10,000 requires approval by the COUNTY.

Said policy or policies shall include a severability of interest or cross liability clause or equivalent wording. Said policy or policies shall contain a provision of the following form:

*"Such insurance as is afforded by this policy shall be primary and non-contributory to the full limits stated in the declarations, and if the COUNTY has other valid and collectible insurance for a loss covered by this policy, that other insurance shall be excess only."*

If the policy providing liability coverage is on a 'claims-made' form, the CONTRACTOR is required to maintain such coverage for a minimum of three years following completion of the performance or attempted performance of the provisions of this agreement. Said policy or policies shall provide that the COUNTY shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

CONTRACTOR shall submit to the office of the designated COUNTY representative certificate(s) of insurance documenting the required insurance as specified above prior to this Agreement becoming effective. COUNTY shall maintain current certificate(s) of insurance at all times in the office of the designated County representative as a condition precedent to any payment under this Agreement. Approval of insurance by COUNTY or acceptance of the certificate of insurance by COUNTY shall not relieve or decrease the extent to which the CONTRACTOR may be held responsible for payment of damages resulting from CONTRACTOR'S services of operation pursuant to the contract, nor shall it be deemed a waiver of COUNTY'S rights to insurance coverage hereunder.

In the event the CONTRACTOR is not able to comply with the COUNTY'S insurance requirements, COUNTY may, at their sole discretion and at the CONTRACTOR'S expense, provide compliant coverage.

The above insurance requirements are subject to periodic review by the COUNTY. The COUNTY's Risk Program Administrator is authorized to change the above insurance requirements, with the concurrence of County Counsel, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable based on changed risk of loss or in light of past claims against the COUNTY or inflation. This option may be exercised during any amendment of this Agreement that results in an increase in the nature of COUNTY's risk and such change of provisions will be in effect for the term of the amended Agreement. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this Agreement. CONTRACTOR agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.