

ATTACHMENT B

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

NO FEE DOCUMENT

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

Redevelopment Agency of the
County of Santa Barbara
105 East Anapamu Street, Room 105
Santa Barbara, CA 93101
Attn: Executive Director

NO FEE DOCUMENT PURSUANT TO
GOVERNMENT CODE SECTION 6103

**REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS**

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is made and entered into as of _____, 2009, by and between the County of Santa Barbara Redevelopment Agency, a public body, corporate and politic ("Agency") and the Developer, Paradise Ivy, LLC ("Developer").

RECITALS

A. These Recitals utilize certain capitalized terms that are defined in Article 1 of this Agreement. The parties intend to refer to those definitions in connection with their use in these Recitals.

B. Pursuant to authority granted under the California Community Redevelopment Law, the Agency is charged with administration and enforcement of the Redevelopment Plan for the Isla Vista Project Area adopted by the Board of Supervisors of the County of Santa Barbara by Ordinance No. 3894 on November 27, 1990 (the "Plan"). The Plan affects the development and use of real property located within the Isla Vista Redevelopment Project Area (the "Project Area"). The area which is the subject of this Agreement is within the Project Area. This Agreement is subject to the terms and conditions of the Plan.

C. The Agency wishes to promote the development of more affordable rental housing in the Project Area and provide a greater choice of housing opportunities for persons and families of low income.

D. Developer proposes to construct twenty four (24) residential studio units and 6,350 square feet of commercial space in a new four story mixed use building located at 909 Emarcadero del Mar in Isla Vista, Santa Barbara County, California, as more particularly described in Exhibit A.

E. When the County approved the development of the Property pursuant to 05DVP-00000-00027 and 07CUP-00000-00036 the County placed upon the Project the requirement that 6 of the 24 housing units would be available for rent by low income residents for 55 years.

F. The Agency has agreed to loan funds to Developer on the condition that the Development be maintained and operated in accordance with Health and Safety Sections 33334.2 *et seq.*, and in accordance with additional restrictions concerning affordability, operation, and maintenance of the Development, as specified in this Agreement.

G. In consideration of receipt of the Loan and other assistance granted to the Development by the Agency and Developer have further agreed to observe all the terms and conditions set forth below.

NOW THEREFORE, IN CONSIDERATION of the mutual agreements, obligations, and representations, and in further consideration for the making of the Loan, Developer and Agency hereby agree as follows:

ARTICLE 1. DEFINITIONS

1.1 Definitions. When used in this Agreement, the following terms shall have the respective meanings assigned to them in this Article 1.

(a) "Adjusted Income" shall mean the total anticipated annual income of all persons in a household, as calculated by the County of Santa Barbara Housing and Community Development Department..

(b) "Agency" shall mean the County of Santa Barbara Redevelopment Agency, a public body, corporate and politic.

(c) "Agreement" shall mean this Regulatory Agreement and Declaration of Restrictive Covenants.

(d) "Area Median Income" shall mean the median income for the Santa Barbara/Santa Maria/Lompoc Primary Metropolitan Statistical Area, with adjustments for household size, as determined from time to time by the United States Department of Housing and Urban Development ("HUD") pursuant to the United States Housing Act of 1937, as amended, or such other method of median income calculation applicable to the Agency that HUD may hereafter adopt in connection with said Act.

(e) "County" shall mean the County of Santa Barbara, political subdivision of the State of California.

(f) "Deed of Trust" shall mean the deed of trust executed by the Developer in favor of the Agency and recorded against the Developer's interest in the Property which secures repayment of the Loan and performance of this Agreement.

(g) "Developer" shall mean Paradise Ivy, a California limited liability company, and its authorized representatives, assigns, transferees, or successors-in-interest thereto.

(h) "Insurance Requirements" means the insurance coverage which must be in full force and effect during the construction work and during the term of this regulatory agreement set forth in Exhibit B.

(i) "Loan" shall mean all funds loaned to Developer by the Agency pursuant to the Loan Agreement.

(j) "Low Income Household" shall mean a household with an Adjusted Income that does not exceed seventy-five percent (75%) of the Area Median Income.

(k) "Note" shall mean the promissory note from the Developer to the Agency evidencing all or any part of the Loan.

(l) "Project" shall mean means the construction of a residential and commercial mixed use building at 909 Embarcadero del Mar in Isla Vista, Santa Barbara County, California.

(m) "Property" shall mean that certain real property and improvements consisting of construction of a new building at 909 Embarcadero del Mar in Isla Vista, Santa Barbara County, California, as more particularly described in Exhibit A, which is incorporated into this Loan Agreement by this reference.

(n) "Qualifying Household" means a household that qualifies as a Low Income household.

(o) "Rent" shall mean the total of monthly payments by the tenants of a Unit for the following: use and occupancy of the Unit and land and associated facilities, including parking; any separately charged fees or service charges assessed by Developer which are required of all tenants, other than security deposits; the cost of an adequate level of service for utilities paid by the tenant, including (to the extent paid for by the tenant) garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuel, but not cable or telephone service.

(p) "Restricted Unit" shall mean any of the six Units which, pursuant to Section 2.1(a) below, are required to be occupied by Low Income Households.

(q) "Tenant" shall mean a household occupying a Unit.

(r) "Term" shall mean the period of time beginning on the date that a final certificate of occupancy is recorded for the Project and ending fifty-five (55) years following that date.

(s) "Unit" shall mean any of the twenty four (24) rental units on the Property.

ARTICLE 2.
AFFORDABILITY COVENANTS

2.1 Occupancy Requirements.

(a) Restricted Units. Six (6) Units in the Property shall be rented to and occupied by or, if vacant, available for occupancy by Low Income Households.

2.2 Allowable Rent.

Low Income Rent. Subject to the provisions of Section 2.3 below, for each Restricted Unit, the total charges for monthly rent, utilities, and related services to each Low Income Household shall not exceed one-twelfth (1/12) of thirty percent (30%) of seventy-five percent (75%) of Median Income as determined by HUD. Maximum rents for each Assisted Unit shall be set by the Agency at the time of initial occupancy of the Project. Allowable annual rent increases shall be calculated by Agency. Households occupying Assisted Units shall be given at least sixty (60) days written notice prior to any rent increase.

2.3 Increased Income of Low Income Households Occupying Restricted Units.

Non-Qualifying Low Household. In the event that recertification of a household occupying a Restricted Unit indicates that the household's Adjusted Income exceeds the qualifying income for a Restricted Unit, then the next Unit in the Property that becomes vacant ("Next Available Unit") shall be marketed and rented to a Low Income Household at a Low Income Rent. Upon rental of the next available unit to a Low Income Household, the rent restrictions of this subsection 3.3.B. shall no longer apply with respect to the Assisted Unit that experienced the increase in income.

2.4 Lease Provisions. Developer shall include in leases for all Restricted Units provisions which authorize Developer to immediately terminate the tenancy of any household one or more of whose members misrepresented any fact material to the household's qualification as a Low Income Household. The Developer shall include in all leases for Restricted Units provisions which prohibit the household from subleasing the Restricted Unit. In addition, the Developer shall require that each household leasing a Restricted Unit execute a declaration of intent to occupy which shall require the household to occupy the Restricted Unit as the household's primary residence. Each lease of Restricted Units shall also provide that the household is subject to annual certification, and that, if the household's income increases above the limits for a Low Income Household, such household's Rent may be subject to increase.

2.5 Prohibited Lease Provisions. Leases of Restricted Units may not contain any of the following provisions:

1. An agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the Developer in a lawsuit brought in connection with the lease;

2. An agreement by the tenant that Developer may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the Unit after the tenant has moved out of the Unit. In such a case, Developer may dispose of this personal property in accordance with State law;
3. An agreement by the tenant not to hold Developer or Developer's agent legally responsible for any action or failure to act, whether intentional or negligent;
4. An agreement of the tenant that Developer may institute a lawsuit without notice to tenant;
5. An agreement by the tenant to waive any right to a trial by jury;
6. An agreement by the tenant to waive the tenant's right to appeal, or otherwise challenge in court, a court decision in connection with the lease; or
7. An agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by Developer against the tenant. The tenant however may be obligated to pay costs if the tenant loses.

2.6 Tenant Certification. Developer may only lease Restricted Units to tenants who have been income certified by the Agency.

2.7 Condominium Conversion. The Developer shall not convert Units to condominium or cooperative ownership or sell condominium or cooperative conversion rights to the Property during the Term of this Agreement.

2.8 Marketing Plan Developer shall comply with the terms of the Marketing Plan which is attached to the Owner Participation Agreement entered into by and between Developer and Agency concerning the Property.

ARTICLE 3. INCOME CERTIFICATION AND REPORTING

3.1 Income Certification. The income levels and other qualifications of applicants for the Assisted Units shall be certified in accordance with standards, policies and procedures currently used by the County of Santa Barbara Housing and Community Development Department and as amended from time-to-time. Developer shall comply with the Certification Procedures and shall certify tenants of Assisted Units within ninety (90) days of the household's expected occupancy of one of the Assisted Units and at least annually thereafter.

3.2 Annual Report to Agency. Each year Developer shall submit an annual report to the Agency, in a form approved by the Agency. The annual report shall include for each

Restricted Unit, the Rent and the income and household size of the household occupying the restricted Unit. The report shall also state the date the tenancy commenced for each rental Restricted Unit and such other information as the Agency may require.

3.3 Additional Information. Developer shall provide any additional information reasonably requested by the Agency with respect to the Developer's compliance with the terms of this Agreement. The Agency shall have the right to examine and make copies of all books, records or other documents of Developer which pertain to any Restricted Unit to determine compliance with this Agreement.

3.4 Records. The Developer shall maintain complete, accurate and current records pertaining to the Development, and shall permit any duly authorized representative of the Agency to inspect records, including records pertaining to income and household size of Tenants in Low Income Households. All household lists, applications and waiting lists relating to Low Income Units shall at all times be kept separate and identifiable from any other business of the Developer and shall be maintained as required by the Agency, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Agency. The Developer shall retain copies of all materials obtained or produced with respect to occupancy of the Low Income Units for a period of at least three (3) years.

3.5 Tenant Selection. Before marketing or leasing any Restricted Unit, the Developer shall provide Agency for its review and approval the Developer's written tenant selection plan.

ARTICLE 4. OPERATION OF THE DEVELOPMENT

4.1 Taxes and Assessments. The Developer shall pay when due all real property taxes and assessments assessed and levied on the Property and the Development, and shall remove any levy or attachment made on the Property or the Development. The Developer may, however, contest the validity or amount of any tax, assessment, or lien on the Property and the Development. The Developer shall not apply for a property tax exemption for the Property during the term of this Agreement.

4.2 Nondiscrimination. The Developer covenants by and for itself and its successors and assigns that, there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Units. Nor shall the Developer or any person claiming under or through the Developer establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, vendees or employees in the Property. The foregoing covenant shall run with the land and shall remain in effect in perpetuity.

4.3 Section 8 Certificate Holders. Developer will accept as tenants of Restricted Units, 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. Developer shall not apply selection criteria to Section 8 certificate or voucher holders that is more burdensome than criteria applied to all other prospective tenants, nor shall the Owner apply or permit the application of management policies or lease provisions with respect to the Development which have the effect of precluding occupancy of Restricted Units by such prospective tenants.

ARTICLE 5. PROPERTY MANAGEMENT AND MAINTENANCE

5.1 Management Responsibilities. The Developer is responsible for all management functions with respect to the Development, including without limitation the selection of tenants, certification and recertification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The Agency shall have no responsibility over management of the Development.

5.2 Property Maintenance. The Developer shall cause the Property and the Project, including landscaping to be maintained and repaired consistent with requirements and in a condition reasonably acceptable to the Agency during the Term, including but not limited to cleaning, painting, plumbing, carpentry, grounds care and such other maintenance and repairs as may be necessary. If there arises a condition in contravention of this Section 5.2, and if the Developer has not cured such condition within thirty (30) days after receiving an Agency notice of such a condition or such longer period of time as is reasonably necessary in the reasonable discretion of the Agency, then the Agency shall have the right to perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Property, subject to the rights of any senior lenders.

ARTICLE 6. MISCELLANEOUS

6.1 Term. The provisions of this Agreement shall apply to the Property for the entire fifty five year term even if the entire Loan is paid in full prior to the end of the Term; provided, however, that the provisions of Section 4.2 of this Agreement shall run with the Property and shall remain in effect in perpetuity. This Agreement shall bind any successor, heir or assign of Developer, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by the Agency. The Agency makes the Loan on the condition, and in consideration of, this provision, and would not do so otherwise.

6.2 Covenants to Run With the Land. The Agency and Developer hereby declare their express intent that the covenants and restrictions set forth in this Agreement shall run with the land, and shall bind all successors in title to the Property, provided, however, that on the expiration of the Term of this Agreement said covenants and restrictions shall expire. Each and

every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the Agency expressly releases such conveyed portion of the Property from the requirements of this Agreement.

6.3 Enforcement by the Agency. If Developer fails to perform any obligation under this Agreement, and fails to cure the default within thirty (30) days after the Agency has notified the Developer in writing of the default or, if the default cannot be cured within thirty (30) days, failed to commence to cure within thirty (30) days and thereafter diligently pursue such cure, the Agency shall have the right to enforce this Agreement by any remedy provided by law.

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

- (a) Bring an action in equitable relief seeking the specific performance by the Owner of the terms and conditions of this Agreement, and/or enjoining, abating, or preventing any violation of said terms and conditions, and/or seeking declaratory relief;
- (b) Enter upon, take possession of, and manage the Property and the Development, either in person, by agent, or by a receiver appointed by a court, and collect any rents, income, deposits, or reserves and apply them to operate the Property;
- (c) After notice provided for herein, make such repairs or replacements to the Property and Development as are necessary and provide for payment thereof;
- (d) After the notice provided for herein, seek the liquidated damages set forth below; or
- (e) Pursue any other remedy provided under the Owner Participation Agreement or allowed at law or in equity.

6.5 Recording and Filing. The Agency and Developer shall cause this Agreement, and all amendments and supplements to it, to be recorded against the Property in the Official Records of the County of Santa Barbara.

6.6 Subordination. This Agreement shall not be subordinated in priority.

6.7 Governing Law. This Agreement shall be governed by the laws of the State of California.

6.8 Amendments. This Agreement may be amended only by a written instrument executed by all the parties hereto or their successors in title, and duly recorded in the real property records of the County of Santa Barbara, California.

6.9 Notices, Demands and Communications. Formal notices, demands, and communications among the Agency, and the Developer shall be sufficiently given if, and shall not be deemed given unless, secured personally, or dispatched by certified mail, return receipt requested, or by facsimile transmission or reputable overnight delivery service with a receipt showing date of delivery, to the principal offices of the Agency and the Developer as follows:

AGENCY: Housing and Community Development
 105 East Anapamu St., Suite 105
 Santa Barbara, CA 93101-2065

With a copy to: Office of the County Counsel
 105 E Anapamu Street, Room 406
 Santa Barbara, CA 93101-2065

DEVELOPER: Paradise Ivy, LLC
 P.O. Box 4836
 Santa Barbara, California 93140
 Attn: Tim Werner

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section 6.8. Delivery shall be deemed to have occurred at the time indicated on the receipt for delivery or refusal of delivery.

6.10 Capitalized Terms. Any capitalized terms not defined herein shall have the meaning attributed to them in the Loan Agreement.

6.11 Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions of this Agreement shall not in any way be affected or impaired thereby.

6.12 Non-Liability of Officials, employees and Agents. No officers, directors, employees and agents of the Agency shall be personally liable to the Developer for any obligation created under the terms of this Agreement.

6.13 Indemnity. The Developer hereby agrees to defend, indemnify and save harmless the Agency for any claim or liability arising out of this Agreement and to abide by and to procure and maintain insurance in accordance with the provisions of Exhibit B attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the Agency and Developer have executed this Agreement by duly authorized representatives, all on the date first written above.

APPROVED AS TO FORM:

DENNIS A. MARSHALL
AGENCY COUNSEL

By: _____
Deputy County Counsel

AGENCY:
Redevelopment Agency of the County of
Santa Barbara, a public body corporate and
politic

By: _____
Joseph Centeno
Its: Chair
Signatures must be notarized

APPROVED AS TO FORM:

BOB GEIS
AGENCY TREASURER

By: _____
Senior Financial Analyst

DEVELOPER

PARADISE IVY, LLC
a California limited liability company

By: _____
Tim Werner

AND

By: _____
Richard Gilman

Signatures must be notarized

EXHIBIT A
PROPERTY DESCRIPTION

Legal Description of Property

PARCEL ONE:

PARCEL "C" IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SAID PARCEL IS SHOWN AS DESIGNATED ON PARCEL MAP NO. 10651 FILED IN BOOK 2, PAGE 69 OF PARCEL MAPS, IN THE OFFICIAL RECORDS OF SAID COUNTY.

PARCEL TWO:

THE EASTERLY 10 FEET OF LOT 2, BLOCK "J" IN THE OCEAN TERRACE TRACT IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 15, PAGES 101, 102, AND 103 OF MAPS, RECORDS OF SAID COUNTY, AND THAT PORTION OF THE NORTHERLY 30 FEET OF SAID LOT 2 LYING EASTERLY OF THE NORTHERLY PROLONGATION OF THE WESTERLY LINE OF PARCEL ONE ABOVE DESCRIBED.

*****END OF LEGAL DESCRIPTION*****

EXHIBIT B
INSURANCE AND INDEMNITY

STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS for contracts NOT requiring professional liability insurance

INDEMNIFICATION

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

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

INSURANCE

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

1. **Workers' Compensation Insurance:** Statutory Workers' Compensation and Employers Liability Insurance shall cover all CONTRACTOR's staff while performing any work incidental to the performance of this Agreement. The policy shall provide that no cancellation, or expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after receipt of such notice by the COUNTY. In the event CONTRACTOR is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if CONTRACTOR has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Agreement and CONTRACTOR submits a written statement to the COUNTY stating that fact.

2. **General and Automobile Liability Insurance:** The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations of CONTRACTOR and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by the CONTRACTOR in the indemnity and hold harmless provisions [above] of the Indemnification Section of this Agreement between COUNTY and CONTRACTOR. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of CONTRACTOR pursuant to CONTRACTOR's activities hereunder. CONTRACTORS shall require all subcontractors to be included under its policies or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. COUNTY, its officers, agents, and employees shall be Additional Insured status on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each shall be included in the policies. A copy of the endorsement evidencing that the policy has been

**STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS
for contracts NOT requiring professional liability insurance**

changed to reflect the Additional Insured status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Any deductible or Self-Insured Retention {SIR} over \$10,000 requires approval by the COUNTY.

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

"Such insurance as is afforded by this policy shall be primary and if the COUNTY has other valid and collectible insurance, that other insurance shall be excess and non-contributory."

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

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

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

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