

**COUNTY PLHA LOAN AGREEMENT  
(\$325,000)**

Between

**County of Santa Barbara**

and

**Good Samaritan Shelter**

**PLHA Veterans Home Acquisition  
2260 Tree Line Drive, Santa Maria, CA**



*one*  
COUNTY  
*one*  
FUTURE

**Permanent Local Housing Allocation (PLHA)**

State of California, Senate Bill SB2

Building Homes and Jobs Act, January 1, 2018

California Health and Safety Code Section 50470

**COUNTY PLHA LOAN AGREEMENT**  
**(VETERANS PLHA, 2260 TREE LINE DRIVE - SANTA MARIA)**

This agreement (“County PLHA Loan Agreement”) is made as of this 7<sup>th</sup> day of November, 2023, by and between the County of Santa Barbara, a political subdivision of the State of California (“Lender” or “County”), and Good Samaritan Shelter, a California nonprofit public benefit corporation, whose address is 245 East Inger Drive, Suite 103B, Santa Maria, California, 93454 (“Borrower” and, together with Lender, collectively, the “Parties” and each individually a “Party”).

**RECITALS**

A. Lender wishes to promote the development of affordable rental housing and provide a greater choice of housing opportunities for low-income persons and families.

B. There is a need to expand affordable rental housing to homeless persons, and to promote projects that combine supportive services with housing, as documented in the County’s 2020-2024 Consolidated Plan.

C. Borrower intends to acquire a single-family home located on that certain real property located at 2260 Tree Line Drive, in the City of Santa Maria, California, 93458, as more particularly described in Exhibit A, attached hereto and incorporated herein by reference (“Property”), and to complete certain improvements thereon (the “Project”) to comply with the requirements of a grant provided by the U.S. Department of Veteran’s Affairs (“VA”). This County PLHA Loan Agreement will provide matching funds as required by the VA. is. The Project will be a group home that will include five (5) bedrooms, each with a private bathroom (upon completion of improvements), and common areas including a kitchen, living area, laundry room, and outdoor space ((the “PLHA Assisted Unit” or “Assisted Unit”).

D. Borrower wishes to borrow from Lender, and Lender wishes to extend to Borrower, a loan in the total amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000) to pay for certain acquisition and improvement costs of the Project (the “County PLHA Loan”). The terms of the County PLHA Loan are set out in this County PLHA Loan Agreement.

E. Concurrently herewith, the Parties are entering into that certain County PLHA Loan Regulatory Agreement and Declaration of Restrictive Covenants (“County PLHA Loan Regulatory Agreement”) restricting the use of the PLHA Assisted Unit for formerly homeless veterans.

F. The Parties desire to memorialize the terms of the County PLHA Loan in this County PLHA Loan Agreement, a promissory note in the original principal amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000), executed by Borrower in favor of Lender (“County PLHA Loan Note”), and secured by a deed of trust (“County PLHA Deed of Trust”).

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

## ARTICLE 1 DEFINITIONS

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

1.2 **“ANNUAL FINANCIAL STATEMENT”** means the audited annual financial statement of Borrower’s Operating Expenses and Revenue, prepared at Borrower’s expense, by an independent certified accountant acceptable to Lender, which shall be provided as part of Borrower’s annual reporting to Lender for each Fiscal Year of the Term, in accordance with Section 2.10 and 5.12 below.

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

1.4 **“BORROWER”** means Good Samaritan Shelter, a California nonprofit public benefit corporation.

1.5 **“BUDGET”** means that certain budget for the acquisition and construction of the Project, attached hereto as Exhibit B, which is hereby incorporated into this County PLHA Loan Agreement by this reference and which identifies the sources and uses of funds for Project acquisition and improvement, and costs eligible to be paid or reimbursed with PLHA Funds.

1.6 **“COORDINATED ENTRY SYSTEM”** means the information system utilized by Lender under the Continuum of Care for coordinating, prioritizing and insuring to the greatest extent possible non-duplication of PLHA homeless programs and services, which accordingly identifies the most vulnerable homeless persons and households and serves as basis to inform priority provision of the PLHA Assisted Units to Qualifying Populations.

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

1.8 **“COUNTY PLHA LOAN”** means the loan of PLHA Funds in the total amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000) as provided in this County PLHA Loan Agreement and evidenced by the County PLHA Loan Note to finance certain development costs of the Project.

1.9 **“COUNTY PLHA LOAN AGREEMENT”** means this Loan Agreement entered into by and between Lender and Borrower.

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

1.11 **“COUNTY PLHA LOAN DOCUMENTS”** means, collectively, the County PLHA Loan Agreement, the County PLHA Loan Note, the County PLHA Loan Deed of Trust, and the County PLHA Loan Regulatory Agreement, as they may be amended, modified, or restated from time to time in

accordance with the provisions hereof and thereof, along with all exhibits and attachments hereto and thereto.

1.12 **“COUNTY PLHA LOAN NOTE”** means that certain promissory note executed by Borrower in favor of Lender on or about the date hereof in the amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000). in the form attached hereto as Exhibit D and incorporated into this County PLHA Loan Agreement by this reference, to evidence the County PLHA Loan, as well as any amendments to, modifications of, or restatements of said promissory note.

1.13 **“COUNTY PLHA LOAN REGULATORY AGREEMENT”** means that certain regulatory agreement executed by Borrower and Lender concurrently herewith, attached hereto as Exhibit E and included herein by this reference, to be recorded against the Property, which regulates the use of the PLHA -Assisted Unit.

1.14 **“COUNTY MONITORING FEE”** or **“FEE”** means a fee, in the initial amount of \$2,500 and increasing at a rate of 3% annually, which shall be paid to the County by the Borrower. The Fee shall be paid to the County annually within ninety (90) days following the end of each fiscal year of the Term.

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

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

1.17 **“PLHA AFFORDABILITY PERIOD”** means the period of time during which the PLHA-Assisted Unit must meet the affordability requirements imposed under the PLHA Program, commencing upon the earlier of (i) the date of issuance of a Notice of Completion (defined below), or (ii) the date of issuance of a final Certificate of Occupancy for the Project, and terminating on the date that is fifty-five (55) years after the date of issuance of such Notice of Completion. Absent a Notice of Completion or final Certificate of Occupancy when not required by the local building official, the PLHA Affordability Period will begin on the date that the Project is fully occupied as evidenced by inspection by the County.

1.18 **“PLHA-ASSISTED UNIT”** means the Project, which is subject to the requirements of the County PLHA Loan Regulatory Agreement.

1.19 **“PLHA FUNDS”** means the County PLHA Loan funds provided to Borrower by Lender pursuant to the terms of this County PLHA Loan Agreement and as evidenced by the County PLHA Loan Note.

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

1.21 **“INSURANCE REQUIREMENTS”** means the insurance provisions set forth in Exhibit E, which is attached” hereto and hereby incorporated into this County PLHA Loan Agreement by this reference.

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

1.23 **“OPERATING EXPENSES”** means actual, reasonable and customary costs, fees and expenses directly attributable to the operation, maintenance, and management of the Project, including painting, cleaning, repairs and alterations, landscaping, utilities, rubbish removal, certificates, permits and licenses, sewer charges, real and personal property taxes and assessments, insurance, reasonable property management fee, County Monitoring Fee in the initial amount of two-thousand, five hundred dollars (\$2,500) and increasing three-percent (3%) annually, security, advertising, promotion and publicity, office, janitorial, cleaning and building supplies, lease payments if any, and cash deposited into reserves for operating expenses and capital replacements in accordance with Section 2.11 of this County PLHA Loan Agreement, The Operating Expenses shall be reported in each Annual Financial Statement.

1.24 **“PAYMENT DATE”** means ninety (90) days after the end of each Fiscal Year of the Term until the County PLHA Loan is repaid in full.

1.25 **“PROJECT”** means the acquisition, improvements, operation and management of the Property in accordance with the terms of this County PLHA Loan Agreement.

1.26 **“PROPERTY”** means that certain real property and improvements thereon located at 2260 Tree Line Drive, Santa Maria, California, 93458, as more particularly described in Exhibit A, which is attached hereto and hereby incorporated into this County PLHA Loan Agreement by this reference.

1.27 **“QUALIFYING HOUSEHOLD”** means a low-income household (i.e., a household with income at or below eighty percent (80%) of Area Median Income) that qualifies under the Department of Veterans Affairs Grant and Per Diem Program (“VA Program”). If such VA Program ceases to exist or does not define a qualifying household, then a Qualifying Household shall be defined in accordance with Section 103 (42 USC 11302) of the McKinney-Vento Homeless Assistance Act as amended by S. 896 The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 and in accordance with 24 CFR 609-6.12 for all household members. A Qualifying Household who meets the definition of Veteran must be given a preference to be first considered for a vacancy or may be moved to the top of a waiting list, if applicable. “Veteran” is defined as the Head of Household or Spouse who has served in active duty in the United States Armed Forces for a minimum of six (6) continuous months and, if separated from military service, received other than dishonorable discharge. The veteran preference will also be given to a surviving spouse or registered domestic partner of a deceased veteran, as defined herein. Verification of veteran status will be by the submittal of a copy of the veteran's DD-214. Housing in this Project is limited to Veterans.

1.28 **“QUALIFYING TENANT PAYMENT”** means the proportionate share of rent paid by each tenant with respect to the Property based on number of bedrooms counted in the total bedroom count at the Property, except that, if one bedroom is occupied by a house manager, then the house manager's bedroom (“Manager Unit”) is not included in the total bedroom count. Each tenant household, except the house manager household, will pay its proportional share of the total unit rent, based on the Fair Market Rent (“FMR”) for the number of bedrooms in the Property. Qualifying Tenant Payment includes utilities, but does not include food or cost of any supportive services provided. Because a group home is a single unit, there is no low HOME rent. For example, the 2023 Fair Market Rent for a four-bedroom unit is \$4,001 including rent and utilities.

In accordance with 24 CFR 92.252(d), if the tenant pays for utilities and services (excluding telephone, television and Internet services), then the Qualifying Tenant Payment shall be reduced by the maximum monthly allowance for utilities and services using the annual HUD Utility Schedule Model or other annual utility schedule as determined by Lender.

1.29 **“TERM”** means the term of this Agreement as defined in Section 2.5 of this County PLHA Loan Agreement.

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

## **ARTICLE 2 TERMS OF THE COUNTY PLHA LOAN**

2.1 **COUNTY PLHA LOAN.** Subject to the terms and conditions of this County PLHA Loan Agreement and the other County PLHA Loan Documents, Lender agrees to make, and Borrower agrees to accept, the County PLHA Loan.

2.2 **AMOUNT.** The principal amount of the County PLHA Loan shall be an amount not to exceed Three Hundred Twenty-Five Thousand Dollars (\$325,000), and shall be evidenced by the County PLHA Loan Note. In the event Lender is unable to secure sufficient PLHA Funds for this County PLHA Loan Agreement for any reason at any time, Lender shall not be obligated to make payments to Borrower unless and until sufficient PLHA become available to Lender, and Borrower shall hold Lender harmless.

2.3 **INTEREST.** Subject to the provisions of Section 2.4, below, the County PLHA Loan Note shall bear simple interest at a rate of zero percent (0%) per annum from the date of the first disbursement under the County PLHA Loan Note.

2.4 **DEFAULT INTEREST.** In the event of a default by Borrower of any of its obligations under this County PLHA Loan Agreement, or any of the other County PLHA Loan Documents, and expiration of applicable cure periods, if any, Borrower shall pay to Lender interest on the outstanding principal of the County PLHA Loan at an annual rate equal to the lesser of (i) ten percent (10%), or (ii) the highest interest rate allowed by law (“Default Interest”), from the date of such default until the date that such default, if subject to and capable of cure, is cured in accordance with the terms of the County PLHA Loan Documents, or the County PLHA Loan is repaid in full (“Default Interest Period”). The Default Interest shall be paid to Lender monthly, due and payable on the first day of each month during the Default Interest Period.

2.5 **TERM OF COUNTY PLHA LOAN.** The term of this County PLHA Loan Agreement shall commence on the first date on which this County PLHA Loan Agreement is fully executed by all of the parties hereto (“Effective Date”), and shall terminate on the date that is fifty-five (55), years after the date of issuance of the Notice of Completion, unless earlier terminated in accordance with the provisions of this County PLHA Loan Agreement (“Term”).

2.6 **USE OF PLHA FUNDS.** PLHA Funds shall be used only for Property acquisition and Project improvements costs specified in the Budget, and shall only be disbursed in accordance with the provisions of Article 3, below. The Budget shall not be modified unless approved in writing in advance by Lender in each instance in accordance with Section 9.2 of this County PLHA Loan Agreement. PLHA Funds shall only be utilized for costs related to residential uses, and shall not be utilized for costs related to commercial uses or any other nonresidential uses associated with the Project.

2.7 **SECURITY.** Borrower shall secure its obligation to repay the County PLHA Loan by executing the County PLHA Loan Deed of Trust, in substantially the form attached hereto as Exhibit C and incorporated herein by reference, and recording it as a lien against the Property, subordinate only to the PLHA Regulatory Agreement. Upon closing of Borrower’s purchase of the Property, Borrower shall cause the recordation of the County PLHA Loan Deed of Trust and the County PLHA Loan Regulatory

Agreement with the Recorder for the County of Santa Barbara, and shall cause the delivery of conformed copies of such recorded documents to Borrower.

**2.8 REPAYMENT OF THE COUNTY PLHA LOAN.** The principal and interest of the County PLHA Loan shall be due and payable in accordance with the provisions of the County PLHA Loan Note. The principal and interest of the County PLHA Loan shall be due and payable in accordance with Section 9 of County PLHA Loan Note on the earlier of: (a) the date that is fifty-five (55) years after the date of Project completion in conformance with 92 CFR 92.2 and 24 CFR 92.252(e), and evidenced by a written notice of completion provided by Borrower to County, or (b) the date the Property is sold or otherwise transferred, or (c) the date when Borrower has failed to commence construction as set forth in Section 4.1 of this County PLHA Loan Agreement. In the event of default by Borrower, as defined below in Section 8.1, which, if subject to cure, has not been cured as provided for below in Section 8.2, the principal and all then-current and accrued interest shall be due and payable in accordance with Section 8.3, below. The foregoing notwithstanding, if Borrower remains compliant with the terms of the County PLHA Loan Documents, as determined by the County through periodic inspections of the Project and tenant files documenting occupancy by Qualifying Households, and as indicated with monitoring close-out letters from Lender to Borrower indicating compliance with the County PLHA Regulatory Agreement, for the entirety of the Term, then, upon the expiration of the Term, Lender may forgive the principal amount of the County PLHA Loan, excluding interest accrued pursuant to Section 2.4, above.

**2.9 PREPAYMENT OF COUNTY PLHA LOAN.** Prepayment of the County PLHA Loan shall not affect Borrower's obligations under the County PLHA Loan Regulatory Agreement.

**2.10 ANNUAL OPERATING EXPENSES.** Thirty (30) days prior to the end of each calendar year, Borrower shall submit to Lender, for Lender's review and approval, a proposed operating budget for the Project for the following calendar year. Each such annual proposed operating budget shall include scheduled payments to be made into operating and replacement reserve accounts. Actual Operating Expenses incurred by Borrower each year of the Term shall not exceed the amount of Operating Expenses set forth in the applicable Lender-approved operating budget for that year without Lender's prior written consent in each instance.

**2.11 OPERATING AND CAPITAL REPLACEMENT RESERVE FUNDS.** Prior to the first disbursement of PLHA Funds to Borrower, Borrower shall fund a capital replacement reserve account in the amount of not less than Three Thousand Dollars (\$3,000) per year, and shall capitalize an operating reserve in the amount equal to three months' worth of Project operating expenses. All funds for Project operating reserves and capital replacement reserves shall be held by Borrower in a separate interest-bearing account. Borrower shall request written approval from Lender prior to disbursing funds from the Project operating reserve account or capital replacement reserve account, and all such requests by Borrower shall be in writing and shall include supporting documentation demonstrating that the requested distribution is reasonable and necessary to cover the operating deficits or capital needs associated with the Project. No less than annually, Borrower shall submit to Lender, for Lender's review, operating reserve account and capital reserve account documentation sufficient for Lender to determine that such accounts are appropriately funded.

### **ARTICLE 3 COUNTY PLHA LOAN DISBURSEMENT**

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

Thousand Dollars (325,000). All costs incurred in construction, development, and operation of the Project shall be the responsibility and obligation solely of Borrower.

Notwithstanding the foregoing, as a special disbursement condition, Lender shall retain Ten Thousand Dollars (\$10,000) of PLHA Funds until 30 days after Borrower has completed the acquisition of the Property and Project improvements, and provided to Lender beneficiary data for each PLHA Assisted Unit of the Project as required under the PLHA Program, and all liens against the Property, if any, are released.

#### ARTICLE 4 DEVELOPMENT OF PROJECT

4.1 **COMMENCEMENT OF CONSTRUCTION.** Borrower shall commence construction of the Project improvements no later than 12 months after the Effective Date of this County PLHA Loan Agreement. Commencement of Project improvements construction shall mean obtaining all final permits, entitlements, and approvals required by all permitting and regulatory authorities and jurisdictions, and commencing work at the Property on any task associated with the Budget that requires a permit, entitlement or approval. If Borrower fails to commence construction as set forth above, such failure shall constitute an Event of Default hereunder, and Lender may terminate this County PLHA Loan Agreement pursuant to Article 8, below, without affording Borrower any opportunity to cure such default.

4.2 **COMPLETION OF CONSTRUCTION.** Borrower shall diligently pursue construction of the Project to completion, and shall complete construction of the Project, and shall have each bedroom in the Property occupied by a Qualifying Household no later than six (6) months after completion of construction of the Project, except that one bedroom may be occupied by a property manager. Borrower shall deliver to Lender proof of Project Completion as evidenced by, *inter alia*, the recording of a notice of completion for the Property issued by the City of Santa Maria Building official for the Project ("Notice of Completion").

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

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

Unless otherwise approved by Lender, to ensure that all construction costs incurred are reasonable and appropriate, all contracts entered into for construction in connection with the Project (each, a "Construction Contract") shall be the result of either competitive or negotiated bids in compliance with 2 CFR Part 200.

All costs incurred in acquisition, construction, development, and operation of the Project shall be the responsibility and obligation solely of Borrower, except as provided herein in Section 3.2 for acquisition costs.

4.5 **INSPECTIONS.** Borrower shall permit and facilitate, and require all of its contractors and subcontractors to permit and facilitate, observation and inspection of the Project site by Lender and by public authorities during business hours for the purposes of determining compliance with this County PLHA Loan Agreement and the other County PLHA Loan Documents. Copies of monthly construction inspection reports completed by Borrower shall be provided to the County immediately upon completion of each such construction inspection report throughout the course of Project construction.



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

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

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

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

**4.10 QUALITY OF WORK AND PROPERTY STANDARDS.** Borrower shall construct and operate the Project in conformance with all applicable laws ("Applicable Laws"), including, but not limited to:

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

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

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

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

**4.12 COMPLIANCE WITH PLHA PROGRAM AND OTHER FEDERAL REQUIREMENTS.** All requirements imposed on properties assisted under the PLHA Program Funds (collectively, the "PLHA Regulations") are incorporated herein by this reference. In the event of any conflict between this County PLHA Loan Agreement and the PLHA Regulations, the PLHA Regulations shall govern.

The laws and regulations governing the use of the PLHA Funds include and incorporate, but are not limited to, the following federal regulations and requirements:

A. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The applicable policies, guidelines, and requirements of 2 CFR Part 200.

B. Audit requirements. In accordance with 24 CFR 84.26 and 85.26, agencies that expend \$500,000 or more in federal funds in a year as calculated therein must undergo a single audit in compliance with OMB Circular A-133.

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

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

E. Environmental Review. If applicable, the provisions of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321, et seq.), and applicable related environmental authorities at 24 CFR 50.4, and HUD's implementing regulations at 24 CFR Parts 50 and 58.

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

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

H. Section 3. If applicable, the work to be performed under this County PLHA Loan is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. The regulations are found at 24 CFR Part 75 ("part 75").

Borrower agrees to comply with HUD's regulations in part 75, which implement Section 3. Borrower agrees to comply with the requirements set forth in 24 CFR Sections 75.9 and 75.19, as applicable. As evidenced by their execution of this County PLHA Loan, Borrower certifies that it is under no contractual or other impediment that would prevent it from complying with the part 75 regulations.

Borrower shall, and shall cause its contractors and subcontractors to, implement part 75 regulatory requirements as described herein, and shall conduct its business practices in a manner that provides records and reports consistent with HUD Section 3 reporting and compliance under covered contracts, including, but not limited to: 1) certifications, records and documentation confirming contractor and business qualification as a Section 3 Business Concern, if applicable; 2) certifications, records and documentation confirming workers' qualification and status as a Section 3 and/or Targeted Section 3 Worker; if applicable; c) certified payroll records, reports and documentation reflecting time and hours for all labor performed on Section 3 covered contracts, including hours for certified Section 3 and Targeted Section 3 workers, if and as applicable; and d) any such additional records, documents and reports that Lender may request to confirm compliance with part 75 requirements.

The Borrower shall, and shall cause each of its contractors and subcontractors to, include this Section 3 clause in every contract or subcontract subject to compliance with regulations in 24 CFR part 75, and agrees to take appropriate action, as provided in an applicable provision of the contract or subcontract or in such Section 3 clause, upon a finding that the contractor or subcontractor is in violation of the regulations in part 75. The Borrower shall not contract with or permit its contractors to subcontract with any contractor or subcontractor where the Borrower has notice or knowledge that the contractor or subcontractor has been found in violation of the regulations in part 75.

In the event that Lender or HUD determines that it is necessary to deploy qualitative efforts in accordance with 24 CFR Sections 75.15(b) and/or 75.25(b), Borrower shall work in good faith with Lender in order to implement such qualitative efforts. Such efforts may include the qualitative efforts outlined in Lender's Section 3 Plan, Policies and Procedures, as it may be revised or amended from time to time. Lender's Section 3 Plan, Policies and Procedures are available upon request at HCD offices and provided electronically.

Noncompliance with HUD's regulations in part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

I. Minority and Women's Business Enterprise. The requirements of Executive Orders 11625, 12432 and 12138 and 24 CFR 85.36(e) whereby Borrower shall take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

J. Conditions for Faith-Based Organizations. Borrower shall comply with regulations pertaining to faith-based activities set forth at 24 CFR 92.257.

K. Debarred Contractors. Borrower shall ensure that no contractors, subcontractors, or consultants in connection with the Project are debarred or otherwise prohibited from participation in a federal project pursuant to 2 CFR Part 2424. Borrower shall furnish Lender with evidence of compliance with this Section 4.12.K generated from the System for Award Management (SAM) at [www.sam.gov](http://www.sam.gov).

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

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

N. HUD Regulations. Any other HUD regulations present or as may be amended in the future as may pertain to PLHA.

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

4.14 **UNAVOIDABLE DELAY IN PERFORMANCE**. The time for performance of provisions of this County PLHA Loan Agreement by a Party shall be extended for a period equal to the period of any delay directly affecting such Party which is in no way attributable to the acts or omissions

of such Party and is caused by: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; applicable government-mandated quarantine restrictions; freight embargoes, or other events beyond the reasonable control of, and in no way attributable to the acts or omissions of, such Party claiming the delay (the foregoing, collectively "Force Majeure Events"). An extension of time for any of the above-specified Force Majeure Events will be deemed granted only if written notice by the Party claiming such extension is sent to the other Party within ten (10) calendar days from the commencement of such Force Majeure Events, and such extension of time is either accepted by the other Party in writing, or is not rejected in writing by the other Party within ten (10) calendar days of receipt of the notice. Times of performance under this County PLHA Loan Agreement may otherwise be extended only by the mutual written agreement of Lender and Borrower, duly executed by both Parties. Notwithstanding the foregoing or any other provision of this County PLHA Loan Agreement or any other County PLHA Loan Document, the Borrower shall immediately repay to Lender all PLHA funds invested in Units that are not rented to eligible Qualifying Households within 12 months of Project Completion, and the time for such performance shall not be subject to extension due to Force Majeure Events or otherwise, or subject to cure.

## ARTICLE 5 OPERATION

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

Borrower shall maintain and operate the PLHA Assisted Unit so as to provide decent, safe, and sanitary housing. Optional services provided must be available to all Project residents under the same terms and conditions.

**5.2 MANAGEMENT PLAN.** In the leasing and operation of the Project, Borrower shall comply with the Management Plan attached hereto as Exhibit G and incorporated herein ("Management Plan"). No change shall be made to the Management Plan without Lender's prior written approval in each instance. Borrower agrees that during the Term of the PLHA Regulatory Agreement, Lender shall have the right to review, approve, and request material changes to the Management Plan as described in Section 5.2, below, and attached hereto as Exhibit G and incorporated herein by reference ("Management Plan"), operation of the Project and property management entity, in order to preserve the affordability, physical appearance and condition of the Project. Any changes to the Management Plan requested by Lender and not reasonably disapproved by Borrower within thirty (30) days after Borrower's receipt of such request shall be deemed approved and shall be promptly implemented by Borrower. In the event that Borrower refuses to comply with Lender's recommended changes to the Management Plan, such refusal shall constitute an Event of Default.

**5.3 AFFIRMATIVE MARKETING PLAN.** In the marketing of the Project, Borrower shall comply with the affirmative marketing provisions of the Management Plan. The Management Plan includes information on affirmative marketing efforts and compliance with fair housing laws. At a minimum, the Project must at all times during the Term meet the affirmative marketing requirements set forth in 24 CFR 92.351, as such may be amended from time to time. Notwithstanding the above, Borrower must first obtain referrals from the County Coordinated Entry system for Qualifying Households to be considered for tenancy.

**5.4 TENANT SELECTION.** In the selection of tenants, Borrower shall comply with the written tenant selection provisions of the Management Plan ("Tenant Selection Plan"). Tenant selection must, at a minimum, meet the requirements for tenant selection set forth in 24 C.F.R. 92.253(d), as amended from time to time.

Borrower shall rent the rooms in the Assisted Unit to Qualifying Populations according to the Tenant Selection Plan. Borrower shall verify each prospective tenant's eligibility as a Qualifying Household, and shall require from each prospective tenant a statement that such prospective tenant's household income from all sources does not exceed allowable limits as described in the County PLHA Loan Regulatory Agreement. In selecting tenants for residence of the Project, if and where relevant, Borrower will utilize and coordinate with the County Homeless Management Information System (HMIS) Coordinated Entry System (CES), and rent Assisted Units to Qualifying Households who are so determined and referred under the Department of Veterans Affairs Grant and Per Diem Program, such Veterans shall be provided priority preference.

**5.5 INCOME CERTIFICATION.** Each Applicant applying for tenancy in the Assisted Unit shall be certified as a Qualifying Household by Borrower no earlier than sixty (60) calendar days prior to such Qualifying Household's Borrower-scheduled occupancy of the Assisted Unit, and shall be recertified annually thereafter by the Borrower as a Qualifying Household. If the household size of a Qualifying Household occupying the Assisted Unit changes, the Borrower shall obtain additional information and documentation to determine such tenant's continued eligibility as a Qualifying Household.

**A. Initial Annual Income Verification.** Before a Qualifying Household occupies the Assisted Unit, the Borrower shall verify that the Annual Household Income provided in an Annual Income certification for such Qualifying Household is accurate by taking both of the following steps as a part of the verification process, and this Initial Annual Income Certification will serve as basis for determining the tenant rent portion for payment of monthly rent as well as eligibility for occupancy:

- (1) **Third-Party Verification:** Borrower shall contact all third parties in writing (*e.g.*, employer, Social Security Administration, public assistance agency) to request that such third parties provide information in writing to verify such Qualifying Household's Annual Income. Written requests and responses are required; and
- (2) **Review of Documents:** Borrower shall require such Qualifying Household to provide documents verifying such Qualifying Household's Annual Income (*e.g.*, pay stubs, tax returns), and shall then retain such documents in the Project files.

**B. Annual Income Recertification.** At the time of such Qualifying Household's lease renewal, or pursuant to an annual schedule adopted by the Borrower, and no later than the one-year anniversary of the initial Annual Income verification for such Qualifying Household, and annually thereafter, Borrower shall recertify the Annual Income of each Tenant occupying a PLHA Assisted Unit using the method as described in Sections 1.27 and 5.5.A, above.

**5.6 INITIAL LEASING THE PROJECT.** Before leasing any room or unit in the PLHA Assisted Unit, Borrower shall submit its proposed form of lease for units in the PLHA Assisted Unit for Lender's review and approval ("Lease Form"). The term of each lease for a room or unit in the PLHA Assisted Unit (each, a "Lease") shall be for no less than one year, and no Lease shall contain any provision which is prohibited by 24 C.F.R. Section 92.253(b), as may amended from time to time. No rent increase shall occur at any time during the term of any Lease. Any termination of any Lease or refusal to renew must be in conformance with 24 C.F.R. 92.253(c), and must be preceded by not less than 30 days' prior written notice to the tenant by the Borrower specifying the grounds for such action. Thirty (30) days prior to leasing any room or unit in the PLHA Assisted Units in the Project, Borrower shall submit its proposed rents and utility allowance schedule to Lender for Lender's review and approval. Within six (6) months of Project Completion ("Occupancy Deadline"), Borrower shall lease all rooms and units in the PLHA Assisted Unit to Qualifying Populations, and shall deliver to Lender detailed occupancy data and demographic information on the tenants occupying the PLHA Assisted Unit.

In the event that any room or unit in the PLHA Assisted Unit is not occupied by a Qualifying Household as of the Occupancy Deadline (each, a "PLHA Assisted Unit Vacancy"), Borrower may cure such breach by (i) providing to Lender within five (5) days after the Occupancy Deadline written notice of each such PLHA Assisted Unit Vacancy, (ii) providing to Lender within ten (10) days after the Occupancy Deadline a detailed record of Borrower's marketing efforts with respect to the Project and the PLHA Assisted Unit, and (iii) comply with all of Lender's requests for additional information pertaining to such marketing efforts.

In the event that any room or unit in the PLHA Assisted Unit is not occupied by a Qualifying Household within eleven (11) months after the date of Project Completion ("Occupancy Default Deadline"), such occurrence shall constitute an Event of Default by Borrower hereunder. On or before the date that is three (3) days after the last day of the eleventh (11th) month after the date of Project Completion, Borrower shall provide to Lender written notice of each such PLHA Assisted Unit Vacancy. Within five (5) days of receipt of such notice of PLHA Assisted Unit Vacancy from Borrower, Lender shall give written notice to Borrower of such Event of Default in accordance with Section 6.2, below, and Borrower shall have the opportunity to cure such Event of Default before the last day of the twelfth (12<sup>th</sup>) month after the date of Project Completion.

Notwithstanding any other provision of this County PLHA Loan Agreement, or of any provision of any other County PLHA Loan Document or subordination agreement, to the contrary, Borrower shall immediately repay to Lender, upon Lender's request, all PLHA Funds invested in Units that are not rented to eligible Qualifying Households within 12 months of Project Completion.

**5.7 AFFORDABILITY RESTRICTIONS.** Each room and Unit of the PLHA Assisted Unit, other than the Manager Unit, shall only be occupied by Qualifying Households, as set forth in the County PLHA Loan Regulatory Agreement.

**5.8 PLHA -ASSISTED UNIT RENTS.** The rent for each bedroom occupied by a Qualifying Household shall not exceed the Qualifying Tenant Payment.

**5.9 CONFLICTS BETWEEN COVENANTS OR RESTRICTIONS AFFECTING THE PROPERTY.** Any conflicts between the restrictive provisions contained in this County PLHA Loan Agreement, the County PLHA Loan Note, the County PLHA Loan Deed of Trust, the County PLHA Loan Regulatory Agreement, and any other agreements in connection with the County PLHA Loan which affect the Property are to be resolved by applying the more restrictive covenants or restrictions herein or therein.

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

**5.11 RECORDS AND REPORTS.** Borrower shall be accountable to Lender for all PLHA Funds disbursed to Borrower pursuant to the County PLHA Loan Documents. Borrower agrees to maintain records that accurately and fully reflect the date, amount, purpose, and payee of all expenditures for expenditures reimbursed from PLHA Funds, and to keep all invoices, receipts, and other documents related to such expenditures reimbursed by PLHA Funds for five (5) years after Project Completion. On each first day of April during the Term following Project Completion, Borrower shall submit reports to Lender with information regarding tenant income, rent and Unit inspection information. Tenant income, rent, Unit

inspection information, and all records related to revenue received in connection with the Project must be kept until five (5) years after the Term ends. Borrower shall keep all such records accurate and current. Borrower shall retain all records of individual tenant income verifications, project rents, and project inspections for five (5) years after the creation of such records, including such records created less than five (5) years prior to the expiration or termination of this Agreement. This Section 5.11 shall survive the termination or expiration of this County PLHA Loan Agreement.

Borrower shall promptly comply with all requirements and conditions of the County PLHA Loan Documents relating to notices, extensions, and other events required to be reported or requested. Borrower shall promptly provide to Lender, upon the request of Lender, any and all information and documentation which involves the Project, and shall cooperate with Lender in the development and oversight of the Project.

Borrower shall submit monthly to Lender written Project construction progress reports and an updated construction schedule within ten (10) days following the end of each month during the period commencing upon the Effective Date and concluding upon Project Completion.

Within 30 days following Project Completion, Borrower shall submit to Lender records of all permits, entitlements and approvals, inspections and sign-offs required by all permitting and regulatory authorities and jurisdictions .

Copies of the Certificate of Occupancy shall be submitted by Borrower to Lender upon receipt of same by Borrower.

Data on the initial lease-up of the bedrooms in the Assisted Unit sufficient to close out the Project in the federal Integrated Disbursement and Information System shall be submitted by Borrower to Lender within 10 days following the first date on which all of the bedrooms in the Assisted Unit are subject to fully executed leases.

**5.12 REVERSION OF ASSETS.** Upon the expiration or termination of this County PLHA Loan Agreement, the Borrower shall transfer to the Lender all PLHA funds, if any, Borrower has on hand at the time of expiration or termination, and all accounts receivable attributable to the use of such funds, if any.

**5.13 REPORT ON OCCUPANCY BY VETERANS.** In addition to the requirements set forth above in Section 5.11, above, on or before March 1 of each year during the Term, the Borrower shall submit directly to the County Board of Supervisors, with a copy to the Director of the County's Community Services Department ("CSD"), a report on the number of bedrooms in the PLHA Assisted Unit that were occupied by veterans during any portion of the immediately preceding calendar year.

**5.14 AUDITS.** Borrower shall conduct annual audits in accordance with 24 CFR 84.26 and 85.26, and OMB Circular A-133, and shall submit to Lender an Annual Financial Statement each year during the Term. Borrower shall make available to Lender for examination at reasonable intervals and during normal business hours all books, accounts, reports, files, data, and other papers and property with respect to all matters covered by these County PLHA Loan Documents, and shall permit Lender to audit, examine, and make excerpts and transcripts from such records. Lender may make audits of any conditions relating to the County PLHA Loan.

Lender shall notify Borrower of any records Lender deems to be insufficient. Borrower shall have fifteen (15) calendar days from the date of said notice to correct any deficiency in the records specified by Lender in said notice, or, if more than fifteen (15) days shall be reasonably necessary to correct the deficiency, Borrower shall submit a written request to Lender for an extension specifying the requested additional time,



explaining in detail the reason such extension is necessary, and providing supporting documentation evidencing the necessity of the requested extension; provided that Borrower shall begin to correct the deficiency within such initial fifteen (15) day period, and shall diligently proceed to correct the deficiency as soon as possible. Lender shall respond to such extension requests within fifteen (15) days of Lender's receipt of such extension request.

**5.15 ENCUMBRANCE OF PROPERTY.** Except as otherwise provided in this County PLHA Loan Agreement, Borrower shall not engage in any financing or any other transaction creating any security interest or other encumbrance or lien upon or against the Property or any part thereof or any interest therein, whether directly or indirectly, by operation of law or otherwise, or allow any encumbrance or lien to be made on, against, or attached to the Property, except with the prior written consent of Lender in each instance. Borrower shall notify Lender in writing in advance of any financing secured by any deed of trust, mortgage, or other similar lien instrument that it proposes to enter into with respect to the Project or Property, and of any encumbrance or lien on or attached to the Property whether by voluntary act of Borrower, operation of law, or otherwise.

**5.16 TRANSFERS.** Borrower has not made or created, and shall not at any time during the Term make or permit any sale, assignment, conveyance, or other transfer of the Property or any part thereof or any interest therein, the Project, this County PLHA Loan Agreement, or of any of Borrower's rights or obligations hereunder, directly or indirectly, whether by operation of law or otherwise, including, but not limited to, the sale or transfer of any partnership interests, or other change of control of Borrower, or merger involving Borrower, without the prior written consent of Lender in each instance.

**5.17 ANNUAL OCCUPANCY SUITABILITY CERTIFICATION.** The Borrower shall annually certify to Lender that each bedroom and unit in the Assisted Unit in the Project is suitable for occupancy, taking into account State and local health, safety, and other applicable codes, ordinances, and requirements, and the ongoing property standards established by the County to meet the requirements of 24 CFR 92.251.

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

**5.19 DAMAGE TO PROPERTY.** If any building or improvement erected by Borrower on the Property is damaged or destroyed by an insurable cause, Borrower shall, at its sole cost and expense, diligently undertake to repair or restore said buildings or improvements consistent with the original plans and specifications for the Project, if Lender reasonably determines that such restoration or repair is economically feasible. Such work or repair shall be commenced within 120 days after such damage or loss occurs, and shall be completed within one year thereafter, subject to any extensions of time granted pursuant to the provisions of Section 4.14, above. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs and restoration and, if such insurance proceeds shall be insufficient for such purpose, Borrower shall be responsible for paying for the deficiency.

If Lender determines that such restoration or repair is not economically feasible, then Lender may declare an Event of Default pursuant to Section 8.1.G, below, which Borrower shall not have opportunity to cure, and, upon request by Lender to repay the then-outstanding principal of and all accrued interest on the

County PLHA Loan, Borrower shall apply all available insurance proceeds thereto until the County PLHA Loan is repaid, subject to the rights of Senior Lender as provided in the Subordination Agreement.

**5.20 EQUAL EMPLOYMENT OPPORTUNITY.** Borrower and all contractors, subcontractors, and professional service providers for the Project shall comply with all requirements concerning equal employment opportunity. Borrower and all contractors, subcontractors, and professional service providers for the Project shall comply with all requirements concerning equal opportunities for business and lower-income persons (referred to as the Section 3 clause of the HUD Act of 1968, 12 U.S.C. 1701u).

#### **ARTICLE 6 INDEMNITY AND INSURANCE**

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

**6.2 INSURANCE.** Borrower shall, at all time during the Term, comply with the insurance provisions set forth in Exhibit F.

**6.3 NON-LIABILITY OF OFFICIALS, EMPLOYEES AND AGENTS.** No officials, officers, representatives, directors, employees, or agents of Lender shall be personally liable to Borrower for any obligation created hereunder or under any of the other County PLHA Loan Documents.

#### **ARTICLE 7 HAZARDOUS MATERIALS**

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

**7.2 NOTIFICATION TO LENDER.** Borrower shall promptly notify Lender in writing of: (a) the discovery of any concentration or amount of Hazardous Materials on or under the Property during the Term requiring or which may require notice to be given to any governmental entity or agency under Hazardous Materials Laws; (b) any knowledge of Borrower, or of any of Borrower's officials, officers, representatives, partners, employees, or agents that the Property is not in compliance with any Hazardous Materials Laws at any time during the Term; (c) the receipt by Borrower of notice of any Hazardous Materials claims during the Term; and (d) the discovery by or knowledge of Borrower or of any of Borrower's officials, officers, partners, representatives, employees, or agents, at any time during the Term, of any occurrence or condition on the Property, or on any real property located within 2,000 feet of the

Property, that could cause the Property or any part thereof to be designated as a “hazardous waste property” or as a “buffer zone property” under California Health and Safety Code Sections 25100, et seq., or regulations adopted in connection therewith.

**7.3 USE AND OPERATION OF PROPERTY.** Borrower shall not, and shall not permit any of its agents, employees, or contractors, or any other person to, use the Property or allow the Property to be used for the generation, manufacture, storage, disposal, or release of Hazardous Materials. At all times during the Term, Borrower shall comply and shall cause the Project and the Property to be in compliance with Hazardous Materials Laws.

**7.4 REMEDIAL ACTIONS.** If Borrower or any of Borrower’s officials, officers, partners, representatives, employees, or agents knows or has reason to know of the presence of any Hazardous Materials on or under the Property, Borrower shall take, at no cost or expense to Lender, all handling, treatment, removal, storage, decontamination, cleanup, transport, disposal and other remedial action, if any, required by any Hazardous Materials Laws or by any orders or requests of any governmental entity or agency, or any judgment, consent decree, settlement or compromise with respect to any Hazardous Materials claims. The foregoing, however, shall be subject to Borrower’s right of contest as described below.

**7.5 RIGHT OF CONTEST.** Borrower may contest in good faith any claim, demand, levy or assessment under Hazardous Materials Laws, and such contest shall not be deemed to constitute an Event of Default, if: (a) such contest is based on a material question of law or fact raised by Borrower in good faith and reasonably objectively substantiated, (b) Borrower promptly commences and thereafter diligently pursues such contest, (c) such contest will not materially impair the taking of any remedial action with respect to such claim, demand, levy or assessment, and (d) upon request by Lender, Borrower deposits with Lender any funds or other forms of assurance requested by Lender in good faith from time to time as Lender determines appropriate to protect Lender from the consequences of such contest being unsuccessful and to cover the costs of any remedial action then reasonably necessary.

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

## **ARTICLE 8 DEFAULT AND REMEDIES**

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

A. **Monetary.** (1) Borrower’s failure to pay when due any sums payable under the County PLHA Loan Note or any advances made by Lender under the County PLHA Loan Deed of Trust or this County PLHA Loan Agreement; (2) Borrower’s use of PLHA Funds for costs other than approved construction costs or for uses inconsistent with other terms and restrictions in the County PLHA Loan Documents; (3) Borrower’s failure to obtain and maintain the insurance coverage required under this County PLHA Loan Agreement; (4) Borrower’s failure to make any other payment or assessment due under

the County PLHA Loan Documents; (5) Borrower's failure to pay taxes when due; (6) Borrower's default under other debt secured by the Property after the applicable notice and cure periods have expired;

B. Construction. (1) Borrower's deviation from the Budget, without Lender's prior written consent; (2) the use of defective or unauthorized materials or defective workmanship in constructing the Project; (3) Borrower's failure to commence or complete construction and improvement work pursuant to Section 4.1 or 4.2, above; (4) the cessation of construction and improvement work prior to completion of the Project for a period of more than thirty (30) consecutive calendar days without prior written approval from Lender; (5) Borrower's failure to remedy any deficiencies in recordkeeping or failure to provide records to Lender upon Lender's request; (6) Borrower's failure to substantially comply with any applicable federal, state, or local laws or Lender policies governing construction, development, or operation of the Project, including, but not limited to, provisions of this County PLHA Loan Agreement pertaining to affirmative action and equal employment opportunity, minority and women-owned business enterprises, disabled access, lead paint, Hazardous Materials, and provision or relocation benefits and assistance;

C. Operation. (1) Discrimination by Borrower on any basis prohibited by this County PLHA Loan Agreement or applicable law, or (2) the imposition of any encumbrances or liens on the Property without Lender's prior written approval that have the effect of invalidating, reducing the priority of, or materially impairing the value of the County's interest in the Security (as defined in the PLHA Loan Deed of Trust);

D. General performance of County PLHA Loan obligations. Any breach by Borrower of any provision of any of the County PLHA Loan Documents and which, if subject to cure, is not cured by Borrower within the applicable cure period;

E. General performance of other obligations. Any breach by Borrower of any provision of any other agreements, including any grant agreements, with respect to the financing, construction, or operation of the Project or the Property, whether or not Lender is a party to such agreement, and which breach may materially impair Lender's interest in the Security (as defined in the County PLHA Loan Deed of Trust);

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

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

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

I. Program compliance. In the event of any non-compliance with PLHA Requirements by or on behalf of Borrower, including, but not limited to, the provisions of Section 4.12, above, and the County PLHA Loan Regulatory Agreement, Borrower shall be required to repay the funds disbursed to Borrower hereunder if the Project does not meet the requirements set forth for the time period specified therein, and such an Event of Default shall not be subject to cure.

J. Relocation Benefits. Failure to make any payments requested by Lender pursuant to Section 4.13, above.

**8.2 NOTICE OF DEFAULT AND OPPORTUNITY TO CURE.** For each Event of Default, Borrower shall give written notice to Lender of such Event of Default as soon as possible ("Borrower Default Notice"), which Default Notice shall specify: (a) the nature of the event or deficiency giving rise to the Event of Default, (b) whether Borrower believes that such Event of Default is curable, and, if so, how Borrower proposes to cure such Event of Default, and (c) Borrower's estimate of the time required for Borrower to cure such Event of Default. In response to a Borrower Default Notice, Lender may request from Borrower, and Borrower shall promptly provide to Lender, any additional information as Lender may specify regarding such Event of Default.

Lender shall reply to each Borrower Default Notice by stating (a) Lender's determination of whether such Event of Default is subject to cure, and the action required to cure the Event of Default, if applicable, and (b) if subject to cure, a date, which shall not be less than thirty (30) calendar days from the date of such Borrower Default Notice, by which such action to cure must be taken, or if Lender determines that a cure is not possible within thirty (30) days, by which Borrower must begin such cure and diligently perform such cure to completion within the additional period of time specified by Lender in such notice, and in no event later than the date that is ninety (90) days after the date of such notice.

For each Event of Default of which Lender is aware and for which Lender has not received a Borrower Default Notice, Lender shall give written notice to Borrower of such Event of Default ("Lender Default Notice") specifying: (a) the nature of the event or deficiency giving rise to the Event of Default, (b) whether such Event of Default is subject to cure, and the action required to cure the Event of Default, if applicable, and (c) if subject to cure, a date, which shall not be less than thirty (30) calendar days from the date of such Lender Default Notice or the date such Lender Default Notice was refused, by which such action to cure must be taken, or if Lender determines that a cure is not possible within thirty (30) days, by which Borrower must begin such cure and diligently perform such cure to completion within the additional period of time specified by Lender in such Lender Default Notice, and in no event later than the date that is ninety (90) days after the date of such Lender Default Notice. The Lender has the sole discretion to determine whether an Event of Default is curable and, if curable the reasonable time needed to cure.

**8.3 LENDER'S REMEDIES.** Upon the happening of an Event of Default by Borrower and a failure to cure said Event of Default, if applicable, in accordance with Section 8.2 above, Lender's obligation to disburse PLHA Funds shall terminate, and Lender may also, in addition to other rights and remedies afforded to the County PLHA Loan Documents and applicable law, proceed with any or all of the following remedies in any order and combination Lender may choose in its sole discretion:

A. Terminate this County PLHA Loan Agreement, in which event the entire principal amount outstanding and all accrued interest under the County PLHA Loan Note, as well as any other monies advanced to Borrower by Lender under the County PLHA Loan Documents, including, but not limited to, administrative costs and relocation benefits described in Section 4.13, above, shall immediately become due and payable by Borrower at the option of Lender;

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

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

D. Enter the Property and take any actions necessary in Lender's judgment to complete construction of the Project, including without limitation (1) making changes in the construction work as described in the Budget or other work or materials with respect to the Project, (2) entering into, modifying, or terminating any contractual arrangements (subject to Lender's right at any time to discontinue work without liability), and (3) taking any remedial actions with respect to Hazardous Materials that Lender deems necessary to comply with Hazardous Materials laws or to render the Property suitable for occupancy;

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

F. Order immediate stoppage of construction work and demand that any condition leading to the Event of Default be corrected before construction work may continue;

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

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

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

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

K. Pursue any other remedy allowed at law or in equity. Nothing in this Section 8.3 is intended or shall be construed as precluding Lender from proceeding with a nonjudicial foreclosure under the power of sale contained in the County PLHA Loan Deed of Trust in the Event of Default by Borrower and failure to cure, if applicable, as provided in Section 8.2, above.

Notwithstanding the foregoing or any other provision of this County PLHA Loan Agreement or any of the other County PLHA Loan Documents, in accordance with 2 CFR 200.338, suspension or termination of this County PLHA Loan Agreement may occur if Borrower materially fails to comply with any term of this County PLHA Loan Agreement.

## ARTICLE 9 GENERAL PROVISIONS

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

**9.2 CONTRACT ADMINISTRATION.** CSD will serve as the County's (and Lender's) administrator of the Project, this County PLHA Loan Agreement, the PLHA Promissory Note, and the PLHA Regulatory Agreement. CSD is authorized to approve Budget revisions as authorized under Section 2.6 of this County PLHA Loan Agreement, collect loan repayments, perform loan and Project monitoring functions, and other administrative duties.

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

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

A. Except for approved eligible administrative or personnel costs, no person described in subsection (B) below who exercises or has exercised any functions or responsibilities with respect to the activities funded pursuant to this County PLHA Loan Agreement or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during, or at any time after, such person's tenure. The Borrower shall exercise due diligence to ensure that the prohibition in this Section 9.3 is followed.

B. The conflict of interest provisions of Section 9.3(A), above, apply to any person who is an employee, agent, consultant, officer, or any immediate family member of such person, or any elected or appointed official of the County, or any person related within the third (3rd) degree of such person.

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

**9.5 PUBLICITY.** Any publicity produced by Borrower for the Project during the term of the County PLHA Loan and for one year thereafter shall make reference to the contribution of Lender in making the Project possible. The words "The County of Santa Barbara" will be prominently displayed in any and all pieces of publicity, including but not limited to flyers, press releases, posters, signs, brochures, public service announcements, interviews, and newspaper articles. Borrower further agrees to cooperate

with authorized staff and officials of Lender in any Lender-generated publicity or promotional activities undertaken with respect to the Project.

9.6 [Intentionally omitted.]

9.7 **GOVERNING LAW.** This County PLHA Loan Agreement and the other County PLHA Loan Documents shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law or those provisions preempted by federal law.

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

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

9.10 **CONSENTS AND APPROVALS.** Any consent or approval of Lender or Borrower required under this County PLHA Loan Agreement and the other County PLHA Loan Documents shall not be unreasonably withheld. All approvals provided under this County PLHA Loan Agreement shall be in writing and executed by an authorized representative of the party granting such approval.

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

**LENDER:** County of Santa Barbara  
Housing and Community Development  
123 E Anapamu Street, 2<sup>nd</sup> Floor  
Santa Barbara, CA 93101  
Attn: Deputy Director

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

**BORROWER:** Good Samaritan Shelter  
245 East Inger, Suite 103B  
Santa Maria, CA 93458  
Attn: Executive Director

9.12 **BINDING UPON SUCCESSORS.** All provisions of this County PLHA Loan Agreement and the other County PLHA Loan Documents shall be binding upon and inure to the benefit of the permitted



successors-in-interest, transferees, and assigns of each of the Parties; provided, however, that this Section 9.12 does not waive the prohibition on assignment or transfer of this County PLHA Loan Agreement by Borrower without Lender's prior written consent, as provided in Section 9.14, below.

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

**9.14 ASSIGNMENT AND ASSUMPTION.** Borrower shall not assign or otherwise transfer, by operation of law or otherwise ("Transfer"), this County PLHA Loan Agreement or any of the County PLHA Loan Documents, or any of Borrower's rights or obligations hereunder or thereunder, except as expressly and specifically permitted herein, without the prior written consent of Lender. Any unauthorized Transfer shall be voidable at the sole discretion of Lender.

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

**9.16 INTEGRATION.** This County PLHA Loan Agreement and the other County PLHA Loan Documents, including all exhibits and attachments hereto and thereto, contain the entire agreement of the parties hereto and thereto with respect to the subject matter hereof and thereof, and supersede any and all prior negotiations, representations, and agreements regarding same.

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

**9.18 AMENDMENTS AND MODIFICATIONS.** All amendments and modifications to this County PLHA Loan Agreement must be in writing, and shall be valid only if duly executed by both Borrower and Lender.

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

**9.20 COUNTERPARTS.** This County PLHA Loan Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

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

IN WITNESS WHEREOF, Lender and Borrower have caused this County PLHA Loan Agreement to be executed by their respective duly authorized officers, effective as of the Effective Date.

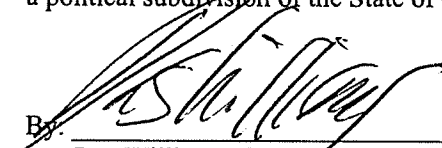
**ATTEST:**

MONA MIYASATO  
Clerk of the Board

By:   
Deputy Clerk of the Board

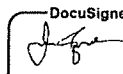
**LENDER:**

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

By:   
Das Williams, Chair  
Board of Supervisors

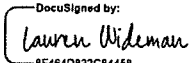
**APPROVED AS TO ACCOUNTING  
FORM:**

BETSY SCHAFFER, CPA  
AUDITOR-CONTROLLER

DocuSigned by:  
  
By: 6BAAEA15901943E  
Deputy

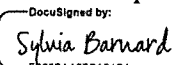
**APPROVED AS TO FORM**

RACHEL VAN MULLEM  
COUNTY COUNSEL

DocuSigned by:  
  
By: 8F464D822C84458...  
Deputy County Counsel

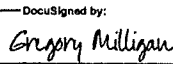
**BORROWER**

Good Samaritan Shelter, a California nonprofit  
public benefit corporation,

DocuSigned by:  
  
By: F090A497CA34C1...  
Executive Director

**APPROVED AS TO FORM:**

RISK MANAGEMENT

DocuSigned by:  
  
By: DC240ACTE03247D...  
Gregory Mulligan, ARM, AIC  
Risk Manager

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

State of California

County of SANTA BARBARA

On, November 7, 2023 before me, Sheila de la Guerra, a Deputy Clerk, personally appeared SUPERVISOR DAS WILLIAMS, CHAIR OF THE BOARD OF SUPERVISORS, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

  
Signature Sheila de la Guerra

(Seal)

EXHIBIT "A"

Legal Description

For APN/Parcel ID(s):117-831-030

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS: LOT 47 OF TRACT NO. 5760, CHERRY BLOSSOM RANCH, IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS PER MAP RECORDED MAY 8, 2000 IN BOOK 185, PAGES 12 THROUGH 17 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL MINERALS, METALS, PETROLEUM, NATURAL GAS AND ALL OTHER HYDROCARBONS, IN OR ON THE ABOVE DESCRIBED REAL PROPERTY OR BENEATH THE SURFACE THEREOF AND THE RIGHT TO EXTRACT, ALL OTHER HYDROCARBONS AND THE RIGHT TO USE AND POSSESSION OF SAID REAL PROPERTY FOR THE PURPOSE OF EXTRACTING, RECOVERING AND REMOVING SAID MINERALS, METALS, PETROLEUM, NATURAL GAS AND ALL OTHER HYDROCARBONS IN SO FAR AS THE USE AND POSSESSION OF SAID REAL PROPERTY.

Exhibit B  
Project Budget

Good Samaritan Shelter		
Veterans Home Project - House 2		
Sources and Use Budget		
<b>Sources of Funds</b>		
Veterans Affairs		\$ 425,000
County of SB		\$ 325,000
<b>Total Sources</b>		<b><u>\$ 750,000</u></b>
<b>Use of Funds</b>		
Purchase of Home - Santa Maria		\$ 697,000
Renovations - Adding additional Restrooms, miscellaneous repairs		\$ 53,000
<b>Total Uses</b>		<b><u>\$ 750,000</u></b>

GPD Veterans Home: 15 Year Pro Forma

Project Name: Marlberry, GPD Veterans Home Total Units

Income Assumptions:	Rate of Increase	2.0%	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Gross Residential Rents-Restricted Income Units			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Residential Rents-Restricted Income Units Subsidy			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Residential Rents-Nonrestricted Income Units			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Vacancy	% of Gross Rents =		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Scheduled Commercial Rents			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Vacancy	% of Gross Rents =		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry, Parking			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	Government Grants		108,329	110,486	112,706	114,960	117,259	119,604	121,996	124,436	126,925	129,463	132,053	134,694	137,387	140,135	142,938
<b>Total Effective Gross Income</b>			108,329	110,486	112,706	114,960	117,259	119,604	121,996	124,436	126,925	129,463	132,053	134,694	137,387	140,135	142,938

Expense Assumptions:	Rate of Increase	2.0%	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Legal & Audit			2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390	2,438	2,487	2,538	2,587	2,639
Advertising			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas & Electric			5,466	5,578	5,687	5,801	5,917	6,035	6,156	6,278	6,405	6,533	6,664	6,797	6,933	7,071	7,213
Water, Sewer, Waste Removal			6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917
Supplies			7,100	7,242	7,387	7,535	7,685	7,839	7,996	8,156	8,319	8,485	8,655	8,828	9,005	9,185	9,368
Payroll			7,000	7,140	7,283	7,428	7,577	7,729	7,883	8,041	8,202	8,368	8,533	8,704	8,878	9,055	9,236
Insurance			2,400	2,448	2,497	2,547	2,598	2,650	2,703	2,757	2,812	2,868	2,926	2,984	3,044	3,105	3,167
Pest Control			10,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	12,434	12,682	12,936	13,195
Maintenance / Repair			1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195	1,219	1,243	1,268	1,294	1,319
Operating Reserves	Dollars per Unit = \$	1,000	3,000	3,060	3,121	3,184	3,247	3,312	3,378	3,446	3,515	3,585	3,657	3,730	3,805	3,881	3,958
Replacement Reserves	Dollars per Unit = \$	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Estate Taxes (exempt if in CA)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local & State Assessments			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	Supportive Services		35,100	35,802	36,518	37,248	37,993	38,753	39,528	40,319	41,125	41,948	42,787	43,642	44,515	45,408	46,314
Other	Auto Expenses		10,800	11,018	11,238	11,461	11,690	11,924	12,163	12,408	12,654	12,907	13,165	13,428	13,697	13,971	14,250
Other	Telephone and Internet		4,000	4,080	4,162	4,245	4,330	4,418	4,505	4,595	4,687	4,780	4,876	4,973	5,073	5,174	5,278
Other	Equipment		2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390	2,438	2,487	2,538	2,587	2,639
Other	Administrative		12,463	12,712	12,966	13,225	13,490	13,760	14,035	14,316	14,602	14,894	15,192	15,496	15,806	16,122	16,444
<b>Total Expenses</b>	Operating Cost/Unit \$	6,771	108,329	110,486	112,706	114,960	117,259	119,604	121,996	124,436	126,925	129,463	132,053	134,694	137,387	140,135	142,938
<b>Net Operating Income</b>			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Exhibit C  
Deed of Trust

NO FEE DOCUMENT

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

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

NO FEE DOCUMENT PURSUANT TO  
CALIFORNIA GOVERNMENT CODE SECTION 27383

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

THIS COUNTY PLHA LOAN DEED OF TRUST, ASSIGNMENT OF RENTS, AND SECURITY AGREEMENT ("County PLHA Loan Deed of Trust") is made as of this 7<sup>th</sup> day of November 2023 ("Effective Date"), by Good Samaritan Shelter, a California nonprofit public benefit corporation ("Trustor"), to First American Title Company as trustee ("Trustee"), for the benefit of the County of Santa Barbara, a political subdivision of the State of California ("Beneficiary").

**GRANT IN TRUST**

1. **GRANT.** Trustor, in consideration of the indebtedness referred to below, hereby irrevocably grants and conveys to Trustee, **IN TRUST, WITH POWER OF SALE**, for the benefit and security of Beneficiary, all of Trustor's interest in the property located at 2260 Tree Line Drive, Santa Maria, California, 93458, in the County of Santa Barbara, California (the "Property"), as more particularly described in the attached Exhibit A, incorporated herein by this reference;

TOGETHER WITH all interest, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property; all buildings, structures, fixtures, improvements, signs, and landscaping now or hereafter erected or located on the Property, including all equipment and machinery used for supplying or distributing heating, cooling, electricity, gas, water, air, and light, all kitchen and laundry appliances such as washers, dryers, refrigerators, garbage disposals, ovens, ranges, dishwashers, all plumbing and bathroom fixtures, all security and access control equipment, fire prevention and extinguishment equipment, elevators, floor coverings, window coverings, paneling, cabinets, (provided, however, that Trustor shall have the right to remove, if necessary, such fixtures, furnishings, and equipment for the purpose of replacement with similar items of the same quality performing the same functions, which replacements shall themselves become part of this grant); all building material and equipment either now or hereafter delivered to the Property and intended to be installed therein or any such material and equipment purchased in whole or in part with PLHA Funds whether or not located on the Property; all reserves, accounts, deferred payments, and refunds relating to development on the Property; all Revenue, including rents and income generated by or derived from the Property or improvements thereon (subject however to the assignment of rents to Beneficiary contained



herein); all leases, subleases, rental agreements and licenses covering the Property or any portion thereof now existing or hereafter entered into, and all interests of Trustor in security deposits, advance rentals, accounts, payments, and receivables of similar nature with respect to such leases, subleases, rental agreements and licenses; all easements and rights-of-way appurtenant to the Property, including parking and recreational easements, and all interests of Trustor in any land lying within the right-of-way of any streets, sidewalks, and areas of land adjacent to or used in connection with the Property; all development rights and credits, air rights, water rights, and oil, gas or mineral rights with respect to the Property; all claims or demands with respect to insurance proceeds, bonds, warranties, guarantees and sureties, and all awards made for a taking by eminent domain; all interests and rights in any private or government grants, subsidies, loans, or other financing with respect to development on the Property; all interests in personal property used in and about the Property (except furniture and other personal property of occupants of dwelling units on the Property); all intangible Property and rights relating to the Property or operations on the Property, including copyrights, patents, trade names, goodwill, trademarks, and service marks; all government permits, approvals, and map rights related to construction of the Property; all architectural, structural, and mechanical plans, specifications, designs, studies, and data with respect to construction or improvements on the Property; all environmental tests, studies and reports with respect to the Property; all current and future claims and rights of action of Trustor against prior owners and operators of the Property, neighboring property owners and operators, tenants and former tenants, consultants, advisors, and other third parties with respect to environmental or Hazardous Materials contamination and cleanup of the Property under any federal, state, or local ordinances, statutes, regulations, or administrative decisions or common law.

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

#### **OBLIGATIONS SECURED**

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

A. Repayment of the indebtedness of Trustor to Beneficiary in the principal sum of Three Hundred Twenty-Five Thousand Dollars (\$325,000) with interest thereon, evidenced by the County PLHA Loan Promissory Note executed by Trustor, in the amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000) (the "County PLHA Loan Note"), on file at the offices of Beneficiary and hereby incorporated by reference into this County PLHA Loan Deed of Trust, or as much as has been disbursed to Trustor thereunder; and

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

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

D. Performance of every obligation, covenant or agreement of Trustor contained in this County PLHA Loan Deed of Trust, the County PLHA Loan Note, and the County PLHA Loan Agreement executed between Trustor and Beneficiary on file at the offices of Beneficiary and hereby incorporated into this County PLHA Loan Deed of Trust by this reference ("County PLHA Loan Agreement"), and the County PLHA Loan Regulatory Agreement executed between

Trustor and Beneficiary of even date herewith (“County PLHA Loan Regulatory Agreement”), including all modifications, extensions and renewals of these obligations; and

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

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

### **ABSOLUTE ASSIGNMENT OF RENTS AND RIGHT TO POSSESSION**

3. **ASSIGNMENT.** As additional security, Trustor hereby assigns to Beneficiary: (a) all of the Revenue, rents, profits, and income from the Security, any deposits now or hereafter in Trustor's possession which have been collected with respect to the Security, and any reserve or capital funds now or hereafter held by Trustor with respect to construction or operation of the Security (collectively, the “Rents”); and (b) the right to enter, take possession of, and manage the Security; provided, however that Trustor shall have, before an Event of Default, the exclusive right to possess the Security and to collect Rents and use them in accordance with the County documents described in Section 2.D., above (collectively, the “County PLHA Loan Documents”). This assignment is intended to be an absolute and present transfer of Trustor's interest in existing and future Rents, effective as of the date of this County PLHA Loan Deed of Trust.

4. **ENFORCEMENT.** Upon the happening of an Event of Default which remains uncured after expiration of the applicable cure period, if any, pursuant to the terms of the County PLHA Loan Agreement or other County PLHA Loan Documents, Beneficiary may, in addition to other rights and remedies permitted by the County PLHA Loan Agreement, this County PLHA Loan Deed of Trust, or applicable law: (a) enter upon, take possession of, and manage the Security, either in person as a mortgagee-in-possession, by agent, or by a receiver appointed by a court, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Security, (b) collect all Rents, including those past due and unpaid, and apply the same to pay for the Project Related Costs, costs and expenses of operation of the Security, including attorneys' fees, and pay off any indebtedness secured by this County PLHA Loan Deed of Trust, all in such order as Beneficiary may determine, (c) enter upon and take possession of the Security, and complete construction of any improvements on the Security as provided for in the plans and specifications approved under the County PLHA Loan Agreement or any modifications to the plans and specifications or the development of the Security that Beneficiary in its sole discretion believes is appropriate, and/or (d) Beneficiary may make, cancel, enforce, and modify leases and rental agreements, obtain and evict tenants, set and modify rent terms, sue for rents due, enter into, modify, or terminate any contracts or agreements, or take any legal action, as it deems necessary with respect to the Rents or to development or operation of the Security, subject to the rent restrictions imposed against the Property by the County PLHA Loan Regulatory Agreement.

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

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

#### **COMMERCIAL CODE SECURITY AGREEMENT**

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

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

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

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

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

**11. MAINTENANCE OF THE SECURITY.** Trustor shall, at the Trustor's own expense, maintain and preserve the Security or cause the Security to be maintained and preserved in good condition, in good repair, ordinary wear and tear excepted, and in a decent, safe, sanitary, habitable and tenantable condition. Trustor shall not cause or permit any violation of any laws, ordinances, regulations, covenants, conditions, restrictions, or equitable servitudes as they pertain to improvements, alterations, maintenance or demolition on the Security. Trustor shall not commit or permit intentional waste on or to the Security. Trustor shall not abandon the Security. Beneficiary shall have no responsibility over maintenance of the Security. In the event Trustor fails to maintain the Security in accordance with the standards in this County

PLHA Loan Deed of Trust or the County PLHA Loan Documents, and after any applicable cure periods, Beneficiary may, but shall be under no obligation to, make such repairs or replacements as are necessary and provide for payment thereof. Any amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of interest as specified in the County PLHA Loan Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this County PLHA Loan Deed of Trust.

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

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

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

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

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

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

**18. GRANTING OF EASEMENTS.** Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to the Security except those required or desirable for installation and maintenance of public utilities including water, gas, electricity, sewer, cable television, telephone, or those required by law.

**19. TAXES AND LEVIES.** Trustor shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property or the Project, and shall pay such charges prior to delinquency. However, Trustor shall not be required to

pay and discharge any such charge so long as (a) the legality thereof is being contested diligently and in good faith and by appropriate proceedings, and (b) if requested by Beneficiary, Trustor deposits with Beneficiary any funds or other forms of assurance Beneficiary in good faith from time to time determines appropriate to protect Beneficiary from the consequences of the contest being unsuccessful.

**20. INSURANCE.** Trustor shall provide such insurance as required under the County PLHA Loan Documents. In the event Trustor fails to maintain the full insurance coverage required by this County PLHA Loan Deed of Trust and the other County PLHA Loan Documents, Beneficiary, after at least seven business days' prior notice to Trustor, may, but shall be under no obligation to, take out the required policies of insurance and pay the premiums on such policies. Any amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of indebtedness as specified in the County PLHA Loan Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this County PLHA Loan Deed of Trust.

**21. 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 ("Condemnation Funds") 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 Funds so collected and recovered by Beneficiary may be released to Trustor upon such conditions as Beneficiary may impose in Beneficiary's sole discretion. Application of all or any part of the Funds collected and received by Beneficiary or the release thereof shall not cure or waive any Event of Default under this County PLHA Loan Deed of Trust or the County PLHA Loan Documents.

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. Trustor shall have the right to rebuild repair or restore the Security and to use all available Funds therefor, provided that (a) such Funds are sufficient to keep the all loans encumbering the Property in balance and rebuild repair or restore the Security in a manner that provides adequate security to Beneficiary for repayment of the County PLHA Loan or, if such Funds are insufficient or such security is inadequate, then Trustor shall have funded any deficiency and/or provided additional security; (b) Beneficiary shall have the right to approve plans and specifications for any rebuild, repair or restoration and the right to require that disbursement of insurance proceeds and Funds for rebuilding repairing or restoring be placed in a construction escrow or similar arrangement subject to Beneficiary's approval; and (c) no Event of Default then exists under the County PLHA Loan Documents other than any default which is a direct result of the condemnation.

**22. ACCELERATION ON TRANSFER OF SECURITY; ASSUMPTION.** In the event that Trustor, without the prior written consent of the Beneficiary, sells, transfers, or conveys, or agrees to sell, transfer or convey, its interest in the Security or any part thereof or interest therein, Beneficiary may at its option declare all sums secured by this County PLHA Loan Deed of Trust to be immediately due and payable. This option shall not apply in case of:

A. The grant of a leasehold interest to tenants who will occupy the PLHA Assisted Unit as provided for under the County PLHA Loan Agreement;

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

C. This Section intentionally left blank.

D. This Section intentionally left blank.

E. This Section intentionally left blank.

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

#### **DEFAULT AND REMEDIES**

**24. EVENTS OF DEFAULT.** Any of the events listed in the County PLHA Loan Agreement as an Event of Default shall also constitute an Event of Default under this County PLHA Loan Deed of Trust.

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

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

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

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

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

D. Commence an action to foreclose this County PLHA Loan Deed of Trust pursuant to California Code of Civil Procedure Section 725a et seq., as amended, and/or seek appointment of a receiver from a court of competent jurisdiction with the authority to protect Beneficiary's interests in the Security, including the authority to complete construction of improvements;

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

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

**27. FORECLOSURE BY POWER OF SALE.** Should Beneficiary elect to foreclose by exercise of the power of sale contained in this County PLHA Loan Deed of Trust, Beneficiary shall notify Trustee and shall deposit with Trustee this County PLHA Loan Deed of Trust (the deposit of which shall be deemed to constitute evidence that the unpaid sums disbursed under the County PLHA Loan Note are immediately due and payable), and such receipts and evidence of any advances made that are additionally secured hereby as Trustee may require.

Upon receipt of such notice from Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such notice of default and election to sell as then required by law and by this County PLHA Loan Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such notice of default and after notice of sale having been given as required by law, sell the Security, at the time and place of sale fixed by it in said notice of sale, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as it may determine unless specified otherwise by Trustor, at public auction to the highest bidder for cash or credit in lawful money of the United States payable at the time of sale. Trustee shall deliver to the purchaser its deed or deeds conveying the Security so sold, but without any covenant or warranty, express or implied. Any person, including, without limitation, Trustor, Trustee, or Beneficiary, may purchase at the sale.

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

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

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

#### **GENERAL PROVISIONS**

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

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

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

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

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

**BENEFICIARY:** County of Santa Barbara  
Housing and Community Development  
123 E. Anapamu Street, 2<sup>nd</sup> Floor  
Santa Barbara, CA 93101  
Attn: Deputy Director

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

**TRUSTOR:** Good Samaritan Shelter  
245 Inger Street, Suite 103B  
Santa Maria, CA 93454  
Attn: Executive Director

35. **BINDING UPON SUCCESSORS; NO ASSIGNMENT.** All provisions of this County PLHA Loan Deed of Trust shall be binding upon and inure to the benefit of the permitted successors-in-interest, transferees, and assigns of Trustor, Trustee, and Beneficiary; provided, however, that Trustor shall not assign or otherwise transfer, whether by operation of law or otherwise, this County PLHA Loan Deed of Trust, or any of Trustor's rights or obligations hereunder, without the prior written consent of Beneficiary in each instance.

36. **WAIVER.** No waiver by Beneficiary of any obligation of Trustor in this County PLHA Loan Deed of Trust shall be effective unless in writing duly executed by Beneficiary. No waiver shall be implied from any delay or failure by Beneficiary to take action on any breach or Event of Default of Trustor, or to pursue any remedy allowed under the County PLHA Loan Deed of Trust, the County PLHA Loan Documents or applicable law. Any extension of time granted to Trustor to perform any obligation under this County PLHA Loan Deed of Trust shall not operate as a waiver or release Trustor from any of its obligations under this County PLHA Loan Deed of Trust. Consent by Beneficiary to any act or omission by Trustor shall not be construed to be consent to any other or subsequent act or omission or to waive the requirement for Beneficiary's written consent to future waivers.

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

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

39. **DEFINITIONS.** Capitalized terms used but not defined in this County PLHA Loan Deed of Trust shall have the respective meanings ascribed to such terms in the County PLHA Loan Agreement.



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

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

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

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

44. This Section intentionally left blank.

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

The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the County PLHA Loan Note, except as follows: nothing contained in this County PLHA Loan Deed of Trust is intended to relieve the Trustor of personal liability to the extent of actual damages arising out of any of (i) fraud or willful misrepresentation by or on behalf of Trustor or any of the other Trustor Parties; (ii) the failure to pay taxes, assessments or other charges (which are not contested by the Trustor in good faith) which may create liens on the Property that are payable or applicable prior to any foreclosure under the County PLHA Loan Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or

fixtures removed or disposed of by or on behalf of any of the Trustor Parties other than in accordance with this County PLHA Loan Deed of Trust; (iv) the material misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property; (v) the Trustor's indemnification obligations under the County PLHA Loan Agreement; and (vi) payment to the Beneficiary of any rental income or other income arising with respect to the Property received by or on behalf of any of the Trustor Parties after the Beneficiary has given notice to the Trustor of the occurrence of an Event of Default and after the expiration of all applicable notice and cure periods, subject to the rights of any lender providing a loan secured by the Property to which the Beneficiary has agreed in writing duly executed by Beneficiary to subordinate this County PLHA Loan Deed of Trust.

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

**IN WITNESS WHEREOF**, Trustor has executed this County PLHA Loan Deed of Trust as of the Effective Date.

**TRUSTOR:**

**GOOD SAMARITAN SHELTER**, a California nonprofit  
public benefit corporation

By:

\_\_\_\_\_  
Sylvia Barnard  
Executive Director

[TRUSTOR'S SIGNATURE MUST BE ACKNOWLEDGED]

**ACKNOWLEDGMENT**

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

State of California  
County of Santa Barbara

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

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

WITNESS my hand and official seal.

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

EXHIBIT "A"

Legal Description

For APN/Parcel ID(s):117-831-030

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS: LOT 47 OF TRACT NO. 5760, CHERRY BLOSSOM RANCH, IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS PER MAP RECORDED MAY 8, 2000 IN BOOK 185, PAGES 12 THROUGH 17 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL MINERALS, METALS, PETROLEUM, NATURAL GAS AND ALL OTHER HYDROCARBONS, IN OR ON THE ABOVE DESCRIBED REAL PROPERTY OR BENEATH THE SURFACE THEREOF AND THE RIGHT TO EXTRACT, ALL OTHER HYDROCARBONS AND THE RIGHT TO USE AND POSSESSION OF SAID REAL PROPERTY FOR THE PURPOSE OF EXTRACTING, RECOVERING AND REMOVING SAID MINERALS, METALS, PETROLEUM, NATURAL GAS AND ALL OTHER HYDROCARBONS IN SO FAR AS THE USE AND POSSESSION OF SAID REAL PROPERTY.

Exhibit D  
Promissory Note

COUNTY PERMANENT LOCAL HOUSING ALLOCATION (PLHA)

LOAN PROMISSORY NOTE

\$325,000

Santa Barbara, California  
November 7, 2023

FOR VALUE RECEIVED, Good Samaritan Shelter, a California nonprofit public benefit corporation ("Borrower"), whose address is 245 East Inger Street, Suite 103B, Santa Maria, California, 93454, hereby promises to pay to the order of the County of Santa Barbara, a political subdivision of the State of California ("Lender"), whose address is 123 E. Anapamu Street, 2<sup>nd</sup> Floor, Santa Barbara, California 93101, the principal amount equal to Three Hundred Twenty-Five Thousand Dollars (\$325,000), or so much thereof as may be advanced by Lender to Borrower, together with interest thereon, as set forth below.

1. **PURPOSE.** In order to assist Borrower in acquiring and improving a single-family residence located at 2260 Tree Line Drive, Santa Maria, Santa Barbara County, California, 93458 ("Project"), Lender has agreed to loan to Borrower the amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000), derived from funds received by the Lender from the by the State of California Housing and Community Development Department through the Permanent Local Housing Allocation ("PLHA ") Program.

2. **BORROWER'S OBLIGATION.** This promissory note ("County PLHA Loan Note") evidences Borrower's obligation to pay Lender the principal amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000) ("County PLHA Loan") for the PLHA Funds loaned to Borrower by Lender for the specific uses designated in that certain loan agreement between Borrower and Lender of even date herewith ("County PLHA Loan Agreement").

3. **INTEREST.** Subject to Section 4, below, this County PLHA Loan Note shall bear zero percent interest (0%) per annum.

4. **DEFAULT INTEREST.** In the event of an Event of Default by Borrower of any of its obligations under this County PLHA Loan Note or any of the other County PLHA Loan Documents (defined below), Borrower shall pay to Lender interest on the then-outstanding principal of this County PLHA Loan Note at an annual rate equal to the lesser of (i) ten percent (10%) per annum, or (ii) the highest interest allowed by law, in addition to the interest rate provided in Section 3, above, from the date of such Event of Default until the date that such Event of Default is cured, if subject to cure in accordance with the County PLHA Loan Agreement, or the County PLHA Loan is repaid in full. Such default interest shall be paid monthly, and is due to the County on the first day of each month from the date of such Event of Default until the date that such Event of Default is cured or Borrower pays to County the full amount of the principle and accrued and unpaid interest under this County PLHA Loan Note.

5. **AMOUNT AND TIME OF PAYMENT.** The full principal amount of this PLHA Loan Note and all accrued and unpaid interest hereunder shall be due and payable in accordance with Section 9 of this County PLHA Loan Note on the earlier of: (a) the date that is fifty-five (55) years after the date of Project completion in conformance with 92 CFR 92.2 and 24 CFR

92,252(e), and evidenced by a written notice of completion provided by Borrower to County, or (b) the date the Property is sold or otherwise Transferred, or (c) the date when Borrower has failed to commence construction on the Project as set forth in Section 4.1 of the County PLHA Loan Agreement, or (d) the occurrence of an Event of Default by Borrower, as defined in Section 8.1 of the County PLHA Loan Agreement, which, if subject to cure, has not been cured as provided for in Section 8.2 of the County PLHA Loan Agreement. The foregoing notwithstanding, if Borrower remains in compliance with the terms and conditions of the County PLHA Loan Documents, as determined by the County through periodic inspections of the Project and tenant files documenting occupancy by Qualified Households, and as indicated with monitoring close-out letters from Lender to Borrower indicating compliance with the PLHA Regulatory Agreement, for the entirety of the 55-year term described therein, then the principal amount of the PLHA Loan, along with all accrued interest thereon, other than interest accrued thereon in accordance with Section 4, above, and/or pursuant to Section 2.4 of the County PLHA Loan Agreement, shall be forgiven.

6. **DEFINITIONS.** All initially capitalized terms used but not defined in this County PLHA Loan Note shall have the definitions ascribed to such terms in the County PLHA Loan Agreement.

- a. "Annual Financial Statement" means the audited annual financial statement of Borrower's Operating Expenses and Revenue, prepared annually for each Fiscal Year of the Term at the Borrower's expense by an independent certified public accountant reasonably acceptable to Lender, which Borrower shall provide to Lender each year of the Term as part of Borrower's annual reporting to Lender.
- b. "County PLHA Loan Deed of Trust" means that deed of trust, assignment of rents, and security agreement dated on or about the date hereof and recorded against the Property and the improvements to be constructed thereon as security for the County PLHA Loan by Borrower as trustor with Lender as beneficiary, as well as any amendments to, modifications of, and restatements of said County PLHA Loan Deed of Trust.
- c. "County PLHA Loan Regulatory Agreement" means the Regulatory Agreement dated on or about the date hereof executed by Borrower and Lender and recorded against the Property which regulates the use of the Project as a PLHA- assisted Unit.
- d. "County PLHA Loan Documents" means, collectively, the County PLHA Loan Agreement, this County PLHA Loan Note, the County PLHA Loan Deed of Trust, and the County PLHA Loan Regulatory Agreement, as such documents may be amended, modified, or restated from time to time, along with all exhibits and attachments hereto and thereto.
- e. "Fiscal Year" means the twelve (12) month accounting period, beginning July 1 and ending June 30 of each year.
- f. "Operating Expenses" means actual, reasonable and customary costs, fees and expenses directly attributable to the operation, maintenance, and management of the Project, including painting, cleaning, repairs and alterations, landscaping,

utilities, rubbish removal, certificates, permits and licenses, sewer charges, real and personal property taxes and assessments, insurance, reasonable property management fee, annual County Monitoring Fee in the initial amount of two thousand, five hundred dollars (\$2,500), and increasing three-percent (3%) annually, security, advertising, promotion and publicity, office, janitorial, cleaning and building supplies, lease payments if any, cash deposited into reserves for operating expenses and capital replacements pursuant to Section 2.11 of the County PLHA Loan Agreement. The Operating Expenses shall be reported in each Annual Financial Statement.

- g. "Project" means the construction, operation and management of the Property and the improvements to be constructed thereon according to the terms of the County PLHA Loan Agreement and as defined in 24 CFR 92.2.
- h. "Property" means that certain real property and improvements thereon located at 2260 Tree Line Drive, Santa Maria, County of Santa Barbara, California, 93458, as is more fully described in Exhibit A to the County PLHA Loan Agreement and County PLHA Loan Deed of Trust, executed concurrently herewith.
- i. This paragraph left intentionally blank.
- j. This paragraph left intentionally blank.
- k. "Term" means the period of time commencing with the date first set forth above in this County PLHA Loan Note ("Effective Date") and terminating on the date that is six months after the date that is fifty-five (55) years after the date of the issuance of a notice of completion issued for the Project.

7. **PAYMENTS.** The full principal amount of this PLHA Loan Note and all accrued and unpaid interest hereunder shall be due and payable in accordance with Section 5, above.

8. All payments made by Borrower hereunder shall be applied as follows: first to pay current annual interest due, if any; then to the cumulative interest owed, if any; then to reduce the principal amount of this County PLHA Loan Note.

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

10. **DEFAULT AND ACCELERATION.** This County PLHA Loan Note is secured by a County PLHA Loan Deed of Trust. All covenants, conditions and agreements contained in the County PLHA Loan Deed of Trust and the County PLHA Loan Agreement are hereby made a part of this County PLHA Loan Note. The full principal amount and all accrued and unpaid interest hereunder, shall, at the option of Lender, be immediately due and payable upon any Event of Default as defined in the County PLHA Loan Agreement which, if subject to cure thereunder, has not been cured in accordance with the provisions of the County PLHA Loan



Agreement, including, but not limited to, the failure of Borrower to make any payment hereunder or thereunder when due. Upon any Event of Default, Lender may exercise all other rights and remedies permitted under any of this County PLHA Loan Note, the PLHA Loan Documents, and applicable law.

**11. PREPAYMENT OF COUNTY HOME LOAN.** No prepayment penalty will be charged to Borrower for payment of all or any portion of the amounts due hereunder prior to the end of the Term. However, prepayment of the County PLHA Loan shall not affect, or relieve Borrower from, any of Borrower's obligations under the County PLHA Loan Regulatory Agreement.

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

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

**14. CONSENTS AND APPROVALS.** Any consent or approval of Lender required under this County PLHA Loan Note shall not be unreasonably withheld or delayed.

**15. NOTICES.** Except as may be otherwise specifically provided herein, any approval, notice, direction, consent request or other action by Lender shall be in writing and may be communicated to Borrower at the principal office of Borrower set forth below, or at such other place or places as Borrower shall designate in writing, from time to time, for the receipt of communications from Lender.

**BORROWER:** Good Samaritan Shelter  
245 East Inger Street, Suite 103B  
Santa Maria, CA 93454  
Attn: Executive Director

**16. BINDING UPON SUCCESSORS.** All provisions of this County PLHA Loan Note shall be binding upon and inure to the benefit of the permitted successors-in-interest, transferees, and assigns of Borrower and Lender, to the extent such Transfer is expressly permitted by the County PLHA Loan Agreement and the PLHA Regulatory Agreement.

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

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

**19. TIME.** Time is of the essence in this County PLHA Loan Note.

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

**21. AMENDMENTS AND MODIFICATIONS.** No amendment or modification to this County PLHA Loan Note shall be effective unless in writing, and duly executed by both Borrower and Lender.

**22. NONRECOURSE.** Except as expressly provided in the second paragraph of this Section 22, the Borrower, and the Borrower's partners, officers, directors, employees and agents (collectively, the "Borrower Parties") shall not have any direct or indirect personal liability for payment of the principal of, or interest on, this County PLHA Loan Note. The sole recourse of the Lender with respect to the principal of, or interest on, the County PLHA Loan Note shall be to the property securing the indebtedness evidenced by the County PLHA Loan Note. However, nothing contained in the foregoing limitation of liability shall (i) limit or impair the enforcement against all such security for the County PLHA Loan Note of all the rights and remedies of the Lender, or (ii) be deemed in any way to impair the right of the Lender to assert the unpaid principal amount of the County PLHA Loan Note as demand for money within the meaning and intent of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto.

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

subordinate the County PLHA Loan Deed of Trust.

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

**BORROWER:**

**GOOD SAMARITAN SHELTER**, a California nonprofit  
public benefit corporation

By: \_\_\_\_\_  
Executive Director

Exhibit E  
Regulatory Agreement

NO FEE DOCUMENT

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

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

NO FEE DOCUMENT PURSUANT TO  
CALIFORNIA GOVERNMENT CODE SECTION 27383

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

This County PLHA Loan Regulatory Agreement and Declaration of Restrictive Covenants (this "Agreement") is made as of this 7th day of November, 2023, by and between the County of Santa Barbara, a political subdivision of the State of California (the "Lender" or "County"), and Good Samaritan Shelter, a California nonprofit public benefit corporation (the "Owner").

**RECITALS**

A. The Owner owns that certain parcel of real property and improvements thereon located at 2260 Tree Line Drive, Santa Maria, California, 93458, as more particularly described in Exhibit A, attached hereto and incorporated herein by reference (the "Property"), which the Owner intends to provide as housing targeted to serving formerly homeless veterans (the "Project").

B. The Lender has received Permanent Local Housing Allocation funds ("PLHA Funds") from the State of California Housing and Community Development Department.

C. Owner has received a loan from Lender in the amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000) in PLHA Funds to provide financing for the Project (the "County PLHA Loan").

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

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

## **1. DEFINITIONS**

All initially capitalized terms used but not defined in this Agreement shall have the definitions ascribed to such terms in the County PLHA Loan Agreement. Some of the following terms are defined in the County PLHA Loan Agreement and repeated here for convenience of reference.

1.1 **“ANNUAL INCOME”** means the definition of Annual Income as more particularly defined at 24 CFR 5.609 – 6.12.

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

1.3 **“COORDINATED ENTRY SYSTEM”** means the information system utilized by Lender under the Continuum of Care for coordinating, prioritizing and insuring to the greatest extent possible non-duplication of homeless programs and services, which accordingly identifies the most vulnerable homeless persons and households.

1.4 **“COUNTY PLHA LOAN”** means the loan of PLHA Funds in the amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000) made by the Lender to the Owner to finance acquisition of the Property and improvement costs of the Project in accordance with the County PLHA Loan Agreement and the County PLHA Loan Note.

1.5 **“COUNTY PLHA LOAN AGREEMENT”** means that certain loan agreement by and between the Owner and the Lender dated on or about the date hereof, setting forth the terms and conditions governing the County PLHA Loan.

1.6 **“COUNTY PLHA LOAN DEED OF TRUST”** means that certain deed of trust, assignment of rents, and security agreement dated on or about the date hereof and recorded against the Property and the improvements to be constructed thereon in connection with the Project as security for the County PLHA 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.

1.7 **“COUNTY PLHA LOAN DOCUMENTS”** means, collectively, the County PLHA Loan Agreement, the County PLHA Loan Note, the County PLHA Loan Deed of Trust, and this Agreement, as such documents may be amended, modified, or restated from time to time

in accordance with the provisions hereof and thereof, along with all exhibits and attachments hereto and thereto.

1.8 **“COUNTY PLHA LOAN NOTE”** means that certain promissory note executed by the Owner in favor of the Lender and dated on or about the date hereof in the amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000) evidencing the County PLHA Loan, as well as any amendments to, modifications of, or restatements of said promissory note.

1.9 **“GRANT AND PER DIEM PROGRAM”** means the financial assistance program pursuant to the United States Department of Veterans Affairs, which provides a per-diem daily amount of financial assistance to Veterans in supportive housing, of which per diem pays for rent, Project operations, case management and supportive services for Tenants of the Project.

1.10 **“PLHA-ASSISTED UNIT”** means the 5-bedroom single-family residence located on the Property, which is subject to the provisions of this Agreement. The PLHA-Assisted Unit will be used as a group home and must be occupied, or reserved for occupancy, by PLHA Qualifying Households, except that one bedroom may be occupied by a house manager.

1.11 This section intentionally left blank.

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

1.13 This section intentionally left blank.

1.14 **“OWNER”** means Good Samaritan Shelter, a California nonprofit public benefit corporation.

1.15 **“PROJECT”** means the construction, operation and management of the Property and the improvements to be constructed thereon according to the terms of the County PLHA Loan Agreement.

1.16 **“PROPERTY”** means the real property located at 2260 Tree Line Drive, Santa Maria, California, 93458, as more particularly described in Exhibit A attached hereto and incorporated herein, including the improvements constructed thereon.

1.17 **“QUALIFYING HOUSEHOLD”** means a low-income household (i.e., a household with income at or below eighty percent (80%) of Area Median Income) that qualifies under the Department of Veterans Affairs Grant and Per Diem Program (VA Program). If such VA Program ceases to exist or does not define a qualifying household, then a Qualifying Household shall be defined in accordance with Section 103 (42 USC 11302) of the McKinney-Vento Homeless Assistance Act as amended by S. 896 The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 and in accordance with 24 CFR 609-6.12 for all household members. A Qualifying Household who meets the definition of Veteran must be given a preference to be first considered for a vacancy or may be moved to the top of a waiting list, if applicable. “Veteran” is defined as the Head of Household or Spouse who has served in active duty in the United States Armed Forces for a minimum of six (6) continuous months and, if

separated from military service, received other than dishonorable discharge. The veteran preference will also be given to a surviving spouse or registered domestic partner of a deceased veteran, as defined herein. Verification of veteran status will be by the submittal of a copy of the veteran's DD-214. Housing in this Project is limited to Veterans.

1.18 **“QUALIFYING TENANT PAYMENT” OR “RENT”** means the Fair Market Rent for the number of bedrooms in the Property, except that, if one bedroom is occupied by a house manager, then the house manager’s bedroom is not included in the total bedroom count. Rent includes utilities, but does not include food or cost of any supportive services provided. Each household, except the house manager household, will pay its proportional share of the total Fair Market Rent for the PLHA Assisted Unit. For example, the 2023 Fair Market Rent for a four-bedroom unit is \$4,001, including rent and utilities.

1.19 **“TENANT”** means a household meeting the definition of a “Qualifying Household” occupying the PLHA Assisted Unit.

1.20 **“TERM”** means the term of this Agreement, commencing upon the first date that this Regulatory Agreement is duly executed by all of the parties hereto (“Effective Date”), and terminating on the date that is fifty-five (55) years after the date of issuance of a notice of completion for the Project (“Notice of Completion”).

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

## **2. TERM AND COMPLIANCE**

**2.1 COMPLIANCE WITH COUNTY PLHA LOAN DOCUMENTS.** Owner shall, at all times during the Term, comply, and ensure that the Property and the use of County PLHA Loan funds shall at all times be in full compliance with all of the requirements of the County PLHA Loan Documents, including, but not limited to, the insurance requirements contained herein and therein.

**2.2 TERM OF AGREEMENT.** The provisions of this Agreement shall apply and remain in full effect throughout the entirety of the Term, regardless of the term of any loan or mortgage, or any Transfer of the Property.

**2.3 COMPLIANCE WITH PROGRAM REQUIREMENTS.** At all times during the Term, the Owner shall comply with all requirements and guidelines applicable to the Owner and/or the Project as a project assisted under the PLHA Program, as such PLHA Program requirements and guidelines may be amended from time to time.

## **3. PROJECT OCCUPANCY AND RENTS**

**3.1 OCCUPANCY OF PROJECT.** The PLHA Assisted Unit shall be occupied, or reserved for occupancy, by Qualifying Household(s) who are formerly homeless veterans.

**3.2 PLHA ASSISTED UNIT.** The Owner shall limit, for the full Term of this Agreement, the rental of the PLHA Assisted Unit to Qualifying Households at Rents that do not exceed the maximum Rent for each Qualifying Household of the PLHA Assisted Unit as set forth herein. Each of the Tenants of the PLHA Assisted Unit shall be provided with access and enjoyment of all common areas and facilities of the Property on the same basis.

**3.3 MAXIMUM RENTAL CHARGES.**

A. Maximum rental charges for the PLHA Assisted Unit shall not exceed the Rent, as defined above in Section 1.18.

B. The Rent for each PLHA Assisted Unit bedroom shall be set by the Lender at the time of initial occupancy of the Project. Annual increases in Rents shall be calculated based on the change in allowable rents as published annually by HUD for the PLHA Assisted Unit.

**3.4. OCCUPANCY DEADLINES.**

Owner shall ensure that each bedroom of the PLHA Assisted Unit is occupied by a Qualifying Household in accordance with the deadlines for occupancy set forth at 24 CFR 92.252. Each bedroom of the PLHA Assisted Unit shall be occupied by a Qualifying Household within six (6) months from the first date of the issuance of a Notice of Completion or final Certificate of Occupancy for the Project ("Completion Date"). In the event that each bedroom of the PLHA Assisted Unit is not occupied by a Qualifying Household by the Completion Date, Owner shall submit to Lender within ten (10) days thereafter a detailed record of Owner's marketing efforts, and shall comply with Lender's requests for additional information pertaining to such marketing efforts. Absent a Notice of Completion or final Certificate of Occupancy when not required by the local building official, the Completion Date will be the date that the Project is fully developed as evidenced by inspection by the County. In the event that any PLHA Assisted Unit is not occupied by a Qualifying Household within eleven (11) months after the Completion Date, such occurrence shall constitute an Event of Default. On or before the last day of the eleventh (11th) month after the Completion Date, Owner shall deliver to Lender written notice of such Event of Default, and shall have thirty (30) days to cure such Event of Default, and shall cure such Event of Default before the last day of the 12th month after the date of the issuance of the Notice of Completion.

Notwithstanding any other provision of this County PLHA Regulatory Agreement, or of any provision of any of the other County PLHA Loan Documents, to the contrary, Owner shall immediately repay to Lender, upon Lender's request, all PLHA Funds invested in bedrooms of the PLHA Assisted Unit that are not rented to eligible Qualifying Households within 12 months after the Completion Date.

**3.5 INCOME CERTIFICATION.**

The Annual Income levels and other qualifications of each applicant for tenancy in the PLHA Assisted Unit shall be certified by Owner no earlier than six (6) months prior to such Qualifying Household applicant's expected occupancy of the PLHA Assisted Unit, and shall be recertified by Owner annually, in compliance with 24 CFR 92.203.



A. Initial Annual Income Verification. Before each Qualifying Household occupies the PLHA Assisted Unit, the Owner shall verify that the Annual Household Income calculated in an Annual Income certification for such Qualifying Household is accurate by taking both of the following steps as a part of the verification process, and this Initial Annual Income Certification will serve as basis for determining the tenant rent portion for payment of monthly Rent as well as eligibility for occupancy in the PLHA Assisted Unit:

- (1) Third Party Verification: Owner shall contact each third party on such Qualifying Household's Annual Income certification (e.g., employer, Social Security Administration, public assistance agency) in writing to obtain written verification from such third party of such Qualifying Household's Annual Income; and
- (2) Review of Documents: Each Qualifying Household provides documents verifying such Qualifying Household's Annual Income (e.g., pay stubs, tax returns), which Owner shall retain in the Project files. All such records of individual tenant income verifications, as well as records reflecting or relating to Project rents and Project inspections, must be retained by Owner for five years, and the foregoing retention obligations shall survive the termination or expiration of this Agreement for a period of five years after the Term.

B. Annual Income Recertification. At the time of renewal of each Qualifying Household's lease, or pursuant to an annual schedule adopted by the Owner, and no later than the one-year anniversary of such Qualifying Household's initial Annual Income verification, and annually thereafter, Owner shall recertify the Annual Income of each Qualifying Household occupying a bedroom of the PLHA Assisted Unit using the method described in Section 3.5.A, above. Each subsequent year during the PLHA compliance period, starting one (1) year after initial occupancy, Owner must use the definition of annual income as defined in 24 CFR 5.609 – 6.12.

#### **4. LEASING THE PROJECT**

4.1 **TENANT LEASES.** The Owner shall execute a written lease with the Tenant(s) of each bedroom of the PLHA Assisted Unit for a term of at least one year, unless the Owner and the Tenant mutually agree to a shorter period; provided, however, that such lease may not be for a period of less than thirty (30) days. The form of Tenant Lease used by Owner for each bedroom of the PLHA Assisted Unit, and all changes thereto, shall be subject to Lender's prior written approval in each instance.

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

B. In addition to executing a lease for each bedroom in the PLHA Assisted Unit, the Owner shall require that each Qualifying Household leasing a bedroom in the PLHA Assisted

Unit execute a declaration of intent to occupy, which shall require the Qualifying Household to occupy such bedroom in the PLHA Assisted Unit as the Qualifying Household's primary residence.

C. No lease for any of the bedrooms in the PLHA Assisted Unit shall contain any of the prohibited provisions identified at 24 CFR §92.253(b), including, but not limited to, the following:

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

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

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

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

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

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

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

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

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

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

E. Owner shall comply with all requirements of the Violence Against Women Act (VAWA) set forth in 24 CFR part 5, subpart L. Owner shall provide the notice and certification

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

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

**4.2 TENANT SELECTION.** Before leasing any bedroom of the PLHA Assisted Unit, the Owner shall provide to Lender for Lender's review and approval the Owner's written tenant selection plan. A Veteran's preference must be applied as described above. All changes to the tenant selection plan require prior written approval from Lender in each instance.

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

4.4 This Section Left Intentionally Blank.

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

**4.6 AFFIRMATIVE MARKETING PLAN.** In the marketing of the Project, Borrower shall comply with the affirmative marketing requirements set forth in 24 CFR 92.351, as such

may be amended from time to time. Notwithstanding the above, Owner must first obtain referrals from the County Coordinated Entry system for Qualifying Households to be considered for tenancy.

## **5. PROPERTY MANAGEMENT**

**5.1 MANAGEMENT RESPONSIBILITIES.** The Owner is responsible for all management functions with respect to the Project, including, without limitation, the selection of Tenants, certification and recertification of Qualifying Household size and Annual Income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The Lender shall have no responsibility with respect to management of the Project. Lender hereby preapproves Owner as the Property Manager for the Project. The Owner may only remove and/or replace the Property Manager with the prior written consent of the Lender in each instance, which consent shall not be unreasonably withheld.

**5.2 APPROVAL OF MANAGEMENT POLICIES.** The Owner shall submit its written management policies with respect to the Project to the Lender for Lender's review and approval, and shall amend such policies in any way necessary to ensure that such policies comply with the provisions of this Agreement and the other County PLHA Loan Documents, the requirements of the PLHA Program, as may be amended from time to time, the requirements of Lender, and the requirements of all other lenders providing financing for the Project to the extent not inconsistent with the provisions of any of the County PLHA Loan Documents.

**5.3 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 and the other County PLHA Loan Documents. The Owner shall submit all requested records to the Lender within ten (10) business days of each Lender request for such records. The Owner shall permit the Lender to enter and inspect the Property for compliance with Owner's obligations under this Agreement and the other County PLHA Loan Documents at all reasonable times upon twenty-four (24) hours' advance notice of such visit by the Lender to the Owner or the Owner's Property manager. Owner shall include provisions in all tenant leases that allow for County inspections of the PLHA Assisted Unit.

**5.4 COMPLIANCE MONITORING.** At all times during the Term, the Owner shall operate the Property in full compliance with this Agreement and the PLHA Program regulations and guidelines as may be amended from time to time. The Owner shall permit the Lender to conduct annual compliance monitoring, including performing on-site records review and inspections of the Property, as required by regulation or reasonably requested by Lender.

**5.5 ANNUAL REPORT.** Following the Completion Date, the Owner shall annually submit to the Lender a report in a form approved by Lender for the preceding period of January 1st through December 31<sup>st</sup>, containing the information requested by Lender so as to allow the Lender to determine the Owner's compliance with this Agreement ("Annual Report"). The Annual Report shall be submitted annually no later than March 1<sup>st</sup> of each year of the Term, and shall include, at a minimum: (i) an Annual Financial Statement as defined in Section 1.2 of the County PLHA Loan Agreement, (ii) a report on the occupancy of the Project, (iii) a report on the physical condition of the Project, (iv) a report on the general management of the Project, (v) for

each bedroom of the PLHA Assisted Unit, the rent, Annual Income, and household size of each household in occupancy. The Annual Report shall also state the date each tenancy commenced in the PLHA Assisted Unit, and such other information as the Lender may request.

Within thirty (30) days after receipt of a written request, Owner shall submit all other information and completed forms requested by the Lender in order to comply with reporting requirements of the United States Department of Housing and Urban Development, or the State of California, or the Lender. The Lender shall have the right to examine and make copies of all books, records or other documents of Owner which pertain to the Project or the PLHA Assisted Unit to determine compliance with this Agreement.

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

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

**5.8 MAINTENANCE OF EXISTING STRUCTURES.** Owner shall maintain the PLHA Assisted Unit and the rest of the Property in good condition, in good repair, ordinary wear and tear excepted, and in a decent, safe, sanitary, habitable and tenantable condition at all times during the Term. Owner shall ensure that the PLHA Assisted Unit meets the standards set out in 24 CFR 92.251(f)(2) throughout the Term of this Agreement. In the event that Lender establishes property standards in accordance with 24 CFR 92.251(f)(1) and determines in its sole discretion that these standards are applicable to the Project, Lender shall send written notice of this determination to Owner. Upon Owner's receipt of such written notice, the property standards established by Lender pursuant to 24 CFR 92.251(f)(1) shall apply to each bedroom of the PLHA Assisted Unit throughout the Term of this Agreement. Owner shall not cause or permit any violations of any laws, ordinances, regulations, covenants, conditions, restrictions, or equitable servitudes as they pertain to improvements, alterations, maintenance or demolition on the Property. Lender shall have no responsibility with respect to maintenance of the Property.

## **6. GENERAL PROVISIONS**

**6.1 SUBORDINATION.** This Agreement shall be senior, and shall not be subordinate, to all deeds of trust, notes, agreements, and all other obligations of Owner concerning the Property, and may be subordinated in priority only as to liens and encumbrances otherwise approved in advance in writing by the Lender in each instance, in Lender's sole and absolute discretion.

**6.2 DEFAULT AND REMEDIES.** The occurrence of any of the following events shall constitute an "Event of Default" under this County PLHA Regulatory Agreement:

A. Monetary. (1) Borrower's failure to pay when due any sums payable under the County PLHA Loan Note or any advances made by Lender under the County PLHA Loan

Deed of Trust or the County PLHA Loan Agreement; (2) Borrower's use of PLHA Funds for costs other than approved construction costs or for uses inconsistent with other terms and restrictions in the County PLHA Loan Documents; (3) Borrower's failure to obtain and maintain the insurance coverage required under this County PLHA Loan Agreement; (4) Borrower's failure to make any other payment or assessment due under any of the County PLHA Loan Documents; (5) Borrower's failure to pay taxes when due; (6) Borrower's default under other debt secured by the Property after the applicable notice and cure periods have expired;

B. Construction. (1) Borrower's deviation from the Budget, without Lender's prior written consent; (2) the use of defective or unauthorized materials or defective workmanship in constructing the Project; (3) Borrower's failure to commence or complete construction and improvement work pursuant to Section 4.1 or 4.2, above; (4) the cessation of construction and improvement work prior to completion of the Project for a period of more than thirty (30) consecutive calendar days without prior written approval from Lender; (5) Borrower's failure to remedy any deficiencies in recordkeeping or failure to provide records to Lender upon Lender's request; (6) Borrower's failure to substantially comply with any applicable federal, state, or local laws or Lender policies governing construction, development, or operation of the Project, including, but not limited to, provisions of the County PLHA Loan Agreement pertaining to affirmative action and equal employment opportunity, minority and women-owned business enterprises, disabled access, lead paint, Hazardous Materials, and provision or relocation benefits and assistance;

C. Operation. (1) Discrimination by Borrower on any basis prohibited by the County PLHA Loan Agreement or applicable law, or (2) the imposition of any encumbrances or liens on the Property without Lender's prior written approval that have the effect of invalidating, reducing the priority of, or materially impairing the value of the County's interest in the Security (as defined in the PLHA Loan Deed of Trust);

D. General performance of County PLHA Loan obligations. Any breach by Borrower of any provision of any of the County PLHA Loan Documents and which, if subject to cure, is not cured by Borrower within the applicable cure period;

E. General performance of other obligations. Any breach by Borrower of any provision of any other agreements, including any grant agreements, with respect to the financing, construction, or operation of the Project or the Property, whether or not Lender is a party to such agreement, and which breach may materially impair Lender's interest in the Security (as defined in the County PLHA Loan Deed of Trust);

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

G. Damage to or failure to maintain Property. Material damage to or destruction of the Property by fire or other casualty if Borrower does not take steps to reconstruct

the Project as required by the County PLHA Loan Documents or if Borrower fails to maintain the Property pursuant to Section 5.1, above;

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

I. Program compliance. In the event of any non-compliance with PLHA Requirements by or on behalf of Borrower, including, but not limited to, the provisions of this County PLHA Regulatory Agreement, and the provisions of the County PLHA Loan Agreement, Borrower shall be required to repay the funds disbursed to Borrower under the County PLHA Note and the County PLHA Loan Agreement if the Project does not meet the requirements set forth for the time period specified herein and therein, and such an Event of Default shall not be subject to cure.

J. Relocation Benefits. Failure to make any payments requested by Lender pursuant to Section 4.13 of the County PLHA Loan Agreement.

**6.2.1 NOTICE OF DEFAULT AND OPPORTUNITY TO CURE.** For each Event of Default, Borrower shall give written notice to Lender of such Event of Default as soon as possible ("Borrower Default Notice"), which Default Notice shall specify: (a) the nature of the event or deficiency giving rise to the Event of Default, (b) whether Borrower believes that such Event of Default is curable, and, if so, how Borrower proposes to cure such Event of Default, and (c) Borrower's estimate of the time required for Borrower to cure such Event of Default. In response to a Borrower Default Notice, Lender may request from Borrower, and Borrower shall promptly provide to Lender, any additional information as Lender may specify regarding such Event of Default.

Lender shall reply to each Borrower Default Notice by stating (a) Lender's determination of whether such Event of Default is subject to cure, and the action required to cure the Event of Default, if applicable, and (b) if subject to cure, a date, which shall not be less than thirty (30) calendar days from the date of such Borrower Default Notice, by which such action to cure must be taken, or if Lender determines that a cure is not possible within thirty (30) days, by which Borrower must begin such cure and diligently perform such cure to completion within the additional period of time specified by Lender in such notice, and in no event later than the date that is ninety (90) days after the date of such notice.

For each Event of Default of which Lender is aware and for which Lender has not received a Borrower Default Notice, Lender shall give written notice to Borrower of such Event of Default ("Lender Default Notice") specifying: (a) the nature of the event or deficiency giving rise to the Event of Default, (b) whether such Event of Default is subject to cure, and the action required to cure the Event of Default, if applicable, and (c) if subject to cure, a date, which shall not be less than thirty (30) calendar days from the date of such Lender Default Notice or the date such Lender Default Notice was refused, by which such action to cure must be taken, or if Lender

determines that a cure is not possible within thirty (30) days, by which Borrower must begin such cure and diligently perform such cure to completion within the additional period of time specified by Lender in such Lender Default Notice, and in no event later than the date that is ninety (90) days after the date of such Lender Default Notice. The Lender has the sole discretion to determine whether an Event of Default is curable and, if curable the reasonable time needed to cure.

**6.2.2 LENDER'S REMEDIES.** Upon the happening of an Event of Default by Borrower and a failure to cure said Event of Default, if applicable, in accordance with Section 6.2 above, Lender's obligation to disburse PLHA Funds shall terminate, and Lender may also, in addition to other rights and remedies afforded to the County PLHA Loan Documents and applicable law, proceed with any or all of the following remedies in any order and combination Lender may choose in its sole discretion:

A. Terminate the County PLHA Loan Agreement, in which event the entire principal amount outstanding and all accrued interest under the County PLHA Loan Note, as well as any other monies advanced to Borrower by Lender under the County PLHA Loan Documents, including, but not limited to, administrative costs and relocation benefits described in Section 4.13 of the County PLHA Loan Agreement, shall immediately become due and payable by Borrower at the option of Lender;

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

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

D. Enter the Property and take any actions necessary in Lender's judgment to complete construction of the Project, including without limitation (1) making changes in the construction work as described in the Budget or other work or materials with respect to the Project, (2) entering into, modifying, or terminating any contractual arrangements (subject to Lender's right at any time to discontinue work without liability), and (3) taking any remedial actions with respect to Hazardous Materials that Lender deems necessary to comply with Hazardous Materials laws or to render the Property suitable for occupancy;

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

F. Order immediate stoppage of construction work and demand that any condition leading to the Event of Default be corrected before construction work may continue;



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

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

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

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

K. Pursue any other remedy allowed at law or in equity. Nothing in this Section 8.3 is intended or shall be construed as precluding Lender from proceeding with a nonjudicial foreclosure under the power of sale contained in the County PLHA Loan Deed of Trust in the Event of Default by Borrower and failure to cure, if applicable, as provided in Section 8.2, above.

Notwithstanding the foregoing or any other provision of this County PLHA Regulatory Agreement or any of the other County PLHA Loan Documents, in accordance with 2 CFR 200.338, suspension or termination of the County PLHA Loan Agreement may occur if Borrower materially fails to comply with any term of this County PLHA Regulatory Agreement.

**6.3 EVENT OF DEFAULT.** In the event that the Project fails to meet the PLHA affordability requirements included in this Agreement at any time during the Term, subject to applicable notice and cure periods under the County PLHA Loan Agreement, if any, such occurrence shall constitute an Event of Default by Owner hereunder and under the County PLHA Loan Agreement, the County PLHA Loan Note, and the other County PLHA Loan Documents.

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

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

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

**6.7 AGREEMENT CONTROLS.** In the event that any provision of this Agreement and that contained in any other County PLHA Loan Document conflict, the terms of this Agreement shall control and prevail.

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

**6.9 CONSENTS AND APPROVALS.** Any consent or approval of the Lender required under this Agreement shall not be unreasonably withheld. No consent or approval of Lender shall be effective unless in writing in advance and duly 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  
123 E Anapamu Street, 2<sup>nd</sup> Floor  
Santa Barbara, CA 93101  
Attn: Deputy Director

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

**Owner:** Good Samaritan Shelter  
245 East Inger Street, Suite 103B  
Santa Maria, CA 93454  
Attn: Executive Director

**6.11 BINDING UPON SUCCESSORS.** This Agreement shall be recorded in the records of the Santa Barbara County Recorder, and all provisions of this Agreement shall be binding upon and inure to the benefit of the permitted successors-in-interest, transferees, and assigns of the parties hereto, to the extent authorized herein and in the other County PLHA Loan Documents, and shall run with the land for the entirety of the Term, regardless of any assignment, payment, prepayment, expiration, extinguishment of the County PLHA Loan or County PLHA Loan Note, any reconveyance of the County PLHA Loan Deed of Trust, or any conveyance or other transfer of the Property or any portion thereof, whether directly or indirectly, by operation of law or otherwise; provided, however, that Owner shall not assign, delegate, or otherwise transfer, directly or indirectly, whether by operation of law or otherwise, in whole or in part, (i) the Property or any of Owner's interest therein, or (ii) this Agreement, or any of Owner's obligations or rights hereunder, without the prior written consent of Lender in each instance, and any such purported assignment, delegation, or transfer shall be null and void *ab initio*.

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

**6.13 WAIVER.** No waiver by the Lender with respect to this Agreement shall be effective unless in writing duly executed by Lender. No waiver shall be implied from any delay or failure by the Lender to take action on any breach or default of the Owner or to pursue any remedy allowed under this Agreement, any of the other County PLHA 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 Owner's obligations under this Agreement. Consent by the Lender to any act or omission by the Owner shall not be construed to be 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.** No amendment to or modification of this Agreement shall be effective unless in writing duly executed by both the Owner and the Lender.

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

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

IN WITNESS WHEREOF, County and Borrower have caused this Agreement to be executed by their respective duly authorized officers, effective as of the Effective Date.

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

By: \_\_\_\_\_  
DAS WILLIAMS  
Chair, Board of Supervisors

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

**BORROWER**  
Good Samaritan Shelter, a California nonprofit  
public benefit corporation

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

By: \_\_\_\_\_  
Sylvia Barnard  
Executive Director

**APPROVED AS TO FORM**  
RACHEL VAN MULLEM  
COUNTY COUNSEL

By: \_\_\_\_\_  
Deputy County Counsel

**APPROVED AS TO FORM:**  
RISK MANAGEMENT

By: \_\_\_\_\_  
GREGORY MILLIGAN, ARM, AIC  
Risk Manager

### ACKNOWLEDGMENT

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

State of California  
County of Santa Barbara

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

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

WITNESS my hand and official seal.

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

**ACKNOWLEDGMENT**

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

State of California  
County of Santa Barbara

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

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

WITNESS my hand and official seal.

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

Exhibit A

**LEGAL DESCRIPTION**

For APN/Parcel ID(s):117-831-030

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS: LOT 47 OF TRACT NO. 5760, CHERRY BLOSSOM RANCH, IN THE CITY OF SANTA MARIA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS PER MAP RECORDED MAY 8, 2000 IN BOOK 185, PAGES 12 THROUGH 17 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ALL MINERALS, METALS, PETROLEUM, NATURAL GAS AND ALL OTHER HYDROCARBONS, IN OR ON THE ABOVE DESCRIBED REAL PROPERTY OR BENEATH THE SURFACE THEREOF AND THE RIGHT TO EXTRACT, ALL OTHER HYDROCARBONS AND THE RIGHT TO USE AND POSSESSION OF SAID REAL PROPERTY FOR THE PURPOSE OF EXTRACTING, RECOVERING AND REMOVING SAID MINERALS, METALS, PETROLEUM, NATURAL GAS AND ALL OTHER HYDROCARBONS IN SO FAR AS THE USE AND POSSESSION OF SAID REAL PROPERTY.

**EXHIBIT B**  
**Indemnification and Insurance Requirements**  
**(For All Contracts with Good Samaritan)**

**INDEMNIFICATION**

CONTRACTOR agrees to indemnify, defend (with counsel reasonably approved by COUNTY) and hold harmless COUNTY and its officers, officials, employees, agents and volunteers from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person or entity and for any costs or expenses (including but not limited to attorneys' fees) incurred by COUNTY on account of any claim except where such indemnification is prohibited by law. CONTRACTOR'S indemnification obligation applies to COUNTY'S active as well as passive negligence but does not apply to COUNTY'S sole negligence or willful misconduct.

**NOTIFICATION OF ACCIDENTS AND SURVIVAL OF INDEMNIFICATION PROVISIONS**

CONTRACTOR shall notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement. The indemnification provisions in this Agreement shall survive any expiration or termination of this Agreement.

**INSURANCE**

CONTRACTOR shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the CONTRACTOR, its agents, representatives, employees or subcontractors.

**A. Minimum Scope of Insurance**

Coverage shall be at least as broad as:

- 1. Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.
- 2. Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONTRACTOR has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
- 3. Workers' Compensation:** Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
- 4. Professional Liability:** (Errors and Omissions) Insurance appropriate to the CONTRACTOR'S profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

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

**B. Other Insurance Provisions**

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



**1. Additional Insured** – COUNTY, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the CONTRACTOR'S insurance at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

**2. Primary Coverage** – For any claims related to this contract, the CONTRACTOR'S insurance coverage shall be primary insurance primary coverage at least as broad as ISO CG 20 01 04 13 as respects the COUNTY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the COUNTY, its officers, officials, employees, or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it.

**3. Notice of Cancellation** – Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the COUNTY.

**4. Mutual Waiver of Workers' Compensation Subrogation Rights** – Notwithstanding anything in this Agreement to the contrary, COUNTY hereby releases and waives unto CONTRACTOR, including its officers, directors, employees and agents, and CONTRACTOR hereby releases and waives unto COUNTY, including its officers, directors, employees and agents, all rights to claim damages for any workers' compensation injury, loss, cost or damage to persons, as long as the amount of such injury, loss, cost or damage has been paid either to or by COUNTY, CONTRACTOR, or any other person, firm or corporation, under the terms of any workers' compensation policy of insurance. Each party shall have its Workers' Compensation policy endorsed with a waiver of subrogation in favor of the other party for all work performed by the either party, its officers, directors, employees and agents. **Each party shall provide the other party with the required insurance endorsement that amends the workers' compensation insurance policy.**

**5.** As respects all workers' compensation policies of insurance carried or maintained pursuant to this Agreement and to the extent permitted under such policies, COUNTY and CONTRACTOR, each waive the insurance carriers' rights of subrogation. For purposes of this provision, insurance proceeds paid to either party shall be deemed to include any deductible or self-insurance retention amount for which that party is responsible. A party's failure to obtain or maintain any insurance coverage required pursuant to the terms of this Agreement shall not negate the waivers and releases set forth herein, as long as the insurance that the party failed to obtain or maintain would have covered the loss or damage for which the party is waiving its claims.

**6. Deductibles and Self-Insured Retention** – Any deductibles or self-insured retentions must be declared to and approved by the COUNTY. The COUNTY may require the CONTRACTOR to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

**7. Acceptability of Insurers** – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of "A- VII".

**8. Verification of Coverage** – CONTRACTOR shall furnish the COUNTY with proof of insurance, original certificates and amendatory endorsements as required by this Agreement. The proof of insurance, certificates and endorsements are to be received and approved by the COUNTY before work commences. However, failure to obtain the required documents prior to

the work beginning shall not waive the CONTRACTOR'S obligation to provide them. The CONTRACTOR shall furnish evidence of renewal of coverage throughout the term of the Agreement. The COUNTY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

**9. Failure to Procure Coverage** – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, COUNTY has the right but not the obligation or duty to terminate the Agreement. Maintenance of required insurance coverage is a material element of the Agreement and failure to maintain or renew such coverage or to provide evidence of renewal may be treated by COUNTY as a material breach of contract.

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

**11. Claims Made Policies** – If any of the required policies provide coverage on a claims-made basis:

i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.

iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the CONTRACTOR must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

**12. Special Risks or Circumstances** – COUNTY reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. CONTRACTOR agrees to execute any such amendment within thirty (30) days of receipt. Indemnification and Insurance Requirements (For All Contracts with Good Samaritan) 2022 03 02

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

## EXHIBIT F

### Indemnification and Insurance Requirements (For All Contracts with Good Samaritan)

#### INDEMNIFICATION

CONTRACTOR agrees to indemnify, defend (with counsel reasonably approved by COUNTY) and hold harmless COUNTY and its officers, officials, employees, agents and volunteers from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person or entity and for any costs or expenses (including but not limited to attorneys' fees) incurred by COUNTY on account of any claim except where such indemnification is prohibited by law. CONTRACTOR'S indemnification obligation applies to COUNTY'S active as well as passive negligence but does not apply to COUNTY'S sole negligence or willful misconduct.

#### NOTIFICATION OF ACCIDENTS AND SURVIVAL OF INDEMNIFICATION PROVISIONS

CONTRACTOR shall notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement. The indemnification provisions in this Agreement shall survive any expiration or termination of this Agreement.

#### INSURANCE

CONTRACTOR shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the CONTRACTOR, its agents, representatives, employees or subcontractors.

##### A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONTRACTOR has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation:** Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. **Professional Liability:** (Errors and Omissions) Insurance appropriate to the CONTRACTOR'S profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the CONTRACTOR maintains broader coverage and/or higher limits than the minimums shown above, the COUNTY requires and shall be entitled to the broader

coverage and/or the higher limits maintained by the CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the COUNTY.

B. Other Insurance Provisions

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

1. **Additional Insured** – COUNTY, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the CONTRACTOR'S insurance at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).
2. **Primary Coverage** – For any claims related to this contract, the CONTRACTOR'S insurance coverage shall be primary insurance primary coverage at least as broad as ISO CG 20 01 04 13 as respects the COUNTY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the COUNTY, its officers, officials, employees, or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it.
3. **Notice of Cancellation** – Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the COUNTY.
4. **Mutual Waiver of Workers' Compensation Subrogation Rights** – Notwithstanding anything in this Agreement to the contrary, COUNTY hereby releases and waives unto CONTRACTOR, including its officers, directors, employees and agents, and CONTRACTOR hereby releases and waives unto COUNTY, including its officers, directors, employees and agents, all rights to claim damages for any workers' compensation injury, loss, cost or damage to persons, as long as the amount of such injury, loss, cost or damage has been paid either to or by COUNTY, CONTRACTOR, or any other person, firm or corporation, under the terms of any workers' compensation policy of insurance. Each party shall have its Workers' Compensation policy endorsed with a waiver of subrogation in favor of the other party for all work performed by the either party, its officers, directors, employees and agents. **Each party shall provide the other party with the required insurance endorsement that amends the workers' compensation insurance policy.**
5. As respects all workers' compensation policies of insurance carried or maintained pursuant to this Agreement and to the extent permitted under such policies, COUNTY and CONTRACTOR, each waive the insurance carriers' rights of subrogation. For purposes of this provision, insurance proceeds paid to either party shall be deemed to include any deductible or self-insurance retention amount for which that party is responsible. A party's failure to obtain or maintain any insurance coverage required pursuant to the terms of this Agreement shall not negate the waivers and releases set forth herein, as long as the insurance that the party failed to obtain or maintain would have covered the loss or damage for which the party is waiving its claims.

6. **Deductibles and Self-Insured Retention** – Any deductibles or self-insured retentions must be declared to and approved by the COUNTY. The COUNTY may require the CONTRACTOR to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
7. **Acceptability of Insurers** – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of "A- VII".
8. **Verification of Coverage** – CONTRACTOR shall furnish the COUNTY with proof of insurance, original certificates and amendatory endorsements as required by this Agreement. The proof of insurance, certificates and endorsements are to be received and approved by the COUNTY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the CONTRACTOR'S obligation to provide them. The CONTRACTOR shall furnish evidence of renewal of coverage throughout the term of the Agreement. The COUNTY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
9. **Failure to Procure Coverage** – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, COUNTY has the right but not the obligation or duty to terminate the Agreement. Maintenance of required insurance coverage is a material element of the Agreement and failure to maintain or renew such coverage or to provide evidence of renewal may be treated by COUNTY as a material breach of contract.
10. **Subcontractors** – CONTRACTOR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CONTRACTOR shall ensure that COUNTY is an additional insured on insurance required from subcontractors.
11. **Claims Made Policies** – If any of the required policies provide coverage on a claims-made basis:
  - i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
  - ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.
  - iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the CONTRACTOR must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
12. **Special Risks or Circumstances** – COUNTY reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

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

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

Exhibit G

PROPERTY MANAGEMENT PLAN

PROJECT: 2260 Tree Line  
Santa Maria, CA 93458

**Tree Line GPD Veteran Transitional Housing Management Plan**

**Selection and Qualification of Eligible Program Beneficiaries:**

Good Samaritan Shelter will identify eligible Program Beneficiaries internally as well as through referral from external community partners. Such agencies may include, but are not limited to, Domestic Violence Solutions, North County Rape Crisis Center, local law enforcement authorities, and the Santa Barbara County District Attorney's office, among others.

Good Samaritan Shelter will conduct intake and insure that Program Beneficiaries qualify as Permanent Local Housing Allocation Program ("PLHA") Limited Clientele as being homeless.

Good Samaritan Shelter will maintain documentation confirming that each Program Beneficiary is homeless in order to qualify for participation in the Tree Line GPD Veteran Transitional Housing Program ("Program"), and will maintain related client program files, which may include income documentation, if any, personal identifying information, and related records necessary to participate in the Transitional Housing Program and benefit from supportive services provided.

Good Samaritan Shelter shall maintain such client records in a safe, secure manner, and take all necessary and appropriate measures to ensure strict confidentiality of such records in compliance with all applicable laws. To the greatest extent possible, Good Samaritan Shelter will ensure that its project partners adhere to strict policies of client confidentiality, and may execute agreements with partners to this effect. Good Samaritan Shelter shall not disclose any confidential client information other than in compliance with all applicable laws.

**Records and Reports**

Good Samaritan Shelter will deliver to the County of Santa Barbara ("County") all reports, information, and records requested by the County in accordance with that certain County PLHA Loan Agreement by and between the County and Good Samaritan Shelter dated November 7, 2023 ("Loan Agreement"), and the County PLHA Loan Regulatory Agreement referenced therein and by and between the County and Good Samaritan Shelter dated on or about November 7, 2023 ("Regulatory Agreement"). Such records, reports and information that Good Samaritan Shelter provides to County will be deidentified (as defined under HIPAA and the CCPA) to protect strict confidentiality and security of clients.

In addition to reports requested under and specified in the Loan Agreement, the County may request from Good Samaritan Shelter, and Good Samaritan Shelter shall provide upon such request(s), information in order to report on the PLHA program funding through the federal Housing and Urban Development Department's ("HUD") Integrated Disbursement and Information System ("IDIS"), and will

maintain such records, reports and information in confidential and secure locations, including electronic files.

Good Samaritan Shelter will work internally and through community partnerships to secure identified needed supportive services for Program clients; such services may be required as a condition of client Program participation.

Good Samaritan Shelter will insure that clients participating in the Program will be allowed to remain for a period of up to two (2) years. The maximum number of Program clients at any point in time is five (5) Limited Clientele, with a designation of one Veteran per room (5 rooms total). In the event that a client requests, or Good Samaritan Shelter deems it necessary for a client, to participate in the Program for a period longer than two years, such Program participation extension request shall be subject to prior written approval from the County and HUD in accordance with the Loan Agreement.

**Property Management and Asset Management:**

Good Samaritan Shelter assumes all responsibility for oversight of property management of Tree Line GPD Veteran Transitional Housing, including oversight and management of all client activities, records and information, day-to-day operations, rent collection, if any, procurement and payment of services, and maintenance of and improvements to the property, including utility services. To the greatest extent feasible, Good Samaritan Shelter will implement policies and procedures ensuring that outside vendors respect Program client confidentiality, and treat Program client information with strict confidentiality.

Good Samaritan Shelter assumes responsibility for all of the following in connection with day-to-day property management and Program operations: hiring, either directly or through contract, of house managers, case workers, and other program support personnel; payment of wages and all benefits; and maintenance of employee-related and contractor-related records and documents.

Good Samaritan Shelter assumes responsibility of applying for, attaining, and overseeing all external program funding sources that will assist in operating the property or the Program, including, but not limited to, private funding sources and local, state, and federal public funding sources that will support Project operations. Santa Barbara County assumes no responsibility in connection with such external funding sources, but may provide letters of support.

Good Samaritan Shelter will conduct Program and property operations consistent with the requirements articulated in the Loan Agreement and the Regulatory Agreement.

**Asset Management:**

For the Twelve-year (12) term of the Regulatory Agreement, Good Samaritan Shelter will ensure that the integrity, condition, and quality of the Property and all improvements thereon are maintained in good condition, and that building systems are adequately maintained and improved as needed and may be necessary, including major building systems, electrical, heating and air, mechanical, plumbing, roof structures and others, as well as insuring adequate Americans with Disabilities Act (ADA) access requirements and improvements, in accordance with the Regulatory Agreement. All such maintenance and improvement work shall be conducted with local permitting in place, and shall comply with prevailing State of California Building Codes and Standards. All records, reports, and expenditures in



connection with the Program shall be maintained as part of the Project files and promptly provided to Santa Barbara County upon written request.

The PLHA Deed of Trust articulates fully, to the extent feasible, those assets and related property elements in this regard, as security for the County PLHA Loan.

**Affirmative marketing; minority outreach program.**

**(a) *Affirmative marketing.***

(1) Good Samaritan Shelter must adopt and follow affirmative marketing procedures and requirements for the Project in compliance with all HUD and State of California Department of Housing and Community Development HOME Investment Partnerships Program regulations, requirements, and guidelines. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status, or disability. If participating jurisdiction's written agreement with the project owner permits the rental housing project to limit tenant eligibility or to have a tenant preference in accordance with § 92.253(d)(3), the participating jurisdiction must have affirmative marketing procedures and requirements that apply in the context of the limited/preferred tenant eligibility for the project.

(2) The affirmative marketing requirements and procedures adopted must include:

(i) Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the participating jurisdiction's affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners, and written communication to fair housing and other groups);

(ii) Requirements and practices each subrecipient and owner must adhere to in order to carry out the participating jurisdiction's affirmative marketing procedures and requirements (e.g., use of commercial media, use of community contacts, use of the Equal Housing Opportunity logotype or slogan, and display of fair housing poster);

(iii) Procedures to be used by subrecipients and owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing program or the housing without special outreach (e.g., through the use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies);

(iv) Records that will be kept describing actions taken by the participating jurisdiction and by subrecipients and owners to affirmatively market the program and units and records to assess the results of these actions; and

(v) A description of how the participating jurisdiction will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

(3) Good Samaritan Shelter certifies and warrants that it has adopted affirmative marketing procedures and requirements that meet the requirement in paragraphs (a) and (b) of this section.

(b) **Minority outreach.** A participating jurisdiction must prescribe procedures acceptable to HUD to establish and oversee a minority outreach program within its jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction. Section 200.321 of title 2 Code of Federal Regulations describes actions to be taken by a participating jurisdiction to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services. Good Samaritan Shelter shall comply with all the requirements described above as imposed on the “participating jurisdiction” as likewise required of Good Samaritan.

Exhibit H  
EXHIBIT C

EXPENDITURE SUMMARY AND PAYMENT REQUEST (ESPR)

**FY 2022 - 23**  
July - June

**INSTRUCTIONS: Complete tab 2 first, then complete only the yellow shaded cells on tab 1. Print, sign and submit**

Agency Name Good Samaritan Shelter Invoice/Request # \_\_\_\_\_ Revised   
 Program Name Veterans Home Acquisition and Improvements II-2260 Tree Line Drive, Santa Maria  
 Address 245 East Inger St., Ste 103B, Santa Maria, ca. 93454  
 Contact Person Sylvia Bernard, Executive Director  
 Phone (805) 623-5304  
 Email Sylvia.Barnard@goodsamshelter@gmail.com

Date Submitted \_\_\_\_\_  
 Check one:  PLHA  HOME-ARP   
 IDIS # \_\_\_\_\_  
 HCD Project # \_\_\_\_\_  
 PO/Contract No \_\_\_\_\_  
 Report Period: \_\_\_\_\_  
 Month \_\_\_\_\_  
 Quarter  Qtr 1 (July - Sep)  Qtr 2 (Oct - Dec)  Qtr 3 (Jan - Mar)  Qtr 4 (Apr - Jun)  
 Expiration Date June 30, 2023  
 (enter month for capital projects and quarter for public services)

SUBMIT COMPLETED FORM TO Carlos Jimenez Housing Program Specialist  
 Phone: 805-568-3529 Email: cjimenez@countvofisb.org

I. GRANT BUDGET AND EXPENDITURES

BUDGET LINE ITEM	ACTIVITY	TOTAL GRANT BUDGET	TOTAL OF PREVIOUS DRAWDOWNS	REQUESTED DRAWDOWN THIS PERIOD	NEW AVAILABLE BALANCE
Cat 1 Acquisition	Home Purchase, 2260 Tree Line Drive	\$ 325,000.00		\$ -	\$ 325,000.00
Cat 2				\$ -	\$ -
<b>TOTAL</b>		\$ 325,000.00		\$ -	\$ -

Check this box if this is the final payment. Any balances will be rescinded and returned to the County.

Certification:

I certify to the best of my knowledge and belief that this report is true and complete, and I have reviewed all supporting documentation. Disbursements have been made for the purpose and conditions of this grant and have not been paid by any other source.

Manager / Fiscal Officer

Name

Title

Administrator / Executive Director

Name

Title

Signature

Date

Signature

Date

Public Service programs: Payment requests are due for each quarter by the 10th of the month following quarter end.

Capital Projects: Payment requests are due monthly by the 10th of the month following the reporting month.

This form has been tailored for the funding year noted in the upper-right corner of this form. Other ESPR forms are obsolete.