

**CHAIRMAN:** ARISTON JULIAN  
**AGENCY MEMBER:** VIRGINIA PONCE  
**AGENCY MEMBER:** LUPE ALVAREZ  
**AGENCY MEMBER:** JOHN LIZALDE  
**AGENCY MEMBER:** JOHN SABEDRA

**EXECUTIVE DIRECTOR:** CAROLYN G-COOPER  
**AGENCY COUNSEL:** DAVID FLEISHMAN  
**RECORDING SEC.:** BRENDA HOFF  
**CITY TREASURER:** PETRONA AMIDO

## AGENDA

### GUADALUPE COMMUNITY REDEVELOPMENT AGENCY

**Regular Meeting**  
**Tuesday, April 28, 2009**

**Regular Session 6:00 p.m.**

**City Hall, Council Chambers**  
**918 Obispo Street, Guadalupe, California 93434**

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting or other services offered by this City, please contact the City Clerk's office, (805) 356-3891. Notification of at least 72 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.*

*If you wish to speak concerning any item on the agenda, please complete the Request to Speak form that is provided at the rear of the Council Chambers and hand the form to the Recording Secretary. **Note:** Staff Reports, as well as any materials related to items on this agenda submitted after distribution of the agenda packet, are available for inspection at the office of the City Administrator, City Hall, 918 Obispo Street, Guadalupe, California during regular business hours, 8:00 a.m. to 12:00 pm. and 1:00 p.m. to 5:00 p.m., Monday through Friday; telephone (805) 356-3891.*

1. **CALL TO ORDER.** Chairman Ariston Julian
2. **ROLL CALL.** Agency Members Lupe Alvarez, Virginia Ponce, John Lizalde, John Sabedra and Chairman Ariston Julian.
3. **PLEDGE OF ALLEGIANCE.**
4. **CONSENT CALENDAR.** The following routine items are presented for Agency approval without discussion as a single agenda item in order to expedite the meeting. Should an Agency Member wish to discuss or disapprove an item, it must be dropped from the blanket motion of approval and considered as a separate item.
  - a. Minutes for the RDA Regular Meeting of April 14, 2009 to be ordered filed.
  - b. BEC Associates, Inc. Invoice # IER 878-1P-3 and IMR 868-72-1P-3 – URM.

- c. Amendment # 1 to the Conditional Grant Agreement between Agency and Applicant–URM.
- d. American Legion Reimbursement for Veterans Building Fence Removal – Fumigation Purposes.
- e. Housing Rehabilitation Program – Deed of Trust, Promissory Note and Rehabilitation Loan Agreement:
  - i. Margie H. Vega and Jose M. Hernandez
  - ii. Anita Smith and Agripina Limon.
  - iii. Juan and Maria De Avila.

**5. COMMUNITY PARTICIPATION FORUM.**

Each person will be limited to a discussion of 3 minutes. Pursuant to provisions of the Brown Act, no action may be taken on these matters unless they are listed on the agenda, or unless certain emergency or special circumstances exist. The RDA may direct Staff to investigate and / or schedule certain matters for consideration at a future RDA Agenda

- 6. BUDGET STUDY SESSION – 2009/2010.** That the Agency receives the RDA budget and adopt Resolution CRA No. 2009-06.
- a. Written Staff Report (Carolyn Galloway-Cooper)
  - b. Agency discussion and consideration.
  - c. It is recommended that the Agency receives the RDA budget and adopt Resolution CRA No. 2009-06.

**7. FUTURE AGENDA ITEMS.**

- a. RDA Plan Amendment.
- b. 08/09 Budget Revisions.
- c. Habitat for Humanity – Contract Amendment for property purchase.
- d. Lantern Hotel Update.

**8. ANNOUNCEMENTS / AGENCY ACTIVITY REPORTS.**

**9. ADJOURNMENT.**

*I hereby certify under penalty of perjury under the laws of the State of California that the foregoing Agenda was posted at the City Hall display case, the Water Department, the City Clerk's Office and Rabobank not less than 72 hours prior to the meeting. Dated this 23<sup>rd</sup> day of April 2009.*

By:   
Carolyn Galloway-Cooper  
Deputy City Clerk

**MINUTES**  
**GUADALUPE COMMUNITY REDEVELOPMENT AGENCY**  
**Regular Meeting - Tuesday, March 24, 2009 - Regular Session 6:00 p.m.**  
**City Hall, Council Chambers - 918 Obispo Street, Guadalupe, California 93434**

- 1. **CALL TO ORDER.** Chairman Ariston Julian **6:38 P.M.**
- 2. **ROLL CALL.** Agency Members Lupe Alvarez, ~~Virginia Ponce~~, John Lizalde, John Sabedra and Chairman Ariston Julian.
- 3. **PLEDGE OF ALLEGIANCE.**
- 4. **CONSENT CALENDAR.** The following routine items are presented for Agency approval without discussion as a single agenda item in order to expedite the meeting. Should an Agency Member wish to discuss or disapprove an item, it must be dropped from the blanket motion of approval and considered as a separate item.
  - a. Minutes for the RDA meeting of March ~~24~~, 10, 2009 to be ordered filed.
  - b. DMI – EMK Workplan Authorization Campodonico Property; 995 Guadalupe Street.
  - c. GeoSolution, Inc. Invoice# 14427, 14428 – URM.

**Motion: Lizalde/Sabedra**  
**AYES: 4**  
**Alvarez abstains on items 4a and 4b.**

- 5. **COMMUNITY PARTICIPATION FORUM.**
- 6. **FUTURE AGENDA ITEMS.**
  - a. 2009/2010 Budget.
  - b. RDA Plan Amendment.
- 7. **ANNOUNCEMENTS / AGENCY ACTIVITY REPORTS.**
- 8. **ADJOURNMENT.** **6:40 P.M.:** Alvarez/Lizalde  
**AYES: 4**

\_\_\_\_\_  
Carolyn Galloway-Cooper  
Deputy City Clerk

\_\_\_\_\_  
Arison Julian,  
Chairman

**MINUTES**  
**GUADALUPE COMMUNITY REDEVELOPMENT AGENCY**  
**Regular Meeting - Tuesday, April 14, 2009 - 6:00 p.m.**  
**City Hall, Council Chambers - 918 Obispo Street, Guadalupe, California 93434**

1. **CALL TO ORDER.** Chairman Ariston Julian at 7:40 pm
2. **ROLL CALL.** Agency Members Lupe Alvarez, Virginia Ponce, John Lizalde, John Sabedra and Chairman Ariston Julian.
3. **PLEDGE OF ALLEGIANCE.**
4. **CONSENT CALENDAR.** The following routine items are presented for Agency approval without discussion as a single agenda item in order to expedite the meeting. Should an Agency Member wish to discuss or disapprove an item, it must be dropped from the blanket motion of approval and considered as a separate item.
  - a. Minutes for the RDA Special Closed Session Meeting of March 19, 2009 to be ordered filed.
  - b. Minutes for the RDA Regular Meeting of March 24, 2009 to be ordered filed.
  - c. Audited Financial Statements for year ended June 30, 2008.
  - d. BEC Associates, Inc Invoice # IMR 868-74-1P-3 – URM.
  - e. Habitat for Humanity – Home Repairs: 4418 Holly Street; 207 Pioneer Street; 480 Pioneer Street; 310 Pioneer Street.

*Sabedra pulls 4(d) BEC Invoice*

**MOTION TO APPROVE BALANCE OF CONSENT AGENDA SABEDRA/PONCE**  
**AYES: 5 (Ponce abstains from 4(b), Alvarez abstains from 4(e))**

*Item 4(d) BEC Invoice. Sabedra – that's just to get started? Galloway-Cooper, yes. It's for the two buildings where the pizza parlor was. This is just to start, mobilize equipment, buy materials.*

**MOTION TO APPROVE 4(d) BEC INVOICE: SABEDRA/LIZALDE**  
**AYES: 4 {ALVAREZ ABSTAINS}**

5. **COMMUNITY PARTICIPATION FORUM.**

*There were no requests to speak.*

6. **FUTURE AGENDA ITEMS.**

- a. RDA Plan Amendment.
- b. RDA 09/10 Budget (4/28)
- c. Habitat for Humanity – Contract Amendment for property purchase.

7. ANNOUNCEMENTS / AGENCY ACTIVITY REPORTS.

*Lizalde – we never hear results from the retrofit. One of the Masatani's walked me through the store, they were really happy they didn't have to shut down.*

8. ADJOURNMENT. At 7:45 pm.

MOTION TO ADJOURN: ALVAREZ/LIZALDE  
AYES: 5

Submitted by:

Affirmed by:



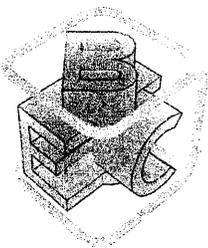
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Brenda Hoff  
City Clerk

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Ariston Julian  
Chairman

4b.



**RECEIVED**

**BEC Associates, Inc.**

Architectural, Engineering, Construction and Earthquake Specialist  
General Building Contractors' License Number 878326

APR 14 2009

**CITY OF GUADALUPE**  
City Clerk or Deputy City Clerk  
**Invoice**

**Invoice Number** IER 878-1P-3 (RDA) (310) 2647747  
**Invoice Date** March 4, 2009

**Atten: Ernest Ruedas**  
5064 Sandpiper Lane  
Guadalupe, CA 93434  
(805) 343 6234

**For: Construction Work at:**  
878 Guadalupe Street  
Guadalupe, CA

**Amount Due**

One task of Order for Services: IER878-1P, Earthquake Hazard Reduction.  
Task No. 2: North and South walls. Combination Anchors, Ceiling Anchors  
and Wall Braces 116 ..... 30,600  
20 % Withhold Amount ..... -6,120  
**Total amount due now for this invoice ..... 24,480**

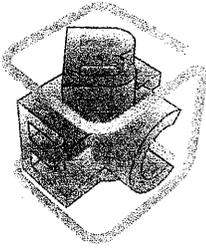
Please make check payable to BEC Associates, Inc.

Contact:  
Richard Hoffer, Project manager  
BEC and Associates, Inc  
(310) 264-7747

*4-14-09  
1M FOR PAYMENT  
ER*

**URM INVOICE**

Date Recvd. 4/06/09  
Please Sign and Date  
Bldg. Dept. [Signature]  
Admin \_\_\_\_\_  
Finance \_\_\_\_\_  
Acct# 91-4542-3127



®

# BEC Associates, Inc.

Architectural, Engineering, Construction and Earthquake Specialist  
General Building Contractors' License Number 873367

## RECEIVED

APR 14 2009

### Invoice

**CITY OF GUADALUPE**  
City Clerk or Deputy City Clerk  
(310) 2647747

Invoice Number **IMR868-72-1P-3**  
Invoice Date **March 23, 2009**

Atten: **Martinas and Ruedas**  
**874-78 Guadalupe Street**  
**Guadalupe, CA 93434**  
**(805) 343 6234**

For: **Construction Work at:**  
**868-74 Guadalupe Street**  
**Guadalupe, CA**  
*SM*  
*4/14/09*

### Amount Due

2 1/2 Tasks of Order for Services: OMR868-72-1P, Earthquake Hazard Reduction.

Task No. 1: East wall Anchors .....	11,350
20% Retention amount .....	-2,465
<b>Amount Due</b> .....	<b>8,885</b>
Task No. 4a: West wall Anchors and braces.....	4,700
20% Retention amount .....	-940
<b>Amount Due</b> .....	<b>3,760</b>

**Total amount due now for this invoice ..... 12,645**

Please make check payable to BEC and Associates, Inc.

*4-14-09*  
*IN FOR*  
*PAYMENT*

Contact:  
Richard Hoffer, Project manager  
BEC and Associates, Inc  
(310) 264-7747

**URM INVOICE**

Date Recvd. 3/24/09  
Please Sign and Date  
Bldg. Dept. *[Signature]*  
Admin \_\_\_\_\_  
Finance \_\_\_\_\_  
Acct# 91-4542-3126

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

**MEMORANDUM OF AGREEMENT**

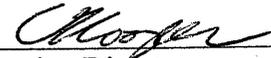
This Memorandum of Agreement (“Memorandum”) is entered into as of this 5<sup>th</sup> day of December 2008, by and between the City of Guadalupe Community Redevelopment Agency (“Agency”) and John Perry, Margarita Perry & Henry and Fern Lawrence (“Grantee”) with respect to that certain Conditional Grant Agreement (“Agreement”) dated December 5, 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 941-945 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, its 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.

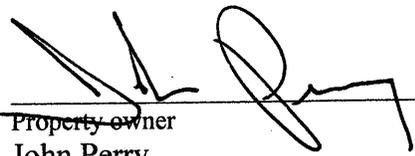
[SIGNATURES COMMENCE ON FOLLOWING PAGE]

Executed on December 22, 2008, at Guadalupe, Santa Barbara County, California.

“Agency”  
City of Guadalupe Community Redevelopment Agency

By:   
Executive Director

“Grantee”

  
Property owner  
John Perry

  
Property owner  
Henry Lawrence

  
Property owner  
Margarita Perry

  
Property owner  
Fern Lawrence

## EXHIBIT "A"

### LEGAL DESCRIPTION OF PROPERTY

#### PARCEL ONE:

THE SOUTHEASTERLY 10 FEET MEASURED BETWEEN PARALLEL LINES, OF LOT 4 IN SUBDIVISION 145, RANCHO GUADALUPE, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SAID RANCH WAS SURVEYED AND SUBDIVIDED IN NOVEMBER, 1871, BY JAMES T. STRATTON, AND AS SAID LOTS ARE DELINEATED ON MAP COMPILED BY G. H. THOMPSON IN SEPTEMBER, 1875, KNOWN AS MONTE AT GUADALUPE.

#### PARCEL TWO:

THE SOUTHWESTERLY 37 FEET OF LOT 4, AND THE NORTHEASTERLY 3 INCHES OF LOT 3, ALL IN BLOCK 4 OF THE TOWN OF GUADALUPE, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, BEING PART OF THE GUADALUPE RANCHO ACCORDING TO THE SURVEY OF SAID TOWN AND RANCHO MADE BY JAMES T. STRATTON IN 1871 AND PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

#### PARCEL THREE:

THAT PORTION OF THE TOWN OF GUADALUPE, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, BEING A PART OF THE GUADALUPE RANCHO ACCORDING TO THE SURVEY OF SAID TOWN AND RANCHO MADE BY JAMES T. STRATTON IN 1871 AND PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS;

BEGINNING AT THE MOST WESTERLY CORNER OF LOT 4, BLOCK 4, OF THE TOWN OF GUADALUPE, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, BEING A PART OF THE GUADALUPE RANCHO, ACCORDING TO THE SURVEY OF SAID TOWN AND RANCHO MADE BY JAMES T. STRATTON IN 1871 AND PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF LOT 4, 37 FEET; THENCE AT RIGHT ANGLES NORTHWESTERLY 200 FEET; THENCE AT RIGHT ANGLES SOUTHWESTERLY 37 FEET; THENCE AT RIGHT ANGLES SOUTHEASTERLY 200 FEET TO THE POINT OF BEGINNING.

#### PARCEL FOUR:

AN INTEREST IN AND TO A CERTAIN PARTY WALL REFERRED TO IN AN AGREEMENT MADE AND ENTERED INTO THE 22<sup>ND</sup> DAY OF SEPTEMBER, 1916, BY AND BETWEEN WILLIAM ROSENBLUM OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS PART OF THE FIRST PART AND A. BONDIETTI, OF THE SAME PLACE, THE PARTY OF THE SECOND PART, AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, ON SEPTEMBER 26, 1916 IN BOOK 154, PAGE 346 OF DEEDS; AND MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING ON THE EAST LINE OF LOT 3, BLOCK 4, AT A POINT 3 INCHES SOUTH OF THE NORTHEAST CORNER OF SAID LOT 3; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 3, 13 INCHES; THENCE AT RIGHT ANGLES WEST 120 FEET; THENCE AT RIGHT ANGLES NORTH 13 INCHES; THENCE AT RIGHT ANGLES EAST 120 FEET TO THE POINT OF BEGINNING.:

#### PARCEL FIVE:

AN INTEREST IN AND TO A CERTAIN PARTY WALL REFERRED TO IN AN AGREEMENT MADE AND ENTERED INTO THE 23<sup>RD</sup> DAY OF JANUARY, 1945, BY AND BETWEEN LILLIE LANOTTI, ET CON, AND ELVEZIA RIGHETTI, RECORDED FEBRUARY 3, 1945 AS INSTRUMENT NO. 1276 IN BOOK 635, PAGE 137 OF OFFICIAL RECORDS, COVERING THE SOUTHEASTERLY 100 FEET OF THE SOUTHWESTERLY 12 INCHES OF THE NORTHEASTERLY 13 FEET OF LOT 4 IN BLOCK 4 OF THE TOWN OF GUADALUPE, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, BEING PART OF THE GUADALUPE RANCHO ACCORDING TO SURVEY OF CALIFORNIA, BEING PART OF THE GUADALUPE RANCHO ACCORDING TO SURVEY OF SAID TOWN AND RANCHO MADE BY JAMES T. STRATTON IN 1871 AND PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

## CONDITIONAL GRANT AGREEMENT BETWEEN AGENCY AND APPLICANT

THIS CONDITIONAL GRANT AGREEMENT (the "Agreement") dated as of this 5<sup>th</sup> day of December 2008, is entered by and between THE CITY OF GUADALUPE COMMUNITY REDEVELOPMENT AGENCY, (the "Agency") and John Perry, Margarita Perry & Henry & Fern Lawrence, private property owners (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 941-945 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 \$143,893.00. 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:  
John Perry & Henry Lawrence  
959 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: December 22, 2008

"AGENCY"

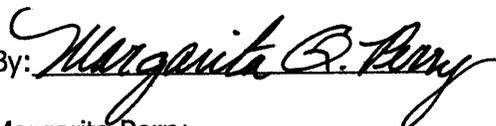
CITY OF GUADALUPE COMMUNITY REDEVELOPMENT AGENCY

By:   
Its: Executive Director

Dated: December 5, 2008

"APPLICANT"

By:   
John Perry

By:   
Margarita Perry

By:   
Henry Lawrence

By:   
Fern Lawrence

**GRANTEE ACKNOWLEDGEMENT**

State of California

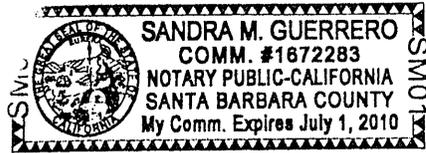
County of Santa Barbara

On 12-5-08 before me, Sandra Guerrero  
Fern Lawrence,  
personally appeared Fern Lawrence 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.

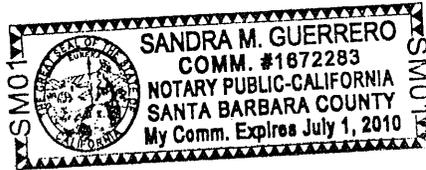
I certify under penalty of perjury under the laws of the State of California that the  
foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature Sandra Guerrero



(Seal)



**GRANTEE ACKNOWLEDGEMENT**

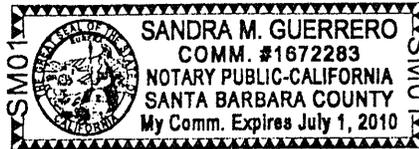
State of California

County of Santa Barbara

On 12-5-08 before me, Sandra M. Guerrero,  
personally appeared Henry Lawrence 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.

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foregoing paragraph is true and correct.

Witness my hand and official seal.



Signature Sandra M. Guerrero

(Seal)

**GRANTEE ACKNOWLEDGEMENT**

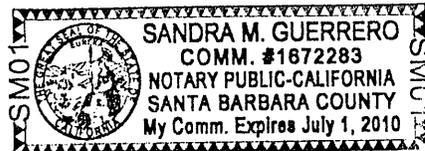
State of California

County of Santa Barbara

On 12-5-08 before me, Sandra M. Guerrero,  
personally appeared Margarita Perry 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.

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foregoing paragraph is true and correct.

Witness my hand and official seal.



Signature Sandra M. Guerrero

(Seal)

**AGENCY ACKNOWLEDGEMENT**

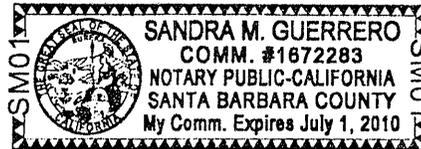
State of California

County of Santa Barbara

On December, 2008 before me, Sandra m. Guerrero, personally appeared Carolyn Galloway Byper 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 Sandra M. Guerrero

(Seal)

**GRANTEE ACKNOWLEDGEMENT**

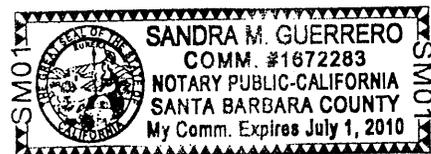
State of California

County of Santa Barbara

On December 5<sup>2008</sup> before me, Sandra m. Guerrero, personally appeared John Perry 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 Sandra M. Guerrero

(Seal)

**CONDITIONAL GRANT AGREEMENT BETWEEN AGENCY AND APPLICANT  
Amendment #1**

On December 5, 2008 the following Agreement was entered into as follows;  
THIS CONDITIONAL GRANT AGREEMENT (the "Agreement") dated as of this 5<sup>th</sup> day of December 2008, is entered by and between THE CITY OF GUADALUPE COMMUNITY REDEVELOPMENT AGENCY, (the "Agency") and John Perry, Margarita Perry & Henry & Fern Lawrence, private property owners (the "Applicant").

The Applicants John Perry, Margarita Perry & Henry & Fern Lawrence manage their property located at 941-945 Guadalupe Street, Guadalupe, Ca. 93434 as L & P Properties and whereas the Applicants have a loan to fund their portion of the project and the loan is to L & P Properties their Bank requires that L & P Properties be listed in the Conditional Grant Agreement Between the Agency and Applicant.

Therefore, this amendment only affects the Agreement to include L & P Properties to the applicant's name to read as John Perry, Margarita Perry & Henry & Fern Lawrence DBA L & P Properties.

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

Dated: \_\_\_\_\_, 2009

"AGENCY"

CITY OF GUADALUPE COMMUNITY REDEVELOPMENT AGENCY

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

Dated: \_\_\_\_\_, 2009

"APPLICANT"

By: \_\_\_\_\_  
John Perry

By: \_\_\_\_\_  
Margarita Perry

By: \_\_\_\_\_  
Henry Lawrence

By: \_\_\_\_\_  
Fern Lawrence

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The Applicants John Perry, Margarita Perry & Henry & Fern Lawrence manage their property located at 951 Guadalupe Street, Guadalupe, Ca. 93434 as L & P Properties and whereas the Applicants have a loan to fund their portion of the project and the loan is to L & P Properties their Bank requires that L & P Properties be listed in the Conditional Grant Agreement Between the Agency and Applicant.

Therefore, this amendment only affects the Agreement to include L & P Properties to the applicant's name to read as John Perry, Margarita Perry & Henry & Fern Lawrence DBA L & P Properties.

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Dated: \_\_\_\_\_, 2009

"AGENCY"

CITY OF GUADALUPE COMMUNITY REDEVELOPMENT AGENCY

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

Dated: \_\_\_\_\_, 2009

"APPLICANT"

By: \_\_\_\_\_  
John Perry

By: \_\_\_\_\_  
Margarita Perry

By: \_\_\_\_\_  
Henry Lawrence

By: \_\_\_\_\_  
Fern Lawrence





**MINUTES**  
**GUADALUPE COMMUNITY REDEVELOPMENT AGENCY**  
**Regular Meeting - Tuesday, January 13, 2009 - 6:00 p.m.**  
**City Hall, Council Chambers - 918 Obispo Street, Guadalupe, California 93434**

1. **CALL TO ORDER.** Chairman John Sabedra. At 8:00 pm
2. **ROLL CALL.** Agency Members Lupe Alvarez, Virginia Ponce, John Lizalde, Ariston Julian and Chairman John Sabedra.
3. **PLEDGE OF ALLEGIANCE.**
4. **CONSENT CALENDAR.** The following routine items are presented for Agency approval without discussion as a single agenda item in order to expedite the meeting. Should an Agency Member wish to discuss or disapprove an item, it must be dropped from the blanket motion of approval and considered as a separate item.
  - a. Minutes for the RDA meeting of December 9, 2008 to be ordered filed.
  - b. Contract Amendment – Tierra West Advisors.
  - c. Agreement for Consultant Services – GeoSolution for Veterans Hall Retrofit Environmental Services.
  - d. Hydrex Pest Control – Termite Service Agreement for Veterans Building.

*Ponce pulls 4(a) Minutes*

**MOTION TO APPROVE BALANCE OF CONSENT CALENDAR: JULIAN/LIZALDE**  
**AYES: 5 {Alvarez abstains on 4(c) & 4(d)}**

*Ponce, item a – questioned item about Apio's water use. Fleishman noted a provision in government code 6254.16 that utility bills are exempted from public records act. Item can be discussed but not in open session.*

**MOTION TO APPROVE ITEM 4(a) MINUTES: PONCE/LIZALDE**  
**AYES: 5**  
**aves: 5**

5. **COMMUNITY PARTICIPATION FORUM.**

*There were no requests to speak.*

6. **MIDYEAR BUDGET REVIEW.** That the Agency receive the report for information purposes.
  - a. Written Staff Report (Carolyn Galloway-Cooper)
  - b. Agency discussion and consideration.
  - c. It is recommended that the Agency receive the report for information purposes.

*Galloway-Cooper presented her report. Five months into the year, revenues appear to be on target, as well as expenses. Staff requests a detail review in February, will try for first meeting, but second one is more likely.*

7. **FUTURE AGENDA ITEMS.**

*There were no future items noted.*

8. ANNOUNCEMENTS / AGENCY ACTIVITY REPORTS.

*Alvarez, a little accident downtown. Galloway-Cooper – one of our new lights was knocked down by a vehicle. PG&E will replace it. Cost to the City will be reimbursed by the owner of the vehicle.*

*Lizalde – would like to get some brackets put on the lights for next year so we could put up some decorations.*

9. ADJOURNMENT. at 8:10 pm

MOTION TO ADJOURN: JULIAN/PONCE

AYES: 5

Submitted by:

Affirmed by:



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Brenda Hoff  
City Clerk

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John Sabedra  
Chairman

**REPORT TO THE GUADALUPE COMMUNITY REDEVELOPMENT  
AGENCY**

**Agency Agenda of September 23, 2008**

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**Prepared by:**  
**C. Galloway-Cooper**

**SUBJECT:** Vets Hall – Fumigation Bids

**RECOMMENDATION:** That the Agency approve fumigation services at Vets Hall

**BACKGROUND/**

Termites have infested city property currently leased by the Legion. Fumigation services have been contacted via phone due to the severity of the infestation; Three responded:

Hydrex:	\$5,000
Western Exterminator:	\$5,970
Terminex:	\$6,850

**Financial Impact:**

**Fund 26 (Operating Fund)**

**Attachments:**

**Fumigation Bids**

Ga.

**REPORT TO THE GUADALUPE COMMUNITY REDEVELOPMENT  
AGENCY  
Agency Agenda of April 28, 2009**

  
\_\_\_\_\_  
**Prepared by:**  
**C. Galloway-Cooper**

**SUBJECT:** Budget Study Session – 2009/2010

**RECOMMENDATION:** That the Agency receives the RDA budget and adopt Resolution No. 2009-06.

**BACKGROUND/**

Staff has prepared the following budgets for Agency review:

- Fund#
- 26 Redevelopment Agency
- 46 Redevelopment Agency Capital Projects
- 47 Redevelopment Agency Commercial Rehab.
- 90 Redevelopment Agency Affordable Housing
- 91 Redevelopment Agency Bond Refinance

The 2009/2010 Agency budget anticipates the possibility of expanded projects that bring incredible improvement to the project area. The Plan Amendment will be brought forward in May for approval and the Five Year Program of Projects planned for approval in October.

Staff will discuss projects during the study session.

**RESOLUTION NO. CRA 2009-06**

**A RESOLUTION OF THE GUADALUPE REDEVELOPMENT AGENCY  
ADOPTING THE BUDGET FOR THE GUADALUPE REDEVELOPMENT  
AGENCY FOR FISCAL YEAR 2009-2010**

**WHEREAS**, a Budget for the Guadalupe Redevelopment Agency for Fiscal Year 2009-2010 has been prepared; and

**WHEREAS**, the Budget has been studied and approved by the Redevelopment Agency;

**BE IT RESOLVED**, by the Guadalupe Redevelopment Agency that:

The Budget for the Guadalupe Redevelopment Agency for Fiscal Year 2009-2010 is adopted.

**PASSED, APPROVED AND ADOPTED** this 28<sup>th</sup> day of April 2009.

**Motion:**

**AYES:**

**NOES:**

\_\_\_\_\_  
Ariston Julian  
Chairman

**ATTEST:**

\_\_\_\_\_  
City Clerk

# EXPENDITURE SUMMARY

## 2009-2010 BUDGET

### REDEVELOPMENT FUNDS

	Actual 2007-2008	Actual 2008-2009	Department 2009-2010	City Administrator Recommends 2009-2010	City Council Adopts 2009-2010
Operating Fund	1,251,994	1,272,506	1,922,177	1,922,177	1,922,177
Bond Refinance Projects	116,159	527,659	2,428,000	2,428,000	2,428,000
Capital Projects Fund	63,660	200,000	0	0	0
Commerical Rehab Fund	0	130,000	40,000	40,000	40,000
Affordable Housing Fund	94,665	765,000	1,925,000	1,925,000	1,925,000
<b>Total Redevelopment Agency</b>	<b>1,526,478</b>	<b>2,895,165</b>	<b>6,315,177</b>	<b>6,315,177</b>	<b>6,315,177</b>

**GUADALUPE REDEVELOPMENT AGENCY OPERATING FUND**

4500

**2009/2010 BUDGET**

Fund 26		ACTUAL	Projected	REQUESTED	NOTES
Acct No.		at	at	at	
		2007/2008	2008/2009	2009/2010	
<b>PERSONNEL SERVICES:</b>					
Salaries - Regular	0100	-	-	-	
Salaries - part-time	0125	3,724	5,460	5,460	Chair, Members, Clerk, Treasurer
Salaries - Temporary	0150	-	-	-	
Overtime	0200	-	-	-	
Retirement - PERS	0250	-	-	-	
FICA/MEDICARE	0300	150	418	418	
Workers' Compensation	0350	125	300	300	
Medical/Life Insurance	0400	-	-	-	
Other Benefits	0450	-	-	-	
Sub-total		3,999	6,177	6,177	
<b>SUPPLIES &amp; SERVICES:</b>					
Office Supplies & Postage	1200	102	-	1,000	
Advertising and Pubs	1250	54	150	2,000	
Business Expense and Trng	1300	-	-	-	
Memberships, Dues & Subs	1350	1,705	1,000	2,000	
Operating Supplies & Exp.	1550	1,574	1,000	1,000	
Legal Services	2100	4,480	10,000	10,000	
Other Professional Services	2150	78,771	60,000	150,000	
FEMA - URM Match	2200	-	-	-	
Insurance & Surety Bonds	2300	4,026	6,000	6,000	
Rental Of Property	2326	10,000	10,000	10,000	
Tax Assistance Cemetery	2970	10,000	10,000	10,000	
Water Assistance Cemetery	2971	10,000	10,000	10,000	
Services by other Agencies	2350	5,917	83,000	83,000	
Sub-total		126,629	191,150	285,000	
<b>CAPITAL OUTLAY:</b>					
Land	3170	-	-	-	
Buildings	3150	-	-	-	
Sub-total		-	-	-	
<b>OTHER FINANCING USES:</b>					
InterFund Transfer	5000	460,000	450,000	450,000	
Transfer to Library	5057	20,000	20,000	20,000	
Transfer to GETA	5056	20,000	-	-	Lease cancelled
Transfer to Affordable Housing	5065	-	-	350,000	
Affordable Housing Set Aside	5065	200,000	200,000	400,000	
Debt Service - Interest	4000	300,408	294,179	291,000	
Debt Service - Principal	4100	120,958	111,000	120,000	
Sub-total		1,121,366	1,075,179	1,631,000	
<b>Department Total</b>		<b>1,251,994</b>	<b>1,272,506</b>	<b>1,922,177</b>	

GUADALUPE REDEVELOPMENT AGENCY CAPITAL PROJECTS - 4540  
2009/2010 BUDGET

Fund 46	Acct No.	ACTUAL at 2007/2008	Projected ACTUAL at 2008/2009	REQUESTED BUDGET at 2009/2010	NOTES
<b>PERSONNEL SERVICES:</b>					
	0100	-	-	-	
	0125	-	-	-	
	0150	-	-	-	
	0200	-	-	-	
	0250	-	-	-	
	0300	-	-	-	
	0350	-	-	-	
	0400	-	-	-	
	0450	-	-	-	
	Sub-total	-	-	-	
<b>SERVICES AND SUPPLIES</b>					
	2150	-	-	-	
	Sub-total	-	-	-	
<b>CAPITAL OUTLAY:</b>					
	3156	63,660	-	-	
	3150	-	-	-	
	3170	-	-	-	
	3100	-	-	-	
	3160	-	-	-	
	Sub-total	63,660	-	-	
<b>OTHER FINANCING USES:</b>					
	5065	-	-	-	
	5065	-	200,000	-	
	Sub-total	-	200,000	-	
	<b>Department Total</b>	<b>63,660</b>	<b>200,000</b>	<b>-</b>	

GUADALUPE REDEVELOPMENT AGENCY AFFORDABLE HOUSING - 4540  
2009/2010 BUDGET

Fund 90		ACTUAL	PROJECTED	REQUESTED	NOTES
Acct No.		at 2007/2008	at 2008/2009	at 2009/2010	
<b>Services and Supplies</b>					
Other Professional Services	2150	13,256	20,000	50,000	
Sub-total		<b>13,256</b>	<b>20,000</b>	<b>50,000</b>	
<b>CAPITAL OUTLAY:</b>					
Housing Grant Rehab	3167	-	20,000	100,000	
Non Profit - Ppty Purchase	3154	-	150,000	500,000	Prior Years: Habitat for Humanity
Habitat For Humanity - Rehab Existing Ppty	3166	-	100,000	200,000	
Mixed Use Housing/AH Rentals	3163	-	325,000	325,000	
Land	3170	-	-	-	
Buildings	3100	-	-	-	
Improvements other than Bldgs	3150	6,409	-	500,000	Five Year Plan
Sub-total		<b>6,409</b>	<b>595,000</b>	<b>1,625,000</b>	
<b>OTHER FINANCING USES:</b>					
InterFund Transfer	5000	75,000	150,000	250,000	
Lease Purchase	4150	-	-	-	
Sub-total		<b>75,000</b>	<b>150,000</b>	<b>250,000</b>	
<b>Department Total</b>		<b>94,665</b>	<b>765,000</b>	<b>1,925,000</b>	

**GUADALUPE REDEVELOPMENT AGENCY COMMERCIAL REHAB - 4530  
2009/2010 BUDGET**

Fund 47		Actual	Projected	Requested	Notes
Acct No.		at 2007/2008	at 2008/2009	at 2009/2010	
<b>PERSONNEL SERVICES:</b>					
Salaries - Regular	0100	-	-	-	
Salaries - part-time	0125	-	-	-	
Salaries - Temporary	0150	-	-	-	
Overtime	0200	-	-	-	
Retirement - PERS	0250	-	-	-	
FICA/MEDICARE	0300	-	-	-	
Workers' Compensation	0350	-	-	-	
Medical/Life Insurance	0400	-	-	-	
Other Benefits	0450	-	-	-	
Sub-total		-	-	-	
<b>SUPPLIES &amp; SERVICES:</b>					
Other Professional Services	2150	-	-	-	
Sub-total		-	-	-	
<b>CAPITAL OUTLAY:</b>					
Downtown Façade Pgrm	3159	10,000	3,000	-	
URM	3161	-	-	-	
Land	3170	-	-	-	
Buildings	3100	-	-	-	
Royal Theatre	3160	-	-	-	
Sub-total		-	-	-	
<b>OTHER FINANCING USES:</b>					
InterFund Transfer to 90	5065	-	130,000	40,000	To payoff Lantern Loan.
Sub-total		-	130,000	40,000	
<b>Department Total</b>		-	130,000	40,000	

GUADALUPE REDEVELOPMENT AGENCY BOND REFINANCE - 4542  
2009/2010 BUDGET

Fund 91	Acct No.	ACTUAL at 2007/2008	Projected ACTUAL at 2008/2009	REQUESTED BUDGET at 2009/2010	NOTES
<b>Services and Supplies</b>					
Professional Services	2150	43,017	-	-	
<b>Sub-total</b>		<b>43,017</b>	<b>-</b>	<b>-</b>	
<b>CAPITAL OUTLAY:</b>					
Lantern Project	3150	-	-	-	
Downtown Lighting	3157	20,427	-	-	
URM - General	3161	37,583	-	-	
URM - Specific Properties **	3120 - 3141	-	299,659	2,200,000	See analysis below: URM
City Entrance Signs	3158	-	-	-	
Amtrack Station Improvements	3150	-	-	-	
Open Air Farmers Market	3150	-	-	-	
Equestrian/Ped Trails to beach	3150	-	-	-	
Wetlands	3150	-	-	-	
Water System Improvements	3150	-	-	-	
Royal Theatre	3160	-	-	-	
Land	3170	-	-	-	
Buildings	3100	-	-	-	
Improvements other than Bldgs	3170	15,132	-	-	
<b>Sub-total</b>		<b>73,142</b>	<b>299,659</b>	<b>2,200,000</b>	
<b>OTHER FINANCING USES:</b>					
InterFund Transfer	5000	-	228,000	228,000	Staff costs for URM
<b>Sub-total</b>		<b>-</b>	<b>228,000</b>	<b>228,000</b>	
<b>Department Total</b>		<b>116,159</b>	<b>527,659</b>	<b>2,428,000</b>	

URM	Amount Budgeted in 2008-2009	Amount Budgeted in 2009/2010	Guadalupe Street
Acct # **			
91-4542-3120	123,338	Each property	951
91-4542-3121	146,893		941-945
91-4542-3122	235,280		955-959
91-4542-3123	128,911		887-891
91-4542-3124	129,974		865-875
91-4542-3125	89,701		813
91-4542-3126	106,048		868-874
91-4542-3127	102,658	owner's allocation	878
91-4542-3128	138,949		899
91-4542-3129	214,218		910
91-4542-3130	168,772		946-960
91-4542-3131	114,816		928
91-4542-3132	134,155		935
91-4542-3133	189,328		898
91-4542-3134	82,219	less the amount spent	914
91-4542-3135	105,906		920
91-4542-3136	158,857		823
91-4542-3137	121,252		771
91-4542-3138	105,070		393
91-4542-3139	128,465		854
91-4542-3140	137,600		1025
91-4542-3141	137,590	as of 6/30/2009.	848

^^ No application completed; Apply to Royal Theatre.

**FUND BALANCE  
RDA FUNDS  
2009-2010 BUDGET**

Fund	Fund Description	Projected Beginning of Year Fund Balance at 6/30/2009	Estimated Revenues 2009- 2010	Estimated Expenditures 2009-2010	Net Current Year Revenue Less Expenditures (including Interfund)	Projected Year- End Fund Balance at 6/30/2010
01						
05						
10						
12						
15						
19						
20						
21						
22						
23						
25						
26	Redevelopment Agency: Operating Fund	250,000	2,020,000	1,922,177	97,823	347,823
28						
30						
32						
35						
36						
38						
40						
42						
45						
46	Capital Project RDA fund	10,000	3,000	-	13,000	23,000
47	Commercial Rehab RDA fund	40,000	3,000	40,000	(37,000)	3,000
48						
49						
64						
53						
54						
57						
58						
59						
61						
63						
64						
66						
67						
70						
90	Redevelopment Agency: Affordable Housing Fund	1,600,000	450,000	1,925,000	(1,475,000)	125,000
91	Redevelopment Agency: Bond Refinance	2,400,000	50,000	2,428,000	(2,378,000)	22,000

**REVENUE**

**2009-2010 BUDGET**

Actual 2006-2007	Actual 2007-2008	Estimated 2008-2009	Estimated 2009-2010
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**COMMUNITY REDEVELOPMENT AGENCY FUNDS:**



**OPERATING FUND -26**

3145	Tax Increment	1,000,000	998,735	1,000,000	2,000,000
3605	Interest Income	10,000	31,769	10,000	20,000
3620	Miscellaneous Income	0	0	0	0
<b>Total Operating Fund</b>		<b>1,010,000</b>	<b>1,030,504</b>	<b>1,010,000</b>	<b>2,020,000</b>



**REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND - 46**

3605	Interest Income	3,000	6,000	3,000	3,000
3,835	Transfers In	0	0	0	0
<b>Total Capital Projects Fund</b>		<b>3,000</b>	<b>6,000</b>	<b>3,000</b>	<b>3,000</b>



**CRA COMMERCIAL REHAB FUND - 47**

3605	Interest Income	5,000	5,000	5,000	3,000
3835	Interfund Revenue	0	0	0	0
<b>Total Commercial Rehab Fund</b>		<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>3,000</b>



**BOND REFINANCE 2003 FUND - 91**

3835	Bond Proceeds	0	0	0	0
3605	Interest Income	30,000	30,000	50,000	50,000
3835	Transfers In	0	0	0	0
<b>Total Bond Refinance 2003 Fund</b>		<b>30,000</b>	<b>30,000</b>	<b>50,000</b>	<b>50,000</b>



**AFFORDABLE HOUSING FUND - 90**

3860	Transfer in - Housing set-aside	200,000	200,000	200,000	400,000
3605	Interest Income	40,000	40,000	40,000	50,000
<b>Total Affordable Housing Fund</b>		<b>240,000</b>	<b>240,000</b>	<b>240,000</b>	<b>450,000</b>

<b>Total RDA Funds</b>		<b>1,288,000</b>	<b>1,311,504</b>	<b>1,308,000</b>	<b>2,526,000</b>
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<b>TOTAL ALL FUNDS</b>		<b>10,385,758</b>	<b>10,068,580</b>	<b>14,234,081</b>	<b>7,054,200</b>
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**RECORDING REQUESTED BY:**  
and when recorded mail to:

Guadalupe Community Redevelopment Agency  
918 Obispo Street  
Guadalupe, California 93434

Exempt From Recording Fees  
Per Government Code §§ 6103, 27383

A.P.N. -- 113-330-059

**DEED OF TRUST**  
Rehabilitation Loan Program

THIS DEED OF TRUST (this "**Deed of Trust**"), is made as of the 14<sup>th</sup> day of April, 2009, ("**Effective Date**") by and between Margie H. Vega and Jose M. Hernandez ("**Trustor**"), whose address is 310 Pioneer Street, Guadalupe CA., 93434, and the Guadalupe Community Redevelopment Agency, ("**Trustee**"), whose address is 918 Obispo Street, Guadalupe, CA 93434, for the benefit of the of the Guadalupe Community Redevelopment Agency ("**Beneficiary**").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, in trust, with power of sale, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, the property located in Santa Barbara County, California, that is described in Exhibit A, attached hereto and by this reference incorporated herein (the "**Site**");

TOGETHER WITH all interests, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Site;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, including, without limiting the generality of the foregoing, all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements now or hereafter erected thereon, and all property of the Trustor now or hereafter affixed to or placed upon the Site, including, without limitation, all fixtures, attachments, appliances, furnishings, equipment and machinery (whether fixed or movable) and other articles (including, in each instance, improvements, restorations, replacements, repairs, additions, accessions or substitutions thereto or thereof);

TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any Street, open or

proposed, adjoining the Site, and any and all sidewalks, alleys and strips of land adjacent to or used in connection with the Site;

TOGETHER WITH all the estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Site, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Site, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages;

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

THIS DEED OF TRUST is made for the purpose of securing:

(a) Payment of the indebtedness secured by that certain Promissory Note secured by this Deed of Trust in the face amount of **\$13,025.00**, executed by Trustor as Borrower for the benefit of Beneficiary (hereafter, the "**Note**" or "**Promissory Note**");

(b) Payment of such additional sums and interest thereon which may be advanced on behalf of Trustor pursuant to this Deed of Trust, or which Beneficiary may hereafter loan to Trustor, or its successors or assigns pursuant to a promissory note or notes or other documents reciting that they are secured by this Deed of Trust; and

(c) Performance of every obligation, covenant or agreement of Trustor contained herein and in that certain Loan Agreement, Resale Restriction and Option to Purchase ("**Resale Restriction Agreement**") executed by and between Margie H. Vega and Jose M. Hernandez and Beneficiary dated April 14, 2009, notice of which has been given to and received by Trustor, and any amendments to any of the foregoing.

THIS DEED OF TRUST is and shall be junior and subordinate to any first lien on the Property held by Countrywide Home Loans ("**First Lender**"), or any deed of trust in the name of or held by the California Housing Finance Agency, its successors and assigns ("**CalHFA**" and, together with the First Lender, the "**Senior Lender**") and shall not impair the rights of the Senior Lender, or any assignee or successor in interest to the Senior Lender, to exercise its remedies under any deed of trust held by Senior Lender ("**Senior Deed of Trust**") in the event of a default by Trustor. In the event of a foreclosure or deed in lieu of foreclosure of the Senior Deed of Trust, this Deed of Trust shall be terminated and shall have no further force or effect on subsequent owners of the Property. Any person, including his or her successors or assigns (other than Trustor or a related person or entity of Trustor), receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the Senior Deed of Trust shall receive title to the Property free and clear from the restrictions in this Deed of Trust.

Further, if the Senior Lender acquires title to the Property pursuant to a deed in lieu of foreclosure, this Deed of Trust shall be terminated upon acquisition of title by the Senior Lender, provided that (i) Agency has been given written notice of a default under the Senior Deed of Trust (which requirement may be satisfied by recordation of a notice of default under California Civil Code Section 2924), and (ii) Agency shall not have cured the default under the Senior Deed of Trust within sixty (60) days of such notice sent to Agency.

## ARTICLE I DEFINITIONS

Section 1.1 **“Expiration Date”** means the date upon which the indebtedness evidenced by the Promissory Note has been fully repaid to Beneficiary or forgiven by the Beneficiary and all other obligations the performance of which is secured by this Deed of Trust have been satisfied.

Section 1.2 **“Mortgage”** means any permanent loan or other financing instrument the proceeds of which are used in the purchase of the Site and the single family dwelling constructed thereon (**“Improvements”**), which loan is secured by a security interest in the Trustor’s interest in the Site or the Improvements.

Section 1.3 **“Property”** means the “Site” and the “Improvements”, together with additions, improvements, restorations and replacements thereof, and the items set forth in the sixth paragraph of this Deed of Trust.

Section 1.4 **“Standards”** means those standards of maintenance typical of single-family, detached residence in well-maintained neighborhoods.

Section 1.5 **“Trustor”** means Trustor and its transferees and successor in interest. Where an obligation is created hereunder that is binding upon Trustor, the obligation shall also apply to and bind Trustor’s transferees or successors in interest. Where the terms of the Deed of Trust have the effect of creating an obligation of the Trustor and transferee, such obligation shall be deemed to be a joint and several obligation of the Trustor and such transferee.

Unless the context clearly otherwise requires, any capitalized term used herein and not defined herein shall have the meaning given to it under the Resale Restriction Agreement.

## ARTICLE II MAINTENANCE AND MODIFICATION OF THE PROJECT AND SECURITY, CERTIFICATE OF COMPLETION UPON PAYMENT

Section 2.1 Maintenance And Modification Of The Property By Trustor

The Trustor agrees that at all times prior to the Expiration Date, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the Property or cause the Property to be maintained, preserved and kept in condition substantially similar to other single-family residential properties in well-maintained neighborhoods. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. The Beneficiary shall have no responsibility in any of these matters or for the making of improvements or additions to the Property. Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Property and to take all other reasonable steps to forestall the assertion of claims of lien against the Property or any part thereof.

### **ARTICLE III TAXES AND INSURANCE; ADVANCES**

#### Section 3.1 Taxes, Other Governmental Charges And Utility Charges

Trustor shall pay or cause to be paid, prior to delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings. With respect to special assessments or other similar governmental charges, Trustor shall pay such amount in whole or in installments over a period of years. In the event that Trustor shall fail to pay any of the foregoing items required by this Section to be paid by Trustor, Beneficiary may (but shall be under no obligation to) pay the same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay any such item within seven (7) business days following the earlier of the receipt or mailing of such notice. Any amount so advanced therefor by Beneficiary, together with interest thereon from the date of such advance at the maximum rate permitted under law shall become an additional obligation of Trustor to the Beneficiary and shall be secured hereby, and Trustor hereby agrees to pay all such amounts.

#### Section 3.2 Insurance

A. Trustor agrees, at its sole cost and expense, for the mutual benefit of Trustor and Beneficiary to secure insurance in the amount of one hundred percent (100%) of the replacement cost of the Improvements and all insurable items within the Property against loss or damage by fire and such other hazards, casualties and contingencies as are normally and usually covered by all-risk policies in effect in the locality where the Property is situated.

B. Trustor agrees, at its sole cost and expense, for the mutual benefit of Trustor and Beneficiary to secure public liability insurance covering the Property and the ownership, use, occupancy and maintenance of the Property.

C. All such insurance policies and coverages (i) shall be maintained at Trustor's sole cost and expense so long as any part of the amounts secured by this Deed of Trust have not been paid, (ii) shall be with insurers of recognized responsibility, and in form and substance satisfactory to the Beneficiary, (iii) shall name Beneficiary as additional insured and loss payee, and (iv) shall contain a provision to the effect that the insurer shall not cancel the policy or modify it materially and adversely to the interest of Beneficiary without first giving Beneficiary at least thirty (30) days' prior written notice thereof. Certificates of insurance, and the written policies if requested by Beneficiary, for all of the above insurance policies, showing the same to be in full force and effect, shall be delivered to the Beneficiary prior to the Effective Date, and upon demand at any time prior to the Expiration Date. Replacement or renewal policies shall be secured at least 30 days prior to the expiration of existing policies. Beneficiary shall not by reason of accepting, rejecting, approving or obtaining insurance incur any liability for the existence, nonexistence, form or legal sufficiency of such insurance or solvency of any insurer for payment of losses.

### Section 3.3 Advances

In the event the Trustor shall fail to maintain the full insurance coverage required by this Deed of Trust or shall fail to keep the Property in good repair and operating condition, the Beneficiary may (but shall be under no obligation to take out the required policies of insurance and pay the premium on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and, provided that the Beneficiary provides five (5) business days' notice to the Trustor all amounts so advanced thereof or by the Beneficiary shall become an additional obligation of the Trustor to the Beneficiary (together with interest as set forth below) and shall be secured hereby, which amounts the Trustor agrees to pay on demand of the Beneficiary, and if not so paid, shall bear interest from the date of the advance at the maximum rate permitted by law.

## **ARTICLE IV DAMAGE, DESTRUCTION OR CONDEMNATION**

### Section 4.1 Damage And Destruction

If, prior to the Expiration Date, the Property or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty, the Trustor shall (a) cause any insurance proceeds arising from insurance referred to in Section 3.2 hereof and any other coverage acquired by the Trustor to be used to promptly rebuild and replace the Property, and (b) repair and replace the Property as necessary. The foregoing covenants shall be subordinated to the provisions of all senior obligations to which this Deed of Trust is subordinate. There shall be no abatement in, and Trustor shall be obligated to continue to pay, the amounts payable under the Agreement, the Note, and this Deed of Trust.

#### Section 4.2 Condemnation

Subject to the provisions of senior obligations to which this Deed of Trust is subordinate, if title to or any interest in or the temporary use of the Property or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, including any proceedings or purchase in lieu thereof, the proceeds as a result of such taking shall be paid as provided by the law of the State of California to all persons or entities as their interests appear of record.

### **ARTICLE V REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE TRUSTOR**

#### Section 5.1 Defense Of Title

Trustor covenants that it is lawfully seized and possessed of title in fee simple to the Site, that it has good right to sell, convey or otherwise transfer or encumber the same and that the Trustor, for itself and its successors and assigns, warrants and will forever defend the right and title to the foregoing described and conveyed property unto Beneficiary, its successors and assigns, against the claims of all persons, excepting only encumbrances approved by Beneficiary.

#### Section 5.2 Inspection Of The Property

Trustor covenants and agrees that at any and all reasonable times and upon reasonable notice, Beneficiary, its duly authorized agents, attorneys, experts, engineers, and representatives shall have the right, without payment of charges or fees, to inspect the Site.

#### Section 5.3 Trustor's Authority

Trustor hereby represents and warrants that there is not now pending against or affecting Trustor, nor to the knowledge of Trustor is there threatened, any action, suit, or proceeding that if adversely determined, would materially impair or affect the financial condition or operations of Trustor or the ability of Trustor to maintain the Improvements. Trustor further represents and warrants that the execution and delivery by Trustor of this Deed of Trust, the Note and the Resale Restriction Agreement have been duly authorized by all requisite action on the part of Trustor, that each such document, when executed and delivered to Beneficiary will constitute a valid obligation, enforceable in accordance with its terms, and that the execution thereof and Trustor's performance thereunder shall not violate any provision or instrument to which Trustor is a party.

**ARTICLE VI**  
**AGREEMENTS AFFECTING THE PROJECT; FURTHER**  
**ASSURANCES; PAYMENT OF THE AGENCY SHARE**

Section 6.1 Other Agreements Affecting Property

The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the Note or any other agreement of any nature whatsoever now or hereafter involving or affecting the Site or any part thereof, including without limitation the Resale Restriction Agreement.

Section 6.2 Further Assurances; After Acquired Property

At any time, and from time to time, upon request by the Beneficiary, the Trustor shall make, execute and deliver, or cause to be made, executed and delivered, to the Beneficiary and, where appropriate, cause to be recorded and/or filed, and from time to time thereafter to be re-recorded and/or refiled, at such time and in such places as shall be deemed desirable by the Beneficiary, any further deeds of trust, security agreements, financing statements respecting personal property, instruments of further assurance, certificates and other documents as may, in the opinion of the Beneficiary, be necessary or desirable in order to effectuate, complete or perfect, or to continue and preserve, (a) the obligations of the Trustor under this Deed of Trust, and (b) the lien of this Deed of Trust as a lien prior to all liens except those obligations which shall be senior obligations pursuant to the provisions of this Deed of Trust. Upon any failure by the Trustor to do so, the Beneficiary may make, execute, record, file re-record and/or refile any and all such deeds of trust, security agreements, instruments, certificates and documents for and in the name of the Trustor, and the Trustor hereby irrevocably appoints the Beneficiary the agent and attorney-in-fact of the Trustor to do so. The lien hereof shall automatically attach, without further act, to all after-acquired property deemed to be part of the Security as defined herein.

Section 6.3 Agreement To Pay Attorney's Fees And Expenses

In the event of an Event of Default hereunder, and if the Beneficiary should employ attorneys or incur other expenses for the collection of amounts due or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand thereof, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary; and any such amounts paid by the Beneficiary shall, be added to the indebtedness secured by the lien of this Deed of Trust, and shall bear interest from the date such expenses are incurred at the maximum rate permitted by law.

#### Section 6.4 Payment To The Beneficiary

The Trustor shall pay to the Beneficiary all amounts identified in the Promissory in the amount(s) and by the time(s) specified in such documents. The failure to do so constitutes an Event of Default authorizing and permitting the Beneficiary to exercise the remedies set forth in Article VII hereof.

#### Section 6.5 Notice of Default; Right to Cure

Trustor shall use its best efforts to ensure that any Mortgage secured by the Site includes provisions (i) requiring delivery to Agency of a copy of any notice of default given to Trustor under such Mortgage concurrently with service of such notice to Trustor, and (ii) providing Agency with the right (but not the obligation) to cure or remedy, or to commence to cure or remedy such default during the period available to Trustor pursuant to such Mortgage plus sixty (60) additional days.

#### Section 6.6 Due on Sale, Rent, or Lease

The Promissory Note secured by this Deed of Trust is due upon the occurrence of any transfer of title to the Property whether by sale or lease, or the execution of an installment sale contract giving the purchaser a right to possess the Property before transfer of title. The Promissory Note secured by this Deed of Trust is also due upon any attempt to rent or lease a portion or the entire residential dwelling located on the Property.

### **ARTICLE VII EVENTS OF DEFAULT AND REMEDIES**

#### Section 7.1 Events Of Default Defined

The following shall be an Event of Default under this Deed of Trust: (i) the occurrence of an Event of Default under the Promissory Note, (ii) any representation or warranty made by Trustor hereunder is false or misleading in any material respect as of the date on which the representation is made, or (iii) the failure of the Trustor to perform or comply with any obligation, covenant, agreement or warranty under this Deed of Trust, the Note or the Resale Restriction Agreement, and the continuation of said failure for a period of thirty (30) calendar days as to monetary obligations and ninety (90) calendar days as to non-monetary obligations, after written notice specifying such failure and requesting that it be remedied (such notice being referred to herein as a "notice of default") shall have been given to Trustor from the Beneficiary, shall be an Event of Default under this Deed of Trust.

#### Section 7.2 Acceleration Of Maturity

If an Event of Default shall have occurred and be continuing, then the entire indebtedness secured hereby shall, at the option of the Beneficiary, immediately

become due and payable without notice or demand (which are hereby expressly waived), and no omission on the part of the Beneficiary to exercise such option when entitled to do so shall be construed as a waiver of such right.

### Section 7.3 The Beneficiary's Right To Enter And Take Possession

If an Event of Default shall have occurred and be continuing, the Beneficiary may:

A. Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Site and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Site, or part thereof or interest therein, increase the income therefrom or protect the Security hereof and without or without taking possession of the Site, sue for or otherwise collect rents, issues and profits thereof, including those past due and unpaid, and apply the same, less costs and expense of operation and collection, including attorneys' fees, upon any indebtedness secured hereby, all in such order as Beneficiary may determine. The entering upon and taking possession of the Site, the collection of such rents, issues and profits and the application thereof, as aforesaid, shall not cure or waive any Event of Default or notice of Event of Default hereunder or invalidate any act done in response to such Event of Default or pursuant to such notice of Event of Default and, notwithstanding the continuance in possession of the Site or the collection, receipt and application of rents, issues or profits, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust or by law upon occurrence of any Event of Default, including the right to exercise the power of sale. Trustor requests that a copy of any notice of default and a copy of any Notice of Sale hereunder be mailed to Trustor at the address herein given;

B. Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

C. 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 Site to be sold, which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of Santa Barbara County; or

D. Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to the Site, including any Security, or in any other document or agreement now or hereafter evidencing, creating or securing all or any portion of the obligations secured hereby, or provided by law.

#### Section 7.4 Foreclosure By Power Of Sale

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall notify Trustee and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which shall be deemed to constitute evidence that the Promissory Note amount is immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

A. Upon receipt of such notice from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such notice of default and election to sell as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such notice of default and after notice of sale having been given as required by law, sell the Site, at the time and place of sale fixed by it in said notice of sale, either as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as it may determine, at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale, Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale, and Trustor hereby covenants to warrant and defend the title of such purchaser or purchaser.

B. 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 to payment of: (i) the Promissory Note; (ii) all other sums then secured hereby; and (iii) the remainder, if any, to the person or persons legally entitled thereto.

C. Trustee may postpone sale of all or any portion of the Site 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.

#### Section 7.5 Receiver

If an Event of Default shall have occurred and be continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under Security, and without regard to the then value of the Site or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefore. Any such receiver or receivers shall have all the powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall

continue as such and exercise all such powers until the date of confirmation of sale of the Site, unless such receivership is sooner terminated.

#### Section 7.6 Remedies Cumulative

No right, power or remedy conferred upon or reserved to the Beneficiary by this Deed of Trust is intended to be exclusive of any other right, power or remedy, but each and every 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.

#### Section 7.7 No Waiver

A. No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Default shall exhaust or impair any such right, power or remedy, or shall be construed to be a waiver of any such Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. No consent or waiver, expressed or implied, by the Beneficiary to or of any breach by the Trustor in the performance of the obligations hereunder shall be deemed or construed to be a consent to or waiver of obligations to the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, powers or remedies consequent on any breach or Event of Default by the Trustor.

B. If the Beneficiary (i) grants forbearance or an extension of time for the payment of any sums secured hereby, (ii) takes other or additional security or the payment of any sums secured hereby, (iii) waives or does not exercise any right granted herein, (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements of this Deed of Trust, (v) consents to the filing of any map, plat or replat affecting the Security, (vi) consents to the granting of any easement or other right affecting the Security, or (vii) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor shall any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted upon the occurrence of the Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary shall the lien of this Deed of Trust be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Site, the Beneficiary without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Security (or a part thereof) or the

indebtedness secured hereby, or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the Trustor and without in any way releasing or discharging any liabilities, obligations or undertakings of the Trustor.

#### Section 7.8 Suits To Protect The Security

The Beneficiary shall have power (upon ninety (90) days of notice to the Trustor) to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security (and the rights of the Beneficiary as secured by this Deed of Trust); by any acts which may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security and in the rents, issues, profits and revenues arising therefrom, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the security thereunder or be prejudicial to the interests of the Beneficiary.

#### Section 7.9 Trustee May File Proofs Of Claim

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting the Trustor, its creditors or its property, the Beneficiary, to the extent permitted by law, shall be entitled to file such proof of claim and other documents may be necessary or advisable in order to have claims of the Beneficiary allowed in such proceedings for the entire amount due and payable by the Trustor under this Deed of Trust at the date of the institution of such proceedings and for any additional amount which may become due and payable by the Trustor hereunder after such date.

### **ARTICLE VIII MISCELLANEOUS**

#### Section 8.1 Amendments

This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

#### Section 8.2 Reconveyance By Trustee

Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey to Trustor, or to the person or persons legally entitled thereto, without warranty, any portion of the Site then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness

thereof. The grantee in any reconveyance may be described as "the person or person legally entitled thereto.

### Section 8.3 Notices

Whenever Beneficiary, Trustor or Trustee shall desire to give or serve any notice, demand, request or other communication with respect to this Deed of Trust, each such notice, demand, request, or other communication shall be in writing and shall be effective only if the same is delivered by personal service or mailed by registered or certified mail, postage prepaid, return receipts requested, or by telecopier or facsimile transmission, addressed to the address set forth in the first paragraph of this Deed of Trust. Any party may at any time change its address for such notices by delivering or mailing to the other parties hereto, as aforesaid, a notice of such change.

### Section 8.4 Acceptance By Trustee

Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

### Section 8.5 Captions

The captions or headings at the beginning of each Section hereof are for the convenience of the parties are not a part of this Deed of Trust.

### Section 8.6 Severability

Every provision of this Deed of Trust is intended to be severable. In the event any term or provision thereof is declared to be illegal or invalid for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

### Section 8.7 No Merger

If title to the Site shall become vested in the Beneficiary, this Deed of Trust and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger and, in such event, Beneficiary shall continue to have and enjoy all of the rights and privileges of Beneficiary under this Deed of Trust. In addition, upon foreclosure under this Deed of Trust pursuant to the provisions hereof, any leases or subleases then existing and affecting all or any portion of the Security shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a

result of such foreclosure unless Beneficiary or any purchaser at any such foreclosure shall so elect. No act by or on behalf of Beneficiary or any purchaser shall constitute a termination of any lease or sublease unless Beneficiary or purchaser shall give written notice of termination to such tenant or subtenant.

Section 8.8 Governing Law and Venue

This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California. Any action to foreclose upon, or enforce or interpret any of the provisions of, this Deed of Trust shall be brought in Santa Barbara County.

Section 8.9 Gender And Number

In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

Section 8.10 Substitution of Trustee

Beneficiary may from time to time or at any time substitute a trustee or trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the Recorder of Santa Barbara County, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the Trustee named herein.

Section 8.11 Entire Agreement

This Deed of Trust, the Note and the Resale Restriction Agreement constitute the entire agreement of the Parties with respect to the subject matter hereof, and this Deed of Trust specifically supersedes the Inclusionary Housing Agreement and the Regulatory Agreement that have previously been recorded against the Property. There are no representations, promises, agreements or other understandings between the Parties relating to the subject matter of this Deed of Trust that are not expressed or specifically referenced herein. This Deed of Trust may be modified only by an instrument in writing executed by the Parties or their respective successors in interest..

Section 8.12 Recordation

The parties agree that this Deed of Trust shall be recorded against the Site.

**ARTICLE IX  
HAZARDOUS MATERIALS**

Section 9.1 Hazardous Materials

Trustor shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept or used in or about the Site by Trustor, its agents,

employees, contractors or invitees except for materials ordinarily used in the course and scope of constructing improvements to residential dwellings.

Trustor shall indemnify, defend (with counsel approved by Beneficiary) and hold Beneficiary harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses (including, without limitation, diminution in value of the Site, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise as a result of any breach of the obligations contained in this Section or any contamination, discharge, or release of Hazardous Materials. This indemnification of Beneficiary by Trustor includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Materials present in, on or under the Site or adjacent property caused by or a result of Trustor's activities. If any Hazardous Materials are discharged, released, dumped, or spilled on, under, or about the Site and result in any contamination of the Site or adjacent property, or otherwise result in the release or discharge on, under or from the Site of Hazardous Materials, Trustor shall promptly take all actions at its sole expense as are necessary to comply with, and in accordance with, all Environmental Laws (as defined below).

**"Hazardous Materials"** means any substance, material or waste which is or becomes regulated by any federal, state or local governmental authority, and includes without limitation (i) petroleum or oil or gas or any direct or indirect product or by-product thereof; (ii) asbestos and any material containing asbestos; (iii) any substance, material or waste regulated by or listed (directly or by reference) as a "hazardous substance", "hazardous material", "hazardous waste", "toxic waste", "toxic pollutant", "toxic substance", "solid waste" or "pollutant or contaminant" in or pursuant to, or similarly identified as hazardous to human health or the environment in or pursuant to, the Toxic Substances Control Act [15 U.S.C. 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as they now exist or are hereafter amended, together with any regulations promulgated thereunder; (iv) any substance, material or waste which is defined as such or regulated by any "Superfund" or "Superlien" law, or any Environmental Law; or (v) any other substance, material, chemical, waste or pollutant identified as hazardous or toxic and regulated under any other federal, state or local environmental law, including

without limitation, asbestos, polychlorinated biphenyls, petroleum, natural gas and synthetic fuel products and by-products.

**“Environmental Law”** means all federal, state or local statutes, ordinances, rules, regulations, orders, decrees, judgments or common law doctrines, and provisions and conditions of permits, licenses and other operating authorizations regulating, or relating to, or imposing liability or standards of conduct concerning (i) pollution or protection of the environment, including natural resources; (ii) exposure of persons, including employees and agents, to Hazardous Materials (as defined above) or other products, raw materials, chemicals or other substances; (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities; (iv) the manufacture, use or introduction into commerce of chemical substances, including without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal; or (v) the use, release or disposal of toxic or hazardous substances or Hazardous Materials or the remediation of air, surface waters, groundwaters or soil, as now or may at any later time be in effect, including but not limited to the Toxic Substances Control Act [15 U.S.C. 2601, et seq.]; the Comprehensive Environmental Response, Compensation and Liability Act [42 U.S.C. Section 9601, et seq.], the Hazardous Materials Transportation Authorization Act [49 U.S.C. Section 5101, et seq.], the Resource Conservation and Recovery Act [42 U.S.C. 6901, et seq.], the Federal Water Pollution Control Act [33 U.S.C. Section 1251], the Clean Air Act [42 U.S.C. Section 7401, et seq.], the California Underground Storage of Hazardous Substances Act [California Health and Safety Code Section 25280, et seq.], the California Hazardous Substances Account Act [California Health and Safety Code Section 25300, et seq.], the California Hazardous Waste Act [California Health and Safety Code Section 25100, et seq.], the California Safe Drinking Water and Toxic Enforcement Act [California Health and Safety Code Section 25249.5, et seq.], and the Porter-Cologne Water Quality Control Act [California Water Code Section 13000, et seq.], as they now exist or are hereafter amended, together with any regulations promulgated thereunder.

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

**TRUSTOR:**

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**TRUSTOR:**

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State of California )  
 )  
County of Santa Barbara )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, a 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)

State of California )  
 )  
County of Santa Barbara )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, a 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)

**NOTICE TO BORROWER: THIS DOCUMENT CONTAINS PROVISIONS  
RESTRICTING USE OF THE PROPERTY, REFINANCING, AND ASSUMPTIONS**

**SECURED PROMISSORY NOTE**

Guadalupe Community Redevelopment Agency  
Rehabilitation Loan Program

Loan No. 104

Guadalupe, California

\$ 13,025.00

April 14, 2009

FOR VALUE RECEIVED, the undersigned, Margie H. Vega and Jose M. Hernandez, (“**Borrower**”), promise to pay to the **GUADALUPE COMMUNITY REDEVELOPMENT AGENCY**, a public body corporate and politic (“**Lender**”), at 918 Obispo Street, Guadalupe, California 93434, or such other place as Lender may from time to time designate by written notice to Borrower, in lawful money of the United States, the principal sum of thirteen thousand twenty-five dollars and zero cents. (\$13,025.00) together with simple interest accruing at the rate of ZERO percent (0%) per annum from the date of this Note until paid in full. This Note is secured by that certain Deed of Trust (the “**Deed of Trust**”) dated as of the date hereof, executed by Borrower and recorded against the Property (defined below) in the Official Records of Santa Barbara County. In addition to securing Borrower’s obligation to repay this Note, the Deed of Trust secures Borrower’s obligations set forth in the Deed of Trust and that certain Loan Agreement, Resale Restriction and Option to Purchase (“**Loan Agreement**”) dated as of the date hereof, executed by Borrower and Lender, and recorded against the Property.

1. **Purpose of Loan.** Borrower owns the residential real property located at 310 Pioneer Street in the City of Guadalupe, Santa Barbara, California (the “**Property**”) as more particularly described in Exhibit A of the Deed of Trust. Lender has provided a loan in the principal amount of this Note (the “**Loan**”) to Borrower pursuant to Lender’s Habitat for Humanity Rehabilitation Loan Program pursuant to a Loan Agreement and Resale Restriction (the “**Agreement**”) Housing. This Note evidences Borrower’s obligations to repay the principal amount of the Loan, together with interest as set forth in the first paragraph of this Note.

2. **Loan Repayment.** The entire outstanding principal balance of this Note, together with accrued interest and all other sums due hereunder, shall be due and payable in full in one lump sum upon the earliest to occur of: (i) the tenth (10<sup>th</sup>) anniversary of the date of this Note, (ii) the sale, transfer, lease or encumbrance of all or any interest in the Property without Lender’s prior written consent (other than as permitted pursuant to the Deed of Trust and the Loan Agreement), (iii) the occurrence of an Event of Default, or (iv) upon the maturity date or full repayment of any debt that is secured by a lien on the Property that is senior to the Deed of Trust.

3. **Loan Forgiveness**. On the tenth (10<sup>th</sup>) Anniversary of the Effective Date of this Agreement all principal and interest due under this Agreement and the Promissory Note shall be forgiven provided that Borrower is not in default under the terms of this Agreement.

4. **Due on Sale; Restrictions on Assumption**. This Note is payable in full upon sale of the Property, and may not be assumed.

5. **Events of Default; Acceleration of Payment**. An Event of Default permitting Lender to declare all sums due hereunder immediately due and payable shall arise upon the occurrence of any of the following:

- a) Failure to use the Property as Borrower's Principal Residence;
- b) Sale, conveyance, or other transfer of the Property (including a foreclosure sale), if the remaining ownership interest of the Borrower in the Property is less than fifty percent (50%);
- c) A default occurs under the terms of a senior deed of trust and said default shall not be cured within sixty (60) days following the recordation of notice of default by the trustee under that senior deed of trust;
- d) Borrower refinances the Property's original purchase loans in excess of the principal balance owed on the purchase mortgage and the City loan;
- e) Borrower fails to observe or perform any covenant, condition, or agreement to be observed or performed by Borrower (this Note or the Deed of Trust, including but not limited to failure to pay indebtedness.

6. **Default Rate of Interest**. Upon the occurrence of an Event of Default, the interest rate payable hereunder shall increase to the rate of ten percent (10%) per annum commencing upon the date of such Event of Default.

7. **Application of Payments**. All payments received on account of this Note shall be first applied to accrued interest, and the remainder shall be applied to the reduction of principal.

8. **Attorney's Fees**. Borrower agrees to pay all costs and expenses, including reasonable attorney's fees, which Lender may incur in the collection or enforcement of this Note, whether or not suit is filed.

9. **Late Charges**. If any payment due hereunder is not paid when due and such default continues for a period of fifteen (15) days thereafter, Borrower shall pay a late charge equal to five percent (5%) of the delinquent amount.

10. **No Offset; Borrower's Waivers**. Borrower hereby waives any rights of offset it now has or may hereafter have against Lender, its successors and assigns, and agrees

to make the payments called for hereunder in accordance with the terms of this Note. Borrower hereby waives diligence, presentment, protest, and demand, and notice of protest, notice of dishonor and notice of nonpayment of this Note, and expressly waives any rights to be released by reason of any extension of time or change in terms of payment, or change, alteration or release of any security given for the payments hereof, and expressly waives the right to plead any and all statutes of limitation as a defense to any demand on this Note.

11. **Notices**. Except as may be otherwise specified herein, any approval, notice, direction, consent, request or other action by the Lender shall be in writing and shall be communicated to the Borrower at the address of the Property, or at such other place or places as the Borrower shall designate to the Lender in writing, from time to time, for the receipt of communications from the Lender. Mailed notices shall be deemed delivered and received five (5) working days after deposit in the United States mail in accordance with this provision.

Lender:           Guadalupe Community Redevelopment Agency  
                      918 Obispo Street  
                      Guadalupe, CA 93434  
                      Attn: Executive Director

Borrower:       Margie H. Vega and Jose M. Hernandez  
                      310 Pioneer Street  
                      Guadalupe, CA 93434

12. **Prepayment**. Borrower may prepay this Note in full at any time without premium or penalty, so long as Borrower pays the entire outstanding principal balance together with the interest accrued and any other sums accrued hereunder.

13. **Governing Law**. This Note shall be construed in accordance with and be governed by the laws of the State of California.

14. **Severability**. If any provision of this Note shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

15. **No Waiver by Lender; Remedies Cumulative**. No waiver of any breach, default or failure of condition under the Note, the Loan Agreement, or the Deed of Trust shall be implied from Lender's failure or delay in declaring a default or exercising any of Lender's rights or remedies with respect to such breach, default or failure, or from any previous waiver of any similar or unrelated breach, default or failure. Without limiting the generality of the foregoing, Lender's failure to declare any amount due hereunder shall not constitute a waiver of Lender's right to declare such sum due in the event of any subsequent event that triggers Borrower's payment obligations hereunder. Any waiver of any term or provision of the Note, the Loan Agreement, or the Deed of Trust, or any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver. The rights and remedies of the parties hereunder are cumulative, and the exercise or failure to exercise one or more of such

rights or remedies by either party shall not preclude the exercise by it, at the same time or different times, of any right or remedy for the same default or any other default.

16. **Joint and Several Obligations.** If this Note is executed by more than one person as Borrower, the obligations of each shall be joint and several.

17. **Assignment by Lender; Successors and Assigns.** Lender may assign its rights to receive the proceeds under this Note to any person, and upon notice to Borrower of such assignment, all payments shall be made to the assignee. The promises and agreements herein contained shall bind and inure to the benefit of, as applicable, the respective heirs, executors, administrators, successors and assigns of the parties; provided however, Borrower may not assign this Note without Lender's written consent except in accordance with the Loan Agreement and the Deed of Trust.

18. **Entire Agreement; Amendments in Writing.** This Note, together with the Loan Agreement and the Deed of Trust sets forth the entire understanding and agreement of Borrower and Lender with respect to the subject matter hereof. Any amendment to this Note must be in writing signed by both Lender and Borrower.

19. **Nonliability for Negligence, Loss or Damage.** Borrower acknowledges and agrees that the relationship between Borrower and Lender is solely that of borrower and lender, and that Lender neither undertakes nor assumes any responsibility for or duty to Borrower to select, review, inspect, supervise, pass judgment on or inform Borrower of the quality, adequacy or suitability of the Property or any other matter. Lender owes no duty of care to protect Borrower against negligent, faulty, inadequate or defective building or construction, or any condition of the Property, and Borrower agrees that neither Borrower nor any of Borrower's heirs, successors or assigns shall ever claim, have or assert any right or action against Lender for any loss, damage or other matter arising out of or resulting from any condition of the Property.

Executed as of the date first written above.

BORROWER

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Margie H. Vega

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Jose M. Hernandez

RECORDING REQUESTED BY, )  
MAIL TAX STATEMENTS TO )  
AND WHEN RECORDED MAIL TO: )  
 )  
Guadalupe Community Redevelopment Agency )  
918 Obispo Street )  
Guadalupe, CA 93434 )  
Attn: Executive Director )

Exempt from recording fee (Govt. Code § 6103)

Space above this line reserved for use by Recorder's Office

## REHABILITATION LOAN AGREEMENT, RESALE RESTRICTION

### NOTICE TO BUYER: THERE ARE RESTRICTIONS ON THE SALE OF THIS PROPERTY

This Loan Agreement, Resale Restriction (this "**Agreement**") is entered into as of this 14<sup>th</sup> day of April, 2009, ("**Effective Date**") by and between the Guadalupe Community Redevelopment Agency, a public body corporate and politic California (hereinafter "**Agency**") and Margie H. Vega and Jose M. Hernandez, (hereinafter "**Owners**") regarding certain improved real property located at 310 Pioneer Street, Guadalupe, California and further described in Exhibit A (hereinafter "**Property**"). Owner and Agency are collectively referred to as the "**Parties**"

### RECITALS

**WHEREAS**, to further its goal of creating affordable home ownership opportunities for low income persons and households, the Agency has authorized the Habitat for Humanity Rehabilitation Loan Program (the "**Program**"); and

**WHEREAS**, owner is an eligible low income borrower under the Program, intends to live in the Property as an owner occupant, and agrees to maintain the Property as Owner's principal residence; and

**WHEREAS**, Agency has agreed to provide a loan to Owner in the amount of thirteen thousand twenty-five dollars and zero cents. Dollars (\$ 13,025.00) ("**Loan**") to finance the rehabilitation of the Property; and

**WHEREAS**, in order to maintain and preserve the Property as affordable housing, it is necessary to restrict the use and resale of the Property through imposition of the occupancy and resale restrictions set forth herein. These restrictions are intended to prevent initial and subsequent purchasers from using the Property for purposes incompatible with the Program and realizing unwarranted gains from sales of the Property at unrestricted prices. The terms and conditions of this Agreement are intended to provide the necessary occupancy and resale restrictions to ensure that the Property is used and maintained as housing affordable to eligible low income purchasers; and

**WHEREAS**, the Property constitutes a valuable community resource by providing decent, safe, and sanitary housing to persons and households of low income who otherwise would be unable to afford such housing. To protect and preserve this resource it is necessary, proper, and in the public interest for the Agency to administer the occupancy and resale controls consistent with the Program by means of this Agreement.

**NOW THEREFORE**, in consideration of substantial economic benefits received by the Owner and the public purposes served by the Program, Owner and Agency agree as follows:

1. Definitions.

a. "Appraiser" shall mean a real estate appraiser who is certified and licensed in California.

b. "Deed of Trust" shall mean that certain Deed of Trust dated April 14, 2009 by Margie H. Vega in favor of the Agency.

c. "Default Events" shall include but not be limited to the following:

- (i) Failure to use the Property as Owner's Principal Residence;
- (ii) Sale, conveyance, or other transfer of the Property (including a foreclosure sale), if the remaining ownership interest of the Owner in the Property is less than fifty percent (50%).
- (iii) A default occurs under the terms of a Senior Deed of Trust and said default shall not be cured within sixty (60) days following the recordation of notice of default by the trustee under that Senior Deed of Trust.
- (iv) Owner refinances the Property's original purchase loans in excess of the principal balance owed to the Senior Lender(s) and the principal balance owed to the Agency.
- (v) Owner fails to observe or perform any covenant, condition, or agreement to be observed or performed by Borrower (as defined in the Promissory Note) pursuant to the Promissory Note or the Deed of Trust, including but not limited to failure to pay indebtedness.

d. "Eligible Household" shall mean a homeowner who is purchasing a home in the City of Guadalupe whose income does not exceed Eighty percent (80%) of the median income of the region established and published annually by the State Department of Housing and Community Development ("**HCD**") for the County of Santa Barbara.

e. "Promissory Note" shall mean that certain Promissory Note dated April 14, 2009 by Margie H. Vega and Jose M. Hernandez as Borrower evidencing the Loan.

f. "Owner" shall mean a borrower or co-borrower(s) who executes this Agreement and all relevant loan program documents related hereto.

g. "Program" shall mean the Agency's Habitat for Humanity Rehabilitation Loan Program.

h. "Property," shall mean the real property commonly known and described as 310 Pioneer Street (APN 113-330-059, Guadalupe, California, which will be the Principal Residence of the Owner.

i. "Principal Residence," shall mean the place where the Owner resides on a substantially full-time basis, defined as not less than ten (10) months per year.

## 2. Loan; Loan Repayment.

a. Loan Amount. Agency agrees to loan Borrower, and Borrower agrees to repay the Loan in the amount of thirteen thousand twenty-five dollars and zero cents. (\$13,025.00). The Loan shall be evidenced by the Promissory Note.

b. Interest Rate. Commencing on April 14, 2009 and continuing through the Maturity Date interest on the Loan shall accrue at the rate of zero percent (0%) per annum simple interest on the outstanding principal balance. Interest shall be calculated on the basis of a year of 360 days, and charged for the actual number of days elapsed.

c. Repayment. Upon the earlier of (i) tenth (10) years from the date of close of escrow on Owner's initial purchase of the Property, (ii) sale of the Property, (iii) prepayment of the loan, or (iv) the occurrence of any Default Event, (each, a "**Maturity Date**"), the principal amount of the Loan, together with accrued interest shall become due and payable pursuant to the terms of the Deed of Trust and Promissory Note. The Promissory Note or any portion of the outstanding principal balance due under the Loan may be prepaid at any time, and from time to time, without penalty or premium. Prepayments will be applied first to any unpaid costs and fees, then to accrued but unpaid interest, if any, and then to principal.

d. Loan Forgiveness. On the 10<sup>th</sup> Anniversary of the Effective Date of this Agreement all principal and interest due under this Agreement and the Promissory Note shall be forgiven provided that Borrower is not in default under the terms of this Agreement.

## 3. Refinancing; Junior Loans.

a. Initial Financing. Any prepayment and refinance of any financing used to purchase the Property shall not be permitted unless expressly approved by the

Agency in writing, and the Agency may approve such refinancing only if all of the following conditions are met if

i. the refinance reduces Owner's monthly payments of principal and interest on the Initial Financing or shall be used to finance Eligible Capital Improvements preapproved by the Agency (as defined in this Section);

ii. the refinance does not cause the Property's loan to value ratio (calculated by comparing the total debt secured by the Property to the Adjusted Resale Price of the Property) to exceed the loan to value ratio for the Property at the time of initial purchase by the Owner (calculated by comparing the total debt secured by the Property to the Purchase Price paid by the Owner).

iii. the total outstanding balance of principal and any accrued interest on all loans secured by the Property does not exceed the Adjusted Resale Price, calculated by the Agency pursuant to Section 14 of this Agreement.

b. Junior Loans. Mortgage loans or equity lines of credit junior in priority to the Deed of Trust are not permitted, except as when expressly approved by the Agency in writing. The Agency shall only approve junior mortgage loans or equity lines of credit if the loan or equity line of credit does not cause the Property's loan to value ratio (calculated by comparing the total debt secured by the Property to the Adjusted Resale Price of the Property) to exceed the loan to value ratio for the Property

c. Affordable Housing Cost; Subordination. The Agency and the Owner agree that the requirements of this Section are necessary to ensure the continued affordability of the Property to Owner and to minimize the risk of loss of the Property by Owner through default and foreclosure of mortgage loans. Owner further acknowledges that violation of the provisions of this Section shall constitute a Default under this Agreement. Any subordination agreement to be executed by Agency shall include notice and cure rights for Agency regarding any defaults in the mortgage to which the Agency is subordinating.

4. Limits on Liability. In no event shall the Agency become liable or obligated in any manner to Owner by reason of the assignment of this Agreement, nor shall Agency be in any way liable or obligated to Owner for any failure of the Agency's assignee to consummate a purchase of the Property or to comply with the terms of this Agreement, or any escrow instructions or agreement for the purchase of the Property.

5. Insurance Proceeds and Condemnation Award. In the event the Property is destroyed and insurance proceeds are distributed to Owner instead of being used to rebuild the Property, or, in the event of condemnation, if the proceeds thereof are distributed to Owner, any surplus of proceeds remaining after payment of the senior liens and encumbrances on the Property shall up to the amount of the Loan, and the balance shall be distributed to Owner.

6. Effective Date. The rights and obligations of the Agency and Owner set forth in this Agreement shall be effective as of the Effective Date.

7. Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Party in accordance with this Section. All such notices shall be sent by:

a. personal delivery, in which case notice shall be deemed delivered upon receipt;

b. certified or registered mail, return receipt requested, in which case notice shall be deemed delivered two (2) business days after deposit, postage prepaid in the United States mail;

c. nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) day after deposit with such courier; or

d. facsimile transmission, in which case notice shall be deemed delivered on transmittal, provided that a transmission report is generated reflecting the accurate transmission thereof.

**Agency:** Guadalupe Community Redevelopment Agency  
Attn: Executive Director  
918 Obispo Street  
Guadalupe, CA 93434

**Owner:** Margie H. Vega and Jose M. Hernandez  
310 Pioneer Street  
Guadalupe, CA 93434

8. Remedies Upon Breach. Agency shall have all of the remedies provided for at law or equity, including but not limited to all rights and remedies under the Deed of Trust.

9. General Provisions.

a. Attorneys' Fees. If either party initiates legal proceedings to interpret or enforce its rights under this Agreement, the prevailing party in such action shall be entitled to an award of reasonable attorneys' fees and costs in additions to any other recovery to which it is entitled under this Agreement.

b. No Joint Venture; No Third-Party Beneficiary. No joint venture or other partnership exists or is created between the Parties by virtue of this Agreement. Except as expressly stated herein, this Agreement does not benefit any third party.

c. Successors; Assignment. This Agreement shall inure to the benefit of and shall be binding upon the Parties to this Agreement and their respective heirs, executors, administrators, successors and assigns. Agency shall have the right to assign all of its rights and obligations under this Agreement without the consent of Owner.

d. Entire Agreement; Amendment. This Agreement, the Note and the Deed of Trust constitute the entire agreement of the Parties with respect to the subject matter hereof, and this Agreement specifically supersedes the Inclusionary Housing Agreement and the Regulatory Agreement that have previously been recorded against the Property. There are no representations, promises, agreements or other understandings between the Parties relating to the subject matter of this Agreement that are not expressed or specifically referenced herein. This Agreement may be modified only by an instrument in writing executed by the Parties or their respective successors in interest.

e. Survival; No Merger. All of the terms, provisions, representations, warranties and covenants of the Parties under this Agreement shall survive the close of escrow of any sale of the Property and shall not be merged in any deed transferring the Property.

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

g. Severability. The invalidity or unenforceability of any term or provision of this Agreement shall not impair or affect the remainder of this Agreement, and the remaining terms and provisions hereof shall not be invalidated but shall remain in full force and effect.

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

i. Construction. The section headings and captions used in this Agreement are for convenience of reference only and shall not modify, define, limit or amplify any of the terms or provisions hereof. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties have prepared it.

j. Governing Law. This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of California.

k. Time of the Essence. Time is of the essence in this Agreement as to each provision in which time is an element of performance.

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

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

**IN WITNESS WHEREOF**, the undersigned have caused this Agreement to be executed as of the dates set forth below.

**OWNER(S)**, [an individual/a married couple]:

\_\_\_\_\_  
Margie H. Vega

\_\_\_\_\_  
Jose M. Hernandez

**AGENCY**, a public body corporate and politic

\_\_\_\_\_  
By: CAROLYN GALLOWAY-COOPER  
Its: Executive Director

ATTEST:

\_\_\_\_\_  
By:  
Its: Agency Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
By: \_\_\_\_\_, Agency Attorney

ACKNOWLEDGMENT

STATE OF CALIFORNIA )  
 )  
COUNTY OF SANTA BARBARA )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, a 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

STATE OF CALIFORNIA )  
 )  
COUNTY OF SANTA BARBARA )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, a 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**

Assessor's Parcel No: 113-330-059

EXHIBIT B

**FORM OF NOTICE OF INTENT TO TRANSFER**

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Guadalupe Community Redevelopment Agency  
918 Obispo Street  
Guadalupe, CA 93434  
Attn:

Date: \_\_\_\_\_

Re: Notice of Intent to Transfer

Pursuant to the Loan Agreement, Resale Restriction dated \_\_\_\_\_, the undersigned Owner(s) Margie H. Vega and Jose M. Hernandez hereby give notice of their intent to transfer the property located at 310 Pioneer Street, Guadalupe, California (the "**Property**"). Owner may be contacted at the Property or at the following address:

Margie H. Vega and Jose M. Hernandez  
310 Pioneer Street  
Guadalupe, CA 93434

Owner's daytime telephone number is (805) 714-2484

*If applicable:* The proposed transfer of the Property is to the following person(s):

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: (     ) \_\_\_\_\_

The proposed transfer is (check one):

Sale \_\_\_\_\_

Other \_\_\_\_\_ (Specify: \_\_\_\_\_)

Owner(s) signature(s):

\_\_\_\_\_  
\_\_\_\_\_

EXHIBIT C

**FORM OF NOTICE OF EXERCISE**

Date: \_\_\_\_\_

To: \_\_\_\_\_ (Owner or Transferree)

\_\_\_\_\_ (Address)

Re: Notice of Exercise

The Guadalupe Community Redevelopment Agency ("**Agency**") hereby gives notice that it is exercising its option to purchase the real property located at \_\_\_\_\_, Guadalupe, California. The option has been granted to the Agency pursuant to the Loan Agreement, Resale Restriction, between Owner and the Agency dated \_\_\_\_\_ and recorded on \_\_\_\_\_ as Instrument No. \_\_\_\_\_ (The Agency has assigned its option to purchase the real property to \_\_\_\_\_.) An escrow for the purchase will be opened with the \_\_\_\_\_ Title Company.

GUADALUPE COMMUNITY REDEVELOPMENT AGENCY

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

Its:

Date:

Exhibit D

**FORM OF DISCLOSURE STATEMENT**

THERE ARE RESTRICTIONS ON THE SALE OF THE PROPERTY YOU ARE BUYING. EXCEPT FOR A TRANSFER TO THE AGENCY FOLLOWING AGENCY'S EXERCISE OF ITS OPTION TO PURCHASE, THIS PROPERTY MAY ONLY BE SOLD TO AN "ELIGIBLE HOUSEHOLD" AT A PRICE NOT TO EXCEED THE ADJUSTED RESALE PRICE WHICH IS CAPPED AT AN "AFFORDABLE UNIT COST."

THIS MEANS THAT YOU MAY NOT SELL THE PROPERTY FOR MARKET VALUE TO WHOMEVER YOU LIKE.

THESE RESTRICTIONS WILL BE IN EFFECT UNTIL \_\_\_\_\_.  
**ANY SALE OF THE PROPERTY IN VIOLATION OF THE RESTRICTIONS, SHALL BE VOIDABLE AT THE ELECTION OF THE AGENCY.**

TO DETERMINE WHO AN ELIGIBLE HOUSEHOLD IS, AND WHAT THE ADJUSTED RESALE PRICE AND AFFORDABLE HOUSING COST ARE, YOU SHOULD CONTACT THE \_\_\_\_\_ OF THE GUADALUPE COMMUNITY REDEVELOPMENT AGENCY.

YOU SHOULD READ THE LOAN AGREEMENT, RESALE RESTRICTION, AND OPTION TO PURCHASE RECORDED AGAINST THE PROPERTY. YOU MAY OBTAIN A COPY FROM THE GUADALUPE COMMUNITY REDEVELOPMENT AGENCY OR FROM THE ESCROW COMPANY.

YOU SHOULD ALSO BE AWARE THAT A DEED OF TRUST WILL BE RECORDED AGAINST THE PROPERTY TO ENSURE COMPLIANCE WITH THE LOAN AGREEMENT, RESALE RESTRICTION, AND OPTION TO PURCHASE. YOU MAY OBTAIN A COPY FROM THE GUADALUPE COMMUNITY REDEVELOPMENT AGENCY OR FROM THE ESCROW COMPANY.

I HAVE READ THE FOREGOING AND I UNDERSTAND WHAT IT MEANS.

\_\_\_\_\_  
By:  
Buyer

\_\_\_\_\_  
By:  
Buyer

EXHIBIT E

**FORM OF DEED OF TRUST**

[to be inserted]

EXHIBIT F

**FORM OF NOTICE OF DEFAULT**

REQUEST FOR NOTICE OF DEFAULT

Order No.  
Escrow No.  
Loan No.

WHEN RECORDED MAIL TO: )  
 )  
Guadalupe Community Redevelopment Agency )  
918 Obispo Street )  
Guadalupe, California 93434 )  
Attn: Executive Director )

(Space Above This Line For Recorder's Use Only)

REQUEST FOR NOTICE UNDER SECTION 2924b CIVIL CODE

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust recorded as Instrument No. \_\_\_\_\_ on \_\_\_\_\_, \_\_\_\_\_, in the Official Records of Santa Barbara County, California, and describing land therein as: \_\_\_\_\_ executed by \_\_\_\_\_, as Trustor, in which \_\_\_\_\_ is named as Beneficiary, and \_\_\_\_\_, as Trustee, be mailed to the Guadalupe Community Redevelopment Agency, \_\_\_\_\_, Guadalupe, California \_\_\_\_\_, Attn: \_\_\_\_\_.

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

NOTICE: A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE WILL BE SENT ONLY TO THE ADDRESS CONTAINED IN THIS RECORDED REQUEST. IF YOUR ADDRESS CHANGES, A NEW REQUEST MUST BE RECORDED.