



BAKERSFIELD COMMUNITY LAND TRUST REGULAR MEETING AGENDA

August 20, 2025, 2:00 p.m.

**City Hall North Conference Room A
1600 Truxtun Avenue**

Bakersfield Community Land Trust Board Members: Sophia Garcia, Andrae Gonzalez (Chair), Manpreet Kaur, Alex Mora, Amy Rose (Vice-Chair), Bob Smith, Vincent Zaragosa

1. CALL TO ORDER

2. ROLL CALL

3. PUBLIC STATEMENTS

- a. Agenda Item Public Statements
- b. Non-Agenda Item Public Statements

4. ADOPTION OF MINUTES

- a. Adoption of minutes for the following meetings:

- 1. June 23, 2025, Special Meeting

Staff recommend adoption of the minutes.

5. DEFERRED BUSINESS

6. NEW BUSINESS

- 6a. Insurance (Owners Interest, Excess Liability, Builders Risk)

Staff recommend the BCLT review and approve the construction course insurance plans for the following: Owners Interest Liability, Excess Owners Liability and Builders Risk insurance as presented.

- 6b. 99-Year Land Lease and Purchase and Sale Agreement for BCLT Properties

Accept public feedback, review and approve the 99-Year Lease and Purchase and Sale Agreement for BCLT Properties with authorization for future updates to be facilitated and approved by the Executive Director.

6c. ARDURRA Task Order #5

Staff recommend the Board approve the ARDURRA Task Order #5 Agreement allowing for a smooth continuation of civil engineering services for development of the Milham, Niles and King projects.

6d. Travel Rules & Policy

Staff recommend the Board review and approve the travel rules, policy and reporting documents provided.

7. DIRECTOR COMMENTS

- a. Project Map provided by Board Member Zaragoza, upload to BCLT Website
- b. Board Members listed on BCLT Website
- c. AHTF Application Update
- d. Project updates
- e. Update on first lottery

8. ADJOURNMENT



BAKERSFIELD COMMUNITY LAND TRUST
MINUTES
SPECIAL MEETING

June 23, 2025, 2:00 p.m.
City Hall North Conference Room A
1600 Truxtun Avenue

Members Present: Sophia Garcia, Andrae Gonzalez (Chair), Alex Mora (seated at 2:04), Amy Rose (Vice-Chair), Bob Smith, Vincent Zaragosa

Members Absent: Manpreet Kaur

Bakersfield Community Land Trust Board Members: Sophia Garcia, Andrae Gonzalez (Chair), Manpreet Kaur, Alex Mora, Amy Rose (Vice-Chair), Bob Smith, Vincent Zaragosa

1. CALL TO ORDER

Meeting was called to order at 2:03 p.m.

2. ROLL CALL

3. PUBLIC STATEMENTS

a. Agenda Item Public Statements

None

b. Non-Agenda Item Public Statements

None

4. ADOPTION OF MINUTES

a. Adoption of minutes for the following meetings:

1. May 21, 2025, meeting

Staff recommends adoption of the minutes.

Motion by Board Member Garcia. Motion approved with Board Member Kaur absent.

5. DEFERRED BUSINESS - There is no deferred business.

6. NEW BUSINESS

a. Review BCLT Fee Structure

Staff recommends discussion and adoption of Fee Structure.

Motion by Board Member Smith seconded by Board Member Mora to adopt the Bakersfield Community Land Trust Fee Structure. Motion was approved with Board Member Kaur absent

b. Review FY 25-26 Operating Budget

Staff recommends discussion and adoption of the FY 25-26 Operating Budget.

Motion by Board Member Zaragosa seconded by Board Member Rose to adopt the FY25-26 Operating Budget. Motion was approved with Board Member Kaur absent.

c. Review Accounting Policies and Procedures

Staff recommends discussion and adoption of Accounting Policies and Procedures.

Motion by Board Member Garcia seconded by Board Member Mora to adopt the Accounting Policies and Procedures. Motion was approved with Board Member Kaur absent.

d. Award GC Contract

Staff recommends discussion and authorizing Executive Director to finalize contract for signature by Chairperson.

Motion by Board Member Smith seconded by Board Member Mora to authorize Executive Director to finalize contract with CM52 for signature by Chairperson. Motion was approved with Board Member Kaur absent.

7. DIRECTOR COMMENTS

8. ADJOURNMENT

Meeting was adjourned at 3:15 p.m.

JULIE DRIMAKIS, Secretary



NOTICE OF CANCELLATION
OF THE REGULAR MEETING OF THE
Bakersfield Community Land Trust

NOTICE IS HEREBY GIVEN that the Regular Meeting of the Bakersfield Community
Land Trust scheduled for **Wednesday July 16, 2025 at 2:00 pm** 1600 Truxtun
Avenue, Bakersfield, California, has been cancelled.

DATE: July 7, 2025



BAKERSFIELD COMMUNITY LAND TRUST

MEETING DATE: August 20, 2025

AGENDA CATEGORY: New Business

TO: Bakersfield community Land Trust Board of Directors

FROM: Betsy McGovern-Garcia, Executive Director

DATE: August 13, 2025

SUBJECT: Approval of Construction Insurance Plans

RECOMMENDATION:

Staff recommend the BCLT review and approve the construction insurance plans including the Owners Interest Liability, Excess Owners Liability and Builders Risk insurance as presented.

BACKGROUND:

Self-Help Enterprises (SHE) has been working with Alliant Insurance to develop an insurance plan for BCLT. The current general liability plan does not cover construction activities or property coverage (i.e. course of construction) for the structures during construction. Alliant is the broker for the City of Bakersfield and the City requested SHE work with Alliant to obtain insurance coverage.

As advised on April 16, 2025, BCLT board meeting agenda item 5a. The BCLT is moving into the construction phase of development for its properties. It is important the BCLT obtain insurance during the course of construction activities within its properties.

The insurance staff is recommending to the BCLT board for approval include:

- Owners Interest Liability - helps mitigate financial risks and potential liabilities associated with construction projects, provides comprehensive coverage and fills potential gaps in contractor policies; includes \$1M single claim and \$2M aggregate. Annual premium (\$10,375.78).
- Excess Owners Liability – provides a \$5,000,000 liability umbrella; crucial safeguard, protecting individuals and businesses from large, unexpected financial losses that can arise from unforeseen accidents or legal actions. Annual premium (\$10,850).
- Builders Risk – safeguards the substantial investment involved in construction, projects against unforeseen circumstances and helps ensure that the project can progress and be completed. reported quarterly adding/removing properties and moving to a Blanket Property coverage while home is in escrow. Annual premium (\$26,795).

The insurance noted above is required during active construction activities. Once all construction activities have ceased and new property owners have property insurance in place, these insurances can be allowed to expire and not be renewed. BCLT will be listed as an additional insured on all insurance policies purchased by new homeowners since BCLT will always own the land. This requirement will need to be listed as a deed restriction so no matter how many times a property switches hands BCLT will be covered as an additional insured. However, it is likely the BCLY will have construction activities for at least the next two years, so these policies will renew annually and as new projects commence they will be added to the policies.



FISCAL IMPACT:

The cumulative cost binding these insurances is \$47,475.78 which will be paid through the BCLT account.

ATTACHMENTS:

Allied World Surplus Lines Insurance Company – Owners Interest (\$10,375.78)

Allied World Surplus Lines Insurance Company – Excess Liability (\$10,850.00)

Illinois Union Insurance Company – Builders Risk (\$26,250.00)

Homebuilders Builders Risk Xtra Coverage Quotation

Quote #: 09JRN0 001QU

Named Insured & Mailing Address: Bakersfield Community Land Trust
1501 Truxton Avenue, Bakersfield CA, 93301

Thank you for submitting the captioned account. Please read this quotation carefully, as the limits, coverage, exclusions, and any other terms and conditions may vary from those you requested in your submission and/or from the expiring policy.

This quote is valid for 30 days from the date sent or until the effective date shown below, whichever comes first. Please contact me with any questions that you may have.

Effective Date: 07/23/2025 12:01 A.M. Local Time at the NAMED INSURED's Address

Expiration Date: 07/23/2026 12:01 A.M. Local Time at the NAMED INSURED's Address

Company: Illinois Union Insurance Company (NonAdmitted)

Coverage: Builder's Risk

Coverage Form(s): Homebuilders Xtra Plus coverage form ACE0891 (09/17)

Covered Perils: Direct physical LOSS subject to the terms, conditions and exclusions in the policy forms and as specified below.

I. Description, Premium Base and Deposit Premium

A. Estimated Total Insured Values (TIV):	\$7,926,461	
B. Total Insured Values (TIV) includes:	\$7,826,461	\$100,000 SOFT
	HARD COSTS	COSTS
C. Estimated Deposit Premium:	\$25,000	

Whenever "NCP" is shown below it denotes no coverage has been purchased and no coverage is provided.

Whenever "NA" is shown below it denotes "Not Applicable" to that coverage, deductible, Sub-limit of Insurance, or other policy provision

II. Limits of Insurance:

\$5,000,000 (100.00%) part of \$5,000,000 per OCCURRENCE

The Company will pay no more for direct physical LOSS in any one OCCURRENCE than the above Limit of Insurance. In addition, the Company will not pay for more than its proportionate share (100.00%) of the following Sub-limits of Insurance and Annual Aggregate Sub-limits of Insurance, which are part of, and not in addition to, the Limit of Insurance above:

Sub-limits of Insurance

A. Physical LOSS per the following:

1. Single Family Dwellings

Any One Building or Structure \$400,000

Any One OCCURRENCE \$5,000,000

2. Townhouses or Condominiums

Any One Building or Structure **NCP**

Any One OCCURRENCE **NCP**

B. Property in Transit per Conveyance \$100,000

C. Temporary Off-Site Storage and Off-Site Staging Areas \$100,000

D. Expediting and Extra Expenses 20.00% of the insured physical LOSS, or \$250,000; whichever is less

E. Debris Removal 25.00% of the insured physical LOSS, or \$1,000,000; whichever is less

F. Trees, Shrubs, Plants and Lawns \$100,000

G. Protection Service Charges \$100,000

H. Fire Protective Equipment Recharge \$100,000

I. Valuable Papers and Records \$100,000

J. Claim Preparation Expenses \$100,000

K. Protection of INSURED PROPERTY Pre-LOSS \$50,000

L. TESTING Included

M. Free Standing Appliances \$100,000

N. Pollution or Contamination Clean-Up \$10,000 Per OCCURRENCE
\$10,000 Annual Aggregate

O. Limited Coverage for FUNGUS, Wet Rot, Dry Rot or Bacteria \$10,000 Per OCCURRENCE
\$10,000 Annual Aggregate

If a Sub-limit of Insurance is shown below for WINDSTORM or NAMED WINDSTORM, the applicable Excluded Cause of LOSS contained in the Elite Coverage Form is deleted.

A. WINDSTORM	\$5,000,000
B. NAMED WINDSTORM	\$5,000,000

Annual Aggregate Sub-limits of Insurance

If a Sub-limit of Insurance is shown below for Item(s) A. – B., the applicable Excluded Cause of LOSS contained in the Plus Coverage Form is deleted.

A. FLOOD		
	Per OCCURRENCE	NCP
	Annual Aggregate	NCP
B. EARTH MOVEMENT		
	Per OCCURRENCE	NCP
	Annual Aggregate	NCP

III. Deductibles

\$10,000 direct physical LOSS in any one OCCURRENCE except;

A. LOSS in any one OCCURRENCE caused by or resulting from FLOOD	NCP	or N/A
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Subject to a maximum deductible of:	N/A	
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B. LOSS in any one OCCURRENCE caused by or resulting from EARTH MOVEMENT	NCP	or N/A
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Subject to a maximum deductible of:	N/A	
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C. LOSS in any one OCCURRENCE caused by or resulting from NAMED WINDSTORM	\$25,000	or NA
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Subject to a maximum deductible of:	NA	
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D. LOSS in any one OCCURRENCE caused by or resulting from TESTING	\$10,000	or
E. LOSS in any one OCCURRENCE caused by or resulting from THEFT / VANDALISM	\$50,000	
Subject to a maximum deductible of:	NA	

Where a percentage deductible is shown above, the deductible shall be the greater of the dollar amount shown, or the stated percentage of the total insured values at the INSURED PROJECT site or sites at the time and date of the LOSS, unless a maximum deductible is listed.

IV. Premium and Reporting Requirements

A. Reporting Requirements

The NAMED INSURED shall keep accurate records of the Total Insured Values (TIV) of INSURED PROPERTY initially provided to the Company prior to Policy inception and in the first and subsequent reports required by this Policy. The Company or its authorized representative may inspect these records at any reasonable time until one (1) year after the expiration of this Policy.

Within days following the last business day of each , the NAMED INSURED shall report to the Company in writing the following information for INSURED PROPERTY intended for coverage under this Policy, as of that last business day:

Check all the boxes that apply and comprise the TIV:

- ☒ Construction Work and Inventory COMPLETED VALUE;
- ☐ Construction Work and Inventory VALUES AT RISK;
- ☐ Clubhouses, Bath Houses, Recreation Buildings, Pools, Tennis Courts, Common Areas and Other Amenities;
- ☒ Model homes, Sales Centers and their Contents, including FINE ARTS;
- ☐ Commercial Buildings;
- ☒ Trade-ins, buybacks, lease backs or foreclosures;
- ☐ Office trailers/semi-trailers and construction trailers/semi-trailers and their Contents, and Portable Toilet Facilities;
- ☐ Infrastructure Development;
- ☐ Other -

In the event of cancellation of this Policy for any reason, the NAMED INSURED must report the Total Insured Values (TIV) of INSURED PROPERTY on the date of cancellation.

B. Computation of Earned Premium

The premium stated on the Declarations is a deposit premium due at the inception date of this Policy. The Company will compute the earned premium due for coverage of INSURED PROPERTY based upon

\$7,926,461 reported at the agreed Rate(s) shown below:

States Covered: California		
Rate (per \$100)	Reporting / Adjustment Period	Covered Property
.079	Quarterly / Quarterly	All Covered Property
.083	Quarterly / Quarterly	Models / Inventory

Earned premiums with respect to construction already in progress on the effective date will be computed at rates to be determined by the Company.

On a Quarterly basis, all earned premiums due will be applied against the deposit premium until it has been fully earned by the Company. After that, any earned premium is due and payable as of the date of the last report in any given subject to a minimum annual premium of \$.26,250

Total Deposit Premium: \$25,000

TRIPRA Premium: \$1,250

Total Deposit Premium Including TRIPRA: \$26,250

Taxes, Surcharges & Fees:

Combined Total Amount Due including Taxes, Surcharges & Fees: \$26,250.00

Subject to a minimum earned premium of \$26,250

Any applicable taxes, surcharges or fees, etc. are in addition to the above stated premium. The actual taxes, surcharges or fees, etc. will be those in effect on the date coverage is bound. The insured is responsible for paying these taxes, surcharges or fees in addition to the above stated premium.

Reporting: Yes

Reporting Frequency: Quarterly

Adjustment Frequency:

Terms & Conditions:

Completed buildings may stay on our policy up to 90 days from date certificate of occupancy is given. After this time, coverage ceases.

Site to be fenced, locked, and well lit - per attached endorsement.

Theft / Vandalism to be included at binding.

Delay day deductible of 14 days applies.

Subjectivities:

GC resume showing 5+ years of construction experience.

General:

Additional insured to be listed as:

City of Bakersfield

Economic & Community Development Department

1600 Truxton Ave, 3rd Floor

Bakersfield, CA 93301

Self-Help Enterprises
8445 W. Elowin Ct.
Visalia, CA. 93291

Policy Forms:

Cover Letter	Cover Letter
WSG-084 (05/11)	Surplus Lines Broker Notice
SL-17888 (01/20)	California Surplus Lines Notification
ACE0901 (12/17)	Homebuilders Xtra Common Policy Declarations
CPfs2 (12/10)	Forms Schedule
ACE0891 (09/17)	Homebuilders XTRA Section 1 Homebuilders Builders Risk Coverage Part - Plus Coverage Form Declarations
ACE0210 (01/08)	Nuclear, Biological, Chemical, Radiological Exclusion
ALL-21101 (11/06)	Trade or Economic Sanctions Endorsement
ACE1051 (03/22)	ADDITIONAL INSURED ENDORSEMENT
IL 09 52 (01/15)	Cap on Losses From Certified Acts Of Terrorism
SL-34255b (04/23)	Service of Suit Endorsement
TR-45231a (08/20)	Policyholder Disclosure Notice Of Terrorism Insurance Coverage
TRIA11e (08/20)	Disclosure Pursuant To Terrorism Risk Insurance Act
ACE0974 (04/20)	Exclusion Of Loss Due To Virus, Bacteria Or Microorganism That Induce Physical Distress, Illness Or Disease
ALL-20887 (10/06)	CHUBB Producer Compensation Practices & Policies
IL P 001 (01/04)	U.S. Treasury Departments' Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders
MA-608255p (04/15)	Claims Directory Property and Inland Marine
LD-5S23I (10/24)	Signatures

V. Additional NAMED INSURED Information:

VI. Mortgage and Loss Payee Information

Valuation:

- A. Property Under Construction – The cost to repair or replace the insured property lost or damaged with material of like kind and quality, less betterment, including contractor's reasonable profit and overhead not exceeding the percentages in the original contract. If the insured property is not repaired or replaced then direct physical LOSS shall be settled on the basis of ACTUAL CASH VALUE.
- B. EXISTING PROPERTY - The Company will pay the least of the following for direct physical LOSS to EXISTING PROPERTY:

1. The ACTUAL CASH VALUE of the EXISTING PROPERTY;
2. The cost of reasonably restoring the EXISTING PROPERTY to its condition immediately prior to the LOSS;
3. The cost of replacing the EXISTING PROPERTY with substantially identical property unless replacement with substantially identical property is impossible or unnecessary. In such case, FUNCTIONAL REPLACEMENT COST would apply.

C. Property of Others (Including Items Supplied by the Owner) – If Property of Others is new, the cost to repair or replace the insured property lost or damaged with material of like kind and quality, less betterment. If Property of Others is not new then, the Owner's cost or ACTUAL CASH VALUE, whichever is less.

If the Property of Others is not repaired or replaced then direct physical LOSS shall be settled on the basis of ACTUAL CASH VALUE.

D. TEMPORARY STRUCTURES – The cost to repair or replace the insured property lost or damaged with material of like kind, quality and condition but in the event the insured property is not repaired or replaced recovery will not exceed the ACTUAL CASH VALUE.

E. Valuable Papers and Records - The cost to reproduce the insured property with other property of like kind and quality including the cost of gathering or assembling information from back up data if replaced, or if not replaced, at the value of blank material.

F. ELECTRONIC MEDIA or ELECTRONIC DATA - The cost of the blank media, plus the costs of copying or restoring ELECTRONIC DATA from back-up or from originals of a previous generation, not including research and engineering or the costs or expense of recreating, gathering or assembling such ELECTRONIC DATA.

This Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Named Insured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled. If not repaired, replaced or restored, ELECTRONIC MEDIA shall be valued at the cost of the blank media.

G. FINE ARTS - The appraised value; or, if there is no appraisal, the lower of the original acquisition cost or the FAIR MARKET VALUE at the time of the LOSS.

H. Trees, Shrubs and Plants - The cost to replace with property of like kind and quality plus the proper proportion of labor expended if such damage occurs after installation.

I. Office and Construction Trailers/Semi-trailers and their Contents – If not more than 5 years old as of the expiration date of this Policy, based on the manufacturer's model year, and the NAMED INSURED repairs or replaces the insured property, the least of the following shall apply:

1. The cost to replace the lost or damaged insured property, without deduction for depreciation, with new property of comparable quality and utility;
2. The amount the NAMED INSURED actually spends to repair or replace the lost or damaged insured property.

If the insured property is more than 5 years old or the NAMED INSURED does not actually repair or replace the insured property within a reasonable period of time after the date of LOSS, the Company will pay the ACTUAL CASH VALUE

The Company will pay for direct physical LOSS to insured property by determining its REPLACEMENT COST, provided that the NAMED INSURED actually repairs or replaces the lost or damaged insured property, or begins to repair the damaged insured property, within 24 months from the date of direct physical LOSS; otherwise, the Company will pay for direct physical LOSS to insured property by determining its ACTUAL CASH VALUE.

Mandatory Exclusions and Amendments:

All policy form exclusions including but not limited to Contaminants or Pollutants, Asbestos, Electronic Data/Cyber Risk, Fungus, Wet Rot, Dry Rot or Bacteria, and Nuclear, Biological, Chemical, Radiological Exclusions.

Remarks:

The terms, conditions, limits and exclusions of this quotation supersede the submitted information and specifications submitted to us for consideration, and all prior quotations.

Actual coverage will be determined by and in accordance with the policy as issued by the insurer.

The insurer is not bound by any statements made in the submission purporting to bind the insurer unless such statement is in the actual policy.

This quotation has been constructed in reliance on the information and specifications provided in the submission. A material change or misrepresentation of the submission information and specifications may void this quotation.

TRIPRA:

ATTACHED PLEASE FIND A DISCLOSURE NOTICE REQUIRED BY THE TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT ("TRIPRA").

COVERAGE OF "ACTS OF TERRORISM" AS DEFINED BY THE REAUTHORIZATION ACT WILL BE PROVIDED FOR THE PERIOD FROM THE EFFECTIVE DATE STATED ABOVE THROUGH THE EARLIER OF THE EXPIRATION DATE STATED ABOVE OR DECEMBER 31, 2027. EFFECTIVE DECEMBER 31, 2027 THE TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT EXPIRES.

Certificates of Insurance:

Please be advised that we do not review Certificates of Insurance or Evidences of Commercial Property Insurance issued by you, or by any party, relating to this policy of insurance either for content or accuracy. Accordingly, we request that you do not provide copies of certificates or evidences to us for review or for our records. It is your responsibility to see that any Certificate or Evidence provides an accurate representation of the coverage form and endorsements applicable to this policy at the time the Certificates or Evidences is issued. Certificates of Insurance or Evidence of Commercial Property Insurance may only be issued as a matter of information. You have no authority by virtue of a Certificate, Evidence, or otherwise, to amend, extend or otherwise alter coverage afforded under this policy. Certificates of Insurance or Evidences of Commercial Property Insurance are never recognized as endorsements or policy change requests. You must submit a separate written request if an endorsement or policy change (including but not limited to adding additional insureds, loss payees and mortgagees and/or alteration of notice requirements for cancellation) is requested. In the event a policy change is requested, the underwriter will advise if the request is acceptable to the Company.



Authorized Signature



Westchester's Claims Service proves exceptional. Advisen Industry Claims Satisfaction Survey ranks Chubb as most preferred insurer for Property, Management, and Professional Liability Claims Handling.

Only carrier to be ranked number one in more than one category.

CLICK HERE

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in this endorsement or in the policy Declarations.

Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals; 80% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

COVERAGE OF "ACTS OF TERRORISM" AS DEFINED BY THE REAUTHORIZATION ACT WILL BE PROVIDED FOR THE PERIOD FROM THE EFFECTIVE DATE OF YOUR NEW OR RENEWAL POLICY THROUGH THE EARLIER OF THE POLICY EXPIRATION DATE OR DECEMBER 31, 2027. EFFECTIVE DECEMBER 31, 2027 THE TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT EXPIRES.

Terrorism Risk Insurance Act premium: **\$1,250.**



EXCESS LIABILITY QUOTATION FOR: Bakersfield Community Land Trust

Named Insured:
Bakersfield Community Land
Trust
1600 Truxten Avenue
Bakersfield, CA 93301

Submission ID: 42501

We are pleased to provide this quotation for excess liability coverage for

Bakersfield Community Land Trust

We reserve the right to amend or withdraw this quotation at any time

Insurance Carrier: Allied World Surplus Lines Insurance Company	Effective Date: 7/8/2025	Expiration Date: 7/8/2026
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Excess Follow Form – Occurrence

PREMIUM SUMMARY

Base Premium:	\$10,000	LIMITS OF INSURANCE	
Plus Additional Optional Covg's:		Each Occurrence	\$5,000,000
Plus Terrorism:	\$500	Aggregate Limit	\$5,000,000
Policy Premium:	\$10,500	Products-Completed Operation Aggregate Limit	\$5,000,000
Plus Surcharges:	N/A	Excess of:	Primary – See Underlying Schedule
Plus Taxes:	N/A		
Policy fee:	\$350		
TOTAL COST:	\$10,850		

Deposit Premium: 100% Minimum Premium Dues at Audit: 100% Minimum Earned Premium: 25%

*The minimum earned premium is due at binding and is fully earned upon receipt of an order to bind and is non-refundable

Schedule of Underlying

General Liability

\$1,000,000 - Each Occurrence

\$2,000,000 - General Aggregate

\$2,000,000 - Products Completed Ops Agg

Carrier: Allied World Surplus Lines Insurance Company

SUBJECTIVITIES:

To bind coverage, the following listed items are required. This quotation is void if any of the items are not fully satisfied. We may agree to bind coverage with information pending. In such an instance, failure to provide the information within the time specified will subject the coverage to cancellation.

<u>Need By</u>	<u>Subjectivities</u>
Upon Binding	Signed and Dated ACORD Application
Upon Binding	K2 Binding Sheet – Fully completed and signed by Insured
Upon Binding	TRIA Disclosure Notice with Insured's election

NOTICE

- We reserve the right to withdraw, rescind, or to revise the quoted terms and conditions for this insurance policy, including, but not limited to, the amount of the quoted premium.
- The policy fee is fully earned and non-refundable and shall not be considered as part of the insurance premiums or considered a state requirement.
- This is a Non Admitted quotation for which the Broker is responsible for handling all Surplus Lines filing, taxes and fees.
- This quotation was offered using information submitted to us. The applicant warrants that the information provided is accurate, complete, and truthful, with no misrepresentation. Any misrepresentation identified would subject the applicant and coverage to cancellation and/or policy rescission.
- Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.
- All endorsements, exclusions and forms should be reviewed and discussed with your broker. Specimen copies of our insurance policies, endorsements and forms are available, upon request.
- Coverage provided by us will require your cooperation with inspections and/or requests for information, including but limited to an on-site visit and a premium audit. The premium audit will be done at the expiration of the policy period to determine actual policy exposure as compared to the estimate utilized for this quotation. Any overage identified during the audit of exposure will result in monies owed.
- Your acceptance or rejection of the Terrorism insurance coverage must be made on the K2 Construction Binding sheet and will be used to record your decision.
- This quote is only valid and applicable for the named insured(s) listed on this quote/Binder. Any other entity is not granted named insured status - regardless if mentioned/noted within the submission or correspondence. It is your responsibility to address any additional entities with the underwriter and have them listed on the quote/binder to evidence UW knowledge and intent to provide coverage for the additional Entity(s).

FORM/ENDORSEMENT NUMBER	NAME
KCN-XS 00001 00 07 21	Follow Form Occurrence - Declarations
KCN-XS 00002 00 07 21	Follow Form Occurrence - Policy
KCN-XS 00003 00 07 21	Service of Suit
KCN-XS 00004 00 07 21	Schedule of Underlying Insurance
KCN-XS 00006 00 07 21	Punitive or Exemplary Damages Exclusion
KCN-XS 00011 00 07 21	Cancellation
KCN-XS 00014 00 07 21	Aircraft Ownership, Maintenance, Use or Entrustment to Others and
KCN-XS 00016 00 07 21	Economic or Trade Sanctions
KCN-XS 00019 00 07 21	Limits of Insurance Amendatory Endorsement (No Reinstatement of Aggregate
KCN-XS 00038 00 10 21	Communicable Disease and Infectious Agent Exclusion
KCN-XS 00029 00 11 21	Lead Excess Endorsement
KCN-IL 00003 00 10 21	Notice: What to do if a Loss Occurs General Information
KCN-XS 00034 00 08 22	Policyholder Disclosure - Notice of TRIA
IL P 001 01 04	U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory

Policy Number:

LEAD EXCESS ENDORSEMENT

It is agreed that this **policy** is amended as follows:

- I. SECTION I – INSURING AGREEMENT, Paragraph E. is deleted in its entirety and replaced with the following:
 - E. Regardless of any other warranties, terms, conditions, exclusions or limitations of this **policy**, if any policy of **underlying insurance** does not cover **loss** for reasons other than exhaustion of its applicable limit of liability by payment of claims, then this **policy** will not cover such **loss**.
- II. SECTION II - DEFENSE AND SUPPLEMENTARY PAYMENTS, Paragraph C. is deleted in its entirety and replaced with the following:
 - C. When defense or supplementary payments do not reduce any of the **underlying limits** provided by **underlying insurance**, then any such expense payment made under this **policy** will not reduce the Limits Of Insurance provided by this **policy**.
- III. SECTION III – WHO IS AN INSURED, Paragraphs B. and C. are deleted in their entirety and replaced with the following:
 - B. Any person or organization (other than a person or organization included in C. below) qualifying as an insured in every applicable policy of **underlying insurance**; and
 - C. Any person or organization to whom any person or organization included in paragraph A. or B. above is obligated by virtue of a written contract or written agreement (other than a contract or policy of insurance) to provide insurance such as is afforded by this **policy**, but:
 1. Only if such person or organization qualifies as an insured in every applicable policy of **underlying insurance**; and
 2. Only to the extent of such obligation and no further.
- IV. SECTION IV – LIMITS OF INSURANCE, Paragraphs E., F. and G. are deleted in their entirety and replaced with the following:
 - E. Subject to the Each Occurrence Limit stated in Item 4. (a) of the Declarations, the Other Aggregate Limit stated in Item 4. (c) of the Declarations is the most the **company** will pay for **loss** under this **policy**, except **loss**:
 1. Included in the products-completed operations hazard, as that hazard is defined in the Followed Policy; or
 2. Otherwise covered by the Followed Policy, but to which no aggregate limit in the Followed Policy applies.
 - F. Subject to paragraphs C., D., and E. above, if the **underlying limits** have been reduced by payment of **loss** to which this **policy** would also apply (but for the existence of such **underlying limits**), then this **policy** will drop down to become immediately excess of the reduced **underlying limits**.
 - G. **Underlying limits** will not be reduced by:
 1. The insolvency of, or unwillingness to pay by, any insurer;

2. The uncollectibility of any self-insured retention, deductible or other alternative risk-financing mechanism;
3. Any **insured's** failure to pay any allocation, deductible, participation, retention, or other self-insurance;
4. The existence of a sub-limit of liability in any **underlying insurance**;
5. Cancellation, expiration or rescission of any **underlying insurance**;
6. Defense or supplementary expense payments, unless the Schedule Of Underlying Insurance of this **policy** specifies that the applicable limits of **underlying insurance** are reduced by such payments; or
7. Any **underlying insurance** containing a warranty, term, condition, exclusion or limitation different from the Followed Policy or this **policy**.

V. SECTION V – CONDITIONS, Paragraphs F. and H. are deleted in their entirety and replaced with the following:

F. Duties In The Event Of Occurrence, Claim Or Suit

1. The **insured** shall, as a condition precedent to the obligations of the **company** under this **policy**, give written notice as soon as practicable to the **company** at the address stated in Item 8. (a) of the Declarations of any occurrence, claim, suit or proceeding that involves or is likely to involve **underlying insurance**. Notice to an underlying insurer shall not constitute notice to the **company**.
2. Without limiting the requirements of paragraph 1. above, the Named **Insured** shall separately and as soon as practicable give written notice to the **company** when a payment is made or reserve established for any occurrence, claim, suit or proceeding that has brought the total of all payments and reserves by the **insured** or any underlying insurers to a level of twenty-five (25%) or more of any of the **underlying limits**.
3. In the event the **underlying limits** are exhausted, no **insured** will, except at that **insured's** own cost, make any payment, assume any obligation, or incur any expense without the **company's** consent.
4. If applicable **underlying insurance** imposes any duties, responsibilities, or obligations on any **insured** in the event of "injury," "damage," "offense," "accident," "disease," "act, error or omission," or such similar event, then the duties specified in this condition will also apply in the event of "injury," "damage," "offense," "accident," "disease," "act, error or omission," or such similar event.

With respect to the duties specified in this condition, the word or phrase "injury," "damage," "offense," "accident," "disease," "act, error or omission," or such similar event will have the same meaning that it has with respect to such applicable **underlying insurance**.

H. Maintenance Of Underlying Insurance And **Underlying Limits**

The **company** has issued this **policy** in reliance upon representations made by the Named **Insured** about **underlying insurance** and the **underlying limits**. The Named **Insured** must see to it that:

1. All **Underlying insurance** are and remain valid and in full force and effect;
2. All **Underlying insurance** will not be cancelled, non-renewed, or rescinded without replacement of coverage to which the **company** agrees in writing;
3. The warranties, terms, conditions, exclusions and limitations of **underlying insurance** will not materially change unless the **company** agrees in writing otherwise;
4. The warranties, terms, conditions, exclusions and limitations of renewals or replacements of **underlying insurance** will be materially the same as the prior coverage, unless the **company** agrees in writing otherwise;

5. The **underlying limits** are and remain available, regardless of any bankruptcy, insolvency or other financial impairment of any insurer or any other person or organization;
6. The **underlying limits** will not be reduced, except for the reduction by payment of **loss** to which this **policy** also would apply but for the existence of such **underlying limits**.

Failure to comply with this condition will not invalidate this **policy**, but in the case of any such failure, the **company's** obligation or liability will not exceed that which would have applied absent any failure to comply with this condition.

The Named **Insured** must notify the **company** as soon as possible if any **underlying insurance** is no longer valid or no longer in full force and effect.

VI. SECTION VI – DEFINITIONS is amended as follows:

- A. The Definitions of **Loss**, **Other insurance** and **Underlying limits** are deleted in their entirety and replaced with the following:

Loss means damages that the **insured** becomes legally obligated to pay because of injury or damage, after making proper deductions for all recoveries and salvage. If defense or supplementary payments reduce any of the **underlying limits** provided by **underlying insurance**, then any defense or supplementary payments made under Section II - Defense And Supplementary Payments of this **policy** will be included within the meaning of **loss** and will reduce the Limits Of Insurance of this **policy**.

Other insurance means valid and collectible insurance providing coverage for **loss** that is covered in whole or in part by this **policy** (or that would be covered in whole or in part by this **policy**, but for the existence of the **underlying limits**). However, **other insurance** does not include **underlying insurance**, or any policy of insurance specifically purchased to be excess of this **policy** affording coverage that this **policy** also affords.

Underlying limits mean the sum of:

1. The remaining amount of any applicable **underlying insurance**, including the remaining amount of any allocation, deductible, participation, retention, or other self-insurance that is included within the limits of any applicable **underlying insurance**;
2. Any reinstatement of limits or supplemental or other limits available under the insurance described in item 1. above;
3. Any amounts that any **insured** must pay because **underlying insurance**, as represented by the **insured**, is not available for any reason other than reduction or exhaustion of such insurance as specified under paragraph F. of Section III – Limits Of Insurance;
4. Any applicable **other insurance**; and
5. The remaining amount of any applicable self-insured retention, deductible or other alternative risk-financing mechanism, which underlies the **underlying insurance** and which is not included within the limits of **underlying insurance**.

- B. The Definitions of **Underlying Primary Insurance** and **Underlying excess insurance** are deleted in their entirety.

- C. The following Definition is added:

Underlying Insurance means the insurance described in the Schedule Of Underlying Insurance of this **policy** as well as the next applicable renewal or replacement, or any applicable antecedent, of the described insurance.

VII. All references in the **policy**, including its endorsements, to **underlying primary insurance** or **underlying excess insurance** are deleted in their entireties and replaced with **underlying insurance**.

All other terms and conditions of this **policy** remain unchanged.



POLICYHOLDER DISCLOSURE STATEMENT UNDER THE TERRORISM RISK INSURANCE ACT

The **insured** is hereby notified that under the federal Terrorism Risk Insurance Act, as amended, (the "Act"), the **insured** has a right to purchase insurance coverage for **losses** arising out of an Act of Terrorism, as defined in Section 102(1) of the Act. The term "act of terrorism" means any act certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside of the United States in case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. The **insured** should read the Act for a complete description of its coverage. The Secretary's decision to certify or not to certify an event as an Act of Terrorism covered by the Act is final and not subject to review.

Coverage provided by this **policy** for **losses** caused by a Certified Act of Terrorism may be partially reimbursed by the United States Government under a formula established by federal law. However, the **insured's policy** may contain other exclusions that might affect coverage, such as an exclusion for nuclear events. Under the formula, beginning on January 1, 2020, the United States Government will generally reimburse 80% of covered terrorism **losses** exceeding a statutorily established deductible that must be met by the **company**, and which deductible is based on a percentage of the **company's** direct earned premiums for the year preceding the Certified Act of Terrorism.

Be advised that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap on all losses resulting from Certified Acts of Terrorism. If aggregate insured losses attributable to Certified Acts of Terrorism exceed \$100 billion in a calendar year, the United States Government shall not make any payment for any portion of the amount of such loss that exceeds \$100 billion. If aggregate insured losses attributable to Certified Acts of Terrorism exceed \$100 billion in a calendar year and the **company** has met its deductible under the Act, the **company** shall not be liable for payment of any portion of the losses that exceeds \$100 billion, and in such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Coverage for "insured losses" as defined in the Act is subject to the coverage terms, conditions, amounts and limits in this **policy** applicable to **losses** arising from events other than Certified Acts of Terrorism.

The **insured** should know that under federal law, the **insured** is not required to purchase coverage for **losses** caused by Certified Acts of Terrorism.

___ The **insured** hereby elects to purchase coverage in accordance with the Act for a premium of \$500.

___ The **insured** hereby rejects coverage and accepts reinstatement of the exclusion in accordance with the Act.

Named Insured:	Bakersfield Community Land Trust
Policy Effective Date:	7/1/2025
Name of Insurer:	Allied World Surplus Lines Insurance Company



Rosemarie Bolte
Alliant Insurance Services, Inc.
401 Union Street
31st Floor
Seattle, WA 98101

RE: Bakersfield Community Land Trust

OWNERS INTEREST QUOTATION

Dear Rosemarie:

Please find the attached quotation for Bakersfield Community Land Trust. Here is a summary of the terms and conditions:

INSURED: Bakersfield Community Land Trust

MAILING ADDRESS: 1501 Truxton Avenue
Bakersfield, CA 93301

CARRIER: Allied World Surplus Lines Insurance Company (Non-Admitted)

PROPOSED POLICY PERIOD: From 7/23/2025 to 7/23/2026
12:01 A.M. Standard Time at the Mailing Address shown above

POLICY PREMIUM:	Premium	\$8,625.00
	TRIA	\$431.00
	Fees	\$1,000.00
	Surplus Lines Taxes and Fees	\$319.78
	Total	\$10,375.78

The calculation of S/L Taxes and Fees is based upon the inclusion of TRIA premium. If TRIA is rejected, the amount of S/L Taxes and Fees will be reduced accordingly.

TRIA FORMS: Signed acceptance/rejection required at binding.

MINIMUM EARNED PREMIUM: 25%

SURPLUS LINES DISCLOSURE

California

IMPORTANT NOTICE:

1. The insurance policy that you are applying to purchase is being issued by an insurer that is not licensed by the State of California. These companies are called "nonadmitted" or "surplus line" insurers.

2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.

3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.

4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or "surplus line" broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC's internet website at www.naic.org. The NAIC-the National Association of Insurance Commissioners-is the regulatory support organization

created and governed by the chief insurance regulators in the United States.

5. Foreign insurers should be licensed by a state in the United States and you may contact that state's department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.

6. For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on the NAIC's International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or "surplus line" broker to obtain more information about that insurer.

7. California maintains a "List of Approved Surplus Line Insurers (LASLI)." Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: <http://www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm>

8. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until

after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker's fee charged for this insurance will be returned to you.

Date: _____

Insured: _____

D-1 (Effective January 1, 2020)



GENERAL LIABILITY QUOTATION FOR:
Bakersfield Community Land Trust

Named Insured:
Bakersfield Community Land Trust
1600 Truxten Avenue
Bakersfield, CA 93301

Submission ID: 41313
Quote Valid Until: 8/21/2025 12:00:00 AM

We are pleased to provide this quotation for general liability coverage for
Bakersfield Community Land Trust
We reserve the right to amend or withdraw this quotation at any time.

Insurance Carrier: Allied World Surplus
Lines Insurance Company

Effective Date: 7/23/2025

Expiration Date: 7/23/2026

Commercial General Liability – Occurrence Form

PREMIUM SUMMARY

Base Premium:	\$7,500	LIMITS OF INSURANCE	
Plus Additional Optional Covg's:	\$1,125	Each Occurrence	\$1,000,000
Plus Terrorism:	\$431	General Aggregate	\$2,000,000
Policy Premium:	\$9,056	Products Completed Operations	\$2,000,000
Plus Surcharges:	N/A	Personal and Advertising Injury Limit	\$1,000,000
Plus Taxes:	N/A	Damage to premises Rented to you:	\$50,000
Plus Inspection:	\$250	Medical Payments:	\$5,000
MGA fee:	\$750		
TOTAL COST:	\$10,056		

Deposit Premium %: 100%

Minimum Premium Due at Audit: 100%

Minimum Earned Premium: 25%*

*The minimum earned premium is due at binding and is fully earned upon receipt of an order to bind and is non-refundable

BASIS OF PREMIUM

Class Code/ Description	Exposure	Exposure Basis	Rate	Premium
91582 – Owners Interest	\$3,557,073	Total Project Costs	\$2.11	\$7,500
91582 – Owners Interest	Greater than: N/A	N/A	N/A	N/A

DEDUCTIBLE



**GENERAL LIABILITY QUOTATION FOR:
Bakersfield Community Land Trust**

Deductible(s) Includes Loss Adjustment Expenses & Defense Costs	Deductible applies to:	Deductible type:
\$5,000	BI & PD	Per Occurrence

COVERAGE TYPE AND DIRECT HIRED CONTRACTOR REQUIREMENTS:

No Warranty for Approved GC		
Designated Contractor:	None Approved	
Designated Contractor's Minimum Limits Required:		
\$6,000,000 Each Occurrence	\$7,000,000 PCO Aggregate	\$7,000,000 Gen Aggregate
Requirements to Designate Contractor	<ul style="list-style-type: none">- Executed contract containing hold harmless, indemnification, and additional insured language in favor of our insured.- COI with minimum required limits shown above.- Copy of Endorsement Listing showing unrestrictive coverage- Copy of Endorsement CG2010 and CG2037 specifically naming Owner/NI as Additional Insured on GC's GL- Requirement for GC to maintain PCO limits up to the Statute of Limitations or endorsed to a Project Specific Policy	

NOTICE

- We reserve the right to withdraw, rescind, or to revise the quoted terms and conditions for this insurance policy, including, but not limited to, the amount of the quoted premium.
- The policy fee is fully earned and non-refundable and shall not be considered as part of the insurance premiums or considered a state requirement.
- This is a Non Admitted binder for which the Broker is responsible for handling all Surplus Lines filing, taxes and fees.
- This binder was offered using information submitted to us. The applicant warrants that the information provided is accurate, complete, and truthful, with no misrepresentation. Any misrepresentation identified would subject the applicant and coverage to cancellation and/or policy rescission.
- Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.
- All endorsements, exclusions and forms should be reviewed and discussed with your broker. Specimen copies of our insurance policies, endorsements and forms are available, upon request.
- Coverage provided by us will require your cooperation with inspections and/or requests for information, which may include but not limit to an on-site visit and a premium audit when applicable. Any overage identified during the audit of exposure will result in monies owed.
- Your acceptance or rejection of the Terrorism insurance coverage must be made on the provided selection form and will be used to record your decision.
- This quote is only valid and applicable for the insured(s) listed on this quote. Any other entity is not granted insured status – regardless if mentioned/noted within the submission or correspondence. It is your responsibility to address any additional entities with the underwriter and have them listed on the quote to evidence UW knowledge and intent to provide coverage for the additional entity(s).

FORMS SCHEDULE

The following are a list of endorsements and exclusions which will be part of the standard GL policy

FORM/ENDORSEMENT NUMBER	NAME
KCN-GL 00001 00 07 21	Common General Liability Declarations (Owners)
KCN-GL 00055 00 07 21	Schedule of Forms
CG 00 01 04 13	Commercial General Liability Coverage Form
KCN-IL 00003 00 10 21	Notice: What to do if a Loss Occurs General Information
IL 00 17 11 98	Common Policy Conditions
CG 20 10 12 19	Additional Insured - Owners, Lessees or Contractors - Scheduled Person or
CG 20 18 12 19	Additional Insured - Mortgagee, Assignee, or Receiver (Owners)
CG 20 37 12 19	Additional Insured - Owners, Lessees or Contractors - Completed Operations
CG 21 06 05 14	Exclusion - Access or Disclosure of Confidential or Personal Information and
CG 21 09 06 15	Exclusion - Unmanned Aircraft
CG 21 44 07 98	Limitation of Coverage to Designated Premises or Project (Owners)
CG 21 47 12 07	Employment Related Practices Exclusion
CG 21 53 01 96	Exclusion - Designated Ongoing Operations (Owners)
CG 21 65 12 04	Total Pollution Exclusion With a Building, Heating, Cooling & Dehumidifying
CG 21 67 12 04	Fungi or Bacteria Exclusion
CG 21 96 03 05	Silica or Silica-Related Dust Exclusion
CG 24 26 04 13	Amendment of Insured Contract Definition
KCN-GL 00005 00 07 21	Economic or Trade Sanctions
KCN-GL 00006 00 07 21	Service of Suit
KCN-GL 00010 00 07 21	Split Deductible Liability Insurance (Owners)
KCN-GL 00013 00 07 21	Exclusion - Asbestos
KCN-GL 00016 00 07 21	Exclusion - Communicable Disease and Infectious Agent
KCN-GL 00017 00 07 21	Exclusion - Continuous or Progressive Injury or Damage
KCN-GL 00019 00 07 21	Exclusion - EIFS
KCN-GL 00021 00 07 21	Exclusion - Lead
KCN-GL 00022 00 07 21	Exclusion - Professionals Services Liability (With Exception)
KCN-GL 00023 00 07 21	Exclusion - Wildfire
KCN-GL 00024 00 07 21	Limits of Insurance Amendatory (No Reinstatement of the Products-Completed
KCN-GL 00033 00 07 21	Exclusion - Benzene
KCN-GL 00034 00 07 21	Exclusion - Breach of Contract
KCN-GL 00035 00 07 21	Exclusion - Cyber Injury With Limited Bodily Injury Exception
KCN-GL 00040 00 07 21	Exclusion - Residential Conversions
KCN-GL 00042 00 07 21	Exclusion - Longshore and Other Maritime Laws
KCN-GL 00043 00 09 21	Products-Completed Operations Extension Period
KCN-GL 00044 00 07 21	Cancellation
KCN-GL 00047 00 09 21	Exclusion - Designated Operations - Owners
KCN-GL 00059 00 07 21	Policy Premium and Audit Provisions -Owners
IL 00017 04 11 08	California - Suits Involving a Surplus Lines Broker - Remedies
KCN-GL 00018 00 10 21	Exclusion - Cross Suits
KCN-GL 00067 00 10 21	Exclusion - Injury to Temporary Worker, Volunteer Worker or Casual Worker
KCN-GL 00073 00 07 22	Exclusion - Operations Covered By A Consolidated Insurance Program (Wrap-
IL 00 21 09 08	Nuclear Energy Liability Exclusion Endorsement
KCN-GL 00079 00 08 23	Perfluoroalkyl or Polyfluoroalkyl Substance (PFAS) Exclusion (Owners)
KCN-GL 00050 00 08 22	Policyholder Disclosure Statement Under the Terrorism Risk Insurance Act
KCN-GL 00076 00 11 22	Products-Completed Operations Hazard - Owners Interest
IL P 001 01 04	U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory
IL 00010 04 05 24	California Consumer Privacy Policy Statement
KCN-GL 00030 00 07 24	Designated Direct Hired Contractor Warranty (Owners)

INSURED ACKNOWLEDGMENT AND REQUEST TO BIND COVERAGE

(Must be acknowledged and signed by the insured representative in order to bind quote)

Bind Coverage Request:

As insured's representative I attest and confirm the information provided for the quotation and binding of my general liability insurance was done with accuracy and completed to the best of my knowledge. I further acknowledge my commitment of the policy contract requirements, specifically the items recapped below.

Bind coverage effective: _____

BINDING SUBJECTIVITIES:

To bind coverage, the following listed items are required. This quotation is void if any of the items are not fully satisfied. We may agree to bind coverage with information pending. In such an instance, failure to provide the information within the time specified will subject the coverage to cancellation.

<u>Need By</u>	<u>Subjectivities</u>
Required to Bind	Signed Insured Acknowledgment on Quote
Upon Binding	Signed and Dated ACORD Application
Upon Binding	Project/Owners Supplemental Application – Fully completed and signed by Insured
Upon Binding	TRIA Disclosure Notice with the insured's election
Upon Binding	Confirmation of who is responsible for maintaining sidewalks (especially snow and ice removal when applicable)
Upon Binding	How is demo being performed?
Upon Binding	Safety precautions in place due to demo

25% minimum earned upon binding.

I am aware the policy premium contains a 25% minimum earned provision at binding. This means that if a cancellation occurs within the first (3) months of an annual policy, the insurance company is owed the full amount of the 25% of the premium and understand they will seek such payments through all means available.

Loss Control

I will cooperate with the insurance company should they require additional information or need to visit our premises or job sites. Failure to provide requested information and/or lack of cooperation may lead to cancellation of our policy.

The below contact is the representative responsible for Loss Control/Inspection:

Name	Title	Email Address	Phone Number

Insured Rep Name: _____ **Date:** _____ **Insured Signature:** _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Self Help Enterprises; City of Bakersfield	All locations which are afforded coverage under this policy.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

- C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable limits of insurance;

whichever is less.

This endorsement shall not increase the applicable limits of insurance.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – MORTGAGEE, ASSIGNEE OR RECEIVER

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name(s) Of Person(s) Or Organization(s)	Designation Of Premises
Applies to: As required by written contract executed and signed by the Named Insured prior to the commencement of work that is called for in the contract.	All locations which are afforded coverage under this policy.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to their liability as mortgagee, assignee or receiver and arising out of the ownership, maintenance or use of the premises by you and shown in the Schedule.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
 2. Available under the applicable limits of insurance;
- whichever is less.

This endorsement shall not increase the applicable limits of insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
Self Help Enterprises; City of Bakersfield	All locations which are afforded coverage under this policy.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
 2. Available under the applicable limits of insurance;
- whichever is less.

This endorsement shall not increase the applicable limits of insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Premises:

420 S Brown Street
700 Texas Street
2617 Norman Avenue
418 S. Williams Street
209 E 10th Street
3615 Shellmacher Ave
346 S. Owens Street
340 S. Owens Street
1213 Murdock Street
1509 Potomac Ave, Bakersfield, CA, 93307

Project:

Owners Interest for the demolition of three existing single family homes and ground up construction of ten properties, each 1-2 stories with a total of 11 units.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

This insurance applies only to "bodily injury", "property damage", "personal and advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED ONGOING OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description of Designated Ongoing Operation(s):

Any area of the scheduled location which has become occupied or utilized for its intended use at the scheduled location.

Specified Location (If Applicable):

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of the ongoing operations described in the Schedule of this endorsement, regardless of whether such operations are conducted by you or on your behalf or whether the operations are conducted for yourself or for others.

Unless a "location" is specified in the Schedule, this exclusion applies regardless of where such operations are conducted by you or on your behalf. If a specific "location" is designated in the Schedule of this endorsement, this exclusion applies only to the described ongoing operations conducted at that "location".

For the purpose of this endorsement, "location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

PREVIEW

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRODUCTS-COMPLETED OPERATIONS EXTENSION PERIOD ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM

When this endorsement is attached to **COMMERCIAL GENERAL LIABILITY COVERAGE FORM CG 00 01** or **PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM CG 00 37**, the following provisions apply:

A. It is agreed that if:

1. This policy has not been cancelled; and
2. All premium due the company, including any additional premium due the company as a result of premium adjustment or premium audit, has been paid promptly when due by the first Named Insured,

Then any injury or damage arising out of the "products-completed operations hazard" which occurs during the "Products/Completed Operations Extension Period" will be deemed to have occurred during the policy period.

However, the coverage provided by this endorsement shall not apply to "bodily injury" or "property damage" arising out of the failure of the owner or any contractor to protect or maintain completed portions of the project.

B. The Products/Completed Operations Aggregate Limit stated in the Declarations will apply to the policy period and the "Products/Completed Operations Extension Period". The Products/Completed Operations Aggregate Limit will not be reinstated at the end of the policy period; nor will there be a separate aggregate limit of insurance applicable to any coverage afforded by this endorsement.

C. "Products/Completed Operations Extension Period" means the period:

1. From the earliest of the following times:
 - a. The end of the policy period stated in the Declarations; or
 - b. The time at which the insured's work is completed. The insured's work is deemed completed if it satisfies the definition of completed work set forth in the "products-completed operations hazard".
2. To the earliest of the following times:
 - a. When the applicable statute of repose or statute of limitation expires as stated in the statutes or the decisional law of the jurisdiction in which the insured's work is completed;
 - b. 10 (ten) years from the earliest applicable time specified in **1.a.** or **1.b.** above; or
 - c. The following specified term (if applicable): _____ years from the earliest applicable time specified in **1.a.** or **1.b.** above.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE FORM
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM
OWNERS AND CONTACTORS PROTECTIVE LIABILITY COVERAGE FORM

SCHEDULE

Description of Designated Operation(s):

- All "Direct employee Work". For this endorsement, "direct employee work" is defined as work or activities which are performed by a person(s) employed for wages or salary, regardless of state or federal taxes held or withheld, by the named insured or classified as an employee by a workers compensation ruling or the Internal Revenue Service.
- "Your work" performed prior to the inception of this policy.
- "Your work" involving a Tower Crane.

Specified Location (if applicable):

The following exclusion is added to the **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**, Paragraph 2. **Exclusions** of **SECTION I — COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY** and Paragraph 2. **Exclusions** of **SECTION I - COVERAGES, COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY**.

The following exclusion is also added to the **PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM**, Paragraph 2. **Exclusions** of **SECTION I - COVERAGES PRODUCTS/COMPLETED OPERATIONS, BODILY INJURY AND PROPERTY DAMAGE LIABILITY** and the **OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM**, Paragraph 2. **Exclusions** of **SECTION I - BODILY INJURY AND PROPERTY DAMAGE LIABILITY**.

This insurance does not apply to:

Designated Operations

Any liability arising out of the operations described in the **SCHEDULE** above, regardless of whether such operations are completed or ongoing.

Unless a "location" is specified in the **SCHEDULE**, this exclusion applies to all "locations". If a specific "location" is designated in the **SCHEDULE** above, this exclusion applies only to the described operations conducted at that "location".

As used in this endorsement, "location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway, or right-of-way of a railroad.

It is understood that to the extent any coverage may otherwise be provided under this policy and its endorsements, the provisions of this exclusion shall be applicable and shall supersede any such other provisions.

All other terms and conditions remain unchanged.

POLICYHOLDER DISCLOSURE STATEMENT UNDER THE TERRORISM RISK INSURANCE ACT

You are hereby notified that under the Terrorism Risk Insurance Act, as amended (the "Act"), you have a right to purchase insurance coverage for losses resulting from an Act of Terrorism, which is defined at Section 102(1) of the Act as any act that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. You should read the Act for a complete description of its coverage. The decision to certify or not to certify an event as an Act of Terrorism covered by this law is final and not subject to review.

You should know that where coverage is provided by your policy for losses caused by an Act of Terrorism, the United States Government may partially reimburse a share of such losses under a formula established by federal law. However, your policy may contain other exclusions that might affect coverage, such as an exclusion for nuclear events. Under the formula, beginning on January 1, 2020, the United States generally reimburses 80% of covered terrorism losses exceeding the statutorily established deductible that must be met by the Company, and which deductible is based on a percentage of the Company's earned premiums for the year preceding the Act of Terrorism.

Be advised that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap on all losses resulting from Acts of Terrorism. If aggregate insured losses attributable to Acts of Terrorism exceed \$100 billion in a calendar year the United States Government shall not make any payment for any portion of the amount of such loss that exceeds \$100 billion. If aggregate insured losses attributable to Acts of Terrorism exceed \$100 billion in a calendar year and we have met our deductible under the Act, we shall not be liable for payment of any portion of the losses that exceeds \$100 billion, and in such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Coverage for "insured losses" as defined in the Act is subject to the coverage terms, conditions, amounts and limits in this policy applicable to losses arising from events other than Acts of Terrorism.

The insured should know that under federal law, the insured is not required to purchase coverage for losses caused by Certified Acts of Terrorism.

☐ The insured hereby elects to purchase coverage in accordance with the Act for a premium of \$431.

☐ The insured hereby rejects coverage and accepts reinstatement of the exclusion in accordance with the Act.

Named Insured: Bakersfield Community Land Trust
Policy Effective Date: 7/1/2025
Name of Insurer: Allied World Surplus Lines Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INSURING AGREEMENT AMENDATORY ENDORSEMENT – DIRECT HIRED CONTRACTOR

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

NOTICE: This endorsement contains requirements with which you must comply in order for there to be coverage for certain claims and “suits.” If you do not satisfy all requirements herein, then your coverage under this policy will be impacted as further described below.

SCHEDULE

Exempt “Direct Hired Contractor” (if applicable): None Approved

Paragraph 1. Insuring Agreement in each coverage under Section I – Coverages (Coverage A – Bodily Injury and Property Damage Liability, Coverage B – Personal and Advertising Injury Liability and Coverage C – Medical Payments) of the Commercial General Liability Coverage Form and Section I – Coverages, Paragraph 1. Insuring Agreement of the Products/Completed Operations Liability Coverage Form, as applicable, are amended to include the following additional provisions:

For any “direct hired contractor” not specified in the Schedule above, you must comply with the following. If any provision below is not satisfied, then there is no coverage under this policy for any insured, including any additional insured, for any “bodily injury”, “property damage”, “personal and advertising injury”, or any other liability, damages, loss, cost or expense arising out of, connected with or in any way related to any work performed by or on behalf of the “direct hired contractor” for which any provision was not met.

1. Prior to the commencement of any work by or on behalf of a “direct hired contractor”, you must have a written contract with the “direct hired contractor”, signed by all parties, that includes provisions for the following:
 - a. An obligation that the “direct hired contractor” defend, hold harmless and indemnify you and your employees, agents and affiliated, parent and subsidiary companies, as well as your contractually-required additional insureds and indemnitees, against all losses, claims and “suits” arising out of or alleged to arise out of work performed by or on behalf of the “direct hired contractor”. Such provisions must be enforceable under all applicable law, including but not limited to the New York General Obligations Law, if applicable; and
 - b. An obligation that the “direct hired contractor” reimburse you and any others for expenses and legal fees incurred to enforce the contract; and

2. Prior to the commencement of any work by or on behalf of a “direct hired contractor”, you must obtain “proof” of the following:
- a. The “direct hired contractor” is a named insured on a Commercial General Liability policy, or a tower of Commercial General Liability and Excess or Umbrella Liability policy(ies), that:
- (1) Has limits equal to or greater than the following and does not contain sublimits:
 - (a) Each Occurrence Limit: \$6,000,000
 - (b) General Aggregate Limit: \$7,000,000
 - (c) Products/Completed Operations Aggregate Limit: \$7,000,000
 - (2) Provides coverage on an occurrence basis, not a claims-made basis;
 - (3) Is primary to and non-contributory with any other available insurance;
 - (4) Is in effect and provides Commercial General Liability coverage from the commencement of the work until the final completion of the work;
 - (5) Is in effect and provides Products/Completed Operations coverage from the commencement of the work through any applicable statute of limitations or statute of repose as well as through the end of any extension of Products/Completed Operations coverage provided under this policy;
 - (6) Provides coverage for the defense, hold harmless and indemnification obligations in Paragraph 1.a.;
 - (7) Names or otherwise qualifies you and your employees, agents and affiliated, parent and subsidiary companies, as well as your contractually-required additional insureds and indemnitees, as additional insureds; and
 - (8) Provides coverage without limitation, exclusion or exception, including with respect to any warranty, to all named and additional insureds for any loss, claim or “suit”, including expenses and legal fees, arising directly or indirectly or in whole or in part out of:
 - (a) Work for which you have contracted with the “direct hired contractor”, whether ongoing or completed, performed by or on behalf of the “direct hired contractor”;
 - (b) The project for which you have contracted in whole or in part with the “direct hired contractor”, whether ongoing or completed, or the project premises; and
 - (c) Injury to an employee, worker, volunteer, officer, principal, manager, partner or owner of the “direct hired contractor” or any person or entity performing work or providing materials on its behalf;
- b. The “direct hired contractor” is a named insured on a Worker’s Compensation policy that:
- (1) Has limits and coverages equal to or greater than that required by all applicable laws and regulations; and
 - (2) Is in effect and provides coverage from the commencement of the work until the final completion of the work;
- c. The “direct hired contractor” is a named insured on an Employer’s Liability policy that is in effect and provides coverage from the commencement of the work until the final completion of the work; and

- d. All insurance is provided by insurers with an A.M. Best rating of A- VII or better; and
3. You must maintain “proof” of the insurance required in Paragraph **2.** above for our inspection until the later of ten years after the date work commences or until all applicable statutes of limitations and statutes of repose have run; and
4. The insurance described in Paragraph **2.a.** above must provide coverage for any loss, claim or “suit”, including expenses and legal fees, submitted to us, arising in whole or in part, out of work, whether ongoing or completed, performed by or on behalf of the “direct hired contractor”. This includes a loss, claim or “suit” for injury to an employee, worker, volunteer, officer, principal, manager, partner or owner of the “direct hired contractor” or any person or entity performing work or providing materials on its behalf.

Solely for the purposes of this endorsement, the following definitions are added to the Definitions section of the applicable coverage form(s):

“Direct hired contractor” means any contractor, subcontractor or independent contractor:

1. To whom you directly remit payment;
2. With whom you have directly entered into a contract; or
3. Whose work or activities you oversee or supervise.

“Proof” means:

1. Copies of the policies;
2. Copies of the policies’ Declarations page(s), Schedule(s) of Forms and all additional insured provision(s) or endorsement(s); or
3. Certificates of Insurance reflecting the required insurance coverages and limits; however, this Item 3. only applies if you have documented evidence that you or someone acting on your behalf requested and could not obtain the documents described in Items 1. and 2. above through the exercise of due diligence.

All other terms and conditions remain unchanged.



PREVIEW



BAKERSFIELD COMMUNITY LAND TRUST

MEETING DATE: August 20, 2025

AGENDA CATEGORY: New Business

TO: Bakersfield community Land Trust board of Directors

FROM: Betsy McGovern-Garcia, Vice President, Self-Help Enterprises

DATE: August 13, 2025

SUBJECT: Lease Agreement for BCLT Properties

RECOMMENDATION:

Receive public comment, review and approve the template 99-Year Land Lease and Purchase and Sale Agreement for BCLT Properties.

BACKGROUND:

As part of the ongoing administrative functions, the 99-Year Land Lease and Purchase and Sale Agreement for BCLT properties has been developed, disseminated for feedback, and updated to align and dovetail with project goals and existing City of Bakersfield policies. These documents are required to allow the BCLT to lease the land and sell the improvements. Self-Help Enterprises contract for administration includes community and stakeholder engagement. Additional, these documents need to be reviewed by the Lenders providing loans on BCLT properties. The draft documents were sent to over 30 financial institutions and were made available for comment. Two comments were received, and modifications were made to allow for FHA appraisals. Staff is bringing these documents to the Board for comment, an also as an additional opportunity for the public to attend and comment.

Once the board receives feedback and approves the template documents, the BCLT Executive Director will have the authority to make a final review for updates or changes as appropriate. Once the BCLT Executive Director has completed the final review, staff will maintain the documents, including updates, revisions and modifications, moving forward.

Staff recommends the BCLT board receive public comment, review and approve the documents to be utilized by the BCLT going forward.

FISCAL IMPACT:

There is no fiscal impact with this agenda item.

ATTACHMENTS:

Lease Agreement

Purchase and Sale Agreement

**PURCHASE AND SALE AGREEMENT
(Lease of Land and Sale of Improvements)**

DATED: _____

BETWEEN: **Bakersfield Community Land Trust (SELLER)**
 Address _____

AND: _____

 _____ (PURCHASER)

RECITALS

A. Seller is organized exclusively for charitable purposes, including: the development and preservation of decent, affordable housing for persons with low to moderate incomes; the conservation of land and natural resources by means such as fostering responsible long-term occupancy; the promotion of neighborhood stability and the creation of a more equitable and stable system of property and housing opportunities; and the creation of home ownership opportunities for low to moderate income people who otherwise would be denied such opportunities because of limited financial resources.

B. A goal of Seller is to stimulate the conveyance of decent, affordable housing among low to moderate income people by providing access to housing for such persons at affordable prices through the long-term leasing of land underlying said housing. Specifically, Seller intends to make housing available for purchase and long-term leasing to households qualified as either as “**Low-Income Households**” or “**Moderate-Income Households**”, defined as: households having incomes no greater than the limits established for Low-Income Households or Moderate-Income Households, respectively, adjusted for family size, for Kern County, as published by the California Department of Housing and Community Development (“**HCD**”) as determined by California Health & Safety Code Section 50000 et seq. and applicable regulations adopted from time to time.

C. Seller is the owner of that parcel of real property commonly known as _____, in the City of _____, County of _____, all as more particularly described in Exhibit A, attached hereto and incorporated herein by this reference (the “**Leasehold Property**”).

D. Seller acquired the Leasehold Property for the purpose of leasing the same to one or more persons of limited financial means in accordance with, and in furtherance of, Seller’s charitable goals and purposes.

E. A single-family residence and other related improvements are located on the Leasehold Property (the “**Improvements**”).

F. Purchaser qualifies as a Low-Income Household and shares the charitable goals and purposes of Seller and has agreed to enter into this Lease not only to obtain those certain benefits to which Purchaser is entitled hereunder, but also to further the charitable purposes of Seller.

G. Seller desires to sell to Purchaser, and Purchaser desires to purchase from Seller, all of Seller's right title and interest in and to the improvements located on the real property commonly known as _____ (the "**Improvements**") on the terms and conditions set forth in this Purchase and Sale Agreement (the "Agreement") and to lease to Purchaser the land underlying the improvements, described in **Exhibit A** (the "Land") pursuant to a Homebuyer Ground Lease. The Improvements and land are collectively referred to as the "**Property**."

NOW THEREFORE, in consideration of the foregoing recitals, of the mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **PURCHASE AND SALE OF THE IMPROVEMENTS/LEASE OF LAND.** Seller agrees to sell Seller's interest in and to the Improvements to Purchaser and Purchaser agrees to buy Seller's interest in and to the Improvements from Seller for the price and on the terms and conditions set forth below. In addition, Seller agrees to lease the Land to Purchaser and Purchaser agrees to lease the Land from Seller pursuant to the terms and conditions contained in the Seller's standard Homebuyer Ground Lease ("Ground Lease"). The covenants, conditions and representations described in the Ground Lease are incorporated in this Agreement by this reference and shall survive delivery and acceptance of the deed.

2. **PURCHASE PRICE.**

2.1 **Total Purchase Price.** Purchaser promises to pay Seller as the total purchase price for the Improvements and the leasehold interest established by the Ground Lease, the sum of \$ _____ (the "Purchase Price").

2.2 **Total Recognized Fair Market Value.** Seller has obtained an appraisal valuing the full fair market value for the leasehold interest established by the Gound Lease and the fee title interest in the Improvements, as of the date of this Agreement, of \$ _____ ("Original FMV"). The difference between the Purchase Price and the Original FMV shall be considered the "Affordability Subsidy", provided for the benefit of Purchaser in furtherance of Seller's charitable purposes, in consideration for Purchaser's agreement to abide by certain affordability covenants as established by the Ground Lease.

2.3 **Payment of Purchase Price.** The Purchase Price shall be paid by Purchaser, through Escrow as described in Section 6 below, as follows:

2.3.1 **Earnest Money Deposit.** Upon the execution of this Agreement by Seller and Purchaser, Purchaser shall pay Seller \$ _____ as earnest money deposit ("**Earnest Money**").

2.3.2 **Down payment.** No down payment shall be required.

2.3.4 **Primary Financing.** A primary mortgage loan shall be obtained by the Buyer if the Buyer is unable to finance the purchase through cash payment. The mortgage should maximize the borrowing capacity of the Buyer and is subject to underwriting and approval of the Seller.

2.3.4 **Secondary Financing.** Secondary financing may be provided by the Seller. The final sale is subject to demonstration by the Buyer of adequate financing for the acquisition and is subject to the approval of the Seller.

3. **PRECONDITION TO PARTIES OBLIGATION.**

3.1 **Purchaser's Contingency Period.** Purchaser shall have until _____ to satisfy itself concerning the availability of financing for the acquisition of the Improvements.

3.2 **Purchaser's Inspection.** At Purchaser's expense, Purchaser may have the Property and all elements and systems inspected by one or more professionals of Purchaser's choice. Purchaser shall specifically identify in this Agreement any desired inspections which may include testing or removal of any portion of the Property due to the possible presence of any environmentally hazardous substance or condition. If an inspection shows a material defective condition in the Property, Purchaser may terminate the transaction by delivery to Seller of a written notice of Purchaser's disapproval of the inspection report by the date **stated in Section 3.3.** Purchaser understands that if Purchaser does not disapprove of an inspection report in writing within the time provided, that constitutes acceptance of the condition of the Property.

3.3 **Termination.** In the event Purchaser determines that satisfactory financing is unavailable or the inspection report is not satisfactory, Purchaser may, at any time on or before _____ rescind this Agreement by giving written notice to Seller. This Agreement thereafter shall be null and void and neither party shall have any obligation to the other.

4. **SELLER'S TITLE TO THE PROPERTY.**

4.1 **Title Report.** As soon as practicable after the execution of this Agreement, Seller at its expense shall furnish to Purchaser a preliminary title report from First American Title Insurance Company of Oregon ("Title Company") showing its willingness to issue title insurance on the Improvements and the leasehold interests under the Ground Lease, together with full copies of all exceptions. Purchaser shall have ten (10) days after receipt of the preliminary title report and exceptions within which to notify Seller in writing of Purchaser's disapproval of any exceptions shown in the report, other than exceptions for any liens to be satisfied by Seller at Closing. In the event of such disapproval, Seller shall have until the Closing to eliminate any disapproved exception. Failure of Purchaser to disapprove any exception within the 10-day period shall be deemed an approval of the exceptions shown in the title report. If Seller is unable to eliminate any disapproved exception, the Purchaser may either elect to rescind the Agreement by notice to Seller or elect to waive its prior disapproval and proceed to close the sale.

5. **SELLER'S REPRESENTATIONS AND WARRANTIES.** Seller makes the following representations and warranties, which representations and warranties will survive Closing and the conveyance of the Improvements to Purchaser:

5.1 Seller is the owner of the Improvements and has the right and power to sell the Improvements to Purchaser.

5.2 Seller has received no written notice from any governmental agency of any violation of any statute, law, ordinance, or deed restriction, rule, or regulation with respect to the Improvements.

5.3 Seller is not a "foreign person" as that term is defined in IRC § 1445. On the Closing, Seller will execute and deliver to Purchaser a certification of the nonforeign status on a form required by the IRS.

5.4 If the Improvements were constructed before 1978, Purchaser may conduct a risk assessment or inspection to determine the presence of lead-based paint or lead-based paint hazards on the Improvements. Purchaser may terminate this transaction by delivery to Seller written notice of Purchaser's disapproval of the risk assessment or inspection within ten (10) days after the date of this Agreement, in which case, this transaction shall be null and void. The parties shall complete and execute a Disclosure of Information and Acknowledgment and Seller shall furnish to Buyer a Lead-Based Paint brochure.

5.5 Except as provided above, Seller has made no representations, warranties, or other agreements concerning matters relating to the Property. Seller has made no agreement or promise to alter, repair, or improve the Property. Purchaser represents that Purchaser has made their own examination of the Property and is buying the Improvements based on Purchaser's own examination and personal knowledge of the Property and that Purchaser takes the Property in the condition, known or unknown, existing at the time of this Agreement "AS IS." Seller has provided Purchaser with a Seller's Property Disclaimer Statement.

6. **CLOSING.**

6.1 **Closing.** This transaction will be closed on a date to be selected by the parties but no later than _____ ("Closing").

6.2 **Manner and Place of Closing.** This transaction will be closed in the offices of [Title Company name and address] ("Escrow"), or at such other place as the parties may mutually select. Closing shall take place in the manner and, in accordance with the provisions set forth in this Agreement.

6.3 **Prorations, Adjustments.** Real property taxes and assessments shall be prorated as of Closing. Seller shall be responsible for any and all deferred or abated taxes and related interest and charges, any past due taxes and assessments through Closing and shall cause such to be paid and removed at or before Closing. The current year's taxes shall be prorated between the parties as of Closing. In addition, insurance, interest, water and other utilities constituting liens shall be prorated as of Closing.

6.4 **Certification of Nonforeign Status.** Seller shall deliver to Purchaser at Closing a Certificate of Nonforeign Status, setting forth Seller's address and United States taxpayer identification number and certifying that Seller is not a foreign person as so defined.

6.5 **Events of Closing.** Provided the Title Company is in a position to cause the title insurance policy to be issued as described below, sale of the Improvements will be closed on the Closing as follows:

(a) The Escrow officer will perform the prorations described in **Section 6.3**, and the parties shall be charged and credited accordingly.

(b) The total purchase price less the Earnest Money shall be payable to Seller at Closing by check or Federal Reserve bank wire to an account designated by the Seller.

(c) Any liens required by this Agreement to be paid by Seller at closing and title exceptions and defects to be removed or cured by Seller at or before Closing shall be removed, cured, paid and satisfied of record at Seller's expense.

(d) Seller shall convey the Improvements to Purchaser by Bill of Sale and Assignment of Improvements on Leased Land.

(e) Seller and Purchaser will execute the Ground Lease and Memorandum of Ground Lease.

(f) Title Company will deliver its Commitment letter committing to issue the policy described in Section 6.6 insuring title to the Improvements upon recordation of the closing documents. The title insurance premium will be charged to Purchaser.

(g) The Escrow officer will record the Bill of Sale and Memorandum of Lease at Purchaser's Expense.

(h) The parties will split the escrow fee of the Title Company for closing this transaction. Each party shall pay its own attorney's fees and other items customarily required to be paid by the party.

6.6 **Title Insurance.** As soon as possible after Closing, Seller shall furnish Purchaser with owner's policy of the title insurance to Purchaser in the amount of the total purchase price for the Improvements and leasehold on the Ground Lease, subject only to the standard printed exceptions of the title company and exceptions of the title company and exceptions for the matters accepted by Purchaser.

6.7 **Possession.** Seller shall deliver possession of the Property to Purchaser on the Closing date.

7. **FAILURE TO CLOSE.**

In the event that this transaction fails to close on account of Purchaser's fault or inability to close, the amount previously deposited or paid as earnest money shall be forfeited by Purchaser and retained by Seller as liquidated damages. Such amount has been agreed by the parties to be reasonable compensation and the exclusive remedy for Purchaser's default, since the precise amount of such compensation would be difficult to determine.

8. **GENERAL PROVISIONS.**

8.1 **Time of Essence.** A material consideration to Seller entering into this transaction is that Purchaser will close the purchase of the Property by the Closing described above. Except as otherwise specifically provided in this Agreement, time is of the essence of each and every provision of this Agreement.

8.2 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties, and their respective heirs, personal representatives, successors, and assigns. Either party may transfer such party's interest under this Agreement, provided that the transferee assumes such party's obligations hereunder.

8.3 **Notices.** Notices under this Agreement shall be in writing and shall be effective when actually delivered. If mailed, a notice shall be deemed effective on the second day after deposited as registered or certified mail, postage prepaid, directed to the other party at the address shown above. Either party may change its address for notices by written notice to the other.

8.4 **Waiver.** Failure of either party at any time to require performance of any provision of this Agreement shall not limit the party's right to enforce the provision. Waiver of any breach of any provision shall not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.

8.5 **Attorneys' Fees.** In the event suit or action is instituted to interpret or enforce the terms of this Agreement or to rescind this Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial, on any appeal, and on any petition for review, in addition to all other sums provided by law.

8.6 **Prior Agreements.** This Agreement supersedes and replaces all written and oral agreements previously made or existing between the parties.

8.7 **Applicable Law.** This Agreement shall be construed, applied and enforced in accordance with the laws of the State of Oregon.

8.8 **Brokers.** Each party will defend, indemnify, and hold the other party harmless from any claim, loss, or liability made or imposed by any other party claiming a commission or fee in connection with this transaction and arising out of its own conduct.

8.9 **Changes in Writing.** This Agreement and any of its terms may only be changed, waived, discharged or terminated by a written instrument signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

8.10 **Survival of Covenants.** Any covenants and agreements which this Agreement does not require to be fully performed prior to Closing shall survive Closing and shall be fully enforceable thereafter in accordance with their terms.

8.11 **Counterparts.** This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

8.12 **Invalidity of Provisions.** In the event any provision of this Agreement, or any instrument to be delivered by Purchaser at Closing pursuant to this Agreement, is declared invalid or is unenforceable for any reason, such provision shall be deleted from such document and shall not invalidate any other provision contained in the document.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate as of the day and year first above written.

SELLER:

PURCHASER:

**BAKERSFIELD COMMUNITY LAND
TRUST**

By: _____
Name:
Title: Executive Director

By: _____
Name:
Title: Chair, Board of Directors

EXHIBIT A
(To Purchase and Sale Agreement)
REAL PROPERTY DESCRIPTION

DRAFT

HOMEBUYER GROUND LEASE

THIS HOMEBUYER GROUND LEASE (the “**Lease**”) is made and entered into this _____ day of _____, by and between the Bakersfield Community Land Trust, a California public benefit nonprofit corporation (“**BCLT**” or “**Lessor**”), and _____ (“**Lessee**”), with respect to the following recitals:

A. Lessor is organized exclusively for charitable purposes, including: the development and preservation of decent, affordable housing for persons with low to moderate incomes; the conservation of land and natural resources by means such as fostering responsible long-term occupancy; the promotion of neighborhood stability and the creation of a more equitable and stable system of property and housing opportunities; and the creation of home ownership opportunities for low to moderate income people who otherwise would be denied such opportunities because of limited financial resources.

B. A goal of Lessor is to stimulate the conveyance of decent, affordable housing among low to moderate income people by providing access to housing for such persons at affordable prices through the long-term leasing of land underlying said housing. Specifically, Lessor intends to make housing available for purchase and long-term leasing to households qualified as either as “**Low-Income Households**” or “**Moderate-Income Households**”, defined as: households having incomes no greater than the limits established for Low-Income Households or Moderate-Income Households, respectively, adjusted for family size, for Kern County, as published by the California Department of Housing and Community Development (“**HCD**”) as determined by California Health & Safety Code Section 50000 et seq. and applicable regulations adopted from time to time.

C. Lessor is the owner of that parcel of real property commonly known as _____, in the City of _____, County of _____, all as more particularly described in Exhibit A, attached hereto and incorporated herein by this reference (the “**Leasehold Property**”).

D. Lessor acquired the Leasehold Property for the purpose of leasing the same to one or more persons of limited financial means in accordance with, and in furtherance of, Lessor’s charitable goals and purposes.

E. A single-family residence and other related improvements are located on the Leasehold Property (the “**Improvements**”).

F. Lessee qualifies as a Low-Income Household and shares the charitable goals and purposes of Lessor and has agreed to enter into this Lease not only to obtain those certain benefits to which Lessee is entitled hereunder, but also to further the charitable purposes of Lessor.

G. In furtherance of the charitable goals and purposes of Lessor, Lessor and Lessee have entered into a “PURCHASE AND SALE AGREEMENT (Lease of Land and Sale of Improvements)” dated _____, (“**Improvements Purchase Agreement**”), providing for a sales price for the improvements and a 99-year leasehold interest of _____ (“**Original Purchase Price**”). Pursuant to the terms of the Improvements Purchase Agreement, Lessee is entering into

this Lease with Lessor. Among other requirements, this Lease requires Lessee to occupy the Improvements, and restricts the sales price for which Lessee may sell the Improvements in the future, or require equity sharing in the event of a non-qualified sale.

H. Lessor and Lessee recognize the special nature of the terms and conditions of the Lease, and each of the parties hereto, with the independent and informed advice of legal counsel, freely accepts said terms and conditions, including, without limitation, such terms and conditions as might affect the marketability or resale price of the residential structure and other improvements located on the Leasehold Property.

I. Lessor and Lessee understand and accept that the terms and conditions of this Lease advance the parties' shared goals over an extended period of time and through a succession of owners.

NOW THEREFORE, in consideration of the foregoing recitals, of the mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I: ACKNOWLEDGEMENTS

1.1 LETTER OF ACKNOWLEDGEMENT: Lessee and each assignee and successor to Lessee's rights hereunder (each a "Lessee") shall execute and deliver to Lessor a Letter of Acknowledgement, in a form substantially similar to the attached Exhibit B, confirming Lessee's review and understanding of this Lease (including, but not limited to, Article X of this Lease with respect to the transfer, sale and/or disposition of the Improvements).

1.2 CERTIFICATIONS. The Lessee certifies that (i) the financial and other information previously provided in order to qualify to lease the Leasehold Property is true and correct as of the date first written above, (ii) the Lessee shall occupy the Leasehold Property and Improvements as Lessee's principal place of residence, (iii) the Lessee is qualified as a Low-Income Household as defined in Recital B above; (iv) Lessee will fully cooperate with Lessor in providing all information requested by Lessor in monitoring Lessee's compliance with this Lease within five (5) business days of Lessor's request for such information.

Throughout the Term of the Lease, Lessee shall make yearly certifications regarding Lessee's occupancy of the Leasehold Property and Improvements in accordance with Section 4.4, Lessee's compliance with the insurance requirements of this Lease in accordance with Section 9.4, and all current occupants of the Leasehold Property and Improvements. This certification shall take the form of Exhibit C.

ARTICLE II: DEMISE OF LEASEHOLD PROPERTY

2.1 PREMISES: Lessor, in consideration of the rents reserved and the terms, conditions, covenants and agreements contained herein, does hereby lease the Leasehold Property to Lessee, and Lessee does hereby lease the Leasehold Property as more particularly described in Exhibit A from Lessor, all on the terms set forth in this Lease.

2.2 **RESERVATION OF MINERAL RIGHTS:** Lessor reserves to itself all the minerals and other extractive resources of the Leasehold Property. This reservation shall not diminish the right of the Lessee under this Ground Lease to occupy and freely use the Leasehold Property. Any eventual extraction by the Lessor of minerals or other extractive resources shall be carried out with as little disruption to the Lessee as is reasonably possible. In instances requiring a material disruption of the Lessee's right of use and occupancy of the Leasehold Property, the Lessor shall not make such extraction without the consent of the Lessee.

ARTICLE III: DURATION OF LEASE

3.1 **TERM:** The term of this Lease will be 99 years, commencing on the ____ day of _____, 20____, and terminating on the ____ day of _____, 2____, unless terminated sooner or extended by mutual agreement of the parties.

3.2 **HOMEOWNER CAN RENEW LEASE FOR ANOTHER 99 YEARS:** Homeowner may renew this Lease for one additional period of 99 years. The BCLT may change the terms of the Lease for the renewal period prior to the beginning of the renewal period but only if these changes do not materially and adversely interfere with the rights possessed by Homeowner under the Lease. Not more than 365 nor less than 180 days before the last day of the first 99- year period, BCLT shall give Homeowner a written notice that states the date of the expiration of the first 99-year period and the conditions for renewal as set forth in the following paragraph ("the Expiration Notice"). The Expiration Notice shall also describe any changes that BCLT intends to make in the Lease for the renewal period as permitted above. The Homeowner shall then have the right to renew the Lease only if the following conditions are met: (a) within 60 days of receipt of the Expiration Notice, the Homeowner shall give BCLT written notice stating the Homeowner's desire to renew ("the Renewal Notice"); (b) this Lease shall be in effect on the last day of the original 99-year term, and (c) the Homeowner shall not be in default under this Lease or under any Permitted Mortgage on the last day of the original 99-year term. When Homeowner has exercised the option to renew, Homeowner and BCLT shall sign a memorandum stating that the option has been exercised. The memorandum shall comply with the requirements for a notice of lease as stated in Section 14.12 below. The BCLT shall record this memorandum in accordance with the requirements of law promptly after the beginning of the renewal period.

ARTICLE IV: USE OF LEASEHOLD PROPERTY

4.1 **RESIDENTIAL USE ONLY:** Lessee shall use, and will cause all occupants thereof to use, the Leasehold Property and the Improvements only for residential purposes and such incidental uses permitted under the applicable zoning regulations. In addition, transfers of Lessee's interest in the Leasehold Property will be subject to the restrictions hereof, including Articles X and XI. Lessee agrees and acknowledges that the foregoing limitations, all other conditions and restrictions contained herein, and any conditions and restrictions placed on record by Lessor and any public body, if any, providing funding for the project are essential to the fulfillment of the charitable purposes of Lessor and are conditions and restrictions on the use of the Leasehold Property and Improvements intended to run the full term of this Lease.

4.2 RESPONSIBLE USE: Lessee shall use the Leasehold Property and the Improvements in a manner so as not to cause actual harm to others or create any nuisances, public or private, and will dispose of any and all waste in a safe and sanitary manner and in accordance with all federal, state and local laws and customary local practices. Lessee shall, at all times during the term hereof, maintain the Leasehold Property and the Improvements in a good, safe, and habitable condition (reasonable wear and tear excepted), in full compliance with all applicable laws and regulations, and in such condition as is required to maintain the insurance coverage required by Section 9.4 of this Lease.

4.3 RESPONSIBLE FOR OTHERS: Lessee shall be responsible for the use of the Leasehold Property by any residents thereof, families, their guests, invitees, or anyone else using the Leasehold Property with their consent, and will make them aware of the spirit, intent and terms of this Lease.

4.4 OCCUPANCY: Unless otherwise agreed to in writing (in advance) by Lessor, Lessee shall occupy the Leasehold Property as his/her primary residence during the entire term of this Lease. Occupancy by domestic partners, children or other immediate family members or dependents of Lessee shall not be deemed occupancy by Lessee. Lessor and its designated agent shall have the right to conduct periodic site visits to confirm occupancy by Lessee.

4.5 LEASED LAND MAY NOT BE SUBLEASED WITHOUT BCLT'S PERMISSION. Except as otherwise provided in Article 8 and Article 10, Homeowner shall not sublease, sell or otherwise convey any of Homeowner's rights under this Lease, for any period of time, without the written permission of BCLT. Homeowner agrees that BCLT shall have the right to withhold such consent in order to further the purposes of this Lease. If permission for subleasing is granted, the sublease shall be subject to the following conditions:

a) Any sublease shall be subject to all of the terms of this Lease.

b) The rental or occupancy fee charged the sub-lessee shall not be more than the amount of the Lease Fee charged the Homeowner by the BCLT, plus an amount approved by BCLT to cover Homeowner's costs in owning the Home, including but not limited to the cost of taxes, insurance and mortgage principal and interest payments.

4.6 INSPECTION: Lessor may inspect any portion of the Leasehold Property at any reasonable time and in a reasonable manner upon at least 24 hours oral notice to Lessee. Lessor may inspect the Improvements located on the Leasehold Property only if, in Lessor's sole discretion, Lessor determines there is evidence that Lessee has violated his/her obligations under Section 4.2 of this Lease. Although Lessor will make a reasonable attempt under the circumstances to give Lessee advance notice, Lessor may inspect any portion of the Leasehold Property and the Improvements at any time without notice to Lessee in the event of an emergency.

4.7 LESSEE'S RIGHT TO PEACEFUL ENJOYMENT: Lessee has the right to undisturbed enjoyment of the Leasehold Property, and Lessor has no desire or intention to interfere with the personal lives, associations, expressions, or actions of Lessee, subject to the terms, covenants, conditions, provisions, restrictions, and reservations of this Lease.

4.8 PROHIBITION OF HAZARDOUS SUBSTANCES. Lessee shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Leasehold Property or Improvements. Lessee shall not do, nor allow anyone else to do, anything affecting the Leasehold Property or Improvements that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Leasehold Property or Improvements of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Leasehold Property or Improvements.

a) Definitions.

i) "Hazardous Substances" shall mean those substances defined as toxic or hazardous substances or hazardous waste under any Environmental Law, and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials.

ii) "Environmental Law" shall mean all federal and state of California laws that relate to health, safety or environmental protection.

b) Notice And Remediation. Lessee shall, as soon as possible but no later than five (5) business days of learning of such event, give Lessor written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Leasehold Property or Improvements and any Hazardous Substance or Environmental Law of which Lessee has actual knowledge. If Lessee learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Leasehold Property or Improvements is necessary, Lessee shall, as soon as possible but no later than twenty-one (21) days of such notification or of learning of such event, commence all necessary remedial actions in accordance with Environmental Law and shall diligently pursue such remediation until completion.

c) Indemnity. Lessee shall indemnify Lessor, and its agents, employees, officers, board members and/or commission members ("Indemnified Parties") for the failure of the Lessee or any person or entity other than Lessee, to comply with any Environmental Law. This provision shall survive the termination of the Lease.

ARTICLE V: ADMINISTRATIVE FEE

5.3 GROUND LEASE FEE: In consideration of the possession, continued use and occupancy of the Leasehold Property, Lessee will pay to Lessor a ground rent (the "**Ground Lease Fee**"). Subject to the provisions of Section 5.3, below, THIRTY-SEVEN AND 50/100 DOLLARS (\$37.50) per month, payable in advance on the first day of each calendar month during the term of this Lease.

5.4 PAYMENT OF ADMINISTRATIVE FEE: The Ground Lease Fee shall be payable to Lessor, at the address specified in this Lease as Lessor's address, on or before the first day of each month for so long as this Lease remains in effect, unless, with Lessor's consent, the Administrative Fee is to be escrowed by a Permitted Mortgagee, in which case payment shall be made as specified by that Mortgagee. If the Lease commences on a day other than the first of a month, a pro-rata portion of the Administrative Fee shall be paid for the balance of the month at the time the Lease is executed. In the event that any amount of payable Ground Lease Fee remains unpaid when the Improvements are sold, the Lease is terminated or assigned to another party, the amount of payable Ground Lease Fee shall be paid to Lessor out of any proceeds from the sale of the Improvements otherwise due to Lessee at the time of such sale.

5.5 INCREASE IN GROUND LEASE FEE: At the sole discretion of Lessor, the Ground Lease Fee may be increased each year during the term of the Lease by an amount not to exceed the lesser of (i) five percent or (ii) the annual percentage of increase in the Consumer Price Index. "Consumer Price Index," as used in this Lease, means the Consumer Price Index for All Urban Wage Earners and Clerical Workers (San Francisco-Oakland-San Jose, CA, All Urban Consumers All Items, Base 1982-1984=100), as published by the Bureau of Labor Statistics of the United States Department of Labor. In the event such index is not in existence when any determination relying on such index under this Lease is to be made, the most comparable governmental index as determined by Lessor in its sole discretion published in lieu thereof shall be substituted therefor. Lessor shall provide written notice to Lessee concerning any increase in the Ground Lease Fee. Lessee shall be responsible for the timely payment of any/all such increases.

5.6 REDUCTION, DELAY OR WAIVER OF GROUND LEASE FEE: Lessor, in its sole and absolute discretion, may reduce, delay or waive, in whole or in part, the Ground Lease Fee at any time and from time to time in consideration of the personal hardship or incapacity of the Lessee or Lessee's general inability to pay. The intent of this Section is to foster continued occupancy by the resident owners despite the occurrence of unforeseeable financial and personal hardship if deemed reasonably possible by Lessor.

5.7 ADDITIONAL FEES. In the event Lessee shall owe any fees, costs or other sums to Lessor under the terms of this Lease in addition to the Ground Lease Fee described in Section 5.1, including, but not limited to, such costs as Lessor may incur on behalf of Lessee after failure of Lessee to comply with its obligations under the Lease, Lessor may charge Lessee such amounts as an "Additional Ground Lease Fee". Lessor shall determine and notify Lessee of the time and the manner (e.g. in lump sum or several payments) in which any Additional Ground Lease Fee is to be paid by Lessee. Any Additional Ground Lease Fee shall be payable to Lessor, at the address specified in Section 13.1.

5.8 LATE CHARGES. Lessee hereby acknowledges that late payment of the Ground Lease Fee and any other sums due hereunder will cause Lessor to incur costs and expenses not contemplated by this Lease, the exact amount of which will be extremely difficult and impractical to fix and ascertain. Therefore, if any installment of the Ground Lease Fee or other sum due from Lessee shall not be received by Lessor by the tenth (10th) day of any month, Lessee shall pay to Lessor a late charge of five percent (5%) of the installment or other sum due. The parties hereby agree that such late charge represents a fair and reasonable estimate of the

costs Lessor will incur by reason of late payment by Lessee. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's default or breach with respect to such overdue amount, nor prevent Lessor from exercising any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for three (3) consecutive installments of the Ground Lease Fee, then notwithstanding anything else in this Lease to the contrary, the Ground Lease Fee shall, at Lessor's option, become due and payable quarterly in advance.

5.9 LAND USE FEE WILL BE INCREASED IF RESTRICTIONS ARE REMOVED: If, for any reason, the provisions of Article 10 regarding transfers of the Home or Sections 4.4 and 4.5 regarding occupancy and subleasing are suspended or invalidated for any period of time, then during that time the Land Use Fee shall be increased to an amount calculated by BCLT to equal the fair rental value of the Leased Land for use not restricted by the suspended provisions, but initially an amount not exceeding ____ dollars. Such increase shall become effective upon BCLT's written notice to Homeowner. Thereafter, for so long as these restrictions are not reinstated in the Lease, the BCLT may, from time to time, further increase the amount of such Land Use Fee, provided that the amount of the Land Use Fee does not exceed the fair rental value of the property, and provided that such increases do not occur more often than once in every ____ years.

5.10 BCLT CAN COLLECT UNPAID FEES WHEN HOME IS SOLD: In the event that any amount of payable Lease Fee remains unpaid when the Home is sold, the outstanding amount of payable Lease Fee, including any interest as provided above, shall be paid to BCLT out of any proceeds from the sale that would otherwise be due to Homeowner. The BCLT shall have, and the Homeowner hereby consents to, a lien upon the Home for any unpaid Lease Fee. Such lien shall be prior to all other liens and encumbrances on the Home except

- (a) liens and encumbrances recorded before the recording of this Lease,
- (b) Permitted Mortgages as defined in section 8.1 below; and
- (c) liens for real property taxes and other governmental assessments or charges against the Home.

ARTICLE VI: TAXES, ASSESSMENTS AND OTHER CHARGES

6.1 LESSEE'S RESPONSIBILITY FOR TAXES, ASSESSMENTS AND OTHER CHARGES: Lessee shall be responsible for payment of all taxes (including real property taxes levied against the Leasehold Property and the Improvements), governmental assessments, homeowner's association assessments and other charges that relate to the Leasehold Property and the Improvements. To the extent any such taxes, assessments and charges are not (i) collected as part of the Administrative Fee or (ii) collected, impounded and paid by a Permitted Mortgagee, Lessee will pay promptly when due such taxes, assessments and charges directly to the taxing or assessing authority. Lessee shall also pay directly, when due, all service bills, utility fees and other amounts charged as a result of Lessee's ownership of the Improvements and occupancy of the Leasehold Property.

6.2 GROUND LESSEE'S RIGHT TO CONTEST: Lessee shall have the right to contest the amount or validity of any taxes relating to the Improvements or the Leasehold Property. Lessor will, upon written request by Lessee, join in any such proceedings if Lessee reasonably determines that it will be necessary or convenient for Lessor to so join in order for Lessee to prosecute such proceedings. All other costs and expenses of such proceedings shall be paid by Lessee. If Lessee contests any such tax, assessment, or charge, Lessee may withhold or defer payment or pay under protest, but Lessee shall protect Lessor and the Leasehold Property from the consequences of any such contest being unsuccessful by adequate bond or other security acceptable to Lessor.

6.3 PAYMENTS IN EVENT OF DELINQUENCY: In the event that Lessee fails to timely pay the taxes, assessments or other charges specified in Section 6.1, above, which are not otherwise part of the Administrative Fee, Lessee shall pay such delinquent amounts to Lessor immediately upon Lessor's demand or, at Lessor's sole option, Lessee may pay such delinquent amounts over time by means of an increase in the Administrative Fee payments in amounts such that the total sum collected will offset the cost of any delinquent and current taxes, assessments or other charges. Lessor has the right, but not the obligation, to pay any and all delinquent taxes, assessments and charges on behalf of Lessee and to charge Lessee for the repayment thereof. Upon Lessor's demand, Lessee shall immediately reimburse Lessor for all amounts thus paid on Lessee's behalf.

6.4 PROOF OF COMPLIANCE: Concurrently with the payment of any taxes, assessments and/or charges required or permitted by the provisions of this Lease, each party, upon request, will furnish evidence satisfactory to the other documenting the payment of all taxes, assessments, and charges paid by such party as required or permitted by the provisions of this Lease. A photocopy of a paid receipt or cancelled check that manifests payment on or before the applicable due date will be deemed acceptable/satisfactory evidence of timely payment by the tendering party.

ARTICLE VII: IMPROVEMENTS

7.1 OWNERSHIP: It is expressly understood and agreed that any and all Improvements located on the Leasehold Property, including but not limited to buildings, structures, fixtures, and other improvements, purchased by Lessee or constructed or placed by Lessee upon any part of the Leasehold Property at any time during the term of this Lease will be and remain the property of Lessee. Title to such Improvements will be and remain vested in Lessee. Lessee's exercise of the rights of ownership is subject and subordinate, however, to the provisions of this Lease (including but not limited to Section 7.6 and Article X below) regarding the disposition of Improvements by Lessee and Lessor's option to purchase the Improvements. In addition, Lessee shall not sever or remove the Improvements from the Leasehold Property without Lessor's prior written consent, nor shall Lessee demolish the Improvements without the prior written consent of Lessor.

7.2 PURCHASE OF IMPROVEMENTS BY LESSEE: Lessee is simultaneously executing this Lease and purchasing the Improvements located on the Leasehold Property.

7.3 CONSTRUCTION AND ALTERATION:

a) Approval of Construction and Alteration. In the event Lessee wishes to make capital improvements or modifications to the Improvements, Lessee shall obtain advanced written approval from Lessor for any capital improvements or modifications whose initial costs exceed Two Thousand Dollars (\$2,000). Prior to commencing construction or installation of the approved improvement(s)/modification(s), Lessee shall provide to Lessor copies of any and all building permits required and issued for the approved improvement(s)/modification(s). Notwithstanding any provision herein to the contrary, Lessor's approval of any improvement or modification pursuant to this Section 7.3.a) shall not entitle Lessee to an increase in the Purchase Option Price

b) Requirements of Construction and Alteration. Any construction or modification in connection with any existing or new Improvement is subject to the following conditions: (a) all costs will be borne and paid for by Lessee; (b) all construction will be performed in a workman-like manner and will comply with all applicable laws, ordinances and regulations, including the requirements of local and state public health authorities; (c) all construction must be consistent with the permitted uses set forth in Article IV; (d) no changes will be made to the exterior building envelope without the prior written consent of Lessor, which consent may be withheld in Lessor's sole and absolute discretion; and (e) Lessee will furnish to Lessor a copy of any plans therefor and all building permits for such construction prior to commencing construction. Before improvements or modifications are made to the Improvements by a third party, Lessee shall provide Lessor with evidence that such third party carries workers compensation coverage to the extent required by law and liability insurance in an amount to be approved by Lessor, in its reasonable discretion.

7.4 PROHIBITION OF LIENS:

a) Lessee will not suffer or permit any vendor's, mechanic's, laborer's, or materialman's statutory or similar lien to be filed against the Leasehold Property, the Improvements, or any interest of Lessor or Lessee which remains more than sixty (60) days after filing thereof, and Lessee will cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or as otherwise permitted by law. If Lessee fails to cause such lien to be discharged within the period aforesaid, then, in addition to any other right or remedy of Lessor, Lessor may, but shall not be obligated to, discharge the same by paying the amount in question. Lessee in good faith and at Lessee's expense may contest the validity of any such asserted lien, provided Lessee has furnished a bond in an amount set by statute or otherwise sufficient to release the Leasehold Property from such lien. Any amounts paid by Lessor hereunder in respect of such liens will be deemed to be an Additional Administrative Fee payable by Lessee upon demand.

b) Lessee will not permit or allow liens or encumbrances of any type not described in 7.4(a) to attach to Lessor's or Lessee's title to or interest in the Leasehold Property of this Lease, including but not limited to any mortgage, deed of trust or other encumbrance, except with the prior written consent of Lessor.

7.5 MAINTENANCE: Lessee shall, at Lessee's sole expense, maintain the Leasehold Property and all Improvements in good condition and working order and in accordance with all applicable laws, rules, ordinances, orders and regulations of all governmental agencies and entities with jurisdiction and all insurance companies insuring all or any part of the Leasehold Property or Improvements. If Lessor fails to maintain the Leasehold Property and Improvements in this manner and if the Lessee has not cured such condition within thirty (30) days after receiving a notice from the Lessor of such a condition, or in the event of an emergency, then in addition to any other rights available to the Lessor, the Lessor shall have the right (but not the obligation) to perform all acts necessary to cure such condition. The costs of such cure shall be due from Lessee as Additional Administrative Fee. Lessor shall not be required to furnish any services or facilities, including but not limited to heat, electricity, air conditioning or water, or to make any repairs to the Leasehold Property or Improvements, and Lessee hereby assumes the full and sole responsibility for furnishing all services and facilities. If, for any reason, the Improvements are vacant Lessee shall maintain a utility connections until the Improvements are transferred in accordance with this Lease.

7.6 DISPOSITION OF IMPROVEMENTS UPON EXPIRATION OF LEASE TERM: Upon the expiration of the term hereof, as such term may be extended or sooner terminated in accordance with this Lease, Lessee shall yield up and surrender the Improvements together with the Leasehold Property to the Lessor. The Improvements shall thereupon revert in title to Lessor, provided, however, that in the event of a reversion upon the expiration of the term hereof, the Lessor shall promptly pay to the Lessee as consideration for the surrender or the reversion of the Improvements an amount equal to the Lessor's Purchase Option Price calculated in accordance with Article X hereof as of the time of such reversion in title, less the total amount of any unpaid Administrative Fee including any charges that may have been added to the Administrative Fee in accordance with this Lease.

ARTICLE VIII: FINANCING

8.1 PERMITTED MORTGAGE(S): Lessee may mortgage, pledge, or encumber the Leasehold Property or any portion thereof or interest therein only pursuant to a Permitted Mortgage As used in this Lease, a "**Permitted Mortgagee**" is the holder of a "**Permitted Mortgage**". A "Permitted Mortgage" and "Permitted Mortgages" will be mortgages which:

- a) run in favor of either (1) a so-called "institutional lender" such as, but not limited to, a federal, state, or local housing finance agency, a bank (including savings and loan association or insured credit union), an insurance company, a pension and/or profit-sharing fund or trust, or any combination of the foregoing, the policies and procedures of such institutional lender which are subject to direct governmental supervision, or (2) a "community development financial institution" as certified by the U.S. Department of The Treasure or similar nonprofit lender to housing projects for low- and moderate-income persons;
- b) are a lien on all or any of the Improvements (the "**Security**") unless otherwise approved in writing by Lessor; and

- c) have been consented to by Lessor pursuant to Section 8.2.

The parties recognize and agree that the Improvements (and any of them) may be subject to more than one Permitted Mortgage at a particular time.

8.2 LESSOR'S CONSENT TO PERMITTED MORTGAGE: Lessee may mortgage the Leasehold Property only with the written consent of Lessor. Not less than thirty (30) days prior to the date on which Lessee requests that Lessor's consent to a mortgage be effective, Lessee shall furnish to Lessor true and correct copies of each and every document and instrument to be executed in connection with the transaction represented by such mortgage.

Lessor shall be required to consent to a mortgage only if:

- a) such mortgage meets the requirements of Section 8.1(a) and (b);
- b) at the time of such submission and at the time proposed by Lessee for the execution of such documents, no default is then outstanding under this Lease;
- c) such mortgage and related documentation do not contain any provisions other than provisions generally contained in mortgages used for similar transactions in the County;
- d) such mortgage provides, among other things, that in the event of a default in any of the mortgagor's obligations thereunder, the holder of the mortgage shall notify Lessor of such fact and Lessor shall have the right (but not the obligation) within 120 days after its receipt of such notice, to cure such default in the mortgagor's name and on mortgagor's behalf, provided that current payments due the holder during such 120 day period (or such lesser time period as may have been required to cure such default) are made to the holder, and shall further provide that said holder shall not have the right, unless such default shall not have been cured within such time, to accelerate the note secured by such mortgage or to commence foreclosure under the mortgage on account of such default;
- e) such mortgage provides, among other things, that if after such cure period the holder intends to accelerate the note secured by such mortgage or initiate foreclosure proceedings under the mortgage, all in accordance with this Section 8.2, the holder shall first notify Lessor of its intention to do so and Lessor shall have the right, but not the obligation, upon notifying the holder within thirty (30) days following receipt of said notice from said holder, to pay off or purchase the indebtedness secured by the mortgage and to acquire such mortgage; and
- f) such mortgage provides that such holder shall use reasonable efforts to sell the Security pursuant to any sale after or in lieu of foreclosure to a purchaser who is a "Moderate Income Household" as defined in Recital B.
- g) such mortgage and related documentation do not contain any provisions that could be construed as rendering Lessor or any subsequent holder of Lessor's interest in and to this Lease, or their respective heirs, executors, successors or assigns, personally

liable for the payment of the debt evidenced by such note and mortgage or any part thereof;

h) such mortgage and related documentation shall contain provisions to the effect that the mortgagee shall not look to Lessor or Lessor's interest in the Leasehold Property, but shall look solely to Lessee, the leasehold estate created hereby, the Improvements, or such other buildings and improvements which may from time to time exist on the Leasehold Property, for the payment of the debt secured thereby or any part thereof (It is the intention of the parties hereto that Lessor's consent to such mortgage shall be without any liability on the part of Lessor for any deficiency judgement);

i) such mortgage and related documentation provide that in the event any part of the Security is taken in condemnation or by right of eminent domain, the proceeds of the award will be paid over to the holder of the mortgage in accordance with the provisions of Article IX hereof; and

j) nothing contained in such mortgage or related documentation obligates Lessor to execute an assignment of the Administrative Fee or other rent payable by Lessee under the terms of this Lease.

k) nothing contained in such mortgage can be construed as subordinating Lessor's interest in the Leasehold Property to the lien of the mortgage.

l) the total amount of all debt financing secured against the Improvements does not exceed the then Purchase Option Price.

m) the total amount of all debt financing secured against the Improvements does not cause the Lessee's housing costs to be unaffordable to Lessee, as determined by Lessor in its sole discretion and, if such debt will refinance existing debt it must comply with Lessor's refinance policy.

n) if the mortgage is not made by a public agency or nonprofit corporation, such mortgage may not include interest only payments, negative amortization, or a variable interest rate that will cause Lessee's monthly mortgage payments to increase over time.

o) such mortgage shall provide, among other things, that, in the event of foreclosure sale by a mortgagee or the delivery of a deed to a mortgagee in lieu of foreclosure, upon acquisition of title to the Improvements and the Lessee's interest in the Leasehold Property by the mortgagee, the mortgagee shall give the Lessor written notice of such acquisition and the Lessor shall have an option to purchase the Improvements and acquire the Lessee's interest in the Leasehold Property from the mortgagee for the full amount owing to the mortgagee under the mortgage; provided, however, that the Lessor gives written notice to the mortgagee of the Lessor's intent to purchase the Improvements and acquire the Lessee's interest in the Leasehold Property within thirty (30) days following the Lessor's receipt of the mortgagee's notice of such acquisition of the Improvements and Lessee's interest; further provided that Lessor shall complete the purchase of the Improvements and acquisition of Lessee's interest in the Leasehold

Property within sixty (60) days of having given written notice of its intent to purchase; and provided that, if the Lessor does not complete the purchase within such period, the mortgagee shall be free to sell the Improvements and transfer the Lessee's interest in the Leasehold Property to another person.

8.3 RIGHTS OF PERMITTED MORTGAGEE: Any Permitted Mortgagee shall without the requirement of consent by the Lessor have the right, but not the obligation, to:

- a) cure any default under this Lease, and perform any obligation required hereunder, such cure or performance by a Permitted Mortgagee being effective as if the same had been undertaken and performed by Lessee;
- b) acquire and convey, assign, transfer and exercise any right, remedy or privilege granted to Lessee by this Lease or otherwise by law, subject to the provisions, if any, in said Permitted Mortgage, which may limit any exercise of any such right, remedy or privilege; and
- c) rely upon and enforce any provisions of this Lease to the extent that such provisions are for the benefit of a Permitted Mortgagee.

Permitted Mortgagee shall not, as a condition to the exercise of its rights hereunder, be required to assume personal liability for the payment and performance of the obligations of the Lessee hereunder. Any such payment or performance or other act by Permitted Mortgagee hereunder shall not be construed as an agreement by Permitted Mortgagee to assume such personal liability except to the extent Permitted Mortgagee actually takes possession of the Security and the premises or collects fees or rentals from occupants. In the event Permitted Mortgagee does take possession of the Security and thereupon transfers the Security, any such transferee will be required to enter into a written agreement assuming such personal liability and upon any such assumption the Permitted Mortgagee will automatically be released from personal liability hereunder.

In the event that title to the estates of both Lessor and Lessee will be acquired at any time by the same person or persons, no merger of said estates will occur without the prior written declaration of merger by Permitted Mortgagee, so long as Permitted Mortgagee owns any interest in the Security or in said mortgage. In the event that the estate of Lessor is owned at any time by Lessee (regardless of a merger), or by any person in which Lessee has a direct or indirect interest, Permitted Mortgagee will not be obligated to cure any default of Lessee hereunder as a condition to the forbearance by Lessor in the exercise of Lessor's remedies as herein provided.

8.4 APPROVAL OF AMENDMENTS: Any amendments to this Lease will be subject to the written approval of Permitted Mortgagee, which approval will not be unreasonably withheld or delayed. The passage of forty-five (45) days after submittal to Permitted Mortgagee of a proposed amendment without approval or disapproval by Permitted Mortgagee will be deemed approval thereof.

8.5 NEW LEASE TO PERMITTED MORTGAGEE: If this Lease is terminated for any reason, or in the event of the rejection or disaffirmance of the Lease pursuant to bankruptcy law or other law affecting creditors' rights, Lessor will enter into a new lease of the Leasehold

Property with the Permitted Mortgagee (or with any party designated by the Permitted Mortgagee, subject to Lessor's approval, which approval will not be unreasonably withheld), not more than thirty (30) days after the request of the Permitted Mortgagee. Such lease will be for the remainder of the term of the Lease, effective as of the date of such termination, rejection or disaffirmance, and upon all the terms and provisions contained in the Lease. However, the Permitted Mortgagee will make a written request to Lessor for such new lease within sixty (60) days after the effective date of such termination, rejection or disaffirmance, as the case may be. Such written request will be accompanied by a copy of such new lease, duly executed and acknowledged by the Permitted Mortgagee or the party designated by the Permitted Mortgagee to be the Lessee thereunder, and the Permitted Mortgagee will have cured all defaults under the Lease which can be cured by the payment of money. Any new lease made pursuant to this Section will have the same priority with respect to other interests in the Leasehold Property as the Lease. The provisions of this Section will survive the termination, rejection or disaffirmance of the Lease and will continue in full effect thereafter to the same extent as if this Section were independent and an independent contract made by Lessor, Lessee and the Permitted Mortgagee.

8.6 NO TERMINATION DURING FORECLOSURE: The Lessor will have no right to terminate this Lease during such time as the Permitted Mortgagee has commenced foreclosure in accordance with the provisions hereof and is diligently pursuing the same. Lessor shall, however, retain all other remedies set forth in Article 12 during such time as the Permitted Mortgagee has commenced such foreclosure.

8.7 PROVISIONS SUBJECT TO FORECLOSURE: In the event of a foreclosure sale by a Permitted Mortgagee or the delivery of a deed to a Permitted Mortgagee in lieu of foreclosure in accordance with the provisions hereof, at the election of the Permitted Mortgagee, the provisions of Article X, Sections 10.1 through 10.8 will be deleted and thereupon will be of no further force or effect as to only so much of the Security so foreclosed upon or transferred.

8.8 IN THE EVENT OF FORECLOSURE, ANY PROCEEDS IN EXCESS OF THE PURCHASE OPTION PRICE WILL GO TO BCLT. Homeowner and BCLT recognize that it would be contrary to the purposes of this agreement if Homeowner could receive more than the Purchase Option Price as the result of the foreclosure of a mortgage. Therefore, Homeowner hereby irrevocably assigns to BCLT all net proceeds of sale of the Home that would otherwise have been payable to Homeowner and that exceed the amount of net proceeds that Homeowner would have received if the property had been sold for the Purchase Option Price, calculated as described in Article X below. Homeowner authorizes and instructs the Permitted Mortgagee, or any party conducting any sale, to pay such excess amount directly to BCLT. If, for any reason, such excess amount is paid to Homeowner, Homeowner hereby agrees to promptly pay such amount to BCLT.

8.9 NOTICE: In the event that Lessor sends a notice of default under the Lease to Lessee, Lessor shall also send a notice of Lessee's default to Permitted Mortgagee. Whenever in this Article notice is to be given to a Permitted Mortgagee, such notice will be given in the manner set forth in Article XIV, Section 13.1. Such notice or any other notice to be given to a Permitted Mortgagee, shall be given in the manner set forth in Article XIII, section 13.1 of the Lease to the Permitted Mortgagee at the address that has been given by the Permitted Mortgagee

to Lessor by a written notice to Lessor sent in the manner set forth in said section 13.1 of the Lease.

8.10 **COSTS OF MORTGAGE:** Lessee will pay to Lessor at Lessor's option, as additional rent hereunder, all fees, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Lessor in connection with any Permitted Mortgage or any other mortgage Lessee presents to Lessor for approval, where said fees, costs and expenses exceed the aggregate amount of \$200.00.

8.11 **LESSOR'S RIGHT TO PROCEEDS IN EXCESS OF PURCHASE OPTION PRICE:** The parties recognize that it would be contrary to the fundamental concept of this agreement and an incentive to abuse Lessee's authorization to encumber its leasehold interest with a Permitted Mortgage if Lessee could realize more than the Purchase Option Price as the result of any foreclosure of any mortgage. Accordingly, Lessee hereby irrevocably assigns to Lessor any and all net proceeds of sale of the Improvements remaining after payment of costs of foreclosure and satisfaction of the lien of any Permitted Mortgagee which would otherwise have been payable to Lessee, to the extent such net proceeds exceed the net proceeds that Lessee would have received had the property been sold for the Purchase Option Price established in Article X of this Lease, and authorizes and instructs the Permitted Mortgagee or any party conducting any sale to pay the amount of said excess proceeds directly to Lessor. In the event that, for any reason, such excess proceeds are paid to Lessee, Lessee hereby agrees to promptly pay the amount of such excess proceeds to Lessor.

ARTICLE IX: LIABILITY, INSURANCE, DAMAGE AND DESTRUCTION, EMINENT DOMAIN

9.1 **LESSEE'S LIABILITY:** From and after the date hereof, Lessee assumes sole responsibility and liability to any and all persons and authorities related to its possession, occupancy and use of the Leasehold Property.

9.2 **INDEMNIFICATION OF LESSOR:** Lessee will defend, indemnify and hold Lessor harmless against all liability and claims of liability for damage or injury to person or property from any cause on or about the Leasehold Property. Lessee waives all claims against Lessor for damage or injury to person or property on or about the Leasehold Property arising, or asserted to have arisen, on or about the Leasehold Property from any cause whatsoever. Notwithstanding the foregoing two sentences, Lessor will remain liable (and Lessee will not indemnify and defend Lessor against or waive such claims of liability) for damage or injury due to the grossly negligent or intentional acts or omissions of Lessor or Lessor's agents or employees.

9.3 **PAYMENT BY LESSOR:** In the event Lessor is required or elects to pay any sum whatsoever which is the Lessee's responsibility or liability, Lessee will reimburse the Lessor therefor and for reasonable expenses caused thereby.

9.4 **INSURANCE:** Lessee will, at Lessee's sole expense, keep the Leasehold Property and all Improvements located thereon continuously and adequately insured against all manner of loss, peril or damage. At a minimum, Lessee shall procure and carry such

contracts/policies of insurance that will insure against general liability losses in an amount to be approved by Lessor, fire damage and other extended coverage hazards, and which contracts/policies will provide for the full replacement value of all Improvements located on the Leasehold Property (and which fire and other extended coverage hazard policies shall be adjusted every five years by appraisal if requested by Lessor). All contracts/policies of insurance will name Lessor as an additional insured and will be written on a primary, non-contributory basis. Lessor shall have the right to designate, prescribe and modify the precise coverage types and amounts to be carried by Lessee during the term of this Lease. Lessee hereby consents and authorizes Lessor to communicate directly with Lessee's insurance broker in order for Lessor to confirm Lessee's compliance with this Section 9.4.

9.5 DAMAGE OR DESTRUCTION: Except as provided below in this Section 9.5, in the event of fire or other casualty to any Improvements, Lessee will forthwith commence, and thereafter diligently and continuously prosecute to completion, the repair of such damage and the restoration of such Improvements to their condition immediately prior to such damage. All such repairs and restoration will be completed as promptly as possible but in no event longer than twelve (12) months after the damage/casualty events. Lessee will also promptly take all steps necessary to assure that the Leasehold Property will be and remain safe and the damaged Improvements not constitute a hazard or danger to persons or property from the time of the fire or other casualty.

In no event will the Administrative Fee be suspended or abated, unless Lessor, in its sole and absolute discretion, decides to do so in consideration of the personal hardship or incapacity of Lessee. (The intent of this Section is to foster perpetual occupancy by Moderate-Income Households, as defined in Recital B above, despite the occurrence of unforeseeable financial and personal hardship.)

If Lessee, using reasonable judgment and in reliance upon professional estimates and advice, determines either (a) that such full repair and/or restoration is physically impossible, or (b) provided that Lessee has fulfilled all of the hazard insurance requirements set forth in Section 9.4 hereof, the available insurance proceeds are not more than eighty percent (80%) of the cost of such repair and/or restoration, then Lessee may terminate this Lease by written notice to Lessor given not later than sixty (60) days after the occurrence of a fire or other casualty which causes substantial damage to the Improvements. Such termination notice will not, however, be effective until sixty (60) days after the date upon which it is received by Lessor. During such time Lessor will have the opportunity to seek an adjustment from the insurer so as to increase the amount of available insurance proceeds, arrange for such repair and/or restoration at a cost sufficiently low so as to avoid condition (b) of the preceding sentence, or design a partial restoration of the Improvements which would be sufficient to provide Lessee with Improvements of reasonably equivalent quality that are reasonably useable by Lessee, with a floor area not less than eighty percent (80%) of the floor area of the Improvements as they existed immediately prior to such fire or other casualty; and in any of the foregoing cases, the Lessor may render Lessee's termination notice null and void by written notice of such action to Lessee within such additional sixty (60) day period. If Lessor will fail to so nullify the termination notice, then this Lease will terminate at the expiration of such sixty (60) day period after Lessor's receipt of Lessee's termination notice, and any proceeds of insurance payable to Lessee on account of such fire or other casualty will be paid as provided below.

Such proceeds will be paid: first, to the expenses of collection thereof. Remaining proceeds will be paid to the Lessee (or its Permitted Mortgagee if required by the Permitted Mortgage) up to the then applicable Lessor's Purchase Option Price (as of immediately prior to the casualty) calculated pursuant to Sections 10.7 and 10.8 below. The balance of such proceeds, if any, will be paid to Lessor.

If this Lease continues pursuant to the conditions described in this Section 9.5, the insurance proceeds shall be paid to Lessor and Lessee to cover any of Lessor's and Lessee's expenses of collecting the proceeds, respectively. Remaining proceeds shall be paid, to the Lessee (or its Permitted Mortgagee to the extent required by the Permitted Mortgage) for the costs of repairing or rebuilding that part of the Leasehold Property and Improvements damaged or destroyed by the fire or other casualty; and the balance of such proceeds, if any, shall be paid to Lessor.

9.6 EMINENT DOMAIN AND PUBLIC DEDICATION: In the event of a taking of the entire Leasehold Property by reason of eminent domain or other action of public authority prior to the expiration of the term of this Lease, this Lease will terminate as of the date Lessee is thereby required to give up possession of the Leasehold Property, and the entire amount of any award(s) paid will be allocated between Lessee and Lessor according to the same order of allocation as that calculated for a casualty according to the preceding Section 9.5.

In the event of a taking (as aforesaid) of less than the entire Leasehold Property, then the proceeds paid or payable by reason of such taking will be allocated as follows:

- a) If the Improvements may reasonably be restored to a residential use consistent with this Lease, Lessor may in its discretion allocate some or all of the proceeds to enable Lessee to repair and restore that which may remain thereof.
- b) Any remainder after such allocation will be paid over in accordance with an allocation made as provided above for a taking of the entire Leasehold Property.

Any and all proceedings brought by a party in connection with the claim or claims for damages as a result of any taking referred to in this Section will be conducted by and at the sole expense of such party. If any provision of law now or hereafter in effect will require that said proceedings be brought by or in the name of any owner or lessee of the premises, such party will join in such proceedings or permit the same to be brought in its name. Each party covenants and agrees to do any and all acts and to execute any and all documents which may be required to enable the other to maintain such proceedings. If such party required to join in the proceedings will incur any cost or expense in connection with such proceedings, such party will be entitled to reimbursement for the reasonable amount thereof and same will likewise constitute a first charge against any award.

In the event of any taking that reduces the size of the Leasehold Property but does not result in the termination of the Lease, Lessor shall reassess the fair rental value of the remaining Leasehold Property and shall adjust the Administrative Fee if necessary, to ensure that the monthly fee does not exceed the monthly fair rental value of the Leasehold Property for use as restricted by the Lease.

9.7 IF LEASE IS TERMINATED BY DAMAGE, DESTRUCTION OR TAKING, BCLT WILL TRY TO HELP HOMEOWNER BUY ANOTHER BCLT HOME. If this Lease is terminated as a result of damage, destruction or taking, BCLT shall take reasonable steps to allow Homeowner to purchase another home on another parcel of leased land owned by BCLT if such home can reasonably be made available. If Homeowner purchases such a home, Homeowner agrees to apply any proceeds or award received by Homeowner to the purchase of the home. Homeowner understands that there are numerous reasons why it may not be possible to make such a home available, and shall have no claim against BCLT if such a home is not made available.

ARTICLE X: TRANSFER, SALE OR DISPOSITION OF IMPROVEMENTS

10.1 INTENT AND EFFECT: It is the express understanding and intent of the parties that the terms and conditions of this Article X are intended to enhance the marketability of any Improvements on the Leasehold Property by making them affordable to Low- and Moderate-Income Households who, absent such provisions, would be unable to afford them.

10.2 EXEMPT TRANSFERS DEFINED. A “**Transfer**” is defined as any sale, assignment, or transfer of Lessee’s interest in the Leasehold Property and the Improvements, including the improvements and the leasehold interest established by this Lease.

a) Each of the following Transfers shall constitute an “**Exempt Transfer**” provided BCLT is given notice of such event and, if required, the transferee assumes the obligations under the Reimbursement Lease, pursuant to the requirements of subsection c below:

- i) A Transfer from Lessee to himself/herself and his/her spouse (such that the spouses become co-owners of the Property) as a result of a marriage; or
- ii) If there is more than one individual constituting Lessee (e.g., spouses, joint tenants, etc.), a Transfer of one of the individuals constituting Lessee’s interest in the Property to the other individual constituting Lessee by reason of death, voluntary conveyance, or divorce;

b) “Non-Exempt Transfer” shall mean any Transfer other than an Exempt Transfer.

c) Notice: The following notice requirements shall apply to Exempt Transfers:

- i) Conveyance as a Result of Marriage. If the Exempt Transfer is a Transfer from Lessee to himself/herself and his/her spouse (such that the spouses become co-owners of the Property) as a result of a marriage, Lessee shall provide BCLT notice of the proposed Exempt Transfer prior to the occurrence of the Exempt Transfer. Lessee shall not Transfer the Property until such time as the

transferee spouse has executed an assumption agreement in a form approved by BCLT jointly assuming the obligation to pay the FMV Difference and Shared Appreciation, and Lessee, at Lessee's cost has provided BCLT an endorsement to BCLT's lenders title insurance policy to reflect the change in title to the Property (or, if an endorsement is not available, a new title insurance policy with the same title exceptions as reflected on the original title policy).

ii) Conveyances Between Individuals Constituting Lessee as a Result of Death, Voluntary Conveyance, or Divorce. If there is more than one individual constituting Lessee (e.g., spouses, joint tenants, etc.) and the Exempt Transfer is of one member of Lessee's interest in the Property to the other individual constituting Lessee by reason of death, voluntary conveyance, or divorce, the transferee of the Exempt Transfer shall notify BCLT in writing of the occurrence of the Exempt Transfer no later than thirty (30) days after the occurrence of the Exempt Transfer.

d) Upon any Exempt Transfer, this Lease shall remain in full force and the transferee shall constitute Lessee under this Lease and shall be subject to, and required to comply with, all of the terms and conditions of this Lease, including without limitation the requirement in Section 4.4 that Lessee occupy the Property as its principal place of residence.

10.3 NON- EXEMPT TRANSFER - SALE OF PROPERTY. If Lessee desires to Transfer the Property or any part thereof through a sale to a third party other than through an Exempt Transfer ("**Non-Exempt Transfer**"), Lessee shall first notify BCLT of its desire to sell the Property, by sending to BCLT the notification form attached hereto and incorporated herein as Exhibit "E" ("**Notice of Intent to Transfer**"). Lessee shall not place the Property on the market for sale or initiate any other actions related to a proposed Non-Exempt Transfer for a period of (30) days of BCLT's receipt of the Notice of Intent to Transfer. Prior to the expiration of the 30 day notice period, BCLT shall notify Lessee of its intent to exercise one of the following options:

a) BCLT Option to Purchase. Upon BCLT's receipt of a Notice of Intent to sell the property through a Non-Exempt Transfer, BCLT shall have the option, but not the obligation, to purchase the Property for the Purchase Option Price (defined below) ("**Option**"). BCLT may exercise its Option to purchase the Property at the Purchase Option Price by delivering written notice of exercise to Lessee within thirty (30) days of receipt of the Notice of Intent to Transfer ("**Exercise Notice**"). Within ninety (90) days of the date of the Exercise Notice, BCLT shall purchase at the "**Purchase Option Price**", defined as: the Original Purchase Price, subject to:

i) increase or decrease in an amount equal to the percentage change in the median household income for the Primary Metropolitan Statistical Area (or, if not within such Area, for the County) for a family of equivalent size to the selling family, as determined from time to time by the Department of Housing and

Urban Development (HUD) or any successor thereto. Such change shall be measured by comparing the median household income on the date of the sale of the Improvements to Lessee to the median household income on the date the determination is made.

ii) decrease, where applicable, in an amount necessary to repair any violations of applicable building, plumbing, electric, fire or housing codes or any other provisions of the applicable, as well as any other repairs needed to put the Improvements into a "sellable condition". Items necessary to put Improvements into sellable condition shall be determined by the Lessor, and may include cleaning, painting and making needed structural, mechanical, electrical, plumbing and fixed appliance repairs and other deferred maintenance repairs. In connection with this Section 10.5(a), within fourteen (14) days request by Lessor, Lessee shall provide Lessor with a home inspection report prepared by a licensed home inspector.

i) A purchase pursuant to exercise of BCLT's option shall be completed within 90 days of BCLT's notice of exercise of option through establishment of escrow with a qualified escrow company, which shall provide, among other things, for:

- 1) BCLT to pay the Purchase Option Price in cash, with net proceeds to be distributed to Lessee/Seller subject the satisfaction of primary and secondary loan principal balances and other liens and obligations;
- 2) cancellation of this Lease and the recording of a notice of ground lease cancellation;
- 3) Execution by Lessee and recordation of a Bill of Sale transferring all of Lessee's interest in the Improvements from Lessee to BCLT; and
- 4) BCLT to pay all escrow and title costs.

b) Qualified Affordable Sale – Requirement to Market to Qualified Purchaser at Affordable Sales Price. In lieu of exercising the option to purchase pursuant to paragraph a) above within the 30 day notice period following receipt of a Notice of Intent to Sell Property, BCLT may instead require Lessee to market the Property, for a period of at least 90 days, as a “**Qualified Affordable Sale**”, defined as a sale to a Qualified Purchaser (defined below) at no more than the Qualified Sales Price (defined below), pursuant to the terms of this subparagraph b). BCLT may exercise this requirement by providing Lessee within thirty (30) days of receipt of the Notice of Intent to Transfer a notice establishing the Qualified Affordable Sale requirements (“Qualified Sale Requirement Notice”), including each of the following:

i) “**Qualified Purchaser**” determination: The purchaser for a Qualified Affordable Sale must qualify as a Moderate-Income Household, as defined in Recital B above. BCLT shall include in a Qualified Sale Requirement

Notice the specific income level that constitutes a Moderate-Income Household pursuant to published HCD schedules.

ii) **“Qualified Sales Price”** determination: BCLT shall identify the Qualified Sales Price in the Qualified Sale Requirement Notice. The sales price for a Qualified Affordable Sale must be no greater than the Qualified Sales Price, defined as: a sales price that would result in a Monthly Housing Cost (as defined below) that does not exceed the maximum percentage of income for Moderate-Income Households that can be devoted to housing cost by a household, as specified in Section 50052.5(b)(4) of the Health & Safety Code and HCD Laws/Regulations. **“Monthly Housing Cost”** shall include all of the following associated with the Property, estimated or known as of the date of the proposed Transfer of the Property: (a) principal and interest payments to be paid in the form of loan proceeds on a thirty (30) year fixed mortgage loan and any loan insurance fees associated therewith; (b) property taxes and assessments; (c) flood insurance, if required by the purchaser’s primary mortgage lender or by the Project CC&Rs; (d) fire and casualty insurance covering replacement value of property improvements, unless such insurance is procured by a homeowner association; (e) homeowner association fees; and (f) a reasonable utility allowance. The Monthly Housing Cost of a purchaser shall be an average of estimated costs for the next twelve (12) months.

iii) **Low-Income Households Option:** BCLT may include in a Qualified Sale Requirement Notice the availability of subsidies, secondary loans or other incentives that BCLT would make available to encourage a sale of the Property to Low-Income Households, as defined in Recital B above. If BCLT provides such options, BCLT shall identify the specific income levels and Qualified Sales Price amounts that would be applicable to a sale to a Low-Income Household.

iv) BCLT and Lessee shall coordinate and cooperate with Lessee’s marketing efforts to disclose the Qualified Affordable Sale requirements and to assist in qualification for primary, and if offered, secondary financing.

v) Upon successful marketing, a Qualified Affordable Sale, shall be accomplished within the time provided in the negotiated purchase and sale agreement, through establishment of escrow with a qualified escrow company, which shall provide, among other things, for the following:

- 1) i) certification to the satisfaction of BCLT of income qualification of the purchaser
- 2) payment of the sales price from cash or new primary or secondary loans (as applicable);
- 3) satisfaction of existing principal balances for primary and secondary loans from seller’s proceeds;
- 4) execution and recordation of new financing instruments consistent with the requirements of this Agreement;

- 5) payment of any reimbursement obligation pursuant to section 10.4 below;
- 6) [payment brokers' commissions as between seller and purchaser as negotiated];
- 7) execution and recordation of an assignment and assumption agreement transferring Lessee's leasehold interest to the purchaser and a Bill of Sale transferring interest in the Improvements from Lessee to purchaser; and
- 8) the division of escrow and title costs between Lessee and purchaser consistent with Kern County practice.

c) Unrestricted Sale at Market Value: In the event either BCLT declines to exercise either its options under subparagraphs a) or b) of this section 10.3 within the 30 day notice period following receipt of Notice of Intent to Transfer, or Lessee has attempted to market the property as a Qualified Affordable Sale for a period of 90 days and is unsuccessful at identifying a purchaser who meets the Qualified Affordable Sale requirements, Lessee may provide BCLT with notice that Lessee intends to market the Property and complete a sale without meeting the Qualified Affordable Sale requirements, subject to reimbursement obligations described in Section 10.4 below.

i) The notice to BCLT of intent to proceed with an unrestricted sale pursuant to this subparagraph c) shall include documented evidence of compliance with the notice requirements of subparagraphs a) and b) above.

ii) Within 10 days of receipt of a notice of intent pursuant to the paragraph c) BCLT may elect to purchase the property at the last marketed price offered by the Lessee under subparagraph b) (if that option was elected by BCLT) by entering escrow on the same terms and conditions available to a Qualified Purchaser under subparagraph b) above. If BCLT declines the right to purchase the property pursuant to this subparagraph ii), the Lessee may proceed to market the property as an unrestricted sale.

iii) An unrestricted sale pursuant to this subparagraph c) shall be accomplished within the time provided in a purchase and sale agreement, through establishment of escrow with a qualified escrow company, which shall provide, among other things, for the following:

- 1) payment of the sales price from cash or new primary or secondary loans (as applicable);
- 2) satisfaction of existing principal balances for primary and secondary loans from seller proceeds;
- 3) execution and recordation of new financing instruments consistent with the requirements of this Agreement;
- 4) payment of any reimbursement obligation pursuant to section 10.4 below;
- 5) [payment from brokers' commissions as negotiated];

- 6) execution and recordation of a Bill of Sale from Purchaser to BCLT; execution of a cancellation agreement providing for the cancellation of this Ground Lease; and execution of a grant deed from BCLT to the purchaser transfer all right title and interest to the Property and the Improvements to purchaser; and
- 7) the division of escrow and title costs between Lessee and purchaser consistent with Kern County practice.

10.3 REIMBURSEMENT OBLIGATION UPON NON-EXEMPT TRANSFER; SHARED APPRECIATION. For any Non-Exempt Transfer, other than a repurchase of the Property at the Purchase Option Price pursuant to Section 10.3(a) above, Lessee shall pay to the BCLT a sum that is equal to the FMV Difference (if any) plus the BCLT Shared Appreciation (if any), as defined below:

a) The “**FMV Difference**” shall be equal to difference between the fair market value of the Property as of the date hereof as determined by an appraisal of the Property relied upon by Lessee’s lender at the time of sale (the “**Original Property FMV**”) and the Original Purchase Price, as identified in the Recitals above.

b) “**BCLT Shared Appreciation**” shall be equal to the BCLT Share Percentage multiplied times the **FMV Appreciation**. The “**BCLT Share Percentage**” is a percentage determined by dividing the FMV Difference by the Original Property FMV. The “**FMV Appreciation**” is difference between the Original Property FMV (as defined above) and fair market value on the date Lessee sells the Property. The fair market value at the time Lessee sells the Property shall be the fair market value ascribed in Section 1263.320 of the California Code of Civil Procedure, as it now exists or may subsequently be amended and shall be determined by a real estate appraiser selected by BCLT. The appraiser shall have been previously approved by the Federal National Mortgage Association or the Federal Housing Administration and at the time of the appraisal shall be on the list of approved single-family housing appraisers. If possible, the appraisal shall be based upon properties sold in the market during the three (3) month period prior to the date of the Notice of Intent to Transfer (as defined in Section 5). The cost of the appraisal shall be divided equally between BCLT and Lessee. In the event that improvements to the Property have been made by Lessee that increase the value of the Property, or if damage to the Property has occurred or deferred maintenance while Lessee owned the Property has decreased the value of the Property, the appraisal shall specifically ascribe a value to these adjustment factors and state what the fair market value of the Property would be without such adjustments. Nothing in this Section shall preclude Lessee and BCLT from establishing the fair market value of the Property by mutual written agreement in lieu of an appraisal pursuant to this Section. Lessee acknowledges that its obligation to pay Shared Appreciation to BCLT will reduce the amount of the net appreciation, if any, that Lessee will receive on sale of the Property.

The value of any capital improvements made to the Property by Lessee shall be added to the Original Purchase Price before calculating the BCLT Shared Appreciation. For purposes of this Agreement, the term “capital improvements” shall mean improvements

individually valued at more than Ten Thousand Dollars (\$10,000) each that substantially increase the value or life of the Property, such as a bathroom or kitchen remodel. To claim a capital improvement, Lessee shall provide documentary evidence of the improvement and the cost thereof. Routine maintenance and minor upgrades, such as painting and new flooring, shall not constitute capital improvements unless the BCLT determines, in its sole and absolute discretion, that such improvement, either individually or made in conjunction with other similar improvements made by Lessee, is likely to increase the appraised value of the Property.

By way of example, if the Original Property FMV is \$300,000, the Original Purchase Price is \$250,000, and the Non-Exempt Transfer sales price is \$400,000:

FMV Difference = $\$300,000 - \$250,000 = \$50,000$;
BCLT Share Percentage = $\$50,000 / \$300,000 = 16.7\%$
FMV Appreciation = $\$400,000 - \$300,000 = \$100,000$
BCLT Appreciation Share = $16.7\% \times \$100,000 = \$16,700$

Upon a Non-exempt transfer, the Lessee's reimbursement obligation would be the FMV Difference of \$50,000 plus the BCLT Appreciation Share of \$16,700 (total of \$66,700).

ARTICLE XI: ASSIGNMENT AND SUBLEASE

11.3 Except as otherwise provided in Article VIII regarding Permitted Mortgages and Article X regarding transfers, Lessee will not assign, sublease, sell or otherwise voluntarily convey any of Lessee's rights under this Lease without the prior written consent of Lessor. Lessee agrees that Lessor will have sole and absolute discretion to withhold such consent in order to further the mutual purposes and goals set forth herein. If permission is granted, any assignment or sublease will be subject to the following conditions:

- a) any such assignment or sublease will be subject to all of the terms and provisions of this Lease;
- b) in the case of a sublease, the rental or occupancy fee charged the sublessee will not be more than that amount charged Lessee by Lessor, plus an amount approved by Lessor to cover costs to Lessee for the Improvements; and
- c) in the case of an assignment, the total consideration for such assignment and the related sale or transfer of the Improvements will not exceed the Purchase Option Price as calculated in accordance with Article X hereof.

ARTICLE XII: DEFAULT

12.1 EVENTS OF DEFAULT: It will be an Event of Default:

- a) if Lessee shall fail to pay the Administrative Fee or other charges for which provision is made herein within thirty (30) days after Lessor has sent to Lessee

notice of such default and such default is not cured by (i) Lessee within said grace period or (ii) any Permitted Mortgagee within thirty (30) days after a subsequent notice from Lessor to such Permitted Mortgagee of Lessee's failure to cure such default within the initial 30-day grace period. Notwithstanding, if Lessee will make a good faith partial payment of at least two-thirds (2/3) of the amount owed during such initial 30-day grace period, then such period will be extended one additional 30-day period;

b) if Lessee shall fail to perform or observe any other material term or condition in this Lease, and such failure is not cured by Lessee or a Permitted Mortgagee within sixty (60) days after notice thereof from Lessor to Lessee and such Permitted Mortgagee; however, in the case where the Lessee or Permitted Mortgagee has commenced to cure such default within such sixty (60) day period and is continuing such cure with all due diligence but cannot by the exercise of due diligence cure such default within such period, such period will be extended for such additional period as may be reasonably required under the circumstances to complete such cure;

c) if the estate hereby created will be taken on execution or by other process of law, or if Lessee will be judicially declared bankrupt or insolvent according to law, or if any assignment will be made of the property of Lessee for the benefit of creditors, or if a receiver, trustee in involuntary bankruptcy or other similar officer will be appointed to take charge of all or any substantial part of Lessee's property by a court of competent jurisdiction, or if a petition will be filed for the reorganization of Lessee under any provisions of the Bankruptcy Act now or hereafter enacted, or if Lessee shall file a petition for such reorganization, or for arrangements under any provision of the Bankruptcy Act now or hereafter enacted and providing a plan for a debtor to settle, satisfy or extend the time for payment of debts; or

d) if Lessee shall sell or transfer, or attempt to sell or transfer, the Leasehold Property and/or the Improvements in violation of the terms of this Lease.

12.2 **REMEDIES:** If any of the acts of default specified above occurs and the default is not cured within the relevant cure period, Lessor shall have the following remedies:

a) Cure On Behalf Of Lessee. Lessor may, but is not obligated to, perform such duty or obligation on Lessee's behalf. The cost of any such performance by the Lessor shall be due and payable by Lessee to the Lessor upon invoice therefore. If any check given to the Lessor by Lessee shall not be honored by the bank upon which it was drawn, the Lessor may require that all future payments by Lessee be made by cashier's or bank check,

b) Termination. Lessor may terminate this Lease and initiate summary proceedings against Lessee. Pursuant to such proceedings, without demand or notice, Lessor may enter into and upon the Leasehold Property or any part thereof and repossess the same, and expel Lessee and those claiming through or under Lessee and remove its or their effects, and Lessee consents to such entry and removal by Lessor.

If Lessor will elect to terminate the Lease, then the Permitted Mortgagee will have the right (subject to Lessor's rights under Article VIII above) to postpone and extend the specified date for the termination of the Lease for a period sufficient to enable the Permitted Mortgagee or its designee to acquire Lessee's interest in the Lease by foreclosure of its mortgage or otherwise.

c) Recovery of Damages. The Lessor may recover from Lessee, (i) any and all unpaid Administrative Fees, taxes, assessments and other charges, (ii) damages which may be due or sustained prior to or in connection with such termination or re-entry, and (iii) all reasonable costs, fees and expenses (including, without limitation, reasonable attorneys' fees) incurred by Lessor in pursuit of its remedies under this Lease.

d) Purchase Improvements. The Lessee hereby grants to the Lessor the option to purchase the Improvements for the Purchase Option Price upon an Event of Default pursuant to Section 12.1 above. Such option to purchase on default shall be referred to in this Lease as the "Purchase Option Upon Default". Said option to purchase is given in consideration of the economic benefits received by the Lessee resulting from Lessee's purchase of the Improvements at a below market price made possible by the Lessor.

The Purchase Option Upon Default may be exercised upon an Event of Default or upon default under any promissory note, deed of trust or any other lien (subject to the notice and cure rights set forth therein), including a judgment lien, recorded against the Improvements. The Lessor shall have thirty (30) days after a default is declared to notify the Lessee and a Permitted Mortgagee of its decision to exercise its option to purchase. Not later than ninety (90) days after the notice is given by the Lessor to the Lessee of the Lessor's intent to exercise its option, the Lessor shall purchase the Improvements for the Purchase Option Price set forth in Section 10.8 and title shall be delivered by the Lessee to the Lessor by grant deed, free and clear of any mortgage or other liens, unless approved in writing by the Lessor. In the event of exercise of the Purchase Option upon Default and purchase of the Improvements by the Lessor or its assignee, the Lessee shall permit a final walk-through of the Improvements by the Lessor or its assignee in the final three (3) days prior to close of escrow on the transfer. The Lessor may assign its rights to purchase the Improvements under this Section 11.9 to another Moderate-Income Household, or another public or nonprofit agency. In the event the Lessor or its assignee exercises the Purchase Option Upon Default, the Lessee shall pay the Lessor a transaction fee equal to two percent (2%) of the Purchase Option Price if the Lessor or an assignee of Lessor purchases the Improvements.

12.3 Other Remedies: The Lessor may pursue any other remedy now or hereafter available to the Lessor under the laws of California.

12.4 Remedies Cumulative: No right, power, or remedy given to the Lessor by the terms of this Lease is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the Lessor by the terms of any such instrument, or by any statute or otherwise against Lessee and any other person. Neither the failure nor any delay on the part of the Lessor to exercise any such rights and remedies shall operate as a waiver thereof, nor shall

any single or partial exercise by the Lessor of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

12.5 LESSOR'S DEFAULT: Lessor will in no event be in default in the performance of any of Lessor's obligations hereunder unless and until Lessor shall have failed to perform such obligations within sixty (60) days, or such additional time as is reasonably required to correct any default, after notice by Lessee to Lessor properly specifying wherein Lessor has failed to perform any such obligation.

ARTICLE XIII: GENERAL PROVISIONS

13.1 NOTICES: Whenever this Lease requires either party to give notice to the other, the notice will be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, or by a nationally recognized overnight delivery service such as Federal Express, to the party at the address set forth below, or such other address designated by like written notice:

If to Lessor: NameAddressAttn:, Executive Director

With copies to: (BCLT's) NameAddress

If to Lessee:

With copies to:

All notices, demands and requests will be effective two business days after being deposited in the United States Mail, or one business day after being deposited with a nationally recognized overnight delivery service, or, in the case of personal delivery, upon actual receipt or refusal to accept delivery.

13.2 NO BROKERAGE: Lessee warrants and represents that it has not dealt with any broker. In the event any claim is made against Lessor relative to dealings with brokers, Lessee will defend the claim against Lessor with counsel of Lessor's selection and save harmless and indemnify Lessor on account of loss, cost or damage which may arise by reason of any such claim.

13.3 SEVERABILITY AND DURATION OF: If any clause, Article, Section, paragraph, or subparagraph of this Lease shall be deemed unenforceable or invalid by a court of competent jurisdiction, such material will be read out of this Lease and will not affect the validity of any other Section, clause, Article, paragraph, or subparagraph, or give rise to any

cause of action of either party to this Lease against the other, and the remainder of this Lease will be valid and enforced to the fullest extent permitted by law. It is the intention of the parties that their respective options to purchase and all other rights and options hereunder will continue in full force and effect for the duration of the term of this Lease and any renewal thereof, and such options and other rights will be considered to be coupled with an interest. In the event any such option or right will be construed to be subject to any rule of law limiting the duration thereof, the time period for the exercising of such option or right will be construed to vest or terminate within 90 years after its creation.

13.4 WAIVER: The waiver by Lessor of, or the failure of Lessor to take action with respect to, any breach of any term, covenant, condition, provision, restriction, or reservation herein contained will not be deemed to be a waiver of such term, covenant, condition, provision, restriction, or reservation or subsequent breach of same, or of any other term, covenant, condition, provision, restriction, or reservation herein contained. Lessor may grant waivers in the terms of this Lease, but such must be in writing and signed by Lessor before being effective.

The subsequent acceptance of Administrative Fee payments hereunder by Lessor will not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant, condition, provision, restriction, or reservation of this Lease, other than the failure of Lessee to pay the particular lease fee so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such lease fee payment.

13.5 LESSOR'S RIGHT TO PROSECUTE OR DEFEND: Lessor shall have the right, but will be under no duty or obligation, to prosecute or defend, in its own or Lessee's name, any actions or proceedings appropriate or necessary to the protection of its title to, and Lessee's perpetual occupancy, use, and possession of or interest in the Leasehold Property. Whenever requested by Lessor, Lessee will give Lessor all reasonable aid in any such action or proceeding, in effecting settlement, securing evidence, obtaining witnesses, or prosecuting or defending such action or proceeding.

13.6 CONSTRUCTION: Whenever in this Lease a pronoun is used it will be construed to represent either the singular or the plural, masculine or feminine, as the case will demand.

13.7 CAPTIONS AND TABLE OF CONTENTS: The captions and table of contents appearing in this Lease are for convenience only, and are not a part of this Lease and do not in any way limit or amplify the terms, covenants, conditions, provisions, restrictions, or reservations of this Lease.

13.8 PARTIES BOUND: This Lease sets forth the entire agreement between all parties hereto with respect to the leasing of the Leasehold Property; it is binding upon and inures to the benefit of all parties hereto and, in accordance with the provisions hereof, their respective successors in interest. This Lease may be altered or amended only by written notice executed by the parties hereto or their legal representatives or, in accordance with the provisions hereof, their successors in interest.

13.9 GOVERNING LAW: This Lease will be interpreted in accordance with and governed by the laws of California. The language in all parts of this Lease will be, in all cases, construed according to its fair meaning and not strictly for or against Lessor or Lessee.

13.10 RECORDING: The parties agree, as an alternative to the recordation of this Lease, to execute a memorandum of this Lease in recordable form and complying with applicable law and reasonably satisfactory to Lessor's attorneys. In no event will such document set forth the rent or other charges payable by Lessee under this Lease; and any such document will expressly state that it is executed pursuant to the provisions contained in this Lease, and is not intended to vary the terms and conditions of this Lease.

13.11 FNMA MODEL GROUND LEASE RIDER. For any transaction in which the Lessee's purchase is financed with a loan intended for sale to Fannie Mae, the parties agree to execute the FNMA Model Ground Lease Rider attached hereto as Exhibit D, which is incorporated herein by reference. The provisions of Exhibit D shall control in the event of any conflict between this Lease and the Rider.

13.12 CONDITION OF IMPROVEMENTS; WAIVER AND RELEASE: Lessor did not design, engineer, construct or otherwise install the buildings and other Improvements located on the Leasehold Property. Accordingly, and as a material part of the consideration due Lessor under this Lease, Lessee hereby releases Lessor, its officers, directors, shareholders, managers, employees and representatives (collectively "**Indemnitees**") and waives, on Lessee's behalf and on behalf of Lessee's successors, assigns and representatives, all claims, demands and causes of action against the Indemnitees for any loss, liability, damages, costs and expenses (including attorneys' fees) arising from or related to any loss, damage, injury or claim, whether incurred or made by Lessee, any other Indemnitee or any third person(s) with respect to the Leasehold Property and the buildings and Improvements located thereon.

LESSEE ACKNOWLEDGES THAT IT HAS BEEN ADVISED BY ITS LEGAL COUNSEL AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

LESSEE, BEING AWARE OF SAID CODE SECTION, HEREBY EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTE OR COMMON LAW PRINCIPLE OF SIMILAR EFFECT. LESSEE HEREBY SPECIFICALLY ACKNOWLEDGES THAT LESSEE HAS CAREFULLY REVIEWED THIS SECTION, AND DISCUSSED ITS IMPORTANCE WITH LEGAL COUNSEL, IS FULLY AWARE OF ITS CONSEQUENCES, AND THAT THE PROVISIONS OF THIS SECTION ARE A MATERIAL PART OF THIS LEASE.

“LESSEE”

The foregoing waivers and releases shall include and apply to, without limitation, (i) the design, construction methods, materials, locations and other matters for which Lessor has given or will give its approval, recommendation or other direction (ii) irrespective of Lessor’s approval, recommendation or other direction and (iii) any damage, liability, fine, penalty, punitive damage, cost or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resources or the environment, nuisance, pollution, contamination, leak, spill, release or other adverse effect upon the environment.

IN WITNESS WHEREOF, the parties have executed this Lease on the day and year first above written.

“LESSOR”

Bakersfield Community Land Trust,
a California nonprofit public benefit corporation

By: _____
Executive Director

“LESSEE”

By: _____

By: _____

EXHIBIT A

[Legal Description – The Leasehold Property]

DRAFT

EXHIBIT B

[Form of Letter of Acknowledgement]

■ LETTER OF ACKNOWLEDGMENT

To: Bakersfield Community Land Trust ("BCLT")

Date: _____

This letter is given to BCLT to become an exhibit to a Lease between the BCLT and me. I will be leasing a parcel of land from the BCLT and will be buying the home that sits on that parcel of land. I will therefore become what is described here as a "BCLT homeowner."

I understand and agree with the following points.

- One of the goals of the BCLT is to keep BCLT homes affordable for low- and moderate-income households from one BCLT homeowner to the next. I support this goal as a BCLT homeowner.
- The terms and conditions of my Lease will keep my home affordable for future "**Moderate-Income Households**", defined as: households having incomes no greater than the limits defined for Moderate-Income Households, adjusted for family size, for Kern County, as published by the California Department of Housing and Community Development as determined by California Health & Safety Code Section 50000 et seq. and applicable regulations adopted from time to time.). If and when I want to sell my home, the lease requires that I sell it either to the BCLT or to a Moderate-Income Household. The terms and conditions of the lease also limit the price for which I can sell the home, in order to keep it affordable for such Moderate-Income Households.
- It is also a goal of the BCLT to promote resident ownership of BCLT homes. For this reason, my Lease requires that if I and my family move out of our home permanently, we must sell it. We cannot continue to own it as absentee owners.
- I understand that if I leave my home to anyone my heir will have to be an income qualified person in order to continue to reside in my home. This means that my spouse, my domestic partner, my children and other heirs will only be able to inherit and live in my home if they are low or moderate income households and agree to the terms of the Lease. If they do not income qualify or agree to the terms of the Lease, they will have to sell my home to another income qualified person.
- As a BCLT homeowner, it is my desire to see the terms of the Lease and related documents honored. I consider these terms fair to me and others.
- I am entering into this Acknowledgement and the underlying Ground Lease (as assigned/amended) freely and voluntarily and with full and complete knowledge of the meaning and legal significance of the terms of each document. I have had the opportunity to discuss each provision of this Acknowledgement and the underlying Ground Lease (as assigned/amended) with independent legal counsel and the terms are fully understood and voluntarily accepted by each of them.

Sincerely,

"LESSEE"

"LESSEE"

EXHIBIT C

[Occupancy Certification – Reference Document]

To: Bakersfield Community Land Trust ("Lessor")

From: _____ **[name of owner(s)]** ("Lessee")

Address of Improvements: _____ ("Home")

Date: _____

By signature below, I _____ **[insert name or names of Lessee]** hereby certify to the Lessor under penalty of perjury that I/we occupy the Home at the above listed address as my/our principal place of residence and that I/we have occupied the Home for _____ () **[insert number]** months of the calendar year _____ **[insert previous calendar year]**. Attached to this letter is a copy of _____ **[insert utility bill or driver's license]** showing my place of residence.

This Owner Occupancy Certification is signed on _____, 20____, under penalty of perjury.

By: _____
Lessee **[type name]**

By: _____
Lessee **[type name]**

Due Date: February 1 of each calendar year.

Attach copy of utility bill showing address of Home.

EXHIBIT C

FNMA Ground Lease Rider

This FNMA Model Ground Lease Rider (“Rider”) is attached to and made part of the Ground Lease dated _____, by and between the Bakersfield Community Land Trust, a California nonprofit public benefit corporation (“Lessor” or “Community Land Trust”), and _____ (“Lessee”). This Rider applies solely in connection with any mortgage loan made to Lessee that is intended to be sold to Fannie Mae (“FNMA”).

1. Mortgage Protection

(a) The lien of any mortgage or deed of trust (“Mortgage”) held by a mortgagee (“Mortgagee”) shall be superior to any and all rights, restrictions, or provisions contained in the Lease or this Rider that would limit the Mortgagee’s rights upon foreclosure, deed-in-lieu, or similar transfer.

(b) Upon such transfer, the Leasehold Interest shall be conveyed free and clear of resale restrictions, purchase options, or rights of first refusal, except as expressly allowed under FNMA guidelines.

2. Subordination of Purchase Option

Any right of the Lessor to purchase the Leasehold Interest as a result of default, foreclosure, or deed-in-lieu is and shall remain subordinate to the rights of the Mortgagee. The Mortgagee may exercise its remedies without first offering the Leasehold Interest to the Lessor.

3. No Termination Without Notice and Cure

Lessor shall provide written notice to the Mortgagee of any default by Lessee under the Lease. Lessor shall not terminate the Lease unless:

- (a) Notice has been given to the Mortgagee; and
- (b) Mortgagee has failed to cure such default within the later of thirty (30) days after receipt of the notice, or such longer period as may be reasonably necessary to cure.

4. Mortgagee Consent to Amendments

No amendment or modification to the Lease or to this Rider that materially affects the Mortgagee’s rights or security shall be effective without the prior written consent of the Mortgagee.

5. Notices

All notices to Mortgagee under this Rider shall be sent to the address specified in the Mortgage, or to such other address as the Mortgagee designates in writing.

IN WITNESS WHEREOF, the parties have executed this Rider as of the date first above written.

Lessor – Bakersfield Community Land Trust

By: _____
Name: _____
Title: _____

Lessee

By: _____

Name: _____

Title: _____

DRAFT



BAKERSFIELD COMMUNITY LAND TRUST

MEETING DATE: August 20, 2025

AGENDA CATEGORY: New Business

TO: Bakersfield community Land Trust board of Directors
FROM: Betsy McGovern-Garcia, Vice President, Self-Help Enterprises
DATE: August 13, 2025
SUBJECT: ARDURRA Task Order #5 Agreement

RECOMMENDATION:

Staff recommend the Board approve the ARDURRA Task Order #5 Agreement allowing for a smooth continuation of civil engineering services for development of the Niles, Milham and King projects.

BACKGROUND:

At the May 2025 BCLT board meeting, various contracts were transferred to the BCLT from SHE. One of the professional service providers is ARDURRA civil engineering services. ARDURRA has provided Task Order #5 which encompasses civil engineering services for the Niles, Milham and King projects. The tasks provided with this agreement include project management, surveying and mapping, civil services and lot line adjustments. The ARDURRA Task Order #5 exceeds the authority threshold provided to the Executive Director of \$100,000, therefore staff is requesting the approve and authorize the ARDURRA Task Order #5.

Staff recommend the BCLT board approve the ARDURRA Task Order #5 Agreement to proceed with the civil engineering work for these properties.

FISCAL IMPACT:

ARDURRA Task Order #5 will be paid via the BCLT bank account for \$125,271.

ATTACHMENTS:

ARDURRA professional Civil Engineering services, Task Order #5

Bakersfield Community Land Trust
Housing Projects
Task Order No. 5
Date: August 12, 2025

Task Order No. 5 shall be executed as described in the proposal dated August 12, 2025 attached herein, and shall be executed per the terms and conditions described in the Master Services Agreement agreed upon by Ardurra and Self-Help Enterprises, effective date March 7, 2025.



Client: **Self-Help Enterprises**

By:

Name: Betsy McGovern-Garcia
Title: Program- Director – Real Estate
Development



Consultant: **Ardurra Group, Inc.**

By:

Name: Dolores Salgado, PE
Title: Practice Director – Southwest Water



August 12, 2025

Jose R. Gonzalez, Project Manager - Energy
Self-Help Enterprises
8445 W. Elwin Court
Visalia, CA 93290

SUBJECT: Proposal for Professional Engineering Services for Bakersfield Community Land Trust
Task Order 5

Dear Mr. Gonzalez:

Thank you for the privilege to work with Self-Help Enterprises on this exciting housing project. For your review and consideration, we prepared a scope and lump sum fees. We assume monthly invoicing of lump sum fees is acceptable.

References and qualifications are available upon request. Please feel free to contact me if you have questions or require additional information at 661.748.3893 or dsalgado@ardurra.com.

Sincerely,

Dolores Salgado, PE
Client Service Manager

Enclosures:

Exhibit "A" Scope of Work

Exhibit "B" Lump Sum Fee Schedule

Exhibit "A" - Scope of Work Bakersfield Community Land Trust Task Order 5

The scope and fee for Task Order 5 focuses on project management along civil services for the following 3 lots: 1201 Niles Street, 121 Milham Drive, and 324 King Street.

Task 1 – Project Management

This scope includes preparing progress updates with monthly invoices. The scope includes attending progress and coordination meetings with SHE throughout the project via TEAMS or another virtual platform. For the purposes of this proposal, we assumed one-hour, monthly meetings at a project duration of 12-months (12-meetings total).

Quality Assurance/Quality Control (QA/QC) shall be performed on documents prior to each submittal. The project manager shall assign a QA/QC manager who shall review the documents for technical accuracy, coordination of disciplines, completeness appropriate to the level of submittal, and consistency with Industry Standards and criteria. The QA/QC Manager shall also assure that the plans and specifications incorporate prior comments. QC sets can be provided upon request.

- Deliverables: Meeting minutes, project schedule, invoices, quality checks

Task 2 – Civil Services

AES (subconsultant) will complete the following tasks:

- Construction Documents 1201 Niles Street (4 units)
 - Prepare Site Demolition Plan
 - Preparing Grading & Drainage Plan according to City of Bakersfield Standards
 - Prepare Erosion & Sediment Control Plan
 - Prepare Utility Connection Plan
 - Prepare Traffic Control Plan
 - Permitting and Processing Assistance – Demo, Grading, Street, Utility Permits
 - Prepare Consolidated Maintenance District Application and Exhibits as necessary
- Construction Documents 121 Milham Drive (3 units)
 - Prepare Site Demolition Plan
 - Preparing Grading & Drainage Plan according to City of Bakersfield Standards
 - Prepare Erosion & Sediment Control Plan
 - Prepare Utility Connection Plan
 - Prepare Traffic Control Plan
 - Permitting and Processing Assistance – Demo, Grading, Street, Utility Permits
 - Prepare Consolidated Maintenance District Application and Exhibits as necessary
- Construction Documents 324 King Street (3 units)
 - Prepare Site Demolition Plan
 - Preparing Grading & Drainage Plan according to City of Bakersfield Standards
 - Prepare Erosion & Sediment Control Plan
 - Prepare Utility Connection Plan
 - Prepare Traffic Control Plan


- Permitting and Processing Assistance – Demo, Grading, Street, Utility Permits
- Prepare Consolidated Maintenance District Application and Exhibits as necessary
- Deliverables: CAD and PDF files

EXCLUSIONS:

Exclusions stated herein can easily be added upon the SHE's request. They are listed here for clarity on the division of work, scope of work understanding, and based on previous emails with SHE.

1. Environmental clearance
2. Public meetings and/or public presentations
3. Preliminary site layout or evaluations of multiple site configurations
4. Professional Services related to rezoning or conditional use permits
5. Professional Services related to floodplain mapping or investigations
6. Offsite improvements (beyond curb and driveways)
7. Landscape architecture and irrigation design is not included
8. Right of way acquisition
9. Geotechnical investigations
10. Traffic control plans
11. Construction staging plans or phasing plans
12. Traffic study and traffic signal warrant analysis
13. Offsite utility improvements (i.e. water, sewer, drainage)
14. Coordination with franchise utility companies, assuming site has existing services or architect shall design/coordinate those connections
15. Bid phase services
16. Construction management and inspection
17. Meets and bounds legals with plat maps

Bakersfield Community Land Trust
Lump Sum Fees

					Lump Sum Fees		
Address	Lot Dimensions	Lot Size	Proposed Product	Units Produced	Task 1 Project Management	Task 2 Civil Services	Subtotal
1201 Niles Street	100 x 145	15,600	New 25' Product (B-100 California Craftsman)	4	\$4,505	\$45,054	\$49,559
121 Milham Drive	50 x 200	10,000	New 25' Product (B200 - Spanish Mission)	3	\$3,441	\$34,415	\$37,856
324 King Street	140.57 x 100	14,057	SHE SF TBD	3	\$3,441	\$34,415	\$37,856
					\$11,388	\$113,883	
							\$125,271



BAKERSFIELD COMMUNITY LAND TRUST

MEETING DATE: August 20, 2025

AGENDA CATEGORY: New Business

TO: Bakersfield community Land Trust board of Directors
FROM: Betsy McGovern-Garcia, Vice President, Self-Help Enterprises
DATE: August 13, 2025
SUBJECT: Travel rules and policy

RECOMMENDATION:

Staff recommend the Board review and approve the travel rules, policy and reporting documents provided.

BACKGROUND:

As part of the continued development and Administration process establishing policy, procedures, and guidelines for the BCLT. SHE is providing travel rules and policy to further help guide BCLT business and audit controls. This staff report includes the following attachments for review and approval by the BCLT board:

1. BCLT Travel Rules - guidelines including but not limited to various forms of transportation, meals, lodging, reimbursement, request for advance payment.
2. BCLT Travel Policy - general overview of the policy intent.
3. BCLT Travel Expense Report – documentation for accounting, budgeting approval and auditing purposes.
4. BCLT Travel Advance Request – official request for advance funding and tracking for accounting, budgeting, approval and auditing purposes.

Staff recommend the BCLT board review and approve the travel rules, policy and reporting documents as provided.

FISCAL IMPACT:

There is no fiscal impact with this item.

ATTACHMENTS:

BCLT Travel Rules
BCLT Travel Policy
BCLT Travel Expense Report

TRAVEL EXPENSES

General Policy:

It is the Bakersfield Community Land Trust (BCLT) policy to reimburse staff and board members for the reasonable expenses of travel needed to attend required training or to carry out the business of the organization. It is expected that board members and/or staff will be able to travel economically and safely, without undue cost or inconvenience. BCLT travel expenses are constrained by a number of government standards and policies, and, as with any use of public or semi-public funds, travel expenses are often subject to scrutiny and audit. We strive to assure that individual travel expenses are carefully reviewed, approved, and documented to protect both the traveler and the BCLT. All travel expenses are carefully reviewed in detail.

While traveling for business, all work-related policies are in effect.

For specific travel-related rules and procedures, please refer to the [BCLT Travel Rules](#) in the separate attached document.

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BCLT Travel Rules

Travel expense rules can be confusing and frustrating. It's always best to ask. Pre-approval is required for most travel. Please also refer to Bakersfield Community Land Trust (BCLT) Travel Expense Policy for additional information.

Flights

Generally, planning for air travel is the responsibility of the affected staff member. However, before purchasing tickets, you must clear your plans – including the amount of the fare – with BCLT management. Note that virtually all reasonably priced flights require full payment of the fare in order to reserve your seats, and you should not finalize payment without clearance from BCLT management. BCLT does *not* pay for travel insurance (which would reimburse the payment if plans changed or you could not travel on the planned dates for some reason), nor does BCLT pay for premium seats.

BCLT does not require you to find the cheapest flight – which are often overnight “red-eye” flights, or series of flights with an unreasonable number of transfers. However, you should endeavor to get rates that are within the reasonable range of economy travel. Increasingly, airlines are offering 3-4 distinct classifications (economy, economy plus or “main cabin”, business class and first class.) BCLT does not pay for business or first class, but is willing to go above basic economy if that is required for seat selection, etc. If you need any specific accommodations, please talk to BCLT Management before paying for any flights or additional seat charges.

The best starting place is Google Flights, where you can enter your starting point, destination and dates to find the range of options available. It is good practice to book your flight directly with the airline, because if done through an intermediary like Expedia or Orbitz, any necessary changes cannot be handled through the airline.

Increasingly, airlines are charging for a variety of services. Therefore, be sure to check when comparing prices. Here are a few things to look out for:

- Checked bag fees – some airlines are requiring economy fare customers to check their bag regardless of its size. BCLT will reimburse you for the cost of one checked bag.
- Seat selection – airlines are often charging extra to be able to choose your own seats. If this is important to you, it's essential to check what the additional charges will be and request approval from BCLT management.
- Airline reward miles – Miles earned in airline and hotel reward points belong to the board member or staff member who earns them.

Ground Transportation

- Includes trains, taxis, buses, shuttles, subway, Uber, LYFT, etc. All are reimbursable for business needs.
- From the airport – try to use the most cost-effective form of transportation. Check before you leave whether your hotel has a free shuttle service from the airport. If not, there are often shuttle companies that serve multiple locations in cities. Public transportation, if available, should be the second choice. If there are none available or time-efficient to serve the need, a taxi or other ride service can be used. Generally, Uber and LYFT are at least 20% less than standard taxi charges and should therefore be utilized where available.
- Traveling to dinner – modest travel charges for a meal are allowable if the meal is business-related, including a meal with colleagues and peers. In such cases, please share costs with others to the extent possible. If there is a lack of “walkable” restaurants, a reasonable trip to a restaurant would also be eligible for reimbursement.

Parking

- At airports – if you must park at the airport, be sure to use a long-term lot. A receipt for

any parking costs is required.

- Hotel or venues that require paid parking – some hotels and city locations require the use of parking lots and garages. Avoid valet parking or premium services whenever possible.

Hotels

BCLT policy follows the maximum lodging rates as codified in the GSA Per Diem rates. There is a link to these rates in (<https://www.gsa.gov/travel/plan-book/per-diem-rates>) [Per diem rates | GSA](#) For many locations, these rates are reasonable when searching for a hotel (note that some destinations have varying rates for different times of year).

There are, however, exceptions. One is if there is a conference hotel associated with the purpose of travel, where in most cases a higher amount than GSA rates is allowed. In some urban centers, the GSA rates are very difficult to stay within. In such cases, generally BCLT allows for a higher rate in a 2- or 3-star category (out of 5) hotel. If you are proposing to exceed the GSA rate, check in with BCLT management for approval before you commit BCLT resources to pay for it.

There should not be any movie charges, minibar, etc., on the hotel bill you submit for reimbursement. If you do have charges on your room, pay them separately when you check out.

A few things to remember at hotels: all require a credit card to check in, even if someone else is paying for it. Also, it is good practice to always review and get a printout of your bill before you leave the hotel. Note that you are required to submit the hotel bill, as opposed to the *reservation confirmation*. Mistakes, however minor, are more difficult to resolve after you are off premises.

Internet

Use of internet for work purposes is expected of many staff traveling for BCLT. Most hotels have complimentary internet access, but some require payment. If there is a cost involved, please inform BCLT management when that becomes apparent. In no case should you pay a premium for faster internet.

Time of Travel

BCLT expects your travel time to be convenient for you, but also practical. Generally, planning to get to your out-of-service area destination 1-2 hours before a meeting or event is reasonable. For events that begin the next morning and require an overnight stay, it is generally acceptable to plan travel in mid to late afternoon. Some staff classifications may require travel during the workday – please talk to BCLT management about your own requirements before you travel.

Mode of Travel

In some cases, there may be travel options such as car, train, or air. If air travel is more economical and efficient than traveling by car, BCLT may cap your reimbursement level if you choose a more expensive mode of travel. Again, it is important to discuss any preferences with BCLT management before you plan your travel.

Multiple Staff traveling to same location/event

The expectation of BCLT is that when more than one person is traveling to the same location, a ride sharing arrangement will be pursued. If for any reason you cannot share a ride with fellow staff members, inform BCLT management at the earliest possible time. If the reason for your inability to rideshare is related to personal travel, it is likely your travel will not be reimbursable.

BCLT does not require staff to share a hotel room, but if two or more staff choose to do so, we appreciate your efforts to be efficient with organization resources. If you choose to share a room, remember that the receipt will still be needed for each of the roommate's travel expense report for accounting purposes. Costs for the room should be apportioned on each expense report, with a notation of which staff member paid for the room.

Personal Travel added to BCLT Business Travel

If you want to “tack on” some personal travel either before or after a BCLT business trip, please discuss

your plans with your BCLT management before finalizing your trip. It is best to discuss assumptions prior to completing the travel.

Meals and incidentals (Per Diem)

Use the GSA per diem rate link to determine the amount available for daily reimbursement of meals and incidentals (<https://www.gsa.gov/travel/plan-book/per-diem-rates>) [Per diem rates | GSA](#). You are permitted to receive reimbursement up to the daily rate for each day that you are required to travel (3/4 for the day you leave and the day you return).

Generally, per diem is an honor system which provides reimbursement for the actual cost of meals, snacks, non-alcoholic drinks, related tips, and incidentals such as purchase of a newspaper, laundry, toiletries, or other daily needs. If an event provides meals, or if you are treated to a meal by someone else, you must deduct the allowance for per diem accordingly.

The per diem amount is a maximum rate....**not** a target. *As such, in many cases it is not expected to be fully utilized.*

Meals are to be paid by you using your per diem -- Do **not** charge meals to a BCLT credit card if you have one. The card is only for expenses to be paid by BCLT. Additionally, do not pay for another staff member's meal; each staff member is required to report their own expenses.

Tips

Reasonable and customary tips for drivers, waiters, hotel cleaning staff, bell captains and the like are generally eligible for reimbursement. If transportation related, a receipt is required for any reimbursement. Other tips must come out of the Per Diem allowance.

Travel Expense Report

Complete final expense reports within two weeks of returning from your trip, especially because your memory fades the further you are removed from the travel. You must file an expense report even if you only spent funds advanced to you. You must also report your hotel expenses even if they were paid by another staff person. You should add a note to that effect in the space provided on the form. Receipts are required to be submitted with your travel expense report for all expenses except per diem. Be aware that all expense reports are reviewed by the BCLT management for accuracy and consistency with other travel.

Advances

If needed, you can request an advance for out-of-pocket travel expenses for approved travel. Advance requests should be submitted early enough to be reviewed, approved, and sent to accounting by noon on Tuesday the week before travel. Per diem advances will be adjusted for meals provided by the conference. Note that except for per diem, advances will have to be repaid unless valid receipts are submitted with the travel expense report. You are also expected to repay unspent advanced per diem funds.

Remember: Travel expenses are often a target of program auditors. Our goal is to protect you and the BCLT. Pre-approval is required for most travel and gives you the best opportunity to ask questions and understand the rules. Please contact the Executive Director if you have any questions.

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TRAVEL EXPENSE REPORT

Name		DEPARTURE (day of departure counts as ¾ day)	Date:	GSA RATES (from Website)
Destination			Time:	
Purpose		RETURN (day of departure/return count as ¾ day)	Date:	Hotel:
			Time:	
			Total Travel Days:	

	CASH or personal credit card	BCLT Credit Card	PER DIEM CALCULATIONS Based on the per diem rate for your destination city, subtract the amount for lunches and dinners provided as part of the conference or meeting					
HOTEL (receipts required) Room _____ Tax _____			_____ days x \$ _____ (GSA rate) \$ _____					
PER DIEM REQUESTED (Meals and incidentals)			Minus _____ lunches provided \$ _____					
TRANSPORTATION AND OTHER (receipts required)			Minus _____ dinner provided \$ _____					
			Maximum allowed \$ _____					
			Per diem rates	68	74	80	86	92
			Lunch	19	20	22	23	26
			Dinner	28	31	33	36	38
			NOTES:					
TOTAL		*						
Less cash advance								
Balance due BCLT rec' <input type="checkbox"/>		*attach RFP payable to credit card						
	-OR-							
Balance due you *								
List other expenses prepaid or charged to BCLT:								

* ☐ Mail check to home address ☐ Hold check for pickup

I certify that these expenses were necessary and include only actual costs incurred.

Employee/Board Member Signature: _____ Date: _____

Approved by Executive Director: _____ Charge to: _____
Program Account

Approved by Chairman: _____