**Recording requested by:**
**CITY OF GUADALUPE**
**COMMUNITY REDEVELOPMENT AGENCY**

**When recorded mail to:**
**City of Guadalupe**
**Community Redevelopment Agency**
**918 Obispo Street**
**Guadalupe, CA 93434**
**Attn.: Executive Director**

COPY

# MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("Memorandum") is entered into as of this 29 day of December 2008, by and between the City of Guadalupe Community Redevelopment Agency ("Agency") and Cornelis Pieter de Groot ("Grantee") with respect to that certain Conditional Grant Agreement ("Agreement") dated December 29, between the Agency and Grantee. This Memorandum shall provide notice of the existence of the unrecorded Agreement which contains terms, conditions and covenants affecting that certain real property owned by Grantee and located at 910 Guadalupe Street in Guadalupe, California and more particularly described on Exhibit A attached hereto ("Property"). Unless and until released by the Agency, the terms, conditions, and covenants of Grantee contained in the Agreement shall run with the land, and shall be binding on its successors, heirs, and/or assigns for a period of five (5) years from the date of completion of the Work called for under the Agreement. Further, such terms, conditions, and covenants shall to the fullest extent permitted by law and equity, be binding for the benefit and in favor of, and enforceable by the Agency, its successors and assigns against the Grantee, it successors and assigns.

This Memorandum shall incorporate herein all of the terms, covenants and conditions of the Agreement as though fully set forth herein. A copy of the Agreement is available at the City of Guadalupe Community Redevelopment Agency, 918 Obispo Street, Guadalupe, California. This Memorandum is recorded solely for the purpose of providing notice of the Agreement and shall not be deemed to alter, modify, amend or supplement the terms, covenants and conditions of the Agreement, of which this is a memorandum.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]

Executed on 1/15/09, 200__, at Guadalupe, Santa Barbara County, California.

"Agency"
City of Guadalupe Community Redevelopment Agency

By: _____
Executive Director

"Grantee"

_____
Property owner
Cornelis Pieter de Groot

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

THAT PORTION OF LOTS 1 AND 2 IN BLOCK 7 OF THE CITY OF GUADALUPE, IN THE COUNTY OF SANTA BARBARA, IN THE STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHWEST CORNER OF BLOCK 7 OF THE TOWWN OF GUADALUPE AS SURVEYED BY JAS T. STATTON IN NOVERMBER 1871, AND THENCE IN AN EASTERLY DIRECTION ALONG THE NORTH SIDE OF FOURTH STREET OF SAID TOWN 159 FEET 10 INCHES; THENCE AT A RIGHT ANGLE AND IN A NORTHERLY DIRECTION FROM SAID STREET 32 FEET 6 INCHES; THENCE AT A RIGHT ANGLE AND IN A WESTERLY DIRECTION AND PARALLEL WITH SAID FOURTH STREET 159 FEET 10 INCHES TO THE EASTYERLY LINE OF GUADALUPE STREET OF SAID TOWN; THENCE AT A RIGHT ANGLE IN A SOUTHERLY DIRECTION ALONG THE EAST SIDE OF SAID GUADALUPE STREET, 32 FEET AND 6 INCHES TO THE PLACE OF BEGINNING.

APN# 115-072-10

## CONDITIONAL GRANT AGREEMENT BETWEEN AGENCY AND APPLICANT

THIS CONDITIONAL GRANT AGREEMENT (the "Agreement") dated as of this 29th day of December 2008, is entered by and between THE CITY OF GUADALUPE COMMUNITY REDEVELOPMENT AGENCY, (the "Agency") and Cornelis Pieter De Groot , a private property owner (the "Applicant").

RECITALS

A. Agency has adopted Downtown Seismic Retrofit Grants Program ("URM Grant Program") in order to provide grants to certain owners of eligible buildings who design and construct improvements to retrofit their unreinforced masonry buildings to meet specific building standards.

B. Applicant is the owner of that certain building located at 910 Guadalupe Street, Guadalupe Ca. (the "Building").

C. Applicant has submitted an application to the Agency pursuant to the URM Grant Program Guidelines for a grant for seismic retrofit improvements to the Building.

D. Applicant completed the application process set forth in the Guidelines and has submitted final approved plans for seismic retrofit improvements dated 1-11-08 as revised 7-22-08, and has obtained a Building Permit dated Not Issued, (the "Work").

E. Applicant and Agency desire to enter into this Agreement to set forth the terms and conditions of: Applicant's construction, installation and maintenance of the Work; and Agency's grant of funds to Applicant for construction of the Work, as set forth herein.

F. This Agreement is in furtherance of the objectives of the Agency's Redevelopment Plan. The Work will improve the Redevelopment Project Area and help eliminate physical and economic blight in the Project Area and stimulate private investment.

NOW, THEREFORE, Applicant and Agency hereby agree as follows:

1. Commencement and Completion of Work. Applicant shall begin the Work not later than the earlier of (1) 90 days after execution of this Agreement, or (2) if an advance payment is made pursuant to Section 2, 14 days after such advance payment is made. Applicant shall complete or cause its contractors and/or subcontractors to complete the Work in accordance with all approved plans and permits not later than 18 months after the date of the Grant Award. The date of the Grant Award shall be the date the grant is approved by the Agency Board of Directors. Failure to complete the Work within this time frame or abandonment of the Work prior to completion may result in Applicant being required to repay the grant to the Agency, at Agency's option. The Agency may grant an extension of time on a case-by-case basis. In the event the Applicant does not believe the Work will be completed within the required time frame, the Applicant may apply for a time extension. The Applicant shall apply for any time extension early enough to ensure sufficient time for the RDA to process a request for time extension and present the request to the RDA Board for consideration.

2. Grant Disbursement. The total grant amount available for the Work is $214,218.00. Applicant acknowledges that this amount may not be sufficient to complete the Work,

and Applicant accepts all liability for amounts owed to contractors and others in excess of the grant amount. Under no circumstances shall Agency be liable for any amounts in excess of the grant amount without prior approval of the Board of Directors through amendment to this Agreement. Grant payments will be made by the Agency directly to contractors or engineers for the Work. Invoices for payment must be submitted to the Agency for approval and payment to ensure the work performed is eligible work under the URM Grant Program. Under no circumstances will any grant funds be paid directly to Applicant, unless Applicant is the licensed contractor actually performing the Work. An amount of up to twenty percent (20%) of the grant amount may be made in advance of the Work to pay for contractor mobilization. After this initial advance payment, grant funds will not be paid in advance of eligible expenditures. Grant payments will be made no more frequently than monthly upon submission of invoices from Applicant's contractor or engineer, and only after approval by the Building Department of City.

3. Maintenance of Work. Applicant, at its sole cost and expense, shall maintain the Work in accordance with the terms of this section 3 for five (5) years following the date of completion of the Work. Applicant and its contractors and subcontractors shall maintain the Work in conformance and in compliance with the approved plans and permits, as the same may be amended from time to time with the approval of the City, and in accordance with the custom and practice generally applicable to first-class commercial projects located within the City of Guadalupe. All such maintenance work shall conform to all applicable federal, state and local laws and regulations for the performance of maintenance.

4. Indemnification. To the fullest extent permitted by law, Applicant shall indemnify, defend, and hold harmless Agency, the City of Guadalupe ("City"), its and their elective and appointive boards, commissions, officers, agents and employees (collectively, "Agency Parties"), from any and all present and future liabilities, obligations, orders, claims, damages, fines, penalties and expenses (including tax liability, attorneys' fees and costs) (collectively, "Claims") arising, directly or indirectly, from the acts, omissions, negligence or willful misconduct of Applicant or its engineers, contractors, subcontractors, employees, representatives or agents. The Agency Parties shall not be deemed to have waived any right against Applicant that it or they may have by reason of the aforesaid indemnity, because of the approval by Agency or City of the plans, specifications and drawings for the Work. Applicant's indemnity obligations under this section 4 shall survive the expiration or termination of this Agreement.

5. Insurance. Until completion of the Work and disbursement of the Grant by Agency, Applicant shall take out and maintain or shall cause its contractor to take out and maintain Commercial General Liability and Workers' Compensation Insurance as follows:.

a. Commercial General Liability policy in the amount of One Million Dollars ($1,000,000) combined single limit, or such other policy limit as Agency may approve at its discretion, including contractual liability, as shall protect Applicant, Agency and City from claims for damages. Such policy or policies shall be written on an occurrence basis. The Commercial General Liability Policy hereunder shall name the Agency and City and its and their respective officers, agents, employees, and representatives as additional insured's through endorsement. Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. Applicant shall furnish

Agency with a certificate of insurance evidencing the required insurance coverage and a duly executed endorsement evidencing such additional insured status. The certificate shall contain a statement of obligation on the part of the carrier to notify Agency and City of any material change, cancellation or termination of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation or termination. Coverage provided hereunder by Applicant shall be primary insurance and shall not be contributing with any insurance, self-insurance or joint self-insurance maintained by Agency or City, and the policy shall contain such an endorsement. The insurance policies shall contain a waiver of subrogation for the benefit of Agency and City. The required certificate and endorsement shall be furnished by Applicant to Agency prior to the commencement of any of the Work.

b. Workers' Compensation Insurance. Applicant shall furnish or cause to be furnished to Agency evidence satisfactory to Agency that Applicant and any contractor with whom it has contracted for the performance of the Work or otherwise pursuant to this Agreement carries Workers' Compensation Insurance as required by law.

6. Compliance with Laws. Applicant shall carry out the Work in conformity with all applicable laws, including the City's zoning and development standards; building, plumbing, mechanical and electrical codes; all other provisions of the City's Municipal Code; and all applicable disabled and handicapped access requirements, including the Americans With Disabilities Act, 42 U.S.C. Section 12101, et seq., Government Code Section 4450, et seq., Government Code Section 11135, et seq., and the Unruh Civil Rights Act, Civil Code Section 51, et seq. and Government Code Section 8875.8. Applicant acknowledges that the requirements of the State of California prevailing wage law (Labor Code section 1720, et seq.) applies to all of the Work. Applicant shall cause its contractors and subcontractors to comply with all requirements of such prevailing wage law.

7. Notices. Any notices relating to this Agreement shall be given in writing and shall be deemed sufficiently given and served for all purposes when delivered personally or by generally recognized overnight courier service, or five (5) days after deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid, addressed as follows:

Agency:
City of Guadalupe Community Redevelopment Agency
918 Obispo Street
Guadalupe, CA 93934
Attn: Executive Director

Applicant:
Cornelis Pieter de Groot
910 Guadalupe Street
Guadalupe, Ca. 93434

Either party may change its address for purposes of this section by giving the other party written notice of the new address in the manner set forth above.

8. Default.

8.1 Any failure by Applicant to perform any term or provision of this Agreement shall constitute an "Event of Default" if Applicant does not cure such failure within thirty (30) days following written notice of default from Agency. Upon the occurrence of an Event of Default, Agency shall have the right, in addition to any other rights or remedies (a) to institute any action at law or in equity to cure, correct, prevent or remedy any Event of Default; (b) to recover damages for any Event of Default; or (c) to terminate this Agreement by written notice to Applicant. In the event Agency terminates this Agreement as provided above, neither party shall have any further rights or obligations hereunder, except for Applicant's indemnity obligations under Section 4, which shall survive such termination. Furthermore, termination of the Agreement shall not relieve Applicant of liability for repayment of the grant proceeds under Section 1.

8.2 Any failure or delay by Agency in asserting any of its rights or remedies as to any Event of Default shall not operate as a waiver of any Event of Default or of any such rights or remedies or deprive Agency of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

9. Miscellaneous Terms and Provisions.

9.1 Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

9.2 Assignment. Prior to completion of the Work, Applicant may not transfer or assign any or all of its rights or obligations under this Agreement without the prior written consent of Agency, which consent shall not be unreasonably withheld. Any such assignment or transfer without Agency's consent shall be wholly void and of no effect. All of Applicant's rights and obligations under this Agreement shall run with the land and shall be binding on its successors, heirs and/or assigns.

9.3 No Third-Party Beneficiary. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it, nor is anything in this Agreement intended to relieve or discharge any obligation of any third person to any party hereto or give any third person any right of subrogation or action over or against any party to this Agreement. Nothing herein shall be construed to create a partnership, joint venture or similar arrangement between the parties hereto.

9.4 Governing Law; Venue. The laws of the State of California shall govern the interpretation and enforcement of this Agreement without reference to principles of conflict of laws. Venue for any action brought under this Agreement shall be in the Superior Court of Santa Barbara County, California.

9.5 Authority. Each party executing this Agreement on behalf of a party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to bind and if such party is a partnership, corporation or trustee, that such partnership, corporation or trustee has full right and authority to enter into this Agreement and perform all of its obligations hereunder.

9.6 No Agency Relationship. Neither Applicant nor any of Applicant's agents, contractors or subcontractors are or shall be considered to be agents of Agency in connection with the performance of any of Applicant 's obligations under this Agreement.

9.7 Agreement is Final Contract. This Agreement, together with Agency's Downtown Seismic Retrofit Grants Program, represents the entire understanding of Applicant and Agency as to those matters contained herein. In the event of any conflict between the provisions of this Agreement and the Downtown Seismic Retrofit Grants Program, the provisions of this Agreement shall control. No prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. This Agreement may not be modified or altered except in writing signed by both parties.

IN WITNESS WHEREOF, Agency and Applicant have caused this Agreement to be executed as of the dates set forth below.

Dated: 12- 1/15/09, 2008

"AGENCY"

CITY OF GUADALUPE COMMUNITY REDEVELOPMENT AGENCY

By: _____
Its: Executive Director

Dated: December 28, 2008

"APPLICANT"

By: Cornelis Pieter de Groot

Cornelis Pieter de Groot

## AGENCY ACKNOWLEDGEMENT

State of Califonia

County of Santa Barbara

On 1-15-09, 2008 before me, Sandra M. Guerrero, personally appeared Carolyn Balloway Cooper 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.

SANDRA M. GUERRERO
COMM. #1672283
NOTARY PUBLIC-CALIFORNIA
SANTA BARBARA COUNTY
My Comm. Expires July 1, 2010

Signature Sandra M. Guerrero (Seal)

## GRANTEE ACKNOWLEDGEMENT

State of California

County of San Luis Obispo

On 12-29-08 before me, Hayley Marie Key, personally appeared Cornelis Pieter Degroot 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 Hayley Marie Key (Seal)

HAYLEY MARIE KEY
Commission # 1670198
Notary Public - California
San Luis Obispo County
My Comm. Expires May 26, 2010