

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

853



FROM: Economic Development Agency

SUBMITTAL DATE:
May 25, 2011

SUBJECT: Loan Agreement for the Use of HOME Funds for Fred Young Farmworker Apartments in the City of Indio

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Loan Agreement for the use of an amount up to \$1,000,000 HOME Funds between the County of Riverside and Coachella Valley Housing Coalition;
2. Approve the attached Deed of Trust and Promissory Note;
3. Authorize the Chairman of the Board to execute the attached Loan Agreement and Deed of Trust;

(Continued)

Robert Field

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 1,000,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: HOME Investment Partnerships Act Grant Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
Jennifer L. Sargent
BY: Jennifer L. Sargent

County Executive Office Signature Jennifer L. Sargent

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: Samuel Wong 5/24/11
 DATE: 5/24/11
 ANITA C. WILLIS
 APPROVED COUNTY COUNSEL
 DATE: 5/24/11
 APPROVED COUNTY COUNSEL
 DATE: 5/24/11
 Policy Policy
 Consent Consent
 Dep't Recomm.: Per Exec. Ofc.:

RECOMMENDED MOTION: (Continued)

4. Authorize the Executive Director, or designee, to execute a Subordination Agreement with a construction lender to be named at a later date in an amount up to \$14,000,000, subject to approval by County Counsel;
5. Authorize the Executive Director, or designee, to execute a Subordination Agreement with United States Department of Agriculture in an amount up to \$5,000,000, subject to approval by County Counsel;
6. Authorize the Executive Director, or designee, to execute a Subordination Agreement with the City of Indio Redevelopment Agency in an amount up to \$5,000,000, subject to approval by County Counsel;
7. Authorize the Executive Director, or designee, to execute a Subordination Agreement with California Housing and Community Development Department in an amount up to \$1,000,000, subject to approval by County Counsel; and
8. Authorize the Executive Director, or designee, to take all necessary steps to implement the Loan Agreement, Deed of Trust, and Subordination Agreements including, but not limited to, signing subsequent necessary and relevant documents subject to County Counsel.

BACKGROUND:

Coachella Valley Housing Coalition, a non-profit public benefit corporation and a certified Community Housing Development Organization, is requesting \$1,000,000 in HOME funds for the development (hard and soft cost expenses) of an 85-unit multi-family affordable housing complex located along the southern side of Dr. Carreon Boulevard, between Van Buren Street and Calhoun Street in the City of Indio. The project site is approximately 7.52 acres and is located on the northern portion of Assessor's Parcel Number (APN) 612-170-005 and the northwestern portion of APN 612-170-006 within the existing Fred Young Farm Labor community. The project will consist of 12 one-bedroom units, 33 two-bedroom units, 28 three-bedroom units, 11 four-bedroom units, and 1 three-bedroom resident manager's unit. Project amenities will include a community room, computer room, pool, laundry facilities, picnic areas, basketball courts, and community/vegetable gardens.

A total of 41 units will be designated as HOME-assisted units limited to households whose incomes do not exceed 50% of the area median family income for the County of Riverside, adjusted by family size at the time of occupancy. The HOME-assisted units will be restricted for a period of at least 55 years from the issuance of Certificate of Occupancy.

The total cost of the project is estimated to be \$21,137,069. Additional sources of funds will include a \$1,000,000 grant from the State of California Housing and Community Development Department Joe Serna Jr. Farmworker Housing Grant Program (JSJFHGP), a \$3,359,952 loan from the United States Department of Agriculture (USDA) Rural Development, a \$5,000,000 loan from the City of Indio Redevelopment Agency (Indio RDA), a Deferred Developer Fee of \$302,400, and the balance of \$11,474,717 from tax credit proceeds and developer equity.

(Continued)

BACKGROUND: (Continued)

The county's HOME Loan will be in the fourth position behind a construction loan and permanent first mortgage, permanent mortgage in favor of USDA, and a permanent mortgage in favor of Indio RDA. Each aforementioned entity will require that the County of Riverside execute subordination agreements at a later date to signify their senior position to the HOME Loan.

On March 15, 2011, the Board approved the Notice of Finding of No Significant Impact on the Environment, and the county has received authorization from the U.S. Department of Housing and Urban Development to incur costs. The project activity was included in the 2010/2011 One-Year Action Plan on April 26, 2011.

County Counsel has reviewed and approved the attached Loan Agreement and Deed of Trust. Staff recommends that the Board approve the attached documents.

Attachments:

- Loan Agreement
- Deed of Trust
- Promissory Note

853

1 NO FEE FOR RECORDING PURSUANT
2 TO GOVERNMENT CODE SECTION 6103

3 Order No.
4 Escrow No.
5 Loan No.

6 RECORDING REQUESTED BY AND
7 WHEN RECORDED MAIL TO:

8 County of Riverside
9 Economic Development Agency
10 3403 Tenth Street, Suite 500
11 Riverside, CA 92501
12 Attn. Benjamin Cendejas

13 SPACE ABOVE THIS LINE FOR RECORDERS USE

14 LOAN AGREEMENT FOR THE USE OF
15 HOME FUNDS

16 This Agreement is made and entered into this ____ day of _____, 2011
17 by and between the COUNTY OF RIVERSIDE ("COUNTY"), a political subdivision of the
18 State of California, and The Coachella Valley Housing Coalition ("BORROWER"), a
19 California nonprofit public benefit corporation. BORROWER will develop and construct an
20 affordable multi-family housing complex identified as "Fred Young Farmworker Apartments"
21 in the City of Indio in Riverside County (the "Project").

22 WITNESSETH:

23 WHEREAS, the Home Investment Partnerships ("HOME") Program, which was
24 enacted under Title II of the Cranston-Gonzalez National Affordable Housing Act (the "Act"),
25 as amended (commencing at 42 U.S.C. 12701 et seq.), and implemented under 24 CFR Part 92,
26 has as its purposes to expand the supply of decent, safe, sanitary, and affordable housing with
27 primary attention to rental housing, for very low-income and low-income families; to
28 strengthen public-private partnerships to carry out affordable housing programs; and to provide
for coordinated assistance to participants in the development of affordable low-income
housing; and

WHEREAS, COUNTY has qualified as an "Urban County" for purposes of
receiving HOME funds which are to be used to assist and undertake essential housing

1 assistance activities pursuant to the Act; and

2 WHEREAS, BORROWER is eligible under the Act to apply and receive HOME
3 funds as a Community Housing Development Organization (“CHDO”) to perform those
4 activities described herein; and

5 WHEREAS, BORROWER has proposed to develop and construct an affordable
6 rental housing development for families and set aside certain units as HOME-assisted units as
7 further described in **Exhibit “A”**, which is attached hereto and by this reference incorporated
8 herein; and

9 WHEREAS, the HOME-assisted activities described herein comply with the
10 objectives as required under 24 CFR Part 92; and

11 WHEREAS, the HOME-assisted activities described herein are consistent with
12 COUNTY’s “Consolidated Plan.”

13 NOW, THEREFORE, COUNTY and BORROWER mutually agree as follows:

14 1. PURPOSE. COUNTY has agreed to lend up to One Million Dollars
15 (\$1,000,000) of HOME Funds to BORROWER upon the terms and conditions set forth herein
16 (the “HOME Loan”). Subject to **Section 51** hereof, Project Financing Contingency,
17 BORROWER promises and agrees to undertake and assist with the HOME activities by
18 utilizing such HOME funds, as specifically identified in **Exhibit “A”**.

19 2. BORROWER’S OBLIGATIONS. BORROWER hereby agrees to use its
20 best efforts to undertake and complete the following activities, subject to its receipt of the
21 HOME funds and the terms of **Section 51** hereof:

- 22 a. Develop the Project in accordance with the timeline set forth in
23 **Exhibit “A”**.
- 24 b. Obtain a tax credit allocation from the California Tax Credit
25 Allocation Committee (“CTCAC”) in accordance with the
26 timeline set forth in **Exhibit “A”**.
- 27 c. Obtain financing from the Redevelopment Agency for the City of
28 Indio (“Indio RDA”) in accordance with the timeline set forth in

1 **Exhibit “A”.**

- 2 d. Obtain equity financing in a sufficient amount to complete the
3 Project.
- 4 e. Obtain legal title of the property as legally described in **Exhibit**
5 **“A”**, hereinafter referred to as the (“Property” or “Project Site”).
- 6 f. Operate the Project in such a manner so that it will remain
7 affordable to qualified very low-income and low-income tenants
8 for the affordability period as defined in **Section 15** herein
9 without regard to (i) the term of the promissory note or (ii)
10 transfer of ownership.
- 11 g. Shall maintain the Project in compliance with applicable local,
12 state, federal laws, codes and regulations for the duration of the
13 Agreement.
- 14 h. Shall provide the COUNTY the Data Universal Number as
15 assigned by the Data Universal Number System (DUNS) assigned
16 to BORROWER as required by the Federal Funding
17 Accountability and Transparency Act of 2006.

18 3. COUNTY’S OBLIGATIONS. COUNTY hereby agrees to undertake and
19 complete the following activities, subject to its receipt of HOME funds from U.S. Department
20 of Housing and Urban Development (“HUD”):

- 21 a. Provide the HOME Loan in the amount identified in **Section 1** to
22 BORROWER for financing of HOME-eligible construction costs
23 of the Project.
- 24 b. Comply with all of its obligations as participating recipient under
25 the applicable regulations set forth in 24 CFR Part 92.

26 4. HOME Loan. BORROWER shall borrow the HOME funds from
27 COUNTY for financing of the Project under the following terms and conditions:

- 28 a. Term. The maturity of the HOME Loan shall be the first to occur

1 of (i) December 31, 2069 or (ii) fifty-five (55) years from the first
2 certificate of occupancy for the Project.

3 b. Principal. The principal of the HOME Loan shall be the amount
4 identified in **Section 1** secured by a deed of trust (the "HOME
5 Deed of Trust") as shown in **Exhibit "B-1"** and evidenced by a
6 promissory note (the "HOME Note"), as specifically identified in
7 **Exhibit "B-2"**, both of which are attached hereto and by this
8 reference incorporated herein, executed by BORROWER in favor
9 of COUNTY in a form satisfactory to COUNTY.

10 c. Interest. The interest rate shall be three percent (3.00%) per
11 annum.

12 d. Repayment. The HOME Note shall provide the following:

13 1. That the HOME Loan will accrue simple interest at a rate of
14 three percent (3.00%) per annum, except in the case of default
15 as hereinafter provided, and shall be repaid on an annual basis
16 from the Project's Residual Receipts as defined herein;

17 2. The HOME Note shall be repaid according to the following:

18 i) Seventy five percent (75%) of the Project's
19 Residual Receipts shall be used towards the
20 payment of the Residual Receipts loans secured by
21 the Project, and the payment shall be prorated
22 based on the percentage of each relative loan
23 amount based upon the total amount of all such
24 loans; and

25 ii) The remaining twenty-five percent (25%) of the
26 Project's Residual Receipts will be paid to
27 BORROWER.

28 3. Residual Receipts shall be determined based on an annual

1 review of certified financial statements for the Project.
2 Annual audited financial statements shall be submitted within
3 one hundred twenty (120) days following the close of the
4 project fiscal year. All outstanding principal along with
5 accrued interest shall be due upon the first to occur of (i)
6 December 31, 2069 or (ii) fifty-five (55) years from the
7 issuance of the first certificate of occupancy for the Project.
8 The first payment shall be due on July 1st in the first full
9 calendar year following the date of the issuance of the first
10 certificate of occupancy for the Project, to the extent of
11 available Residual receipts, as set forth above. Subsequent
12 payments shall be made on July 1st thereafter to the extent of
13 available Residual receipts until sooner of full repayment of
14 the Loan or the Loan maturity date as set forth above; and

15 4. Project Residual Receipts are defined as gross receipts, not
16 including interest on required reserve accounts, less the
17 following:

- 18 i) auditing and accounting fees;
19 ii) a property management fee not to exceed \$50 per
20 unit per month, increased annually by an amount
21 equal to the increase in the Consumer Price Index
22 (“CPI”);
23 iii) operating expenses (any expense reasonably and
24 normally incurred in carrying out the Project’s
25 day-to-day activities, which shall include
26 administration, on-site management, utilities, on-
27 site staff payroll, payroll taxes, and maintenance);
28 iv) reserves;

- v) deferred developer fee;
- vi) a General Partner management fee, which shall be in the initial amount of \$20,000 and increased annually by the percentage equal to the percentage increase in the CPI; and
- vii) a Limited Partnership asset management fee not to exceed \$2,500 per year and increased annually by the percentage equal to the percentage increase in the CPI; and
- viii) payments of principal and interest on amortized loans and indebtedness senior to the HOME Loan, which have been approved by COUNTY (collectively, the "Senior Debt").

e. Security. COUNTY hereby agrees that the HOME Deed of Trust and the terms of this Agreement shall be subordinated to: 1) a construction deed of trust; 2) deeds of trust and regulatory agreements in favor of United States Department of Agriculture – Rural Development; and 3) a deed of trust and regulatory agreement in favor of Indio RDA in connection with the Indio RDA Loan; and (4) a deed of trust and regulatory agreement in favor of the California Department of Housing and Community Development in connection with the Joe Serna loan (collectively, the "Senior Loans"). In addition, COUNTY agrees to execute any and all documents necessary to effectuate subordination of this Agreement and the HOME Deed of Trust to the deeds of trust securing the Senior Loans and any future refinancing upon BORROWER'S request.

f. Prepayment. Prepayment of principal and/or interest may occur at

1 any time without penalty. The requirements of **Section 18**,
2 Compliance with Laws and Regulations, however, shall remain in
3 full force and effect for a term specified in **Section 6** hereof.

4 5. PRIOR COUNTY APPROVAL. BORROWER shall obtain COUNTY'S
5 approval, through its Economic Development Agency ("EDA"), of all items requiring such
6 approvals as described in this Agreement.

7 6. TERM OF AGREEMENT. This Agreement shall become effective upon
8 execution and unless terminated earlier pursuant to the terms hereof, shall continue in full force
9 and effect for a period of fifty-five (55) years from the issuance of the first certificate of
10 occupancy for the Project.

11 7. BORROWER'S REPRESENTATIONS. BORROWER represents and
12 warrants to COUNTY as follows:

13 a. Authority. BORROWER is a duly organized non-profit public
14 benefit corporation in good standing under the laws of the State of
15 California. The copies of the documents evidencing the
16 organization of BORROWER, which have been delivered to
17 COUNTY, are true and complete copies of the originals, amended
18 to the date of this Agreement. BORROWER has full right, power
19 and lawful authority to accept the conveyance of the Project Site,
20 as defined in **Exhibit "A"**, and undertake all obligations as
21 provided herein and the execution, performance and delivery of
22 this Agreement by BORROWER has been fully authorized by all
23 requisite actions on the part of BORROWER.

24 b. No Conflict. To the best of BORROWER's knowledge,
25 BORROWER's execution, delivery and performance of its
26 obligations under this Agreement will not constitute a default or a
27 breach under contract, agreement or order to which BORROWER
28 is a party or by which it is bound.

1 c. No Owner Bankruptcy. BORROWER is not the subject of a
2 bankruptcy proceeding.

3 d. Prior to Closing. BORROWER shall upon learning of any fact or
4 condition which would cause any of the warranties and
5 representations in this **Section 8** not to be true as of Closing,
6 immediately give written notice of such fact or condition to
7 COUNTY. Such exception(s) to a representation shall not be
8 deemed a breach by BORROWER hereunder, but shall constitute
9 an exception which COUNTY shall have the right to approve or
10 disapprove if such exception would have an effect on the value
11 and/or operation of the Project Site.

12 8. COMPLETION SCHEDULE. BORROWER shall proceed consistent
13 with the completion schedule set forth in **Exhibit "A"**, as the same may be amended by the
14 parties from time to time, and subject to Force Majeure Delays, as defined in Section 9.

15 9. FORCE MAJEURE DELAYS. Delay due to Force Majeure that, in each
16 case, (i) materially adversely affects the performance by BORROWER of its obligations
17 hereunder, (ii) is not reasonably foreseeable and is beyond BORROWER's reasonable control,
18 (iii) despite the exercise of reasonable diligence, cannot be prevented, avoided or removed by
19 BORROWER and is not attributable to the negligence, willful misconduct or bad faith of
20 BORROWER, and (iv) is not the result of the failure of BORROWER to perform any of its
21 obligations under this Agreement. Notwithstanding the foregoing, a Force Majeure Delay shall
22 not be deemed to have occurred unless BORROWER has notified COUNTY of such
23 occurrence of Force Majeure within fifteen (15) days after such occurrence and has provided
24 COUNTY with the details of such event and the length of the anticipated delay within an
25 additional fifteen (15) days thereafter. BORROWER shall diligently attempt to remove,
26 resolve, or otherwise eliminate such event, keep COUNTY advised with respect thereto, and
27 shall commence performance of its obligations hereunder immediately upon such removal,
28 resolution or elimination. During the occurrence and continuance of a Force Majeure Delay,

1 BORROWER shall be excused from performance of its obligations under this Agreement to
2 the extent the Force Majeure prevents BORROWER from performing such obligations.

3 10. EXTENSION OF TIME. COUNTY may grant an extension to the
4 completion schedule for the purpose of completing BORROWER's activities which cannot be
5 completed as outlined in **Exhibit "A"**. BORROWER shall request said extension in writing,
6 stating the reasons therefore, and may be granted only by receiving written approval from
7 COUNTY. Every term, condition, covenant, and requirement of this Agreement shall continue
8 in full force and effect during the period of any such extension.

9 11. LETTER TO PROCEED. BORROWER shall not initiate nor incur
10 expenses for the HOME funded activity covered under the terms of this Agreement prior to
11 receiving written authorization to proceed.

12 12. REALLOCATION OF FUNDS. If BORROWER fails to meet the
13 deadlines set forth in the Schedule of Performance, subject to the notice and cure periods set
14 forth in **Section 32** herein, the funds allocated, reserved, or placed in a HOME Investment
15 Trust Fund may be reallocated by COUNTY after at least thirty (30) days' prior written notice
16 is given to BORROWER; provided that COUNTY agrees not to reallocate the funds while an
17 application for funding from another source is pending. Upon such reallocation, this
18 Agreement shall be terminated and be of no further force and effect and BORROWER shall be
19 released and discharged from any obligations under this Agreement.

20 13. CONDITIONS FOR DISPOSITION OF FUNDS. COUNTY, through its
21 EDA, shall: (1) make payments of the HOME funds to BORROWER as designated in **Exhibit**
22 **"A"**, and (2) monitor the Project to ensure compliance with applicable federal regulations and
23 the terms of this Agreement. There will be no disbursement of funds until the following events
24 first occur:

- 25 a. BORROWER obtains legal title of Project site.
- 26 b. BORROWER executes and records this Agreement.
- 27 c. BORROWER executes and delivers the HOME Note as shown in
28 **Exhibit "B-2"** to COUNTY.

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- d. BORROWER executes, records, and delivers the HOME Deed of Trust as shown in **Exhibit “B-1”**.
- e. BORROWER executes, records, and delivers the Request for Notice as shown in **Exhibit “H”**.
- f. BORROWER provides, at its expense, an ALTA lender’s policy insuring the HOME Deed of Trust upon the close of escrow.
- g. BORROWER provides documentation showing that matching funds of not less than twenty-five percent (25%) of the total HOME funds allocated under this Agreement have been provided.
- h. BORROWER provides satisfactory evidence that it has all the financing documents required to cause the proceeds of the construction loan and the equity investment from the investor to be committed and available, in an amount sufficient, when combined with the HOME Loan and Indio RDA loan, to pay for development costs.
- i. BORROWER provides copies of receipts, paid invoices and conditional lien releases (upon receipt of payment) for construction costs.
- j. BORROWER provides satisfactory evidence that it has secured any and all land use entitlements, permits, approvals which may be required for construction of the Project pursuant to the applicable rules and regulations of, COUNTY, the City of Indio, or any other governmental agency affected by such construction work. BORROWER shall, without limitation, secure all entitlement, change of zone, lot line adjustment, any and all necessary studies required including but not limited to archaeological, cultural, environmental, traffic studies and lead-based paint surveys, as applicable, and pay all costs, charges and

1 fees associated therewith, all conditions precedent to the issuance
2 of all permits necessary for the construction of the development
3 and all such permits are available for issuance, other than
4 payment of fees.

5 k. BORROWER provides duly executed documents and instruments
6 showing the ownership of the property as specifically identified in
7 **Exhibit "A"**.

8 l. COUNTY will retain ten percent (10%) of the total HOME Loan
9 amount and release final draw down of HOME funds upon receipt
10 of all of the following:

- 11 1) Conditional lien release from general contractor;
- 12 2) recorded Notice of Completion;
- 13 3) Certificate of Occupancy;
- 14 4) architect certification identifying units that are accessible
15 to individuals with mobility impairments and units that are
16 accessible to individuals with sensory impairments in
17 compliance with Section 504 of the Rehabilitation Act of
18 1973, as described in **Section 18(i)**;
- 19 5) final Contract and Subcontract Activity report, Minority
20 Business Enterprise/Women Business Enterprise
21 ("MBE/WBE") report, HUD form 2516;
- 22 6) submission of documentation that shows compliance with
23 the Uniform Relocation Assistance and Real Property
24 Acquisition Policies Act of 1970 and 24 CFR Part 42.
- 25 7) submission of a Project completion report including
26 Tenant Checklist as shown in **Exhibit "F"** which is
27 attached hereto and by this reference incorporated herein;
- 28 8) Affirmative Fair Housing Marketing Plan – Multifamily

Housing, HUD form 935.2A, as described in **Section 18**;

- 9) Tenant Selection Policy;
- 10) Management Plan;
- 11) final development costs; and
- 12) final sources and uses of funds. A final Certified Public Accountant's construction cost certification must be provided within 6 months of the Certificate of Occupancy (but not as a condition to release HOME Loan retention).

m. If Davis Bacon wages are required to be paid, BORROWER hires a qualified professional firm to review and monitor Davis Bacon prevailing wage compliance for all submissions of contractors certified payrolls to COUNTY.

n. BORROWER provides documentation of a Payment and Performance Bond or letter of credit to secure performance under the construction contract issued by a bonding company or financial institution reasonably approved by COUNTY. Policy shall name COUNTY as Co-Obligee.

o. BORROWER provides satisfactory evidence that it has satisfied all conditions precedent to the issuance of all permits necessary for the construction of the development and all such permits are available for issuance, other than payment of fees.

p. BORROWER provides duly executed documents and instruments showing the ownership of the Property as specifically identified in **Exhibit "A"**.

q. BORROWER obtains and submits at BORROWER's sole cost and expense the following documents for COUNTY's review and acceptance of in its sole and absolute discretion:

- 1) Copies of Phase I Environmental audit prepared by

1 licensed entity in accordance with State of California
2 requirements.

3 2) Copies of Phase II Environmental audit prepared by
4 licensed entity, if the audit on Phase I indicates the
5 possible presence of hazardous substances.

6 3) Copies of soil reports.

7 4) Any findings identified in the soil, Phase I and Phase II
8 reports shall be fully remediated by BORROWER at its
9 sole cost and expense.

10 14. DISTRIBUTION OF FUNDS. The HOME Investment Trust Fund
11 account established in the United States Treasury is managed through HUD, Integrated
12 Disbursement and Information System (IDIS) for the HOME Investment Partnerships Program.
13 The IDIS System is a computerized system which manages, disburses, collects, and reports
14 information on the use of HOME funds in the United States Treasury Account. Disbursement
15 of HOME funds shall occur upon the satisfactory receipt of copies of invoices and conditional
16 (upon receipt of payment) lien releases for construction costs to be paid with the proceeds of
17 the HOME Loan. Any disbursement of funds is expressly conditioned upon the satisfaction of
18 conditions set forth in **Section 13**. COUNTY shall pay BORROWER the sum specified in
19 **Section 1** above on a "cost-as-incurred" basis for all eligible approved costs under itemized
20 schedule shown in **Exhibit "A"**:

21 a. Up to fifty percent (50%) of the HOME Loan at the
22 commencement of construction.

23 b. Up to ninety percent (90%) of the HOME Loan upon fifty-one
24 percent (51%) completion of Project, as certified and documented
25 by the project architect.

26 c. COUNTY shall release final draw down of ten percent (10%) of
27 the COUNTY Loan following receipt of all of the items listed in
28 **Section 13(k)**.

1 15. TERMS OF AFFORDABILITY. The period of affordability shall be
2 fifty-five (55) years from the issuance of the first certificate of occupancy for the Project.

3 16. INSURANCE. Without limiting or diminishing BORROWER'S
4 obligation to indemnify or hold COUNTY harmless, BORROWER shall procure and maintain
5 or cause to be maintained, at its sole cost and expense, the following insurance coverage's
6 during the term of this Agreement.

7 a. Worker's Compensation Insurance.

8 If BORROWER has employees as defined by the State of
9 California, BORROWER shall maintain statutory Workers'
10 Compensation Insurance (Coverage A) as prescribed by the laws
11 of the State of California. Policy shall include Employers'
12 Liability (Coverage B) including Occupational Disease with
13 limits not less than \$1,000,000 per person per accident. The
14 policy shall be endorsed to waive subrogation in favor of The
15 County of Riverside, and, if applicable, to provide a Borrowed
16 Servant/Alternate Employer Endorsement.

17 b. Commercial General Liability Insurance.

18 Commercial General Liability insurance coverage, including but
19 not limited to, premises liability, contractual liability, products
20 and completed operations liability, personal and advertising
21 injury, and cross liability coverage, covering claims which may
22 arise from or out of BORROWER'S performance of its
23 obligations hereunder. Policy shall name the County of Riverside,
24 its Agencies, Districts, Special Districts, and Departments, their
25 respective directors, officers, Board of Supervisors, employees,
26 elected or appointed officials, agents or representatives as
27 Additional Insured. Policy's limit of liability shall not be less
28 than \$1,000,000 per occurrence combined single limit. If such

1 insurance contains a general aggregate limit, it shall apply
2 separately to this agreement or be no less than two (2) times the
3 occurrence limit.

4 c. Vehicle Liability Insurance.

5 If vehicles or mobile equipment are used in the performance of
6 the obligations under this Agreement, then BORROWER shall
7 maintain liability insurance for all owned, non-owned or hired
8 vehicles so used in an amount not less than \$1,000,000 per
9 occurrence combined single limit. If such insurance contains a
10 general aggregate limit, it shall apply separately to this agreement
11 or be no less than two (2) times the occurrence limit. Policy shall
12 name the County of Riverside, its Agencies, Districts, Special
13 Districts, and Departments, their respective directors, officers,
14 Board of Supervisors, employees, elected or appointed officials,
15 agents or representatives as Additional Insured or provide similar
16 evidence of coverage approved by COUNTY's Risk Manager.

17 d. General Insurance Provisions – All Lines.

18 1) Any insurance carrier providing insurance coverage
19 hereunder shall be admitted to the State of California and have an
20 A M BEST rating of not less than A: VIII (A:8) unless such
21 requirements are waived, in writing, by COUNTY Risk Manager.
22 If COUNTY's Risk Manager waives a requirement for a
23 particular insurer such waiver is only valid for that specific
24 insurer and only for one policy term.

25 2) BORROWER's insurance carrier(s) must declare its
26 insurance self-insured retentions. If such self-insured retentions
27 exceed \$500,000 per occurrence such retentions shall have the
28 prior written consent of COUNTY Risk Manager before the

1 commencement of operations under this Agreement. Upon
2 notification of self insured retention unacceptable to COUNTY,
3 and at the election of COUNTY's Risk Manager, BORROWER's
4 carriers shall either: (a) reduce or eliminate such self-insured
5 retention as respects this Agreement with COUNTY, or (b)
6 procure a bond which guarantees payment of losses and related
7 investigations, claims administration, and defense costs and
8 expenses.

9 3) BORROWER shall cause BORROWER's insurance
10 carrier(s) to furnish the County of Riverside with copies of the
11 Certificate(s) of Insurance and Endorsements effecting coverage
12 as required herein, and 2) if requested to do so orally or in writing
13 by COUNTY Risk Manager, provide copies of policies including
14 all Endorsements and all attachments thereto, showing such
15 insurance is in full force and effect. Further, said Certificate(s)
16 and policies of insurance shall contain the covenant of the
17 insurance carrier(s) that thirty (30) days written notice shall be
18 given to the County of Riverside prior to any material
19 modification, cancellation, expiration or reduction in coverage of
20 such insurance. In the event of a material modification,
21 cancellation, expiration, or reduction in coverage, this Agreement
22 shall terminate forthwith, unless the County of Riverside receives,
23 prior to such effective date, another Certificate of Insurance and
24 copies of endorsements, including all endorsements and
25 attachments thereto evidencing coverage's set forth herein and the
26 insurance required herein is in full force and effect.
27 BORROWER shall not commence operations until COUNTY has
28 been furnished Certificate(s) of Insurance and copies of

1 endorsement and if requested, copies of policies of insurance
2 including all endorsements and any and all other attachments as
3 required in this Section. An individual authorized by the
4 insurance carrier to do so on its behalf shall sign the original
5 endorsements for each policy and the Certificate of Insurance.

6 4) It is understood and agreed to by the parties hereto that
7 BORROWER's insurance shall be construed as primary
8 insurance, and COUNTY's insurance and/or deductibles and/or
9 self-insured retention's or self-insured programs shall not be
10 construed as contributory.

11 5) If, during the term of this Agreement or any extension
12 thereof, there is a material change in the scope of services; or,
13 there is a material change in the equipment to be used in the
14 performance of the scope of work which will add additional
15 exposures (such as the use of aircraft, watercraft, cranes, etc.); or,
16 the term of this Agreement, including any extensions thereof,
17 exceeds five (5) years COUNTY reserves the right to adjust the
18 types of insurance required under this Agreement and the
19 monetary limits of liability for the insurance coverage's currently
20 required herein, if, in COUNTY Risk Manager's reasonable
21 judgment, the amount or type of insurance carried by
22 BORROWER has become inadequate.

23 6) BORROWER shall pass down the insurance obligations
24 contained herein to all tiers of subcontractors working under this
25 Agreement.

26 7) The insurance requirements contained in this
27 Agreement may be met with a program(s) of self-insurance
28 acceptable to COUNTY.

1 8) BORROWER agrees to notify COUNTY of any claim
2 by a third party or any incident or event that may give rise to a
3 claim arising from the performance of this Agreement.

4 17. FINANCIAL RECORDS. BORROWER shall maintain financial,
5 programmatic, statistical, and other supporting records of its operations and financial activities
6 in accordance with the requirements of the HOME Investment Partnerships Program Final
7 Rule, and the regulations as amended promulgated thereunder, which records shall be open to
8 inspection and audit by authorized representatives of COUNTY, HUD, and the Comptroller
9 General of the United States during regular working hours. COUNTY, HUD, and the
10 Comptroller General, or any of their representatives, have the right of access with at least forty-
11 eight (48) hours prior notice, to any pertinent books, documents, papers, or other records of
12 BORROWER, in order to make audits, examinations, excerpts, and transcripts. Said records
13 shall be retained for such time as may be required by the regulations of the HOME Program,
14 but in no case for less than five (5) years after the Project completion date; except that records
15 of individual tenant income verifications, project rents, and project inspections must be
16 retained for the most recent five (5) year period, until five (5) years after the affordability
17 period terminates. If any litigation, claim, negotiation, audit, or other action has been started
18 before the expiration of the regular period specified, the records must be retained until
19 completion of the action and resolution of all issues which arise from it, or until the end of the
20 regular period, whichever is later.

21 18. COMPLIANCE WITH LAWS AND REGULATIONS. By executing
22 this Agreement, BORROWER hereby certifies that it will adhere to and comply with all
23 federal, state and local laws, regulations and ordinances. In particular, BORROWER shall
24 comply with the following as they may be applicable to an BORROWER of funds granted
25 pursuant to the HOME Program:

- 26 a. The HOME Program and its implementing regulations set forth in
27 the Final Rule, as it now exists and may hereafter be amended.
28 b. Section 92.350 Other Federal requirements and non

1 discrimination. As set forth in 24 CFR part 5, sub part A,
2 BORROWER is required to include the following requirements:
3 non discrimination and equal opportunity under Section 282 of
4 the Act; disclosure; debarred, suspended, or ineligible contractors;
5 and drug-free workplace.

6 c. Section 92.351 Affirmative marketing and minority outreach
7 program. BORROWER must adopt affirmative marketing
8 procedures and requirements. These must include:

9 (1) Methods for informing the public, owners, and potential
10 tenants about Federal fair housing laws and the affirmative
11 marketing policy (e.g., the use of the Equal Housing
12 Opportunity logotype or slogan in press releases and
13 solicitations for owners, and written communication to fair
14 housing and other groups).

15 (2) Requirements and practices that BORROWER must
16 adhere to in order to carry out the affirmative marketing
17 procedures and requirements (e.g., use of commercial
18 media, use of community contacts, use of the Equal
19 Housing Opportunity logotype or slogan, and display of
20 fair housing poster).

21 (3) Procedures to be used by BORROWER to inform and
22 solicit applications from persons in the housing market
23 area who are not likely to apply without special outreach
24 (e.g., use of community organizations, employment
25 centers, fair housing groups, or housing counseling
26 agencies).

27 (4) Records that will be kept describing actions taken by
28 BORROWER to affirmatively market units and records to

1 assess the results of these actions.

2 (5) A description of how BORROWER will annually assess
3 the success of affirmative marketing actions and what
4 corrective actions will be taken where affirmative
5 marketing requirements are not met.

6 (6) BORROWER must prescribe procedures to establish and
7 oversee a minority outreach program to ensure the
8 inclusion, to the maximum extent possible, of minorities
9 and women, and entities owned by minorities and women,
10 including, without limitation, real estate firms,
11 construction firms, appraisal firms, management firms,
12 financial institutions, investment banking firms,
13 underwriters, accountants, and providers of legal services,
14 in all contracts entered into by BORROWER with such
15 persons or entities, public and private, in order to facilitate
16 the activities of COUNTY to provide affordable housing
17 authorized under this Act or any other Federal housing
18 law. Section 24 CFR 85.36(e) provided affirmative steps
19 to assure that minority business enterprises and women
20 business enterprises are used when possible in the
21 procurement of property and services. The steps include:

22 (i) Placing qualified small and minority businesses
23 and women's business enterprises on solicitation
24 lists.

25 (ii) Assuring that small and minority businesses, and
26 women's business enterprises are solicited
27 whenever they are potential sources.

28 (iii) Dividing total requirements, when economically

1 feasible, into smaller tasks or quantities to permit
2 maximum participation by small and minority
3 business, and women's business enterprises.

4 (iv) Establishing delivery schedules, where the
5 requirement permits, which encourage
6 participation by small and minority business, and
7 women's business enterprises.

8 (v) Using the services and assistance of the Small
9 Business Administration, and the Minority
10 Business Development Agency of the Department
11 of Commerce.

12 (vi) Requiring the prime contractor, if subcontracts are
13 to be let, to take the affirmative steps listed in (i)
14 through (v) above of this section.

15 d. Section 92.352 Environmental review. The environmental effects
16 of each activity carried out with HOME funds must be assessed in
17 accordance with the provisions of the National Environmental
18 Policy Act of 1969 (NEPA) (42 U.S.C. 4321) and the related
19 authorities listed in HUD's implementing regulations at 24 CFR
20 Parts 50 and 58.

21 e. Section 92.353 Displacement, relocation, and acquisition. The
22 relocation requirements of Title II and the acquisition
23 requirements of Title III of the Uniform Relocation Assistance
24 and Real Property Acquisition Policies Act of 1970, and the
25 implementing regulations at 24 CFR Part 42. BORROWER must
26 ensure that it has taken all reasonable steps to minimize the
27 displacement of persons as a result of this project assisted with
28 HOME Funds.

- 1 f. Section 92.354 Labor. Every contract for the construction of
2 housing that includes twelve (12) or more units assisted with
3 HOME funds must contain a provision requiring the payment of
4 not less than the wages prevailing in the locality, as predetermined
5 by the Secretary of Labor pursuant to the Davis-Bacon Act (40
6 U.S.C. 276a-276a-5), to all laborers and mechanics employed in
7 the development of any part of the housing. Such contracts must
8 also be subject to the overtime provisions, as applicable, of the
9 Contract Work Hours and Safety Standards Act (40 U.S.C. 327-
10 332). Included with this Agreement is the wage determination
11 applicable to the Project, CA100028 04/08/2011 CA28, as shown
12 in **Exhibit "G"** which is attached hereto and by this reference
13 incorporated herein. BORROWER must apply most current wage
14 rate determination at the date of execution of this Agreement.
- 15 g. Section 92.355 Lead-based paint. Housing assisted with HOME
16 funds is subject to the lead-based paint requirements of 24 CFR
17 Part 35 issued pursuant to the Lead-Based Paint Poisoning
18 Prevention Act (42 U.S.C. 4821, et seq.). The lead-based paint
19 provisions of 24 CFR 982.401 (j), except 24 CFR 982.401
20 (j)(1)(i), also apply, irrespective of the applicable property
21 standard under §92.251.
- 22 h. Section 92.356 Conflict of Interest. In the procurement of
23 property and services by BORROWER, the conflict of interest
24 provisions in 24 CFR 85.36 and 24 CFR 85.42, respectively shall
25 apply. Section 92.356 shall cover all cases not governed by 24
26 CFR 85.36 and 24 CFR 84.42.
- 27 i. Section 504 of the Rehabilitation Act of 1973; Housing
28 accessibility requirement at 24 CFR Part 8, implementing Section

1 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794). The
2 design and construction of multi-family dwellings as defined at 24
3 CFR 100.201 must comply with the requirements set forth in 24
4 CFR 100.205 implementing the Fair Housing Act. For new
5 construction of multi-family projects, 5 percent (5%) of the units
6 (but not less than one unit) must be accessible to individuals with
7 mobility impairments, and an additional 2 percent (2%) of the
8 units (but not less than one unit) must be accessible to individuals
9 with sensory impairments. Dwelling units designed and
10 constructed in accordance with the Uniform Federal Accessibility
11 Standards (UFAS) will be deemed to comply with the Section 504
12 regulation.

13 j. Model Energy Code published by the Council of American
14 Building Officials.

15 k. Section 3 of the Housing and Urban Development Act of 1968.

16 To the greatest extent feasible, opportunities for training and
17 employment arising from HOME funds will be provided to low-
18 income persons residing in the program service area. To the
19 greatest extent feasible, contracts for work to be performed in
20 connection with HOME funds will be awarded to business
21 concerns that are located in or owned by persons residing in the
22 program service area as outlined in the Riverside County EDA
23 Section 3 Contract Requirements attached hereto as **Exhibit "C"**.
24 Contracts funded from Section 3 covered funding sources must
25 abide by the Section 3 Clause prescribed at 24 CFR 135.38.

26 l. Section 92.358 Consultant Activities. No person providing
27 consultant services in an employer-employee type relationship
28 shall receive more than a reasonable rate of compensation for

1 personal services paid with HOME funds.

2 m. BORROWER shall carry out its activity pursuant to this
3 Agreement in compliance with all federal laws and regulations
4 described in Subpart E of Part 92 of the Code of Federal
5 Regulations, except that:

6 (1) BORROWER does not assume COUNTY'S
7 environmental responsibilities described at 24 CFR Part
8 92.352; and

9 (2) BORROWER does not assume COUNTY's responsibility
10 for initiating the review process under the provisions of 24
11 CFR Part 92.352

12 n. Uniform Administrative Requirements of 24 CFR 92.505 Part 84
13 and 85 "Common Rule", OMB Circular Nos. A-87 (for
14 government entities), A-122 (for non-profit organizations), and
15 the following §§85.6, 85.12, 85.20, 85.22, 85.26, 85.32 through
16 85.34, 85.36, 85.44, 85.51 and 85.52 (for government entities),
17 and the following §§84.2, 84.5, 84.13 through 84.16, 84.21,
18 84.22, 84.26 through 84.28, 84.30, 84.31, 84.34 through 84.37,
19 84.40 through 84.48, 84.51, 84.60 through 84.62, 84.72, and
20 84.73 (for non-profit organizations).

21 o. BORROWER shall include written agreements that include all
22 provisions of **Section 18** if BORROWER provides HOME funds
23 to for-profit owners or developers, non-profit owners or
24 developers, sub-recipients, homeowners, homebuyers, tenants
25 receiving tenant-based rental assistance, or contractors.

26 p. BORROWER shall comply with all applicable local, state and
27 federal laws in addition to the above mentioned laws.

28 19. INCOME TARGETING REQUIREMENTS. BORROWER will set aside

1 forty-one (41) units of the Project to be designated as “Floating” Low HOME rent units, as
2 defined under 24 CFR 92.252(j) (the “HOME-Assisted Units”). The forty-one (41) HOME-
3 Assisted Units (6 – 1 Bedroom, 16 – 2 Bedroom, 14 – 3 Bedroom, and 5 – 4 Bedroom) shall be
4 limited to households whose incomes do not exceed fifty percent (50%) of the median family
5 income for the County of Riverside, adjusted by family size at the time of occupancy. Nine
6 (9) units of the forty-one (41) HOME Assisted Units shall be limited to households whose
7 incomes do not exceed thirty percent (30%) of the median family income for the County of
8 Riverside, adjusted by family size at the time of occupancy.

9 20. RENT LIMITATIONS. BORROWER shall comply with the rent
10 limitations set forth under 24 CFR 92.252. COUNTY shall review and approve proposed rents
11 to the extent required under this section. BORROWER shall ensure that the HOME-assisted
12 units are rented to qualified applicants at the Low HOME rent levels, adjusted by family size at
13 the time of occupancy, published by HUD from time to time.

14 a. Additional Rent Limitations: The current HUD published Low
15 HOME rent effective May 2010 is: 1 bedroom at \$624, 2 bedroom
16 at \$748, and 3 bedroom at \$865, and 4 bedroom at \$966. In order
17 to calculate net rent to be charged, an applicable utility allowance
18 must be subtracted from the gross rents listed.

19 b. Initial rent schedule and utility allowance: The maximum monthly
20 allowances for utilities and services (excluding telephone) will not
21 exceed the utility allowance set by the Housing Authority of the
22 County of Riverside. COUNTY shall review and approve rents
23 proposed by BORROWER for HOME-Assisted Units subject to
24 the maximum rent limitations to ensure that the rents do not
25 exceed the maximum rent minus the monthly allowances for
26 utilities and services.

27 21. TENANT PROTECTIONS. BORROWER shall provide protection to the
28 tenants of the HOME-Assisted Units in accordance to the requirements set forth at 24 CFR

1 92.253 and described as follows:

2 a. Provide written lease agreement for not less than one year, unless
3 by mutual agreement between the tenant and BORROWER.
4 COUNTY shall review the initial form of the lease agreement
5 prior to BORROWER executing any leases and, provided that
6 BORROWER uses the approved lease form, BORROWER shall
7 be permitted to enter into residential leases without COUNTY's
8 prior written consent.

9 b. Prohibited Lease Terms. The rental agreement/lease may not
10 contain any of the following provisions:

11 (1) Agreement to be sued. Agreement by the tenant to be
12 sued, to admit guilt or to a judgment in favor of
13 BORROWER in a lawsuit brought in connection with the
14 lease.

15 (2) Treatment of property. Agreements by tenant that
16 BORROWER may take, hold, or sell personal property of
17 household members without notice to the tenant and a
18 court decision on the rights of the parties. This prohibition,
19 however, does not apply to an agreement by the tenant
20 concerning disposition of personal property remaining in
21 the housing unit after the tenant has moved out of the unit.
22 BORROWER may dispose of this personal property in
23 accordance with State law.

24 (3) Excusing BORROWER from responsibility. Agreement
25 by the tenant not to hold BORROWER or BORROWER's
26 agents legally responsible for any action or failure to act,
27 whether intentional or negligent.

28 (4) Waiver of notice. Agreement of the tenant that

1 BORROWER may institute a lawsuit without notice to the
2 tenant.

3 (5) Waiver of legal proceeding. Agreement by the tenant that
4 the BORROWER may evict the tenant or household
5 members without instituting a civil court proceeding in
6 which the tenant has the opportunity to present a defense,
7 or before a court decision on the rights of the parties.

8 (6) Waiver of a jury trial. Agreement by the tenant to waive
9 any right to a trial by jury.

10 (7) Waiver of right to appeal court decision. Agreement by the
11 tenant to waive the tenant's right to appeal, or to otherwise
12 challenge in court, a court decision in connection with the
13 lease.

14 (8) Tenant chargeable with cost of legal actions regardless of
15 outcome. Agreement by the tenant to pay attorneys' fees
16 or other legal costs even if the tenant wins in a court
17 proceeding by BORROWER against the tenant. The
18 tenant, however, may be obligated to pay costs if the
19 tenant loses.

20 22. FEDERAL REQUIREMENTS. BORROWER shall comply with the
21 provisions of the Act and any amendments thereto and all applicable federal regulations and
22 guidelines now or hereafter enacted pursuant to the Act.

23 23. REPAYMENT INCOME. COUNTY must record the receipt and
24 expenditure of HOME repayment income in accordance with the standards specified in 24 CFR
25 92.503.

26 24. SALE OR TRANSFER OF THE PROJECT.

27 a) BORROWER hereby covenants and agrees not to sell, transfer or
28 otherwise dispose of the Project or any portion thereof, without obtaining the prior written

1 consent of COUNTY, which consent shall be conditioned solely upon receipt by COUNTY of
2 reasonable evidence satisfactory to COUNTY that transferee has assumed in writing and in
3 full, and is reasonably capable of performing and complying with BORROWER's duties and
4 obligations under this Agreement and where upon BORROWER shall be released of all
5 obligations hereunder which accrue from and after the date of such sale.

6 b) Upon prior written approval by COUNTY, BORROWER may transfer
7 the Project and/or accomplish any of the following: (i) a conveyance of a security interest in
8 the Property in connection with any Senior Loan and any transfer of title by foreclosure, deed
9 or other conveyance in lieu of foreclosure in connection therewith; (ii) a conveyance of the
10 Property to any affiliate of Coachella Valley Housing Coalition or assignee pursuant to an
11 option agreement granted with respect to the tax credit financing; (iii) the admission of limited
12 partners to BORROWER's limited partnership, or similar mechanism, and the purchase of any
13 such limited partnership interest or interests by BORROWER's general partner; (iv) the
14 replacement of BORROWER's general partner or similar mechanism, by an affiliate of the
15 general partner; (v) the removal for cause of any general partner by a limited partner of
16 BORROWER's partnership, and the replacement thereof; (vi) the lease for occupancy of all or
17 any of the Units; (vii) the granting of easements or permits to facilitate the development of the
18 Property in accordance with this Agreement; and (viii) the withdrawal, removal and/or
19 replacement of any limited partner of BORROWER.

20 COUNTY's approval of the transfers in **Section 24(b)** shall not be unreasonably
21 withheld and COUNTY's Assistant County Executive Officer/Economic Development Agency
22 or designee(s) are authorized to execute such written instrument necessary or appropriate to
23 evidence approval of the transfers in **Section 24(b)**. Notwithstanding anything to the contrary
24 herein, any transfer described in **subsection (vi)** above shall not require COUNTY's prior
25 approval, and any transfer described in **subsection (i)** above shall not require COUNTY's prior
26 approval as long as the lease complies with **Section 21** of this Agreement.

27 25. INDEPENDENT CONTRACTOR. BORROWER and its agents, servants
28 and employees shall act at all times in an independent capacity during the term of this

1 Agreement, and shall not act as, shall not be, nor shall they in any manner be construed to be
2 agents, officers, or employees of COUNTY.

3 26. NONDISCRIMINATION. BORROWER shall abide by §92.350 of Title
4 24 of the Federal Code of Regulations, which require that no person in the United States shall,
5 on the grounds of race, color, age, religious creed, sex, sexual orientation, marital status,
6 national origin, ancestry, familial status, source of income, physical or mental disability, be
7 excluded from participation in, be denied the benefits of, or be subjected to discrimination
8 under any program or activity funded in whole or in part with HOME funds.

9 27. PROHIBITION AGAINST CONFLICTS OF INTEREST:

- 10 a. BORROWER and its assigns, employees, agents, consultants,
11 officers and elected and appointed officials shall become familiar
12 with and shall comply with the conflict of interest provisions in
13 OMB Circular A-110, 24 CFR 85.36, 24 CFR 84.42, 24 CFR
14 92.356 and Policy Manual #A-11, attached hereto as **Exhibit "D"**
15 and by this reference incorporated herein.
- 16 b. BORROWER understands and agrees that no waiver or exception
17 can be granted to the prohibition against conflict of interest except
18 upon written approval of HUD pursuant to 24 CFR 92.356(d).
19 Any request by BORROWER for an exception shall first be
20 reviewed by COUNTY to determine whether such request is
21 appropriate for submission to HUD. In determining whether such
22 request is appropriate for submission to HUD, COUNTY will
23 consider the factors listed in 24 CFR 92.356(e).
- 24 c. Prior to any funding under this Agreement, BORROWER shall
25 provide COUNTY with a list of all employees, agents,
26 consultants, officers and elected and appointed officials who are
27 in a position to participate in a decision-making process, exercise
28 any functions or responsibilities, or gain inside information with

1 respect to the HOME activities funded under this Agreement.
2 BORROWER shall also promptly disclose to COUNTY any
3 potential conflict, including even the appearance of conflict that
4 may arise with respect to the HOME activities funded under this
5 Agreement.

6 d. Any violation of this section shall be deemed a material breach of
7 this Agreement, and the Agreement shall be immediately
8 terminated by COUNTY.

9 28. RELIGIOUS ACTIVITIES. Under federal regulations, 24 CFR 92.257
10 HOME funds may not be provided to primarily religious organizations, such as churches, for
11 any activity including secular activities. In addition, HOME funds may not be used to
12 rehabilitate or construct housing owned by primarily religious organizations or to assist
13 primarily religious organizations in acquiring housing. However, HOME funds may be used
14 by a secular entity to acquire housing from a primarily religious organization, and a primarily
15 religious entity may transfer title to property to a wholly secular entity and the entity may
16 participate in the HOME program in accordance with the requirements set forth at 24 CFR
17 92.257. The entity may be an existing or newly established entity, which may be an entity
18 established by the religious organization. The completed housing project must be used
19 exclusively by the BORROWER/participant entity for secular purposes, available to all
20 persons regardless of religion. In particular, there must be no religious or membership criteria
21 for tenants of the property.

22 29. PROJECT MONITORING AND EVALUATION. BORROWER shall
23 submit a Tenant Checklist Form to COUNTY, as shown in **Exhibit "F"** which is attached
24 hereto and by this reference is incorporated herein and may be revised by COUNTY,
25 summarizing the racial/ethnic composition, number and percentage of very low-income and
26 low-income households who are tenants of the HOME-Assisted Units. The Tenant Checklist
27 Form shall be submitted upon completion of the construction and thereafter, on a semi-annual
28 basis on or before March 31 and September 30. BORROWER shall maintain financial,

1 programmatic, statistical and other supporting records of its operations and financial activities
2 in accordance with the requirements of the HOME Program under 24 CFR 92.508, including
3 the submission of Tenant Checklist Form. Except as otherwise provided for in this Agreement,
4 BORROWER shall maintain and submit records to COUNTY within ten business days of
5 COUNTY's request which clearly documents BORROWER's performance under each
6 requirement of the HOME Program. A list of document submissions and timeline are shown in
7 **Exhibit "A"** and such list may be amended from time to time subject to HUD and COUNTY
8 reporting requirements.

9 30. ACCESS TO PROJECT SITE. COUNTY and HUD shall have the right
10 to visit the Project site at all reasonable times, and upon completion of the Project upon
11 reasonable written notice to BORROWER, to review the operation of the Project in accordance
12 with this HOME Agreement.

13 31. EVENTS OF DEFAULT. The occurrence of any of the following events
14 shall constitute an "Event of Default" under this Agreement:

15 a. Monetary Default. (1) BORROWER's failure to pay when due
16 any sums payable under the Note or any advances made by
17 COUNTY under this Agreement; (2) BORROWER's or any agent
18 of BORROWER's use of HOME funds for costs other than costs
19 or for uses inconsistent with terms and restrictions set forth in this
20 Agreement; (3) BORROWER's or any agent of BORROWER's
21 failure to make any other payment of any assessment or tax due
22 under this Agreement;

23 b. Non-Monetary Default - Operation. (1) Discrimination by
24 BORROWER or BORROWER's agent on the basis of
25 characteristics prohibited by this Agreement or applicable law; (2)
26 the imposition of any encumbrances or liens on the Project
27 without COUNTY's prior written approval that are prohibited
28 under this Agreement or that have the effect of reducing the

1 priority or invalidating the HOME Deed of Trust; (3)
2 BORROWER's failure to obtain and maintain the insurance
3 coverage required under this Agreement; (4) any material default
4 under this Agreement;

5 c. General Performance of Loan Obligations. Any substantial or
6 continuous or repeated breach by BORROWER or
7 BORROWER's agents of any material obligations on
8 BORROWER imposed in the HOME Agreement;

9 d. General Performance of Other Obligations. Any substantial or
10 continuous or repeated breach by BORROWER or
11 BORROWER's agents of any material obligations on the Project
12 imposed by any other agreement with respect to the financing,
13 development, or operation of the Project; whether or not
14 COUNTY is a party to such agreement; but only following any
15 applicable notice and cure periods with respect to any such
16 obligation;

17 e. Representations and Warranties. A determination by COUNTY
18 that any of BORROWER's representations or warranties made in
19 this Agreement, any statements made to COUNTY by
20 BORROWER, or any certificates, documents, or schedules
21 supplied to COUNTY by BORROWER were untrue in any
22 material respect when made, or that BORROWER concealed or
23 failed to disclose a material fact from COUNTY.

24 f. Damage to Project. In the event that the Project is materially
25 damaged or destroyed by fire or other casualty, and BORROWER
26 receives an award or insurance proceeds sufficient for the repair
27 or reconstruction of the Project, and BORROWER does not use
28 such award or proceeds to repair or reconstruct the Project.

1 g. Bankruptcy, Dissolution and Insolvency. BORROWER's or any
2 general partner of BORROWER's (1) filing for bankruptcy,
3 dissolution, or reorganization, or failure to obtain a full dismissal
4 of any such involuntary filing brought by another party before the
5 earlier of final relief or sixty (60) days after such filing; (2)
6 making a general assignment for the benefit of creditors; (3)
7 applying for the appointment of a receiver, trustee, custodian, or
8 liquidator, or failure to obtain a full dismissal of any such
9 involuntary application brought by another party before the earlier
10 of final relief or seventy-five (75) days after such filing; (4)
11 insolvency; or (5) failure, inability or admission in writing of its
12 inability to pay its debts as they become due.

13 32. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. For
14 monetary and non-monetary Events of Default, COUNTY shall give written notice to
15 BORROWER and its investor limited partner, if any, of any Event of Default by specifying: (a)
16 the nature of the Event of Default or the deficiency giving rise to the default, (b) the action
17 required to cure the deficiency, and (c) a date, which shall not be more than thirty (30) calendar
18 days from the mailing of the notice for a monetary default, or a date, which shall not be more
19 than forty-five (45) calendar days from the mailing of the notice for a non-monetary default, by
20 which such action to cure must be taken. COUNTY agrees that BORROWER shall have the
21 right to cure any and all defaults under this Agreement.

22 33. COUNTY REMEDIES. Upon the happening of an Event of Default and a
23 failure by BORROWER or other Interested Party to cure said default within the time specified
24 in the notice of default (if an action to cure is specified in said notice), COUNTY's obligation
25 to disburse HOME funds shall terminate, and COUNTY may also in addition to other rights
26 and remedies permitted by this Agreement or applicable law, proceed with any or all of the
27 following remedies in any order or combination COUNTY may choose in its sole discretion:

28 a. Terminate this Agreement, in which event the entire amount as

1 well as any other monies advanced to BORROWER by COUNTY
2 under this Agreement including administrative costs, shall
3 immediately become due and payable at the option of COUNTY.

4 b. Bring an action in equitable relief (1) seeking the specific
5 performance by BORROWER of the terms and conditions of this
6 Agreement, and/or (2) enjoining, abating, or preventing any
7 violation of said terms and conditions, and/or (3) seeking
8 declaratory relief.

9 c. Accelerate the HOME Loan, and demand immediate full payment
10 of the principal payment outstanding and all accrued interest under
11 the Note, as well as any other monies advanced to BORROWER
12 by COUNTY under this Agreement.

13 d. Enter the Project and take any remedial actions necessary in its
14 judgment with respect to hazardous materials that COUNTY
15 deems necessary to comply with hazardous materials laws or to
16 render the Project suitable for occupancy.

17 e. Enter upon, take possession of, and manage the Project, either in
18 person, by agent, or by a receiver appointed by a court, and collect
19 rents and other amounts specified in the assignment of rents in the
20 Deed of Trust and apply them to operate the Project or to pay off
21 the HOME Loan or any advances made under this Agreement, as
22 provided for by the Deed of Trust.

23 f. Pursue any other remedy allowed at law or in equity.

24 34. BORROWER'S REMEDIES. Upon the fault or failure of COUNTY to
25 meet any of its obligations under this Agreement, BORROWER may:

26 a. Demand payment from COUNTY of any sums due BORROWER;
27 and/or

28 b. Bring an action in equitable relief seeking the specific performance

1 by COUNTY of the terms and conditions of this Agreement;
2 and/or

3 c. Pursue any other remedy allowed at law or in equity.

4 35. BORROWER'S WARRANTIES. BORROWER represents and warrants
5 (1) that it has access to professional advice and support to the extent necessary to enable
6 BORROWER to fully comply with the terms of this Agreement, and to otherwise carry out the
7 Project, (2) that it is duly organized, validly existing and in good standing under the laws of the
8 State of California, (3) that it has the full power and authority to undertake the Project and to
9 execute this Agreement, (4) that the persons executing and delivering this Agreement are
10 authorized to execute and deliver such documents on behalf of BORROWER and (5) that
11 neither BORROWER nor any of its principals is presently debarred, suspended, proposed for
12 debarment, declared ineligible, or voluntarily excluded from participation in connection with
13 the transaction contemplated by this Agreement.

14 36. BORROWER'S CERTIFICATION. BORROWER certifies, to the best
15 of its knowledge and belief, that:

16 a. No federally appropriated funds have been paid or will be paid, by
17 or on behalf of the undersigned, to any person for influencing or
18 attempting to influence an officer or employee of any agency, a
19 member of Congress, an officer or employee of Congress, or an
20 employee of a member of Congress in connection with the
21 awarding of any federal contract, the making of any federal grant,
22 the making of any federal loan, the entering into of any cooperative
23 agreement, and the extension, continuation, review, amendment, or
24 modification of any federal contract, grant, loan, or cooperative
25 agreement.

26 b. If any funds other than federally appropriated funds have been paid
27 or will be paid to any person for influencing or attempting to
28 influence an officer or employee of any agency, a member of

1 Congress, an officer or employee of Congress, or an employee of a
2 member of Congress in connection with this federal contract,
3 grant, loan, or cooperative agreement, the undersigned shall
4 complete and submit Standard Form-LLL, "Disclosure Form to
5 Report Lobbying," in accordance with its instructions.

- 6 c. The undersigned shall require that the language of this certification
7 be included in the award documents for all sub-awards at all tiers
8 (including subcontracts, sub-grants, and contracts under grants,
9 loans, and cooperative agreements) and that BORROWER shall
10 certify and disclose accordingly. This certification is a material
11 representation of fact upon which reliance was placed when this
12 transaction was made or entered into.

13 37. HOLD HARMLESS AND INDEMNIFICATION. BORROWER shall
14 indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts
15 and Departments, their respective directors, officers, Board of Supervisors, elected and
16 appointed officials, employees, agents and representatives from any liability whatsoever, based
17 or asserted upon any services of BORROWER, its officers, employees, subcontractors, agents
18 or representatives arising out of their performance under this Agreement, including but not
19 limited to property damage, bodily injury, or death or any other element of any kind or nature
20 whatsoever arising from the performance of BORROWER, its officers, agents, employees,
21 subcontractors, agents or representatives under this Agreement. BORROWER shall defend, at
22 its sole expense, all costs and fees including, but not limited, to attorney fees, cost of
23 investigation, defense and settlements or awards, the County of Riverside, its Agencies,
24 Districts, Special Districts and Departments, their respective directors, officers, Board of
25 Supervisors, elected and appointed officials, employees, agents and representatives in any claim
26 or action based upon such alleged acts or omissions.

27 With respect to any action or claim subject to indemnification herein by BORROWER,
28 BORROWER shall, at their sole cost, have the right to use counsel of their own choice and shall

1 have the right to adjust, settle, or compromise any such action or claim without the prior consent
2 of COUNTY; provided, however, that any such adjustment, settlement or compromise in no
3 manner whatsoever limits or circumscribes BORROWER'S indemnification to COUNTY as set
4 forth herein.

5 BORROWER's obligation hereunder shall be satisfied when BORROWER has provided
6 to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the
7 action or claim involved.

8 The specified insurance limits required in this Agreement shall in no way limit or
9 circumscribe BORROWER's obligations to indemnify and hold harmless COUNTY herein from
10 third party claims.

11 In the event there is conflict between this clause and California Civil Code Section 2782,
12 this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not
13 relieve BORROWER from indemnifying COUNTY to the fullest extent allowed by law.

14 38. TERMINATION.

15 a. BORROWER. BORROWER may terminate this Agreement
16 consistent with the Act, the regulations consistent implementing
17 the Act, and 24 CFR 85.44. In addition, BORROWER may
18 terminate this Agreement in accordance with **Section 51** and
19 **Section 52** of this Agreement.

20 b. COUNTY. Notwithstanding the provisions of **Section 39(a)**,
21 COUNTY may suspend or terminate this Agreement upon written
22 notice to BORROWER of the action being taken and the reason for
23 such action:

24 (1) In the event BORROWER fails to perform the covenants
25 herein contained at such times and in such manner as
26 provided in this Agreement after the applicable notice and
27 cure provision hereof; or

28 (2) In the event there is a conflict with any federal, state or

1 local law, ordinance, regulation or rule rendering any
2 material provision, in the judgment of COUNTY of this
3 Agreement invalid or untenable; or

4 (3) In the event the funding from HUD to in **Section 1** above is
5 terminated or otherwise becomes unavailable.

6 c. This Agreement may be terminated or funding suspended in whole
7 or in part for cause in accordance with 24 CFR 85.43. Cause shall
8 be based on the failure of BORROWER to materially comply with
9 either the terms or conditions of this Agreement after the
10 expiration of all applicable notice and cure provisions hereof.
11 Upon suspension of funding, BORROWER agrees not to incur any
12 costs related thereto, or connected with, any area of conflict from
13 which COUNTY has determined that suspension of funds is
14 necessary. The award may be terminated for convenience in
15 accordance with 24 CFR 85.44.

16 d. Upon expiration of this Agreement, BORROWER shall transfer to
17 COUNTY any unexpended HOME funds in its possession at the
18 time of expiration of the Agreement as well as any accounts
19 receivable held by BORROWER which are attributable to the use
20 of HOME funds awarded pursuant to this Agreement.

21 39. AFFORDABILITY RESTRICTIONS. COUNTY and BORROWER
22 hereby declare their express intent that the restrictions set forth in this Agreement shall be
23 affordable for a period of fifty-five (55) years from the first certificate of occupancy, and shall
24 bind all successors in title to the Property until the expiration of this Agreement. Each and
25 every contract, deed or other instrument hereafter executed covering and conveying the
26 Property or any portion thereof shall be held conclusively to have been executed, delivered and
27 accepted subject to such restrictions, regardless whether such restrictions are set forth in such
28 contract, deed or other instrument.

1 40. MECHANICS LIENS AND STOP NOTICES. If any claim of
2 mechanics lien is filed against the Project or a stop notice affecting the HOME Loan is served
3 on COUNTY, BORROWER must, within twenty (20) days of such filing or service, either pay
4 and fully discharge the lien or stop notice, obtain a release of the lien or stop notice by
5 delivering to COUNTY a surety bond in sufficient form and amount, or provide COUNTY
6 with other assurance reasonably satisfactory to COUNTY that the lien or stop notice will be
7 paid or discharged.

8 41. ENTIRE AGREEMENT. It is expressly agreed that this Agreement
9 embodies the entire agreement of the parties in relation to the subject matter hereof, and that no
10 other agreement or understanding, verbal or otherwise, relative to this subject matter, exists
11 between the parties at the time of execution.

12 42. AUTHORITY TO EXECUTE. The persons executing this Agreement or
13 exhibits attached hereto on behalf of the parties to this Agreement hereby warrant and
14 represent that they have the authority to execute this Agreement and warrant and represent that
15 they have the authority to bind the respective parties to this Agreement to the performance of
16 its obligations hereunder.

17 43. WAIVER. Failure by a party to insist upon the strict performance of any
18 of the provisions of this Agreement by the other party, or the failure by a party to exercise its
19 rights upon the default of the other party, shall not constitute a waiver of such party's rights to
20 insist and demand strict compliance by the other party with the terms of this Agreement
21 thereafter.

22 44. INTERPRETATION AND GOVERNING LAW. This Agreement and
23 any dispute arising hereunder shall be governed by and interpreted in accordance with the laws
24 of the State of California. This Agreement shall be construed as a whole according to its fair
25 language and common meaning to achieve the objectives and purposes of the parties hereto,
26 and the rule of construction to the effect that ambiguities are to be resolved against the drafting
27 party shall not be employed in interpreting this Agreement, all parties having been represented
28 by counsel in the negotiation and preparation hereof.

1 45. JURISDICTION AND VENUE. Any action at law or in equity arising
2 under this Agreement or brought by a party hereto for the purpose of enforcing, construing or
3 determining the validity of any provision of this Agreement shall be filed in the Superior
4 Courts of Riverside County, State of California, and the parties hereto waive all provisions of
5 law providing for the filing, removal or change of venue to any other court or jurisdiction.

6 46. SEVERABILITY. Each paragraph and provision of this Agreement is
7 severable from each other provision, and if any provision or part thereof is declared invalid, the
8 remaining provisions shall nevertheless remain in full force and effect.

9 47. MINISTERIAL ACTS. COUNTY's Assistant County Executive
10 Officer/Economic Development Agency or designee(s) are authorized to take such ministerial
11 actions as may be necessary or appropriate to implement the terms, provisions, and conditions
12 of this Agreement as it may be amended from time to time by both parties.

13 48. MODIFICATION OF AGREEMENT. COUNTY or BORROWER may
14 consider it in its best interest to change, modify or extend a term or condition of this
15 Agreement. Any such change, extension or modification, which is mutually agreed upon by
16 COUNTY and BORROWER shall be incorporated in written amendments to this Agreement.
17 Such amendments shall not invalidate this Agreement, nor relieve or release COUNTY or
18 BORROWER from any obligations under this Agreement, except for those parts thereby
19 amended. No amendment to this Agreement shall be effective and binding upon the parties,
20 unless it expressly makes reference to this Agreement, is in writing and is signed and
21 acknowledged by duly authorized representatives of all parties.

22 49. ASSIGNMENT. Except as otherwise permitted hereunder,
23 BORROWER will not make any sale, assignment, conveyance, or lease of any trust or power,
24 or transfer in any other form with respect to this Agreement or the Project, without prior
25 written approval of COUNTY. Any proposed transferee shall have the qualifications and
26 financial responsibility, as reasonably determined by COUNTY necessary and adequate to
27 fulfill the obligations undertaken in this Agreement by BORROWER. Any proposed
28 transferee shall, by instrument in writing, for itself and its successor and assigns, and expressly

1 for the benefit of COUNTY, assume all of the obligations of BORROWER under this
2 Agreement and agree to be subject to all the conditions and restrictions to which BORROWER
3 is subject.

4 50. CONDITIONAL HOME COMMITMENT. As defined under 24 CFR
5 92.2, COUNTY can reasonably expect for BORROWER to start construction within twelve
6 (12) months of the execution of this Agreement. Notwithstanding all other sections in this
7 Agreement, BORROWER must provide COUNTY with letter confirmation of the federal/state
8 tax credit award from the California Tax Credit Allocation Committee (CTCAC) by **May 30,**
9 **2012** (the "CTCAC Deadline"). COUNTY's HOME commitment is expressly contingent upon
10 the Project receiving federal/state tax credit on or before the CTCAC Deadline. If
11 BORROWER cannot provide COUNTY with letter confirmation of the federal/state tax credit
12 award from CTCAC by the CTCAC Deadline, then COUNTY and BORROWER mutually
13 agree that this Agreement will self-terminate. Upon such termination, this Agreement shall be
14 null and void. COUNTY and BORROWER shall be released and discharged respectively from
15 its obligations under this Agreement.

16 51. PROJECT FINANCING CONTINGENCY. This Agreement is expressly
17 conditioned upon BORROWER's receipt, on or prior to **May 30, 2012** of (i) such binding loan
18 commitments for new loans as may be required by BORROWER, on terms and conditions
19 acceptable to BORROWER, in its sole discretion, including, without limitation, (a) Indio RDA
20 financing, and (b) any conventional construction and/or permanent financing, including
21 without limitation, a construction and permanent loan from an institutional construction lender
22 (the "Senior Lien Holder"), and (c) a binding reservation of federal low income housing tax
23 credits pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (collectively,
24 the "Project Financing") on or before the CTCAC Deadline. Either COUNTY or
25 BORROWER may elect to terminate this Agreement with ten (10) days written notice to the
26 other party if BORROWER fails to acquire the project financing as required by this **Section**
27 **51**. Furthermore, this Agreement shall be self-terminating if BORROWER does not reserve
28 the binding reservation of federal low income housing tax credits by the CTCAC Deadline.

1 Upon such termination, this Agreement shall be null and void, and:

- 2 a. If BORROWER elects to terminate this Agreement,
3 BORROWER shall be released and discharged by COUNTY
4 from its obligations under this Agreement; or
5 b. If COUNTY elects to terminate this Agreement, COUNTY shall
6 be released and discharged by BORROWER from its
7 obligations under this Agreement.

8 At that time all cost incurred by each party on the Project will be assumed
9 respectively, and each party shall be released from all liability under this Agreement.

10 52. NONRECOURSE OBLIGATION. BORROWER and its partners,
11 officers, directors, employees, and agents shall not have any direct or indirect personal liability
12 for payment of the principal of, or interest on, the HOME Loan or the performance of
13 BORROWER's obligations under the HOME documents. The sole recourse of COUNTY with
14 respect to payment of the principal of, or interest on, the HOME Loan, shall be to the Project.
15 No money judgment (or execution on a money judgment) entered in any action (whether legal
16 or equitable) on the HOME documents shall be enforced personally against BORROWER or
17 its partners, officers, directors, employees, and agents, but shall be enforced only against the
18 Project and such other property as may from time to time be hypothecated in connection with
19 BORROWER's obligations under the HOME documents. This nonrecourse provision does not
20 limit or impair the enforcement against all such security for the HOME Loan of all the rights
21 and remedies of COUNTY, nor does it impair the right of COUNTY to assert the unpaid
22 principal amount of the HOME Loan as a demand for money within the meaning of California
23 Code of Civil Procedure Section 431.70 or any successor provision. In addition, this
24 nonrecourse provision does not relieve BORROWER of personal liability for damage to or loss
25 suffered by COUNTY as a result of any of the following: (i) fraud or willful misrepresentation;
26 (ii) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or
27 other charges that could create statutory liens on the Project and that are payable or applicable
28 prior to any foreclosure under the HOME Deed of Trust; (iii) the fair market value of any

1 personal property or fixtures removed or disposed of by BORROWER other than in
2 accordance with the HOME Deed of Trust; (iv) the misapplication of any proceeds under any
3 insurance policies or awards resulting from condemnation or the exercise of the power of
4 eminent domain or by reason of damage, loss, or destruction to any portion of the Project (to
5 the extent of the misapplied proceeds or awards); and (v) any rental income or other income
6 arising with respect to the Project received by BORROWER after COUNTY has properly
7 exercised its rights under the HOME Deed of Trust to receive such income upon an Event of
8 Default (as defined under the HOME Deed of Trust).

9 53. EXHIBITS AND ATTACHMENTS. Each of the attachments and
10 exhibits attached hereto is incorporated herein by this reference.

11 Riverside, CA 92501

12 54. MEDIA RELEASES. BORROWER agrees to allow COUNTY to
13 provide input regarding all media releases regarding the Project. Any publicity generated by
14 BORROWER for the Project must make reference to the contribution of COUNTY in making
15 the Project possible. COUNTY's name shall be prominently displayed in all pieces of publicity
16 generated by BORROWER, including flyers, press releases, posters, signs, brochures, and
17 public service announcements. BORROWER agrees to cooperate with COUNTY in any
18 COUNTY-generated publicity or promotional activities with respect to the Project.

19 55. NOTICES. All notices, requests, demands and other communication
20 required or desired to be served by either party upon the other shall be addressed to the
21 respective parties as set forth below or the such other addresses as from time to time shall be
22 designated by the respective parties and shall be sufficient if sent by United States first class,
23 certified mail, postage prepaid, or express delivery service with a receipt showing the date of
24 delivery.

25 COUNTY

26 Assistant Director, Housing
27 Riverside County
28 Economic Development Agency
3403 Tenth Street, Suite 500

BORROWER

Executive Director
Coachella Valley Housing Coalition
45701 Monroe Street, Ste. G
Indio, CA 92201

1 56. COUNTERPARTS. This Agreement may be signed by the different
2 parties hereto in counterparts, each of which shall be an original but all of which together shall
3 constitute one and the same agreement.

4 57. EFFECTIVE DATE. The effective date of this Agreement is the date the
5 parties execute the Agreement. If the parties execute the Agreement on more than one date,
6 then the last date the Agreement is executed by a party shall be the effective date.

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1 IN WITNESS WHEREOF, COUNTY and BORROWER have executed this Agreement as of
2 the date first above written.

3 COUNTY:

BORROWER:

4 COUNTY OF RIVERSIDE

5 THE COACHELLA VALLEY HOUSING
6 COALITION,
7 a California nonprofit public benefit corporation

8 By: _____
9 Bob Buster
10 Chairman, Board of Supervisors

By: _____
Pedro S.G. Rodriguez, Chief Financial Officer

11
12 APPROVED AS TO FORM:
13 PAMELA J. WALLS, County Counsel

14
15 By: 
16 Anita C. Willis, Deputy

17
18 ATTEST:
19 KECIA HARPER-IHEM
20 Clerk of the Board

21
22 By: _____
23 Deputy

24
25
26 **(Signatures on this page need to be notarized)**
27
28

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF _____ }

On _____, before me, _____
Date Here Insert Name and Title of the Officer

personally appeared _____
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Signature _____

Signature of Notary Public

Place Notary Seal Above

1 IN WITNESS WHEREOF, COUNTY and BORROWER have executed this Agreement as of
2 the date first above written.

3 COUNTY:

BORROWER:

4 COUNTY OF RIVERSIDE

5 THE COACHELLA VALLEY HOUSING
6 COALITION,
7 a California nonprofit public benefit corporation

8 By: _____
9 Bob Buster
10 Chairman, Board of Supervisors

By: 
Pedro S.G. Rodriguez, Chief Financial Officer

11
12 APPROVED AS TO FORM:
13 PAMELA J. WALLS, County Counsel

14
15 By: _____
16 Anita C. Willis, Deputy

17
18 ATTEST:
19 KECIA HARPER-IHEM
20 Clerk of the Board

21
22 By: _____
23 Deputy

24
25
26 **(Signatures on this page need to be notarized)**
27
28

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF Riverside }

On May 23, 2011, before me, Mary Ann Ybarra, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Pedro S.G. Rodriguez
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal Above

Signature Mary Ann Ybarra
Signature of Notary Public

EXHIBIT "A"

Borrower: Coachella Valley Housing Coalition
Address: 45701 Monroe Street, Ste. G
Indio, CA 92201
Project Title: Fred Young Farmworker Apartments
Location: The Project Site is approximately 7.52 acres and is situated on the southern side of Dr. Carreon Blvd. between Van Buren St. and Calhoun St. in the City of Indio in Riverside County. Assessor's Parcel Numbers (APNs): 612-170-005 and the northwestern portion of APN 612-170-006.

Description:

BORROWER will utilize \$1,000,000 in HOME funds for the construction of an 85-unit multi-family affordable housing complex located along the southern side of Dr. Carreon Blvd. between Van Buren St. and Calhoun St. in the City of Indio in the County of Riverside.

The Project will consist of 12 one-bedroom units, 33 two-bedroom units, 28 three-bedroom units, and 11 four-bedroom units in addition to one resident manager's unit. Project amenities will include a community room, computer room, pool, laundry facilities, picnic areas, basketball courts, and community/vegetable gardens. The Project will consist of one-and two-story townhome units.

A total of forty-one (41) units shall be designated as "Floating" Low HOME rent units ("HOME-Assisted Units"). The forty-one (41) HOME-Assisted Units (6 – 1 Bedroom, 16 – 2 Bedroom, 14 – 3 Bedroom, and 5 – 4 Bedroom) shall be limited to households whose incomes do not exceed fifty percent (50%) of the area median family income in Riverside County. The HOME-Assisted units shall be restricted for a period of at least 55 years from the first certificate of occupancy. Nine (9) of the forty-one (41) HOME Assisted Units shall be limited to households whose incomes do not exceed thirty percent (30%) of the median family income for the County of Riverside, adjusted by family size at the time of occupancy.

The BORROWER is eligible under the Cranston-Gonzalez National Affordable Housing Act, as amended (commencing at 42 U.S.C. 12701 et seq.), and implemented under 24 CFR Part 92, has as its purposes to expand the supply of decent, safe, sanitary, and affordable housing with primary attention to rental housing, for very low-income and low-income families; to strengthen public-private partnerships to carry out affordable housing programs; and to provide for coordinated assistance to participants in the development of affordable low-income housing to apply and receive HOME funds as a Community Housing Development Organization ("CHDO") to perform those activities described above.

The Developer's Fee shall not exceed \$1,4000,000.

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 5 SOUTH, RANGE 7 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INDIO, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION, SOUTH 89° 48' 00" WEST, 806.53 FEET ON SAID SOUTH LINE FROM THE SOUTHEAST CORNER OF SAID SECTION;

THENCE SOUTH 89° 48' 00" WEST, 660.00 FEET CONTINUING ON SAID SOUTH LINE;

THENCE NORTH 00° 10' 00" WEST, 1,325.28 FEET TO THE SOUTH LINE OF THE LAND DESCRIBED IN THE DEED TO WILFRED BENOIT, A MARRIED MAN RECORDED AUGUST 3, 1965 AS INSTRUMENT NO. 89388, OFFICIAL RECORDS;

THENCE NORTH 89° 58' 28" EAST 490.00 FEET ON LAST SAID SOUTH LINE TO AN ANGLE POINT THEREIN;

THENCE NORTH 0° 10' 23" EAST 28.58 FEET CONTINUING ON SAID SOUTH LINE TO AN ANGLE POINT THEREIN;

THENCE SOUTH 89° 49' 37" EAST 170.00 FEET TO THE NORTHERLY PROLONGATION OF THE WEST LINE OF THE LAND DESCRIBED IN THAT CERTAIN OPTION AGREEMENT BETWEEN JAMES J. O'BRIEN JR., ET UX AND THE INDIO SCHOOL DISTRICT, RECORDED MARCH 8, 1967 AS INSTRUMENT NO. 17490, OFFICIAL RECORDS, SAID PROLONGATION BEING THE WEST LINE OF VAN BUREN SCHOOL SITE;

THENCE SOUTH 00° 10' 00" EAST ON SAID PROLONGATION WEST LINE AND THE SOUTHERLY PROLONGATION THEREOF TO THE POINT OF BEGINNING.

SAID PROPERTY IS ALSO KNOWN AS PARCEL 1 OF PARCEL MAP, AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 100 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

THAT PORTION OF LOTS 9, 10 AND 16 OF THE COACHELLA LAND AND WATER COMPANY'S SUBDIVISION OF SECTION 25, TOWNSHIP 5 SOUTH, RANGE 7 EAST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY MAP ON FILE IN BOOK 4, PAGE 53 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 25;

THENCE SOUTH 89° 50' 53" WEST, 1423.80 FEET ON THE EAST-WEST CENTER LINE OF SAID SECTION, BEING THE NORTH LINE OF SAID LOTS 9 AND 10;

THENCE SOUTH 00° 09' WEST, 810.4 FEET;

THENCE SOUTH 89° 51' 37" EAST, 623.80 FEET;

THENCE SOUTH 00° 17' 30" WEST, 804.75 FEET;

THENCE NORTH 89° 57' 30" EAST, 806.53 FEET TO A POINT ON THE EAST LINE OF SAID SECTION LOCATED NORTH 00° 00' 30" WEST, 1,068.20 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION;

THENCE NORTH 00° 00' 30" WEST, 1612.20 FEET ON THE EAST LINE OF SAID SECTION TO THE POINT OF BEGINNING.

EXCEPT THE NORTHERLY RECTANGULAR 30 FEET, CONVEYED TO THE COUNTY OF RIVERSIDE, BY DEED RECORDED JANUARY 17, 1956 AS INSTRUMENT NO. 3622 IN BOOK 1848, PAGE 288, OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL OIL, GAS, ASPHALTUM AND THE HYDROCARBONS AND ALL OTHER MINERALS WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING OR THAT MAY BE PRODUCED FROM THE ABOVE DESCRIBED LAND, INCLUDING SUCH RIGHTS OF ACCESS TO AND THE USE OF SUCH PART OF THE SURFACE OF THE ABOVE DESCRIBED LAND AS MAY BE NECESSARY FOR MINING AND SAVING SAID MINERALS, AS RESERVED BY THE UNITED STATES OF AMERICA.

END OF LEGAL DESCRIPTION

APN's : 612-170-005 & 612-170-006



Project Permanent Sources and Uses of Fund:

Sources:

Loan 55 Yrs @ 3% with grant funds from the City of Indio Redevelopment Agency	\$ 5,000,000
HCD – Joe Serna Jr. Farmworker Housing Grant	\$ 1,000,000
USDA-RD 514 Loan	\$ 3,359,952
Deferred Developer Fee	\$ 302,400
Limited Partner Tax Credit Equity	\$ 10,474,617
Developer Equity	\$ 100
County of Riverside HOME Loan 55 Yrs @ 3%	<u>\$ 1,000,000</u>
Total Sources	\$ 21,137,069

Uses:

New construction (includes site work, common area bldgs. and structures)	\$ 11,515,440
Contractor’s Overhead & Profit & Gen’l Req.	\$ 1,308,929
General Liability Insurance	\$ 281,713
Permanent Financing costs	\$ 53,600
Construction Contingency (Hard and Soft)	\$ 1,510,608
Architectural & Engineering Cost	\$ 696,476
Construction Interest & Fees	\$ 858,278
Reserves	\$ 362,539
Land Development Impact and Permit Processing Fees	\$ 1,700,000
Other Fees, Marketing & Furnishings	\$ 230,000
TCAC Fees	\$ 86,892
Legal Fees	\$ 75,000
Developer’s Fee	\$ 1,400,000
Land & Acquisition Cost	<u>\$ 1,057,594</u>
Total Uses	\$ 21,137,069

The BORROWER will obtain a reservation of Federal/State tax credit award from the California Tax Credit Allocation Committee.

HOME Match:

Matching funds in a minimum amount of twenty-five percent (25%) of the total HOME allocation (\$1,000,000) are required. The HOME match in the amount of \$250,000 will be satisfied from the below-market interest loan from the California Department of Community Development Joe Serna Jr. Farmworker Housing Grant Program.

BORROWER shall submit to COUNTY copies of the final funding commitment, copies of all executed agreements, final Certified Public Accountant's construction cost certification, and proof that the funds were disbursed for this project.

IMPLEMENTATION SCHEDULE

Milestone	Completion Date
1. CTCAC Award	September 30, 2011
2. Letter Confirmation of CTCAC award due to COUNTY	October 31, 2011
3. Permanent Financing Commitment	March 15, 2012
4. Building Permit	March 15, 2012
5. Begin Construction	March 30, 2012
6. Project Financing Contingency (Section 51)	May 30, 2012
7. Marketing & Affirmative Action	February 1, 2013
8. Lease Agreement, Proposed Rents, and Utilities	February 1, 2013
9. Certificate of Occupancy	May 15, 2013
10. Occupancy of HOME units	July 15, 2013
11. Submission of Final actual project costs and Sources and Uses of Funds	September 15, 2013
12. Submission of income & ethnic characteristics report	July 15, 2013

DOCUMENT SUBMISSION SCHEDULE

Documents	Due Date
1. Construction Activities Reporting	Monthly, due by the 5 th of each month
2. Liability and Certificate of Workers' Compensation Insurance for RHDC and General Contractor (GC)	BORROWER – At the execution of this Agreement. GC – Before start of construction. Copies of Certificates must be filed and up-to-date throughout the course of the Project with COUNTY additionally insured.
3. Minority & Women Business Enterprise Report – HUD form 2516, and Section 3 Reporting	Semi-Annually– Sept 30th & March 31st
4. Section 504 Architect Certification	Beginning of Construction – initial letter End of Construction – final letter
5. HOME Match Contribution	Beginning of Construction
6. Project Site Photos	Bimonthly, due by the 5 th of each month
7. Notice of Completion	End of Construction
8. Certificate of Occupancy	End of Construction
9. Tenant Checklist Reporting	Close of Project; and Semi-Annually– Sept 30th & March 31st
10. Conditional/Unconditional Release for Final from GC, and if applicable, Sub-contractors	Close of Project
11. Project Completion Report	Close of Project
12. Final Development Cost - Sources and Uses	Close of Project
13. Final Cost Certification by CPA	Close of Project and Audits Completed
14. Final 15/30 Year Cash Flow Projection	Close of Project
15. Affirmative Fair Housing Marketing Plan, HUD form 935.2A	Marketing Stage
16. Management Plan	Marketing Stage
17. Tenant Selection Policy	Marketing Stage
18. Copy of Lease Agreement	Marketing Stage
19. Flyers, Community Contacts, Outreach, Press Releases, Grand Opening info	Marketing Stage
20. Project Operating Budget	Annual submission
21. Audited Yearly Income Expense Report for the Project	Annual submission

EXHIBIT “B-1”

EXEMPT RECORDING FEE CODE 6103
RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Riverside County
Economic Development Agency
3403 Tenth Street, Suite 500
Riverside, CA 92501
ATTN: Benjamin Cendejas

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST

This DEED OF TRUST is made on this _____ day of _____, 2011. The trustor is Coachella Valley Housing Coalition, a California non-profit public benefit corporation ("Borrower" or "BORROWER"), and whose address is 45701 Monroe Street, Suite G, Indio, CA 92201. The trustee is RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY ("Trustee"). The lender is the COUNTY OF RIVERSIDE ("COUNTY" or "Lender"), a public agency, organized and existing under the laws of the State of California, and whose address is 3403 Tenth Street, Suite 500, Riverside, CA 92501. Pursuant to the terms of the HOME Loan Agreement, dated _____, Borrower owes Lender the principal sum of One Million and No/100 Dollars (U.S. \$1,000,000.00) (the "HOME Loan"). This debt is evidenced by Borrower's Note dated _____ ("Note"). Capitalized terms not defined herein shall have the meaning ascribed to them in the HOME Loan Agreement.

The Borrower and its partners, officers, directors, employees, and agents shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the HOME Loan or the performance of the Borrower's obligations under the HOME documents. The sole recourse of COUNTY with respect to payment of the principal of, or interest on, the HOME Loan, shall be to the Project. No money judgment (or execution on a money judgment) entered in any action (whether legal or equitable) on the HOME documents shall be enforced personally against the Borrower or its partners, officers, directors, employees, and agents, but shall be enforced only against the Project and such other property as may from time to time be hypothecated in connection with the Borrower's obligations under the HOME documents. This non-recourse provision does not limit or impair the enforcement against all such security for the HOME Loan of all the rights and remedies of COUNTY, nor does it impair the right of COUNTY to assert the unpaid principal amount of the HOME Loan as a demand for money within the meaning of California Code of Civil Procedure Section 431.70 or any successor provision. In addition, this non-recourse provision does not relieve the Borrower of personal liability for damage to or loss suffered by COUNTY as a result of any of the following (i) fraud or willful misrepresentation; (ii) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the HOME Deed of Trust; (iii) the fair market value of any personal property of fixtures removed or disposed of by the Borrower other than in accordance with the HOME Deed of Trust; (iv) the misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss, or destruction to any portion of the Project (to the extent of the misapplied proceeds or awards); and (v) any rental income or other income

arising with respect to the Project received by the Borrower after COUNTY has properly exercised its rights under the HOME Deed of Trust to receive such income upon an Event of Default (as defined under the HOME Deed of Trust).

The HOME Loan evidenced by the Note and secured by this Deed of Trust is being made pursuant to the HOME Investment Partnerships Program and the regulations issued thereunder (Title II, the Cranston-Gonzales National Affordable Housing Act, Public Law No. 101-625, 104 Stat. 4079 (1990), (24 C.F.R. Part 92) (the "HOME Program").

Pursuant to the HOME Loan Agreement, the term of the HOME Loan shall be fifty-five (55) years from the first certificate of occupancy.

This Deed of Trust secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest as provided in the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest as provided in the Note, advanced under **Section 8** to protect the security of this Deed of Trust; and (c) the performance of Borrower's covenants and agreements under this Deed of Trust and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, subject to the rights of the holder of the First Deed of Trust (the "Senior Lien Holder"), all of Borrower's right, title and interest in and to the property located in Riverside County, California. The legal description of the property is further described in **Exhibit "B-1"** attached hereto;

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Deed of Trust. All of the foregoing is referred to in this Deed of Trust as the "Property."

BORROWER COVENANTS that the Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the fee interest of the Property and, except for the Deed of Trust in favor of the Senior Lien Holder ("First Deed of Trust"), the Deed of Trust in favor of the United States Department of Agriculture Rural Development ("Second Deed of Trust"), the Deed of Trust, Regulatory Agreement, and Notice of Affordability Restrictions in favor of the Redevelopment Agency of the City of Indio (collectively, the "Third Deed of Trust"), and other encumbrances of record acceptable to the Senior Lien Holder, the Property is unencumbered. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to such encumbrances of record.

THIS DEED OF TRUST combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any late charges due under the Note.

2. Taxes and Insurance. Borrower shall pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock;

when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

a. Should Borrower fail to make any payment or to do any act herein provided, then Lender or Trustee, but without obligation so to do and upon written notice to or demand upon Borrower and without releasing Borrower from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Lender or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Lender or Trustee; pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under **Sections 1 and 2** shall be applied: first, to amounts payable under **Section 2**; second, to interest due; third, to principal due; and last, to any late charges due under the Note.

4. Prior Deeds of Trust; Charge; Liens. The Borrower shall perform all of the Borrower's obligations under the First Deed of Trust, including Borrower's covenants to make payments when due. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Deed of Trust, and leasehold payments or ground rents, if any, subject to applicable cure periods. Borrower shall pay these obligations in the manner provided in **Section 2**, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

a. Except for the liens permitted by the Lender, Borrower shall promptly discharge any other lien which shall have attained priority over this Deed of Trust unless Borrower: (1) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (2) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (3) bond around the lien (4) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Deed of Trust. Except for the liens approved herein, if Lender determines that any part of the Property is subject to a lien which may attain priority over this Deed of Trust, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy such lien or take one or more of the actions set forth above within 30 days of the giving of notice.

5. Subordination. This Deed of Trust shall be recorded and subordinate to a construction loan during the construction phase; to permanent United States Department of Agriculture – Rural Development loans and related regulatory agreement; to a deed of trust and regulatory agreement in favor of the Redevelopment Agency for the City of Indio, and to a deed of trust and regulatory agreement in favor of the California Department of Housing and Community Development. COUNTY hereby agrees to execute any and all documents necessary to effectuate such subordination. Borrower shall request Lender approval of any additional subordination and Lender consent shall not be unreasonably withheld.

6. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss of fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods as required in the HOME Loan Agreement. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with **Section 8**.

a. All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Borrower complies with the insurance requirements under the First Deed of Trust. All original policies of insurance required pursuant to the First Deed of Trust shall be held by the Senior Lien Holder; provided, however, Lender may be named as a loss payee as its interest may appear and may be named as an additional insured. Borrower shall promptly give to Lender certificates of insurance showing the coverage is in full force and effect and that COUNTY is named as additional insured. In the event of loss, Borrower shall give prompt notice to the insurance carrier, the Senior Lien Holder and Lender. Lender may make proof of loss if not made promptly by the Senior Lien Holder or the Borrower.

b. Unless Lender and Borrower otherwise agree in writing and subject to the rights of senior lenders, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Borrower determines that such restoration or repair is economically feasible and there is no default continuing beyond the expiration of all applicable cure periods. If Borrower determines that such restoration or repair is not economically feasible or if a default exists after expiration of all applicable cure periods, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

c. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of Note. If under **Section 23** the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

d. Notwithstanding the above, the Lender's rights to collect and apply the insurance proceeds hereunder shall be subject and subordinate to the rights of the Senior Lien Holder to collect and apply such proceeds in accordance with the Senior Deeds of Trust.

7. Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or Lender's security interest. Borrower may cure such a default and reinstate, as provided in **Section 19**, by causing the action or proceeding to be dismissed with a

ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Deed of Trust or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to representations concerning Borrower's use of Property for affordable housing. If this Deed of Trust is on a leasehold, Borrower shall comply with all provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

a. The Borrower acknowledges that this Property is subject to certain use and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the Property is located), limiting the Property's use to "low-income housing" within the meaning of the HOME Program. The use and occupancy restrictions may limit the Borrower's ability to rent the Property. The violation of any use and occupancy restrictions may, if not prohibited by federal law, entitle the Lender to the remedies provided in **Section 23** hereof.

8. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then, subject to any applicable grace periods or cure periods, Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Deed of Trust (including sums secured by the First Deed of Trust), appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Lender may take action under this **Section 8**, Lender does not have to do so.

a. Any amounts disbursed by Lender under this **Section 8** shall become additional debt of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

b. Prior to taking any actions under this **Section 8**, however, Lender shall notify the Senior Lien Holder of such default in the manner provided in **Section 23** of this Deed of Trust, and shall provide the Senior Lien Holder with the opportunity to cure any such default under this Deed of Trust. All amounts advanced by the Senior Lien Holder to cure a default hereunder shall be deemed advanced by the Senior Lien Holder and shall be secured by the Deed of Trust held by such Senior Lien Holder. In addition, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days' prior written notice. Any action by Lender hereunder to foreclose or accept a deed in lieu of foreclosure shall be subject to the "due on sale" provisions of the First Deed of Trust.

9. Not used

10. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower at least forty-eight (48) hours to an inspection specifying reasonable cause for the inspection.

11. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of the Senior Deeds of Trust.

a. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Deed of Trust immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Deed of Trust shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Deed of Trust whether or not the sums are then due. Notwithstanding the foregoing, so long as the value of Lender's lien is not impaired, any condemnation proceeds may be used by Borrower for repair and/or restoration of the project.

b. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemner offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due.

c. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to in **Sections 1** and **2** or change the amount of such payments.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Except in connection with any successor in interest approved by Lender, extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

13. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Deed of Trust shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of **Section 18**. Borrower's covenants and agreements shall be joint and several.

14. Loan Charges. If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be promptly refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

15. Notices. Any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Borrower's mailing address stated herein or any other address Borrower designates by notice to Lender. All such notices to Borrower shall also be provided to the investment limited partner. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice required to be given to the Senior Lien Holder shall be given by first class mail to such other address the Senior Lien Holder designates by notice to the Borrower. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given as provided in this Section.

16. Governing Law; Severability. This Deed of Trust shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust and the Note are declared to be severable.

17. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Deed of Trust.

18. Transfer of the Property or a Beneficial Interest in Borrower. Except for a conveyance to the trustee under the First Deed of Trust or the Second Deed of Trust or this Deed of Trust or as otherwise allowed under the Loan Agreement, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent (including a transfer of all or any part of the Property to any person who, at initial occupancy of the Property, does not use the Property for "low-income housing" within the meaning of the HOME Program) Lender may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Deed of Trust. Nothing in this Deed of Trust shall be deemed to require Lender's approval of a transfer of a limited partnership interest in the Borrower or of a conveyance of an easement interest in the Property for utility purposes.

a. If Lender exercises this Option, Lender shall give Borrower and the Senior Lien Holder prior written notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Deed of Trust. If Borrower fails to pay these sums prior to the expiration of this period,

Lender may invoke any remedies permitted by this Deed of Trust without further notice or demand on Borrower.

b. Notwithstanding Lender's right to invoke any remedies hereunder, as provided in **Section 8** above, Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days' prior written notice. The Borrower's limited partners shall have the same right to cure as Senior Lien Holder.

c. The Borrower and the Lender agree that whenever the Note or this Deed of Trust gives the Lender the right to approve or consent with respect to any matter affecting the Property (or the construction of any improvements thereon) or otherwise (including the exercise of any "due on sale" clause), and a right of approval or consent with regard to the same matter is also granted to the Senior Lien Holder pursuant to the Senior Deeds of Trust, the Senior Lien Holder's approval or consent or failure to approve or consent, as the case may be, shall be binding on the Borrower and the Lender.

d. Notwithstanding anything to the contrary contained herein, the transfer of the limited partner interest to the investment limited partner or the assignment of that interest to a limited liability company or limited partnership in which the investor limited partner or an affiliate is the managing member or general partner, respectively, shall not constitute a prohibited transfer under this Deed of Trust.

19. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Deed of Trust discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Deed of Trust; or (b) entry of a judgment enforcing this Deed of Trust. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Deed of Trust and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unchanged. Upon reinstatement by Borrower, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under **Section 18**.

20. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Deed of Trust) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Deed of Trust. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with **Section 15** above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

21. No Assignment. Until the loan secured by the First Deed of Trust has been satisfied in full, the Lender and the Borrower agree that the Note and the Deed of Trust will not be assigned without the Senior Lien Holder's prior written consent.

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

a. Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified in writing by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Prior to taking any such remedial action, however, the Borrower shall notify the Senior Lien Holder that such remedial action is necessary and shall obtain the Senior Lien Holder's prior written consent for such remedial action.

b. As used in this **Section 22**, "Hazardous Substances" are those substances defined as toxic or hazardous substances by 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. As used in this **Section 22**, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

23. Acceleration; Remedies. Lender shall give notice to Borrower, the investor limited partner, and the Senior Lien Holder prior to acceleration following Borrower's breach of any covenant or agreement in this Deed of Trust. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, which shall not be more than sixty (60) calendar days from the mailing of the notice for a monetary default, or a date, which shall not be more than ninety (90) calendar days from the mailing of the notice for a non-monetary default, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured by the Borrower on or before the date specified in the notice, and the Senior Lien Holder or the investor limited partner have not exercised their right to cure the default, but subject to any non-recourse provisions then in effect, then Lender at its option may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Notwithstanding Lender's right to invoke any remedies hereunder, as provided in **Section 8** above, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure, or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder and the investor limited partner at least 60 days' prior written notice. Lender shall be entitled to collect all expenses

incurred in pursuing the remedies provided in this **Section 23**, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

a. If Lender invokes the power of sale, Lender or Trustee shall mail copies of a notice of sale in the manner prescribed by applicable law to Borrower, the investor limited partner, the Senior Lien Holder and to the other persons prescribed by applicable law. Trustee shall give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder for cash at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property to any later time on the same date by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

b. Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Deed of Trust; and (c) any excess to the person or persons legally entitled to it.

24. Release. Upon payment of all sums secured by this Deed of Trust, Lender shall release this Deed of Trust without charge to Borrower. Borrower shall pay any recordation costs.

25. Substitute Trustee. Lender, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the county in which this Deed of Trust is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

26. Modification of Senior Loan Documents. The Lender consents to any agreement or arrangement in which the Senior Lien Holder waives, postpones, extends, reduces, or modifies any provisions of the Senior Deeds of Trust Loan Documents, including any provisions requiring the payment of money.

27. Prohibition against tenancy under foreclosure. Notwithstanding anything to the contrary set forth in this Deed of Trust or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Lender acknowledges and agrees that, in no event will any action be taken which violates Section 42(h)(6)(E)(ii) of the U.S. Internal Revenue Code of 1986, as amended, regarding prohibitions against evicting, terminating tenancy or increasing rent of tenants for a period of three (3) years after acquisition of a building by foreclosure or deed-in-lieu of foreclosure.

28. General Partner Change. The withdrawal, removal, and/or replacement of a general partner of the Borrower pursuant to the terms of the Partnership Agreement shall not constitute a default under any of the Loan Documents, and any such actions shall not accelerate the maturity of the Loan, provided that any required substitute general partner is reasonably acceptable to Lender and is selected with reasonable promptness. Any proposed General Partner replacement shall have the qualifications and financial responsibility as reasonably determined by COUNTY

necessary and adequate to fulfill the obligations undertaken in the HOME Loan Agreement, as amended.

29. Removal, Demolition or Alteration of Personal Property and Fixtures. Except to the extent permitted by the following sentence, no personal property or fixtures shall be removed, demolished or materially altered without the prior written consent of the Beneficiary. Trustor may remove and dispose of, free from the lien of this HOME Deed of Trust, such personal property and fixtures as from time to time become worn out or obsolete, providing that, (a) the same is done in the ordinary course of business, and (2) either (i) at the time of, or prior to, such removal, any such personal property or fixtures are replaced with other personal property or fixtures which are free from liens other than encumbrances permitted hereunder and which have a value at least equal to that of the replaced personal property and fixtures (and by such removal replacement Trustor shall be deemed to have subjected such replacement personal property and fixtures to the lien of this HOME Deed of Trust), or (ii) such personal property and fixtures may not require replacement if functionally, economically or operationally obsolete and so long as the fair market value of and operational efficiency of the Project is not reduced or adversely effected thereby.

(SIGNATURES ON NEXT PAGE)

BY SIGNING BELOW, the Borrower and the Lender accept and agree to the terms and covenants contained in this Deed of Trust.

COUNTY:

COUNTY OF RIVERSIDE

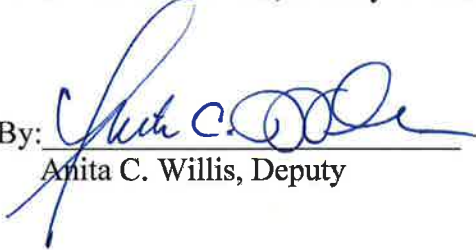
BORROWER:

THE COACHELLA VALLEY HOUSING
COALITION,
a California nonprofit public benefit corporation

By: _____
Bob Buster
Chairman, Board of Supervisors

By: _____
Pedro S.G. Rodriguez, Chief Financial Officer

APPROVED AS TO FORM:
PAMELA J. WALLS, County Counsel

By: 
Anita C. Willis, Deputy

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

(Signatures on this page need to be notarized)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF _____ }

On _____, before me, _____
Date Here Insert Name and Title of the Officer

personally appeared _____
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above

BY SIGNING BELOW, the Borrower and the Lender accept and agree to the terms and covenants contained in this Deed of Trust.

COUNTY:

COUNTY OF RIVERSIDE

BORROWER:

THE COACHELLA VALLEY HOUSING
COALITION,
a California nonprofit public benefit corporation

By: _____
Bob Buster
Chairman, Board of Supervisors

By:  _____
Pedro S.G. Rodriguez, Chief Financial Officer

APPROVED AS TO FORM:
PAMELA J. WALLS, County Counsel

By: _____
Anita C. Willis, Deputy

ATTEST:
KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

(Signatures on this page need to be notarized)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF Riverside }

On May 23, 2011, before me, Mary Ann Ybarra, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Pedro S.G. Rodriguez
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal Above

Signature Mary Ann Ybarra
Signature of Notary Public

EXHIBIT "B-1"

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 5 SOUTH, RANGE 7 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INDIO, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION, SOUTH 89° 48' 00" WEST, 806.53 FEET ON SAID SOUTH LINE FROM THE SOUTHEAST CORNER OF SAID SECTION;

THENCE SOUTH 89° 48' 00" WEST, 660.00 FEET CONTINUING ON SAID SOUTH LINE;

THENCE NORTH 00° 10' 00" WEST, 1,325.28 FEET TO THE SOUTH LINE OF THE LAND DESCRIBED IN THE DEED TO WILFRED BENOIT, A MARRIED MAN RECORDED AUGUST 3, 1965 AS INSTRUMENT NO. 89388, OFFICIAL RECORDS;

THENCE NORTH 89° 58' 28" EAST 490.00 FEET ON LAST SAID SOUTH LINE TO AN ANGLE POINT THEREIN;

THENCE NORTH 0° 10' 23" EAST 28.58 FEET CONTINUING ON SAID SOUTH LINE TO AN ANGLE POINT THEREIN;

THENCE SOUTH 89° 49' 37" EAST 170.00 FEET TO THE NORTHERLY PROLONGATION OF THE WEST LINE OF THE LAND DESCRIBED IN THAT CERTAIN OPTION AGREEMENT BETWEEN JAMES J. O'BRIEN JR., ET UX AND THE INDIO SCHOOL DISTRICT, RECORDED MARCH 8, 1967 AS INSTRUMENT NO. 17490, OFFICIAL RECORDS, SAID PROLONGATION BEING THE WEST LINE OF VAN BUREN SCHOOL SITE;

THENCE SOUTH 00° 10' 00" EAST ON SAID PROLONGATION WEST LINE AND THE SOUTHERLY PROLONGATION THEREOF TO THE POINT OF BEGINNING.

SAID PROPERTY IS ALSO KNOWN AS PARCEL 1 OF PARCEL MAP, AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 100 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

THAT PORTION OF LOTS 9, 10 AND 16 OF THE COACHELLA LAND AND WATER COMPANY'S SUBDIVISION OF SECTION 25, TOWNSHIP 5 SOUTH, RANGE 7 EAST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY MAP ON FILE IN BOOK 4, PAGE 53 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 25;

THENCE SOUTH 89° 50' 53" WEST, 1423.80 FEET ON THE EAST-WEST CENTER LINE OF SAID SECTION, BEING THE NORTH LINE OF SAID LOTS 9 AND 10;

THENCE SOUTH 00° 09' WEST, 810.4 FEET;

THENCE SOUTH 89° 51' 37" EAST, 623.80 FEET;

THENCE SOUTH 00° 17' 30" WEST, 804.75 FEET;

THENCE NORTH 89° 57' 30" EAST, 806.53 FEET TO A POINT ON THE EAST LINE OF SAID SECTION LOCATED NORTH 00° 00' 30" WEST, 1,068.20 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION;

THENCE NORTH 00° 00' 30" WEST, 1612.20 FEET ON THE EAST LINE OF SAID SECTION TO THE POINT OF BEGINNING.

EXCEPT THE NORTHERLY RECTANGULAR 30 FEET, CONVEYED TO THE COUNTY OF RIVERSIDE, BY DEED RECORDED JANUARY 17, 1956 AS INSTRUMENT NO. 3622 IN BOOK 1848, PAGE 288, OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL OIL, GAS, ASPHALTUM AND THE HYDROCARBONS AND ALL OTHER MINERALS WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING OR THAT MAY BE PRODUCED FROM THE ABOVE DESCRIBED LAND, INCLUDING SUCH RIGHTS OF ACCESS TO AND THE USE OF SUCH PART OF THE SURFACE OF THE ABOVE DESCRIBED LAND AS MAY BE NECESSARY FOR MINING AND SAVING SAID MINERALS, AS RESERVED BY THE UNITED STATES OF AMERICA.

END OF LEGAL DESCRIPTION

EXHIBIT "B-2"

PROMISSORY NOTE

\$1,000,000

Riverside, CA

In installments as hereafter stated, for value received, Coachella Valley Housing Coalition, a California non-profit public benefit corporation (“Borrower”) promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), or order, at 3403 Tenth Street, Suite 500, Riverside, CA 92501, the sum of One Million and No/100 Dollars (U.S. \$1,000,000.00) (the “HOME Loan”) which at the time of payment is lawful for the payment of public and private debts.

This Promissory Note (the “Note”) is given in accordance with that certain Loan Agreement for the Use of HOME Funds executed by COUNTY and Borrower, dated as of _____ (the “HOME Loan Agreement”). Excepting to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings established in the HOME Loan Agreement. The rights and obligations of the Borrower and COUNTY under this Note shall be governed by the Agreement and by the additional terms of as follows:

(1) That the HOME Loan will accrue simple interest at a rate of three percent (3.00%) per annum, except in the case of default as hereinafter provided, and shall be repaid on an annual basis from the Project’s Residual Receipts as defined herein; (2) The Note shall be repaid as defined herein: i) Seventy five percent (75%) of the Project’s Residual Receipts shall be used towards the payment of the residual receipts loans secured by the Project, and the payment shall be prorated based on the percentage of each relative loan amount of all such loan; and ii) The remaining twenty-five percent (25%) of the Project’s Residual Receipts will be paid to BORROWER. (3) The HOME Loan shall be subordinated to a construction loan, permanent first mortgage, and the Indio RDA Loan. Available residual receipts shall be determined based on a review of certified financial statements for the project. Quarterly financial statements shall be submitted within forty-five (45) days following the close of each quarter of the project fiscal year. In addition, the annual audited financial statements shall be submitted within ninety (90) days following the close of the project fiscal year. All outstanding principal along with accrued interest shall be due upon the first to occur of (i) December 31, 2069 or (ii) fifty-five (55) years from the first certificate of occupancy. The first payment shall be due on July 1st of the year after the calendar year in which the first certificate of occupancy occurs, to the extent of available Residual Receipts, as set forth above; and (4) Project Residual Receipts are defined as gross receipts, not including interest on required reserve accounts, less the following: i) auditing and accounting fees; ii) property management fee not to exceed \$50 per unit per month and increased annually by the percentage equal to the percentage increase in the Consumer Price Index (“CPI”); iii) operating expenses (any expense reasonably and normally incurred in carrying out the Project’s day-to-day activities, which shall include administration, on-site management, utilities, on-site staff payroll, payroll taxes, and maintenance); iv) reserves; v) deferred developer’s fee; vi) a General Partner management fee, which shall be in the initial amount of \$20,000 and increased annually by the percentage equal to the percentage increase in the CPI; vii) a Limited Partnership asset management fee not to exceed \$2,500 per year and increased annually by the percentage equal to the percentage increase in the CPI; and viii) payments of principal and interest on amortized loans and indebtedness senior to the HOME Loan, which have been approved by COUNTY (collectively, the “Senior Debt”).

This note may be prepaid in whole or in part by the undersigned at any time without prepayment penalty or premium.

Pursuant to the HOME Loan Agreement, the term of the HOME Loan shall be fifty-five (55) years from the first certificate of occupancy.

In any action commenced to enforce the obligation of the Borrower to pay principal and interest under the Note, the obligations hereunder shall be non-recourse to the Borrower and the judgment shall not be enforceable personally against the Borrower, Borrower's partners, or the Borrower's assets, and the recourse of COUNTY for the collection of such amounts shall be limited to actions against the Property described in the Deed of Trust executed by the Borrower to secure the Note and the rents, profits, issues, products, and income from the Property.

Should default be made in payment of principal and interest when due and such default shall continue beyond the applicable notice and cure period provided in the Loan Agreement, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.

The Borrower and its partners, officers, directors, employees, and agents shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the HOME Loan or the performance of the Borrower's obligations under the HOME documents. The sole recourse of COUNTY with respect to payment of the principal of, or interest on, the HOME Loan, shall be to the Project. No money judgment (or execution on a money judgment) entered in any action (whether legal or equitable) on the HOME documents shall be enforced personally against the Borrower or its partners, officers, directors, employees, and agents, but shall be enforced only against the Project and such other property as may from time to time be hypothecated in connection with the Borrower's obligations under the HOME documents. This non-recourse provision does not limit or impair the enforcement against all such security for the HOME Loan of all the rights and remedies of COUNTY, nor does it impair the right of COUNTY to assert the unpaid principal amount of the HOME Loan as a demand for money within the meaning of California Code of Civil Procedure Section 431.70 or any successor provision. In addition, this non-recourse provision does not relieve the Borrower of personal liability for damage to or loss suffered by COUNTY as a result of any of the following (i) fraud or willful misrepresentation; (ii) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the HOME Deed of Trust; (iii) the fair market value of any personal property of fixtures removed or disposed of by the Borrower other than in accordance with the HOME Deed of Trust; (iv) the misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss, or destruction to any portion of the Project (to the extent of the misapplied proceeds or awards); and (v) any rental income or other income arising with respect to the Project received by the Borrower after COUNTY has properly exercised its rights under the HOME Deed of Trust to receive such income upon an Event of Default (as defined under the HOME Deed of Trust).

(SIGNATURE ON NEXT PAGE)

DATE: _____

BORROWER:

THE COACHELLA VALLEY HOUSING COALITION,
a California nonprofit public benefit corporation

By: 
Pedro S.G. Rodriguez, Chief Financial Officer

EXHIBIT "C"

**RIVERSIDE COUNTY
ECONOMIC DEVELOPMENT AGENCY**

**SECTION 3
24 CFR PART 135**

**ECONOMIC OPPORTUNITIES FOR
LOW-AND VERY LOW-INCOME PERSONS**

CONTRACT REQUIREMENTS

RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY

I. Section 135.1 Purpose

The purpose of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low-and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

Section 135.30 Numerical Goals for Meeting the Greatest Extent Feasible Requirement

A. GENERAL

- (1) Recipients and covered contractors may demonstrate compliance with the "greatest extent feasible" requirement of Section 3 by meeting the numerical goals set forth in this Section for providing training, employment, and contracting opportunities to Section 3 residents and Section 3 Business Concerns.
- (2) The goals established in this section apply to the entire amount of the Section 3 covered assistance awarded to a recipient in any Federal Fiscal Year (FY) commencing with the first FY following the effective date of this rule - (October 1, 1994).
- (3) For Recipients that do not engage in training, or hiring, but award contracts to contractors that will engage in training, hiring and subcontracting, recipients must ensure that, to the greatest extent feasible, contractors will provide training, employment, and contracting opportunities to Section 3 residents and Section 3 Business Concerns.
- (4) The numerical goals established in this Section represent minimum numerical goals.

B. TRAINING AND EMPLOYMENT

The numerical goals set forth in this Section apply to new hires. The numerical goals reflect the aggregate hires. Efforts to employ Section 3 residents, to the greatest extent feasible, should be made at all levels.

Recipients of Section 3 covered community development assistance, and their contractors and subcontractors may demonstrate compliance with the requirements of this part by committing to employ Section 3 residents as:

- (i) 10 percent of the aggregate number of new hires for the one year period beginning in FY 1995 (October 1, 1994 to September 30, 1995),
- (ii) 20 percent of the aggregate number of the new hires for the one year period beginning in FY 1996 (October 1, 1995 to September 1996); and
- (iii) 30 percent of the aggregate number of new hires for the one year period beginning in FY 1997 and continuing thereafter (October 1, 1996 and thereafter).

C. CONTRACTS

Numerical goals set forth in this Section apply to contracts awarded in connection with all Section 3 covered project and Section 3 covered activities. Each recipient and contractor and subcontractor may demonstrate compliance with the requirements of this part by committing to award to Section 3 Business Concerns:

- (1) At least 10 percent to of the total dollar amount of all Section 3 covered contracts for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and
- (2) At least three (3) percent of the total dollar amount of all other Section 3 covered contracts.

D. SAFE HARBOR AND COMPLIANCE DETERMINATIONS

- (1) In the absence of evidence to the contrary, a recipient that meets the minimum numerical goals set forth in this section will be considered to have complied with the Section 3 preference requirements.
- (2) In evaluating compliance, a recipient that has not met the numerical goals set forth in this section has the burden of demonstrating why it was not feasible to meet the numerical goals set forth in this section. Such justification may include impediments encountered despite actions taken. A recipient or contractor also can indicate other economic opportunities, such as those listed in Sec. 135.40, which were provided in its efforts to comply with Section 3 and the requirement of this part.

III. SECTION 135.34 Preference for Section 3 Residents in Training and Employment Opportunities.

- A. Order of providing preference. Recipients, contractors, and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 residents in the order of priority provided in this section.
 - (1) Housing and community development programs. In housing and community development programs, priority consideration shall be given, where feasible, to:
 - (i) Section 3 residents residing in the Riverside or San Bernardino County (collectively, referred to as category 1 residents); and
 - (ii) Participants in HUD Youth build programs (category 2 residents).
 - (iii) Where the Section 3 project is assisted under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.), homeless persons residing in the Riverside or San Bernardino County shall be given the highest priority;
- B. Eligibility for Preference: A Section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 resident, as defined in Sec. 135.5 (An example of evidence of eligibility for the

preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

- C. Eligibility for employment: Nothing in this part shall be construed to require the employment of a Section 3 resident who does not meet the qualifications of the position to be filled.

IV SECTION 135.36 Preference for Section 3 Business Concerns in Contracting Opportunities.

- A. Order of Providing Preference: Recipients, contractors and subcontractors shall direct their efforts to award Section 3 covered contract, to the greatest extent feasible, to Section 3 Business Concerns in the order of priority provided in this section.
 - (1) Housing and community development programs. In housing and community development programs, priority consideration shall be given, where feasible, to:
 - (i) Section 3 business concerns that provide economic opportunities for Section 3 residents in the Riverside or San Bernardino County (category 1 businesses); and
 - (ii) Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses);
 - (iii) Other Section 3 business concerns.
- B. Eligibility for Preference: A Business Concern seeking to qualify for a Section 3 contracting preference shall certify or submit evidence, if requested, that the Business Concern is a Section 3 Business Concern as defined in Section 135.5.
- C. Ability to Complete Contract: A Section 3 Business Concern seeking a contract or a subcontract shall submit evidence to the recipient, contractor, or subcontractor (as applicable), if requested, sufficient to demonstrate to the satisfaction of the party awarding the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. (The ability to perform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to the procurement standards of 24 CFR 85.36 (see 24 CFR 85.36 (b) (8)). This regulation requires consideration of, among other factors, the potential contractor's record in complying with public policy requirements. Section 3 compliance is a matter properly considered as part of this determination.

SECTION 135.38 Section 3 Clause.

All Section 3 covered contracts shall include the following clause (referred to as the Section 3 clause):

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance of HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low-income

persons, particularly persons who are recipients of HUD assistance for housing.

- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate actions, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 35 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

VI. SECTION 135.40 Providing Other Economic Opportunities

- A. General. In accordance with the findings of the Congress, as stated in Section 3, that other economic opportunities offer an effective means of empowering low-income persons, a recipient is encouraged to undertake efforts to provide to low-income persons economic opportunities other than training, employment, and contract awards, in connection with Section 3 covered assistance.

- B. Other training and employment related opportunities. Other economic opportunities to train and employ Section 3 residents include, but need not be limited to, use of "upward mobility", "bridge" and trainee positions to fill vacancies; hiring Section 3 residents in management and maintenance positions within other housing developments; and hiring Section 3 residents in part-time positions.
- C. Other business related economic opportunities:
 - (1) A recipient or contractor may provide economic opportunities to establish stabilize or expand Section 3 Business Concerns, including micro-enterprises. Such opportunities include, but are not limited to the formation of Section 3 Joint Ventures, financial support for affiliating with franchise development, use of labor only contracts for building trades, purchase of supplies and materials from housing authority resident-owned businesses, purchase of materials and supplies from Public Housing Agency resident-owned businesses. A recipient or contractor may employ these methods directly or may provide incentives to non-Section 3 businesses to utilize such methods to provide other economics opportunities to low-income persons.
 - (2) A Section 3 Joint Venture means an association of Business Concerns, one of which qualifies as a Section 3 Business Concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the Business Concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the Section 3 Business Concern:
 - (i) Is responsible for clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and
 - (ii) Performs at least 25 percent of the work and is contractually entitled to compensation proportionate to its work.

VII. SECTION 135.5 Definitions.

As used in this part:

Applicant means any entity which makes an application for Section 3 covered assistance and includes, but is not limited to, any State, unit of local government, public housing agency, Indian housing authority, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, owner, developer, limited dividend sponsor, builder, property manager, community housing development organization (CHDO), resident management corporation, resident council, or cooperative association.

Assistant Secretary means the Assistant Secretary for Fair Housing and Equal Opportunity.

Business Concern means a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

Contract. See the definition of "Section 3 covered contract" in this section.

Contractor means any entity which contracts to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

Department or HUD means the Department of Housing and Urban Development, including its Field Offices to which authority has been delegated to perform functions under this part.

Employment opportunities generated by Section 3 covered assistance means (with respect to Section 3 covered housing and community development assistance), this term means all employment opportunities arising in connection with Section 3 covered projects (as described in Section 135.3(a) (2)), including management and administrative jobs connected with the Section 3 covered project. Management and administrative jobs, include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

Housing and community development assistance means any financial assistance provided or otherwise made available through a HUD housing or community development program through any grant, loan, loan guarantee, cooperative agreement, or contract, and includes community development funds in the form of community development block grants, and loans guaranteed under Section 108 of the Housing and Community Development Act of 1974, as amended. Housing and community development assistance does not include financial assistance provided through a contract of insurance or guaranty.

Housing development means low-income housing owned, developed, or operated by public housing agencies or Indian housing authorities in accordance with HUD's public and Indian housing program regulations codified in 24 CFR Chapter IX.

HUD Youth build Programs means programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low and very low-income families.

Low income person. See the definition of "Section 3 Resident" in this section.

New hires mean full-time employees for permanent, temporary, or seasonal employment opportunities.

Public Housing resident has the meaning given this term in 24 CFR Part 963.

Recipient means any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State, unit or local government, PHA, Indian Housing Authority, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, owner,

PARTICIPANT, developer, limited dividend sponsor, builder, property manager, community development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee, or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

Secretary means the Secretary of Housing and Urban Development.

Section 3 means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u)

Section 3 Business Concern means a business concern, as defined in this Section:

- (1) That is 51 percent or more owned by Section 3 residents; or
- (2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
- (3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in Sections (1) or (2) in this definition of "Section 3 Business Concern"

Section 3 Clause means the contract provisions set forth in Sec. 135.38.

Section 3 covered activity means any activity which is funded by Section 3 covered assistance public and Indian housing assistance.

Section 3 covered assistance means:

- (1) Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:
 - (i) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);
 - (ii) Housing construction; or
 - (iii) Other public construction project (which includes other buildings or improvements regardless of ownership).

Section 3 covered contract means a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project. "Section 3 covered contracts" do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). "Section 3 covered contracts" also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract. For example, a contract for the purchase and installation of a furnace would be a Section 3 covered contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by Section 3.

Section 3 covered project means the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

Section 3 resident means:

- (1) A public housing resident; or
- (2) An individual who resides in the San Bernardino or Riverside County, and who is:
 - (i) A low income person, is defined as families whose incomes do not exceed 80 percent of the median income for the Riverside and San Bernardino Counties, as determined by the Secretary, with adjustments for smaller and larger families.
 - (ii) A very low income person, is defined as families whose incomes do not exceed 50 percent of the median income for the Riverside and San Bernardino Counties, as determined by the Secretary, with adjustments for smaller and larger families.
 - (iii) A person seeking the training and employment preference provided by Section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.

Subcontractor means any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

Very low income person. See the definition of "Section 3 resident" in this section.

Exhibit "C"

RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY

CONTRACTOR CERTIFICATION

REGARDING STATUS AS A SECTION 3 BUSINESS CONCERN

I, _____, hereby certify that the business
(print name and title)

known as _____
(print business name)

_____ is not a Section 3 business. (Please complete the bottom section.)

_____ is a Section 3 business **because** (check one of the following:)

_____ 51 percent or more is owned by Section 3 residents; or

_____ 30 percent of the permanent full-time employees are currently Section 3 residents or were Section 3 residents when first hired (if within the past three years); **or**

_____ The business commits in writing to subcontract over 25 percent of the total dollar amount of all subcontracts to be let to businesses that meet the requirements of Sections 1 and 2 of this definition;

AND

The business was formed in accordance with state law and is licensed under state, county, or municipal law to engage in the business activity for which it was formed.

A Section 3 Resident is a person living in San Bernardino or Riverside County who is a Public Housing resident or who is low income.

Low-Income Persons mean families (including single persons) whose income does not exceed 80 percent of the median income, as adjusted by HUD, for Riverside and San Bernardino Counties.

Signature _____

Project _____

Date _____

Project _____

\$ _____

Effective 02/2011

Persons in Household	1	2	3	4	5	6	7	8
Low Income Family	\$36,400	\$41,600	\$46,800	\$52,000	\$56,200	\$60,350	\$64,500	\$68,650

A new hire is qualified as a Section 3 resident if he/she resides in Riverside or San Bernardino County and his/her total family income is less than the family income shown above for his/her household size.

Prohibition Against Conflicts of Interest

EXHIBIT "D"

§ 92.356 Conflict of interest.

(a) Applicability. In the procurement of property and services by participating jurisdictions, State recipients, and sub-recipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section apply.

(b) Conflicts prohibited. No persons described in **paragraph (c)** of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

(c) Persons covered. The conflict of interest provisions of **paragraph (b)** of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of COUNTY, State recipient, or sub-recipient which are receiving HOME funds.

(d) Exceptions: Threshold requirements. Upon the written request of the recipient, HUD may grant an exception to the provisions of **paragraph (b)** of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of COUNTY's program or project. An exception may be considered only after the recipient has provided the following:

(1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(2) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(e) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of **paragraph (d)** of this section, HUD shall consider the cumulative effect of the following factors, where applicable:

(1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;

(2) Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

- (3) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;
- (4) Whether the interest or benefit was present before the affected person was in a position as described in **paragraph (c)** of this section;
- (5) Whether undue hardship will result either to COUNTY or the person affected when weighed against the public interest served by avoiding the prohibited conflict;
- (6) Any other relevant considerations.

Owners/Participants and Developers.

- (1) No owner, developer, or sponsor of a project assisted with HOME funds (or officer, employee, agent or consultant of the owner, developer, or sponsor) whether private, for profit or non-profit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) may occupy a HOME-assisted affordable housing unit in a project. This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.
- (2) Exceptions. Upon written request of owner or developer, COUNTY may grant an exception to the provisions of **paragraph (f)(1)** of this section on a case-by-case basis when it determines that the exception will serve to further the purpose of the HOME program and the effective and efficient administration of the owner's or developer's HOME-assisted project. In determining whether to grant a requested exception, COUNTY shall consider the following factors:
 - (i) Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
 - (ii) Whether the person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted housing in question;
 - (iii) Whether the tenant protection requirements of § 92.253 are being observed;
 - (iv) Whether the affirmative marketing requirements of § 92.351 are being observed and followed; and
 - (v) Any other factor relevant to COUNTY's determination, including the timing of the requested exception.

Community Development Block Grant
Policy Manual, I.D. # A-11

TOPIC: CONFLICT OF INTEREST CODED
RIVERSIDE COUNTY
ECONOMIC DEVELOPMENT AGENCY
DATE: MARCH 1999

This Conflict of Interest Code is written to comply with Federal Regulations (24 CFR Part 85). These Regulations. "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments" require that grantees and sub-grantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts.

- 1) No employee, officer, or agent of the grantee shall participate in the selection, in the award or in the administration of a contract supported by Federal Funds if a conflict of interest, real or apparent, would be involved.
- 2) Such a conflict will arise when:
 - i) The employee, officer or agent;
 - ii) Any member of the immediate family;
 - iii) His/Her partners; or
 - iv) An organization which employs, or is about to employ any of the above has a financial or other interest in the firm's selection for award.
- 3) The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to sub-agreements except as noted in Section 4.
- 4) A grantee's or sub-grantee's officers, employees or agents will be presumed to have a financial interest in a business if their financial interest exceeds the following:
 - i) Any business entity in which the official has a direct or indirect investment worth one thousand dollars (\$1,000) or more.
 - ii) Any real property in which the official has a direct or indirect interest worth one thousand dollars (\$1,000) or more.
 - iii) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the official within 12 months prior to the time when the decision is made.
 - iv) Any business entity in which the official is a director, officer, partner, trustee, employee, or holds any position of management.
 - v) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the official within 12 months prior to the time when the decision is made.
- 5) For purposes of **Section 4**, indirect investment or interest means any investment or interest owned by the spouse or dependent child of an official, by an agent on behalf of an official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or more.

EXHIBIT “G”

Davis Bacon Wage Determination

General Decision Number: CA100028 04/08/2011 CA28

Superseded General Decision Number: CA20080028

State: California

Construction Type: Residential

Counties: Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara and Ventura Counties in California.

RESIDENTIAL CONSTRUCTION PROJECTS (consisting of single family homes and apartments up to and including 4 stories)

Modification Number	Publication Date
0	03/12/2010
1	03/26/2010
2	04/02/2010
3	05/14/2010
4	06/11/2010
5	06/25/2010
6	07/02/2010
7	07/09/2010
8	07/23/2010
9	08/13/2010
10	08/27/2010
11	09/03/2010
12	09/10/2010
13	10/08/2010
14	11/05/2010
15	12/03/2010
16	01/14/2011
17	02/18/2011
18	04/08/2011

ASBE0005-002 06/28/2010

	Rates	Fringes
Asbestos Workers/Insulator (Includes the application of all insulating materials, protective coverings, coatings, and finishes to all types of mechanical systems).....	\$ 32.79	16.31
Fire Stop Technician (Application of Firestopping Materials for wall openings and penetrations in walls,		

floors, ceilings and curtain
 walls).....\$ 24.21 13.76

 ASBE0005-004 06/28/2010

	Rates	Fringes
Asbestos Removal worker/hazardous material handler (Includes preparation, wetting, stripping, removal, scrapping, vacuuming, bagging and disposing of all insulation materials from mechanical systems, whether they contain asbestos or not)....	\$ 18.70	8.65

 BRCA0004-001 05/01/2010

	Rates	Fringes
Bricklayer; Marble Setter		
Los Angeles County.....	\$ 36.00	12.15
Orange County.....	\$ 34.55	11.56
Riverside & San Bernardino Counties.....	\$ 35.25	10.62
Ventura County.....	\$ 33.36	11.98

 BRCA0004-004 11/01/2010

IMPERIAL

	Rates	Fringes
BRICKLAYER; MARBLE SETTER.....	\$ 37.15	13.55

 BRCA0004-009 05/01/2010

SAN LUIS OBISPO AND SANTA BARBARA COUNATIES

	Rates	Fringes
BRICKLAYER; MARBLE SETTER.....	\$ 34.85	10.95

 BRCA0018-001 06/01/2008

	Rates	Fringes
MARBLE FINISHER.....	\$ 25.52	9.08
TILE FINISHER.....	\$ 21.07	7.88

 BRCA0018-002 08/01/2009

SAN LUIS OBISPO AND SANTA BARBARA

	Rates	Fringes
TILE LAYER.....	\$ 30.04	10.84

BRCA0018-003 06/01/2008		

IMPERIAL, LOS ANGELES, ORANGE, RIVERSIDE, SAN BERNARDINO &
 VENTURA

	Rates	Fringes
TILE LAYER.....	\$ 32.05	11.99

BRCA0018-010 09/01/2009		

	Rates	Fringes
TERRAZZO FINISHER.....	\$ 26.59	9.62
TERRAZZO WORKER/SETTER.....	\$ 33.63	10.46

CARP0409-003 07/01/2010		

	Rates	Fringes
Drywall		
(1) Work on Wood-Framed Single Family Homes, and Wood-Framed Apartment Buildings up to and including 4 Stories		
Drywall Installer/Lather....	\$ 21.00	11.08
Stocker/Scrapper.....	\$ 10.00	6.67
(2) All other Work		
Drywall Installer/Lather....	\$ 37.35	11.08
Stocker/Scrapper.....	\$ 10.00	6.67

CARP0409-004 07/01/2008		

Work on wood frame single family homes and apartments up to and
 including 4 stories:

	Rates	Fringes
CARPENTER		
Cabinet installer.....	\$ 26.16	9.61
Fence builder.....	\$ 27.78	9.61
Framer & finish carpenter...\$	29.55	9.61
Insulation installer.....\$	18.00	8.21
Roof loader of shingles.....\$	16.32	8.82
Shingler.....	\$ 25.16	9.19
Subterranean garage concrete construction and		

carpenters performing on
 grade slab concrete
 construction.....\$ 25.13 9.61

 CARP0409-009 07/01/2008

	Rates	Fringes
Modular Furniture Installer.....	\$ 19.00	7.41

 ELEC0011-003 07/26/2010

LOS ANGELES

	Rates	Fringes
ELECTRICIAN (does not include fire alarm, hold-up alarm, burglar alarm and surveillance systems).....	\$ 20.20	9.70

 ELEC0011-009 02/01/2010

COMMUNICATIONS AND SYSTEMS WORK

	Rates	Fringes
Communications System		
Installer.....	\$ 26.99	3%+8.64
Technician.....	\$ 28.79	3%+8.64

SCOPE OF WORK: Installation, testing, service and maintenance of systems utilizing the transmission and/or transference of voice, sound, vision and digital for commercial, educational, security and entertainment purposes for the following: TV monitoring and surveillance, background - foreground music, intercom and telephone interconnect, microwave transmission, multi-media, multiplex, nurse call systems, radio page, burglar alarms and fire alarm (see last paragraph below).

Communication Systems that transmit or receive information and/or control systems that are intrinsic to the above listed systems; inclusion or exclusion of terminations and testings of conductors determined by their function; excluding all other data systems or multiple systems which include control function or power supply; excluding installation of raceway systems, conduit systems, line voltage work, and energy management systems.

Fire alarm work shall be performed at the current inside electrician total cost package.

 ELEC0413-002 12/01/2010

SANTA BARBARA COUNTY

	Rates	Fringes
Electricians.....	\$ 17.50	3%+0.50

WORK AT VANDENBERG AFB: \$3.75 additional per hour.

ELEC0440-002 05/31/2010

RIVERSIDE

	Rates	Fringes
ELECTRICIAN.....	\$ 18.00	3%+7.80

ELEC0441-002 08/27/2009

ORANGE

	Rates	Fringes
ELECTRICIAN.....	\$ 24.21	3%+3.90

ELEC0477-003 06/01/2005

SAN BERNARDINO

	Rates	Fringes
ELECTRICIAN.....	\$ 19.00	3%+7.26

ELEC0569-003 06/01/2010

IMPERIAL

	Rates	Fringes
ELECTRICIAN		
1 to 3 Stories.....	\$ 21.87	3%+2.90
4 Stories		
Electrical subcontracts		
of \$500,000 or less.....	\$ 32.45	3%+11.08
Electrical subcontracts		
over \$500,000.....	\$ 35.45	3%+11.08

ELEC0639-002 03/01/2009

SAN LUIS OBISPO

	Rates	Fringes
ELECTRICIAN.....	\$ 18.50	3%+4.50

ELEC0952-002 10/05/2009

VENTURA

	Rates	Fringes
CABLE SPLICER All work within 32 road miles or less from the nearest base point.....	\$ 40.81	3%+15.70
ELECTRICIAN All work within 32 road miles or less from the nearest base point.....	\$ 37.10	3%+15.70

ALL WORK MORE THAN 32 ROAD MILES FROM NEAREST BASE POINT:
Add \$5.00 to the basic hourly rate. BASE POINTS: the main
Post Office in the cities of Camarillo, Oak View, Oxnard,
Santa Paula and Ventura.

ELEV0008-004 01/01/2010

SAN LUIS OBISPO

	Rates	Fringes
ELEVATOR MECHANIC.....	\$ 54.89	20.035

FOOTNOTE:

PAID VACATION: Employer contributes 8% of regular hourly
rate as vacation pay credit for employees with more than 5
years of service, and 6% for 6 months to 5 years of service.
PAID HOLIDAYS: New Years Day, Memorial Day, Independence Day,
Labor Day, Veterans Day, Thanksgiving Day, Friday after
Thanksgiving, and Christmas Day.

ELEV0018-004 01/01/2010

IMPERIAL, LOS ANGELES, ORANGE, RIVERSIDE, SAN BERNARDINO, SANTA
BARBARA AND VENTURA

	Rates	Fringes
ELEVATOR MECHANIC.....	\$ 45.33	20.035

FOOTNOTE:

PAID VACATION: Employer contributes 8% of regular hourly
rate as vacation pay credit for employees with more than 5
years of service, and 6% for 6 months to 5 years of service.
PAID HOLIDAYS: New Years Day, Memorial Day, Independence Day,
Labor Day, Veterans Day, Thanksgiving Day, Friday after
Thanksgiving, and Christmas Day.

* ENGI0012-001 01/01/2011

Rates Fringes

OPERATOR: Power Equipment
 (Cranes, Piledriving &
 Hoisting)

GROUP 1.....	\$ 37.18	14.20
GROUP 2.....	\$ 37.96	14.20
GROUP 3.....	\$ 38.25	14.20
GROUP 4.....	\$ 38.39	14.20
GROUP 5.....	\$ 38.61	14.20
GROUP 6.....	\$ 38.72	14.20
GROUP 7.....	\$ 38.84	14.20
GROUP 8.....	\$ 39.01	14.20
GROUP 9.....	\$ 39.18	14.20
GROUP 10.....	\$ 39.18	14.20
GROUP 11.....	\$ 41.18	14.20
GROUP 12.....	\$ 42.18	14.20
GROUP 13.....	\$ 43.18	14.20

OPERATOR: Power Equipment

GROUP 1.....	\$ 35.83	14.20
GROUP 2.....	\$ 36.61	14.20
GROUP 3.....	\$ 36.90	14.20
GROUP 4.....	\$ 38.39	14.20
GROUP 5.....	\$ 39.49	14.20
GROUP 6.....	\$ 38.61	14.20
GROUP 7.....	\$ 39.71	14.20
GROUP 8.....	\$ 38.72	14.20
GROUP 9.....	\$ 39.82	14.20
GROUP 10.....	\$ 38.84	14.20
GROUP 11.....	\$ 39.94	14.20
GROUP 12.....	\$ 39.01	14.20
GROUP 13.....	\$ 39.11	14.20
GROUP 14.....	\$ 39.14	14.20
GROUP 15.....	\$ 39.22	14.20
GROUP 16.....	\$ 39.34	14.20
GROUP 17.....	\$ 39.51	14.20
GROUP 18.....	\$ 39.61	14.20
GROUP 19.....	\$ 39.72	14.20
GROUP 20.....	\$ 39.84	14.20
GROUP 21.....	\$ 39.01	14.20
GROUP 22.....	\$ 40.11	14.20
GROUP 23.....	\$ 40.22	14.20
GROUP 24.....	\$ 40.34	14.20
GROUP 25.....	\$ 39.51	14.20

PREMIUM PAY:

\$3.75 per hour shall be paid on all Power Equipment Operator work on the following Military Bases: China Lake Naval Reserve, Vandenberg AFB, Point Arguello, Seely Naval Base, Fort Irwin, Nebo Annex Marine Base, Marine Corp Logistics Base Yermo, Edwards AFB, 29 Palms Marine Base

Workers required to suit up and work in a hazardous material environment: \$2.00 per hour additional. Combination mixer and compressor operator on gunite work shall be classified

as a concrete mobile mixer operator.

POWER EQUIPMENT OPERATORS CLASSIFICATIONS

GROUP 1: Bargeman; Brakeman; Compressor operator; Ditch Witch, with seat or similar type equipment; Elevator operator-inside; Engineer Oiler; Forklift operator (includes loed, lull or similar types under 5 tons; Generator operator; Generator, pump or compressor plant operator; Pump operator; Signalman; Switchman

GROUP 2: Asphalt-rubber plant operator (nurse tank operator); Concrete mixer operator-skip type; Conveyor operator; Fireman; Forklift operator (includes loed, lull or similar types over 5 tons; Hydrostatic pump operator; oiler crusher (asphalt or concrete plant); Petromat laydown machine; PJU side dum jack; Screening and conveyor machine operator (or similar types); Skiploader (wheel type up to 3/4 yd. without attachment); Tar pot fireman; Temporary heating plant operator; Trenching machine oiler

GROUP 3: Asphalt-rubber blend operator; Bobcat or similar type (side steer); Equipment greaser (rack); Ford Ferguson (with dragtype attachments); Helicopter radioman (ground); Stationary pipe wrapping and cleaning machine operator

GROUP 4: Asphalt plant fireman; Backhoe operator (mini-max or similar type); Boring machine operator; Boxman or mixerman (asphalt or concrete); Chip spreading machine operator; Concrete cleaning decontamination machine operator; Concrete Pump Operator (small portable); Drilling machine operator, small auger types (Texoma super economatic or similar types - Hughes 100 or 200 or similar types - drilling depth of 30' maximum); Equipment greaser (grease truck); Guard rail post driver operator; Highline cableway signalman; Horizontal Directional Drilling Machine; Hydra-hammer-aero stomper; Micro Tunneling (above ground tunnel); Power concrete curing machine operator; Power concrete saw operator; Power-driven jumbo form setter operator; Power sweeper operator; Rock Wheel Saw/Trencher; Roller operator (compacting); Screed operator (asphalt or concrete); Trenching machine operator (up to 6 ft.); Vacuum or much truck

GROUP 5: Equipment Greaser (Grease Truck/Multi Shift).

GROUP 6: Articulating material hauler; Asphalt plant engineer; Batch plant operator; Bit sharpener; Concrete joint machine operator (canal and similar type); Concrete planer operator; Dandy digger; Deck engine operator; Derrickman (oilfield type); Drilling machine operator, bucket or auger types (Calweld 100 bucket or similar types - Watson 1000 auger or similar types - Texoma 330, 500 or 600 auger or similar types - drilling depth of 45'

maximum); Drilling machine operator; Hydrographic seeder machine operator (straw, pulp or seed), Jackson track maintainer, or similar type; Kalamazoo Switch tamper, or similar type; Machine tool operator; Maginnis internal full slab vibrator, Mechanical berm, curb or gutter (concrete or asphalt); Mechanical finisher operator (concrete, Clary-Johnson-Bidwell or similar); Micro tunnel system (below ground); Pavement breaker operator (truck mounted); Road oil mixing machine operator; Roller operator (asphalt or finish), rubber-tired earth moving equipment (single engine, up to and including 25 yds. struck); Self-propelled tar pipelining machine operator; Skiploader operator (crawler and wheel type, over 3/4 yd. and up to and including 1-1/2 yds.); Slip form pump operator (power driven hydraulic lifting device for concrete forms); Tractor operator-bulldozer, tamper-scraper (single engine, up to 100 h.p. flywheel and similar types, up to and including D-5 and similar types); Tugger hoist operator (1 drum); Ultra high pressure waterjet cutting tool system operator; Vacuum blasting machine operator

GROUP 7: Welder - General

GROUP 8: Asphalt or concrete spreading operator (tamping or finishing); Asphalt paving machine operator (Barber Greene or similar type); Asphalt-rubber distribution operator; Backhoe operator (up to and including 3/4 yd.), small ford, Case or similar; Cast-in-place pipe laying machine operator; Combination mixer and compressor operator (guniting work); Compactor operator (self-propelled); Concrete mixer operator (paving); Crushing plant operator; Drill Doctor; Drilling machine operator, Bucket or auger types (Calweld 150 bucket or similar types - Watson 1500, 2000 2500 auger or similar types - Texoma 700, 800 auger or similar types - drilling depth of 60' maximum); Elevating grader operator; Grade checker; Gradall operator; Grouting machine operator; Heavy-duty repairman; Heavy equipment robotics operator; Kalamazoo balliste regulator or similar type; Kolman belt loader and similar type; Le Tourneau blob compactor or similar type; Loader operator (Athey, Euclid, Sierra and similar types); Mobark Chipper or similar; Ozzie padder or similar types; P.C. slot saw; Pneumatic concrete placing machine operator (Hackley-Presswell or similar type); Pumpcrete gun operator; Rock Drill or similar types; Rotary drill operator (excluding caisson type); Rubber-tired earth-moving equipment operator (single engine, caterpillar, Euclid, Athey Wagon and similar types with any and all attachments over 25 yds. up to and including 50 cu. yds. struck); Rubber-tired earth-moving equipment operator (multiple engine up to and including 25 yds. struck); Rubber-tired scraper operator (self-loading paddle wheel type-John Deere, 1040 and similar single unit); Self-propelled curb and gutter machine operator; Shuttle buggy; Skiploader operator (crawler and wheel type over 1-1/2 yds. up to and including 6-1/2 yds.); Soil remediation plant

operator; Surface heaters and planer operator; Tractor compressor drill combination operator; Tractor operator (any type larger than D-5 - 100 flywheel h.p. and over, or similar-bulldozer, tamper, scraper and push tractor single engine); Tractor operator (boom attachments), Traveling pipe wrapping, cleaning and bending machine operator; Trenching machine operator (over 6 ft. depth capacity, manufacturer's rating); trenching Machine with Road Miner attachment (over 6 ft depth capacity); Ultra high pressure waterjet cutting tool system mechanic; Water pull (compaction) operator

GROUP 9: Heavy Duty Repairman

GROUP 10: Drilling machine operator, Bucket or auger types (Calweld 200 B bucket or similar types-Watson 3000 or 5000 auger or similar types-Texoma 900 auger or similar types-drilling depth of 105' maximum); Dual drum mixer, dynamic compactor LDC350 (or similar types); Monorail locomotive operator (diesel, gas or electric); Motor patrol-blade operator (single engine); Multiple engine tractor operator (Euclid and similar type-except Quad 9 cat.); Rubber-tired earth-moving equipment operator (single engine, over 50 yds. struck); Pneumatic pipe ramming tool and similar types; Prestressed wrapping machine operator; Rubber-tired earth-moving equipment operator (single engine, over 50 yds. struck); Rubber tired earth moving equipment operator (multiple engine, Euclid, caterpillar and similar over 25 yds. and up to 50 yds. struck), Tower crane repairman; Tractor loader operator (crawler and wheel type over 6-1/2 yds.); Woods mixer operator (and similar Pugmill equipment)

GROUP 11: Heavy Duty Repairman - Welder Combination, Welder - Certified.

GROUP 12: Auto grader operator; Automatic slip form operator; Drilling machine operator, bucket or auger types (Calweld, auger 200 CA or similar types - Watson, auger 6000 or similar types - Hughes Super Duty, auger 200 or similar types - drilling depth of 175' maximum); Hoe ram or similar with compressor; Mass excavator operator less than 750 cu. yards; Mechanical finishing machine operator; Mobile form traveler operator; Motor patrol operator (multi-engine); Pipe mobile machine operator; Rubber-tired earth- moving equipment operator (multiple engine, Euclid, Caterpillar and similar type, over 50 cu. yds. struck); Rubber-tired self- loading scraper operator (paddle-wheel-auger type self-loading - two (2) or more units)

GROUP 13: Rubber-tired earth-moving equipment operator operating equipment with push-pull system (single engine, up to and including 25 yds. struck)

GROUP 14: Canal liner operator; Canal trimmer operator;

Remote- control earth-moving equipment operator (operating a second piece of equipment: \$1.00 per hour additional);
Wheel excavator operator (over 750 cu. yds.)

GROUP 15: Rubber-tired earth-moving equipment operator, operating equipment with push-pull system (single engine, Caterpillar, Euclid, Athey Wagon and similar types with any and all attachments over 25 yds. and up to and including 50 yds. struck); Rubber-tired earth-moving equipment operator, operating equipment with push-pull system (multiple engine-up to and including 25 yds. struck)

GROUP 16: Rubber-tired earth-moving equipment operator, operating equipment with push-pull system (single engine, over 50 yds. struck); Rubber-tired earth-moving equipment operator, operating equipment with push-pull system (multiple engine, Euclid, Caterpillar and similar, over 25 yds. and up to 50 yds. struck)

GROUP 17: Rubber-tired earth-moving equipment operator, operating equipment with push-pull system (multiple engine, Euclid, Caterpillar and similar, over 50 cu. yds. struck); Tandem tractor operator (operating crawler type tractors in tandem - Quad 9 and similar type)

GROUP 18: Rubber-tired earth-moving equipment operator, operating in tandem (scrapers, belly dumps and similar types in any combination, excluding compaction units - single engine, up to and including 25 yds. struck)

GROUP 19: Rotex concrete belt operator (or similar types); Rubber-tired earth-moving equipment operator, operating in tandem (scrapers, belly dumps and similar types in any combination, excluding compaction units - single engine, Caterpillar, Euclid, Athey Wagon and similar types with any and all attachments over 25 yds. and up to and including 50 cu. yds. struck); Rubber-tired earth-moving equipment operator, operating in tandem (scrapers, belly dumps and similar types in any combination, excluding compaction units - multiple engine, up to and including 25 yds. struck)

GROUP 20: Rubber-tired earth-moving equipment operator, operating in tandem (scrapers, belly dumps and similar types in any combination, excluding compaction units - single engine, over 50 yds. struck); Rubber-tired earth-moving equipment operator, operating in tandem (scrapers, belly dumps, and similar types in any combination, excluding compaction units - multiple engine, Euclid, Caterpillar and similar, over 25 yds. and up to 50 yds. struck)

GROUP 21: Rubber-tired earth-moving equipment operator, operating in tandem (scrapers, belly dumps and similar types in any combination, excluding compaction units - multiple engine, Euclid, Caterpillar and similar type, over

50 cu. yds. struck)

GROUP 22: Rubber-tired earth-moving equipment operator, operating equipment with the tandem push-pull system (single engine, up to and including 25 yds. struck)

GROUP 23: Rubber-tired earth-moving equipment operator, operating equipment with the tandem push-pull system (single engine, Caterpillar, Euclid, Athey Wagon and similar types with any and all attachments over 25 yds. and up to and including 50 yds. struck); Rubber-tired earth-moving equipment operator, operating with the tandem push-pull system (multiple engine, up to and including 25 yds. struck)

GROUP 24: Rubber-tired earth-moving equipment operator, operating equipment with the tandem push-pull system (single engine, over 50 yds. struck); Rubber-tired earth-moving equipment operator, operating equipment with the tandem push-pull system (multiple engine, Euclid, Caterpillar and similar, over 25 yds. and up to 50 yds. struck)

GROUP 25: Concrete pump operator-truck mounted; Rubber-tired earth-moving equipment operator, operating equipment with the tandem push-pull system (multiple engine, Euclid, Caterpillar and similar type, over 50 cu. yds. struck)

CRANES, PILEDIVING AND HOISTING EQUIPMENT CLASSIFICATIONS

GROUP 1: Engineer oiler; Fork lift operator (includes loed, lull or similar types)

GROUP 2: Truck crane oiler

GROUP 3: A-frame or winch truck operator; Ross carrier operator (jobsite)

GROUP 4: Bridge-type unloader and turntable operator; Helicopter hoist operator

GROUP 5: Hydraulic boom truck; Stinger crane (Austin-Western or similar type); Tugger hoist operator (1 drum)

GROUP 6: Bridge crane operator; Cretor crane operator; Hoist operator (Chicago boom and similar type); Lift mobile operator; Lift slab machine operator (Vagtborg and similar types); Material hoist and/or manlift operator; Polar gantry crane operator; Self Climbing scaffold (or similar type); Shovel, backhoe, dragline, clamshell operator (over 3/4 yd. and up to 5 cu. yds. mrc); Tugger hoist operator

GROUP 7: Pedestal crane operator; Shovel, backhoe, dragline, clamshell operator (over 5 cu. yds. mrc); Tower crane repair; Tugger hoist operator (3 drum)

GROUP 8: Crane operator (up to and including 25 ton capacity); Crawler transporter operator; Derrick barge operator (up to and including 25 ton capacity); Hoist operator, stiff legs, Guy derrick or similar type (up to and including 25 ton capacity); Shovel, backhoe, dragline, clamshell operator (over 7 cu. yds., M.R.C.)

GROUP 9: Crane operator (over 25 tons and up to and including 50 tons mrc); Derrick barge operator (over 25 tons up to and including 50 tons mrc); Highline cableway operator; Hoist operator, stiff legs, Guy derrick or similar type (over 25 tons up to and including 50 tons mrc); K-crane operator; Polar crane operator; Self erecting tower crane operator maximum lifting capacity ten tons

GROUP 10: Crane operator (over 50 tons and up to and including 100 tons mrc); Derrick barge operator (over 50 tons up to and including 100 tons mrc); Hoist operator, stiff legs, Guy derrick or similar type (over 50 tons up to and including 100 tons mrc), Mobile tower crane operator (over 50 tons, up to and including 100 tons M.R.C.); Tower crane operator and tower gantry

GROUP 11: Crane operator (over 100 tons and up to and including 200 tons mrc); Derrick barge operator (over 100 tons up to and including 200 tons mrc); Hoist operator, stiff legs, Guy derrick or similar type (over 100 tons up to and including 200 tons mrc); Mobile tower crane operator (over 100 tons up to and including 200 tons mrc)

GROUP 12: Crane operator (over 200 tons up to and including 300 tons mrc); Derrick barge operator (over 200 tons up to and including 300 tons mrc); Hoist operator, stiff legs, Guy derrick or similar type (over 200 tons, up to and including 300 tons mrc); Mobile tower crane operator (over 200 tons, up to and including 300 tons mrc)

GROUP 13: Crane operator (over 300 tons); Derrick barge operator (over 300 tons); Helicopter pilot; Hoist operator, stiff legs, Guy derrick or similar type (over 300 tons); Mobile tower crane operator (over 300 tons)

 IRON0002-001 07/01/2010

	Rates	Fringes
IRONWORKER		
Fence Erector.....	\$ 26.58	15.26
Ornamental, Reinforcing and Structural.....	\$ 33.00	23.73

PREMIUM PAY:

\$6.00 additional per hour at the following locations:

China Lake Naval Test Station, Chocolate Mountains Naval Reserve-Niland, Edwards AFB, Fort Irwin Military Station, Fort Irwin Training Center-Goldstone, San Clemente Island, San Nicholas Island, Susanville Federal Prison, 29 Palms - Marine Corps, U.S. Marine Base - Barstow, U.S. Naval Air Facility - Sealey, Vandenberg AFB

\$4.00 additional per hour at the following locations:

Army Defense Language Institute - Monterey, Fallon Air Base, Naval Post Graduate School - Monterey, Yermo Marine Corps Logistics Center

\$2.00 additional per hour at the following locations:

Port Hueneme, Port Mugu, U.S. Coast Guard Station - Two Rock

 LABO0300-002 09/01/2010

	Rates	Fringes
Brick Tender.....	\$ 27.17	14.72

 LABO0300-004 07/01/2009

Residential, 4 Stories

	Rates	Fringes
LABORER		
GROUP 1.....	\$ 26.33	14.75
GROUP 2.....	\$ 26.88	14.75
GROUP 3.....	\$ 27.43	14.75
GROUP 4.....	\$ 28.98	14.75
GROUP 5.....	\$ 29.33	14.75

LABORER CLASSIFICATIONS

GROUP 1: Cleaning and handling of panel forms; Concrete screeding for rough strike-off; Concrete, water curing; Demolition laborer, the cleaning of brick if performed by a worker performing any other phase of demolition work, and the cleaning of lumber; Fire watcher, limber, brush loader, piler and debris handler; Flag person; Gas, oil and/or water pipeline laborer; Laborer, asphalt-rubber material loader; Laborer, general or construction; Laborer, general clean-up; Laborer, landscaping; Laborer, jetting; Laborer, temporary water and air lines; Material hose operator (walls, slabs, floors and decks); Plugging, filling of shee bolt holes; Dry packing of concrete and patching; post hole digger (manual); Railroad maintenance, repair track person and road beds; Streetcar and railroad construction track laborers; Rigging and signaling; Scaler; Slip form raiser;

Slurry seal crew (mixer operator, applicator operator, squeegee person, shuttle person, top person), filling of cracks by any method on any surface; Tar and mortar; Tool crib or tool house laborer; Traffic control by any method; Window cleaner; Wire mesh pulling - all concrete pouring operations

GROUP 2: Asbestos abatement; Asphalt shoveler; Cement dumper (on 1 yd. or larger mixer and handling bulk cement); Cesspool digger and installer; Chucktender; Chute handler, pouring concrete, the handling of the chute from readymix trucks, such as walls, slabs, decks, floors, foundation, footings, curb, gutters and sidewalks; Concrete curer, impervious membrane and form oiler; Cutting torch operator (demolition); Fine grader, highways and street paving, airport, runways and similar type heavy construction; Gas, oil and/or water pipeline wrapper - pot tender and form person; Guinea chaser; Headerboard person - asphalt installation of all asphalt overlay fabric and materials used for reinforcing asphalt; Laborer, packing rod steel and pans; Membrane vapor barrier installer; Power broom sweeper (small); Riprap stonepaver, placing stone or wet sacked concrete; Roto scraper and tiller; Sandblaster (pot tender); Septic tank digger and installer (lead); Tank scaler and cleaner; Tree climber, faller, chain saw operator, Pittsburgh chipper and similar type brush shredder; Underground laborer, including caisson bellower

GROUP 3: Buggymobile person; Concrete cutting torch; Concrete pile cutter; Driller, jackhammer, 2-1/2 ft. drill steel or longer; Dri-pak-it machine; Gas, oil and/or water pipeline wrapper, 6-in. pipe and over, by any method, inside and out; High scaler (including drilling of same); Hydro seeder and similar type; Impact wrench multi-plate; Kettle person, pot person and workers applying asphalt, lay-kold, creosote, lime caustic and similar type materials ("applying" means applying, dipping, brushing or handling of such materials for pipe wrapping and waterproofing); Operator of pneumatic, gas, electric tools, vibrating machine, pavement breaker, air blasting, come-alongs, and similar mechanical tools not separately classified herein; operation of remote controlled robotic tools in connection with Laborer's work; Pipelayer's backup person, coating, grouting, making of joints, sealing, caulking, diapering and including rubber gasket joints, pointing and any and all other services; Power post hole digger; Rock slinger; Rotary scarifier or multiple head concrete chipping scarifier; Steel headerboard and guideline setter; Tamper, Barko, Wacker and similar type; Trenching machine, hand-propelled

GROUP 4: Any worker exposed to raw sewage; Asphalt raker, lute person, ironer, asphalt dump person and asphalt spreader boxes (all types); Concrete core cutter (walls, floors or ceilings), grinder or sander; Concrete saw

person, cutting walls or flat work, scoring old or new concrete; Cribber, shorer, lagging, sheeting and trench bracing, hand-guided lagging hammer; Head rock slinger; Laborer, asphalt-rubber distributor boot person; Laser beam in connection with laborers' work; Over-size concrete vibrator operator, 70 lbs. and over; Pipelayer performing all services in the laying and installation of pipe from the point of receiving pipe in the ditch until completion of operation, including any and all forms of tubular material, whether pipe, metallic or non-metallic, conduit and any other stationary type of tubular device used for the conveying of any substance or element, whether water, sewage, solid gas, air, or other product whatsoever and without regard to the nature of material from which the tubular material is fabricated; No-joint pipe and stripping of same; Prefabricated manhole installer; Sandblaster (nozzle person), water blasting, Porta Shot-Blast; Traffic lane closure, Certified.

GROUP 5: Blaster powder, all work of loading holes, placing and blasting of all powder and explosives of whatever type, regardless of method used for such loading and placing; Driller: All power drills, excluding jackhammer, whether core, diamond, wagon, track, multiple unit, and any and all types of mechanical drills without regard to the form of motive power; Toxic waste removal; Boring system electronic tracking locator

LABO0300-006 08/05/2009

	Rates	Fringes
Laborers: (1 to 3 Stories)		
Plaster Clean-Up Laborer....	\$ 24.65	14.70
Plaster Tender.....	\$ 27.20	14.70
Laborers: (4 Stories)		
Plaster Clean-up Laborer....	\$ 26.65	14.70
Plaster Tender.....	\$ 29.20	14.70

Work at Military Bases - \$3.00 additional per hour:
 Coronado Naval Amphibious Base, Fort Irwin, George AFB, Marine Corps Air Station-29 Palms, Imperial Beach Naval Air Station, Marine Corps Logistics Supply Base, Marine Corps Pickle Meadows, Mountain Warfare Training Center, Naval Air Facility-Seeley, North Island Naval Air Station, Vandenberg AFB.

LABO0300-007 07/01/2009

Residential, 3 Stories and under

	Rates	Fringes
Laborers		
(1) Cleanup, Fencing		

(Chain Link or Wood), Landscaping.....	\$ 24.80	11.10
(2) All Other Work.....	\$ 25.80	11.10

LABO0882-003 01/01/2010

	Rates	Fringes
Asbestos Removal Laborer.....	\$ 26.15	14.25

SCOPE OF WORK: Includes site mobilization, initial site cleanup, site preparation, removal of asbestos containing material and toxic waste (including lead abatement and any other toxic material), encapsulation, enclosure and disposal of asbestos containing materials and toxic waste(including lead abatement and any other toxic materials) by hand or with equipment or machinery; scaffolding, fabrication of temporary wooden barriers and assembly of decontamination stations.

LABO1184-001 07/01/2010

	Rates	Fringes
Laborers: (HORIZONTAL DIRECTIONAL DRILLING)		
(1) Drilling Crew Laborer...	\$ 27.05	11.65
(2) Vehicle Operator/Hauler.	\$ 27.22	11.65
(3) Horizontal Directional Drill Operator.....	\$ 29.07	11.65
(4) Electronic Tracking Locator.....	\$ 31.07	11.65
Laborers: (STRIPING/SLURRY SEAL)		
GROUP 1.....	\$ 28.50	14.56
GROUP 2.....	\$ 29.80	14.56
GROUP 3.....	\$ 31.81	14.56
GROUP 4.....	\$ 33.55	14.56

LABORERS - STRIPING CLASSIFICATIONS

GROUP 1: Protective coating, pavement sealing, including repair and filling of cracks by any method on any surface in parking lots, game courts and playgrounds; carstops; operation of all related machinery and equipment; equipment repair technician

GROUP 2: Traffic surface abrasive blaster; pot tender - removal of all traffic lines and markings by any method (sandblasting, waterblasting, grinding, etc.) and preparation of surface for coatings. Traffic control person: controlling and directing traffic through both conventional and moving lane closures; operation of all related machinery and equipment

GROUP 3: Traffic delineating device applicator: Layout and application of pavement markers, delineating signs, rumble and traffic bars, adhesives, guide markers, other traffic delineating devices including traffic control. This category includes all traffic related surface preparation (sandblasting, waterblasting, grinding) as part of the application process. Traffic protective delineating system installer: removes, relocates, installs, permanently affixed roadside and parking delineation barricades, fencing, cable anchor, guard rail, reference signs, monument markers; operation of all related machinery and equipment; power broom sweeper

GROUP 4: Striper: layout and application of traffic stripes and markings; hot thermo plastic; tape traffic stripes and markings, including traffic control; operation of all related machinery and equipment

 PAIN0036-005 01/01/2011

	Rates	Fringes
PAINTER (including lead abatement)		
Imperial, Los Angeles, Orange, Riverside & San Bernardino		
(1) Repaint.....	\$ 26.05	10.08
(2) All other work.....	\$ 29.32	10.08
San Luis Obispo, Santa Barbara & Ventura		
(1) Repaint.....	\$ 23.10	10.08
(2) All other work.....	\$ 27.39	10.08

 PAIN0036-011 10/07/2009

IMPERIAL, LOS ANGELES, ORANGE, RIVERSIDE, SAN BERNARDINO, SAN LUIS OBISPO, SANTA BARBARA AND VENTURA COUNTIES

	Rates	Fringes
DRYWALL FINISHER/TAPER.....	\$ 18.00	7.97

 PAIN0036-014 10/01/2010

IMPERIAL

	Rates	Fringes
GLAZIER.....	\$ 38.75	15.55

 PAIN0036-018 01/01/2011

LOS ANGELES, ORANGE, RIVERSIDE, SAN BERNARDINO, SANTA BARBARA

AND VENTURA

	Rates	Fringes
GLAZIER.....	\$ 36.90	21.78

FOOTNOTE: Additional \$1.25 per hour for work in a condo,
from the third (3rd) floor and up. Additional \$1.25 per
hour for work on the outside of the building from a swing
stage or any suspended contrivance, from the ground up.

PAIN0036-020 02/01/2009

IMPERIAL

	Rates	Fringes
SOFT FLOOR LAYER.....	\$ 26.77	11.75

PAIN0169-007 01/01/2011

SAN LUIS OBISPO

	Rates	Fringes
GLAZIER.....	\$ 30.89	16.92

PAIN1247-003 01/01/2010

LOS ANGELES, ORANGE, RIVERSIDE, SAN BERNARDINO, SAN LUIS
OBISPO, SANTA BARBARA AND VENTURA

	Rates	Fringes
SOFT FLOOR LAYER.....	\$ 30.85	10.54

PLAS0200-002 08/04/2010

IMPERIAL, KERN, LOS ANGELES, ORANGE, RIVERSIDE, SAN BERNARDINO,
SAN LUIS OBISPO, SANTA BARBARA AND VENTURA

	Rates	Fringes
PLASTERER		
1 - 3 stories.....	\$ 27.21	14.03
4-stories.....	\$ 30.21	14.23

PLAS0500-003 07/01/2009

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER...	\$ 29.50	18.40

PLUM0016-011 07/01/2010

	Rates	Fringes
PLUMBER/PIPEFITTER		
Residential.....	\$ 31.45	13.46

PLUM0250-001 01/02/2006

LOS ANGELES AND ORANGE

	Rates	Fringes
REFRIGERATION MECHANIC		
Refrigeration Fitter.....	\$ 33.30	13.95

ROOF0036-001 08/01/2010

LOS ANGELES, ORANGE, RIVERSIDE, SAN BERNARDINO, SAN LUIS
OBISPO, SANTA BARBARA AND VENTURA

	Rates	Fringes
Roofer.....	\$ 31.88	8.07

FOOTNOTE: Pitch premium: Work on which employees are exposed to pitch fumes or required to handle pitch, pitch base or pitch impregnated products, or any material containing coal tar pitch, the entire roofing crew shall receive \$1.75 per hour "pitch premium" pay.

ROOF0045-003 08/01/2009

IMPERIAL

	Rates	Fringes
Roofer.....	\$ 23.63	6.50

SFCA0669-005 04/01/2008

AREA 1: IMPERIAL COUNTY; LOS ANGELES COUNTY (does not include the city of Pomona, Catalina Island, and that part of Los Angeles County within 25 miles of the city limits of Los Angeles); ORANGE COUNTY (does not include Catalina Island; San Clemente Island; City of Santa Ana; and remainder of Orange County within 25 miles of the city limits of Los Angeles); RIVERSIDE COUNTY; AND SAN BERNARDINO COUNTY (does not include the northern part of City of Chino, or the cities of Montclair and Ontario)

AREA 2: SAN LUIS OBISPO, SANTA BARBARA COUNTIES, VENTURA

(does not include Port Hueneme, Port Mugu, the city of Santa Paula, and that part of Ventura County within 25 miles of the city limits of Los Angeles) COUNTIES

	Rates	Fringes
SPRINKLER FITTER		
Area 1.....	\$ 24.64	2.25
Area 2.....	\$ 24.11	2.25

 SFCA0709-002 01/01/2010

LOS ANGELES COUNTY (the city of Pomona, Catalina Island, and that part of Los Angeles County within 25 miles of the city limits of Los Angeles); ORANGE COUNTY (San Clemente Island, the city of Santa Ana, and that part of Orange County within 25 miles of the city limits of Los Angeles); SAN BERNARDINO COUNTY (the northern part of the city of Chino, and the cities of Montclair and Ontario); VENTURA COUNTY (Port Hueneme, Port Mugu, the city of Santa Paula, and that part of Ventura County within 25 miles of the city limits of Los Angeles)

	Rates	Fringes
SPRINKLER FITTER.....	\$ 27.36	10.90

 SHEE0105-001 07/01/2010

AREA 1: LOS ANGELES COUNTY (South of a straight line drawn between Gorman and Big Pines, excluding the area South of Imperial Highway East of the Los Angeles River, excluding the cities of Long Beach, Claremont, and Pomona, excluding Catalina Island)

AREA 2: LOS ANGELES (Remainder), ORANGE, RIVERSIDE & SAN BERNARDINO COUNTIES

Work on general sheet metal and heating and air conditioning on single family dwellings, multiple family dwellings, track homes and apartment buildings individually conditioned by separate and independent units or systems

	Rates	Fringes
SHEET METAL WORKER		
AREA 1.....	\$ 24.52	6.62
AREA 2.....	\$ 29.77	14.49

 SHEE0206-003 07/01/2010

IMPERIAL

	Rates	Fringes
Sheet Metal (TECHNICIAN).....	\$ 23.99	4.71
SHEET METAL WORKER.....	\$ 35.55	16.05

SHEET METAL TECHNICIAN - SCOPE:

- a. Existing residential buildings, both single and multi-family, where each unit is heated and/or cooled by a separate system
- b. New single family residential buildings including tracts.
- c. New multi-family residential buildings, not exceeding five stories of living space in height, provided each unit is heated or cooled by a separate system. Hotels and motels are excluded.
- d. LIGHT COMMERCIAL WORK: Any sheet metal, heating and air conditioning work performed on a project where the total construction cost, excluding land, is under \$1,000,000
- e. TENANT IMPROVEMENT WORK: Any work necessary to finish interior spaces to conform to the occupants of commercial buildings, after completion of the building shell

SHEE0273-001 02/01/2011

SAN LUIS OBISPO, SANTA BARBARA AND VENTURA

	Rates	Fringes
SHEET METAL WORKER.....	\$ 39.75	16.94

HOLIDAYS: New Year's Day, Martin Luther King Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day & Friday after, Christmas Day

TEAM0011-001 07/01/2008

	Rates	Fringes
Truck drivers:		
GROUP 1.....	\$ 26.44	18.24
GROUP 2.....	\$ 26.59	18.24
GROUP 3.....	\$ 26.72	18.24
GROUP 4.....	\$ 26.91	18.24
GROUP 5.....	\$ 26.94	18.24
GROUP 6.....	\$ 26.97	18.24
GROUP 7.....	\$ 27.22	18.24
GROUP 8.....	\$ 27.47	18.24
GROUP 9.....	\$ 27.67	18.24
GROUP 10.....	\$ 27.97	18.24
GROUP 11.....	\$ 28.47	18.24
GROUP 12.....	\$ 28.90	18.24

WORK ON ALL MILITARY BASES - \$3.00 PER HOUR ADDITIONAL:
 [29 palms Marine Base, Camp Roberts, China Lake, Edwards AFB,
 El Centro Naval Facility, Fort Irwin, George AFB, Marine
 Corps Logistics Base at Nebo & Yermo, Mountain Warfare

Training Center, Bridgeport, Point Arguello, Point
Conception, Vandenberg AFB]

TRUCK DRIVERS CLASSIFICATIONS

GROUP 1: Truck driver

GROUP 2: Driver of vehicle or combination of vehicles - 2
axles; Traffic control pilot car excluding moving heavy
equipment permit load; Truck mounted broom

GROUP 3: Driver of vehicle or combination of vehicles - 3
axles; Boot person; Cement mason distribution truck; Fuel
truck driver; Water truck - 2 axle; Dump truck, less than
16 yds. water level; Erosion control driver

GROUP 4: Driver of transit mix truck, under 3 yds.; Dumpcrete
truck, less than 6-1/2 yds. water level

GROUP 5: Water truck, 3 or more axles; Truck greaser and tire
person (\$0.50 additional for tire person); Pipeline and
utility working truck driver, including winch truck and
plastic fusion, limited to pipeline and utility work;
Slurry truck driver

GROUP 6: Transit mix truck, 3 yds. or more; Dumpcrete truck,
6-1/2 yds. water level and over; Vehicle or combination of
vehicles - 4 or more axles; Oil spreader truck; Dump truck,
16 yds. to 25 yds. water level

GROUP 7: A Frame, Swedish crane or similar; Forklift driver;
Ross carrier driver

GROUP 8: Dump truck, 25 yds. to 49 yds. water level; Truck
repair person; Water pull - single engine; Welder

GROUP 9: Truck repair person/welder; Low bed driver, 9 axles
or over

GROUP 10: Dump truck - 50 yds. or more water level; Water
pull - single engine with attachment

GROUP 11: Water pull - twin engine; Water pull - twin engine
with attachments; Winch truck driver - \$1.25 additional
when operating winch or similar special attachments

GROUP 12: Boom Truck 17K and above

WELDERS - Receive rate prescribed for craft performing
operation to which welding is incidental.

the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

In the listing above, the "SU" designation means that rates listed under the identifier do not reflect collectively bargained wage and fringe benefit rates. Other designations indicate unions whose rates have been determined to be prevailing.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- * an existing published wage determination
- * a survey underlying a wage determination
- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage

payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

END OF GENERAL DECISIO

EXHIBIT “H”

Request for Notice

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
Economic Development Agency
3403 10th St., Suite 500
Riverside, CA 92501
Attn: Benjamin Cendejas

SPACE ABOVE THIS LINE FOR RECORDERS USE

**REQUEST for NOTICE
UNDER SECTION 2924b CIVIL CODE**

In accordance with Civil Code, section 2924b, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust recorded as Instrument No. concurrent herewith, in book _____, page _____, Official Records of RIVERSIDE County, California, and describing land therein as

PARCEL 1:

THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 5 SOUTH, RANGE 7 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF INDIO, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION, SOUTH 89° 48' 00" WEST, 806.53 FEET ON SAID SOUTH LINE FROM THE SOUTHEAST CORNER OF SAID SECTION;

THENCE SOUTH 89° 48' 00" WEST, 660.00 FEET CONTINUING ON SAID SOUTH LINE;

THENCE NORTH 00° 10' 00" WEST, 1,325.28 FEET TO THE SOUTH LINE OF THE LAND DESCRIBED IN THE DEED TO WILFRED BENOIT, A MARRIED MAN RECORDED AUGUST 3, 1965 AS INSTRUMENT NO. 89388, OFFICIAL RECORDS;

THENCE NORTH 89° 58' 28" EAST 490.00 FEET ON LAST SAID SOUTH LINE TO AN ANGLE POINT THEREIN;

THENCE NORTH 0° 10' 23" EAST 28.58 FEET CONTINUING ON SAID SOUTH LINE TO AN ANGLE POINT THEREIN;

THENCE SOUTH 89° 49' 37" EAST 170.00 FEET TO THE NORTHERLY PROLONGATION OF THE WEST LINE OF THE LAND DESCRIBED IN THAT CERTAIN OPTION AGREEMENT BETWEEN JAMES J. O'BRIEN JR., ET UX AND THE INDIO SCHOOL DISTRICT, RECORDED MARCH 8, 1967 AS INSTRUMENT NO. 17490, OFFICIAL RECORDS, SAID PROLONGATION BEING THE WEST LINE OF VAN BUREN SCHOOL SITE;

THENCE SOUTH 00° 10' 00" EAST ON SAID PROLONGATION WEST LINE AND THE SOUTHERLY PROLONGATION THEREOF TO THE POINT OF BEGINNING.

SAID PROPERTY IS ALSO KNOWN AS PARCEL 1 OF PARCEL MAP, AS SHOWN BY MAP ON FILE IN BOOK 11, PAGE 100 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

THAT PORTION OF LOTS 9, 10 AND 16 OF THE COACHELLA LAND AND WATER COMPANY'S SUBDIVISION OF SECTION 25, TOWNSHIP 5 SOUTH, RANGE 7 EAST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY MAP ON FILE IN BOOK 4, PAGE 53 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 25;

THENCE SOUTH 89° 50' 53" WEST, 1423.80 FEET ON THE EAST-WEST CENTER LINE OF SAID SECTION, BEING THE NORTH LINE OF SAID LOTS 9 AND 10;

THENCE SOUTH 00° 09' WEST, 810.4 FEET;

THENCE SOUTH 89° 51' 37" EAST, 623.80 FEET;

THENCE SOUTH 00° 17' 30" WEST, 804.75 FEET;

THENCE NORTH 89° 57' 30" EAST, 806.53 FEET TO A POINT ON THE EAST LINE OF SAID SECTION LOCATED NORTH 00° 00' 30" WEST, 1,068.20 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION;

THENCE NORTH 00° 00' 30" WEST, 1612.20 FEET ON THE EAST LINE OF SAID SECTION TO THE POINT OF BEGINNING.

EXCEPT THE NORTHERLY RECTANGULAR 30 FEET, CONVEYED TO THE COUNTY OF RIVERSIDE, BY DEED RECORDED JANUARY 17, 1956 AS INSTRUMENT NO. 3622 IN BOOK 1848, PAGE 288, OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL OIL, GAS, ASPHALTUM AND THE HYDROCARBONS AND ALL OTHER MINERALS WHETHER SIMILAR TO THOSE HEREIN SPECIFIED OR NOT, WITHIN OR UNDERLYING OR THAT MAY BE PRODUCED FROM THE ABOVE DESCRIBED LAND, INCLUDING SUCH RIGHTS OF ACCESS TO AND THE USE OF SUCH PART OF THE SURFACE OF THE ABOVE DESCRIBED LAND AS MAY BE NECESSARY FOR MINING AND SAVING SAID MINERALS, AS RESERVED BY THE UNITED STATES OF AMERICA.

END OF LEGAL DESCRIPTION

Executed by _____, as trustor in which the County of Riverside Economic Development Agency, a political subdivision of the State of California is named as Beneficiary, and the County of Riverside Economic Development Agency, as Trustee, be mailed to the County of Riverside Economic Development Agency, Housing Division at 3403 10th Street, Suite 500, Riverside, CA 92501.

NOTICE: A copy of any notice of default and of any notice of sale will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.

<p>Dated _____</p>	<p>RIVERSIDE COUNTY ECONOMIC DEVELOPMENT AGENCY</p>
<p>CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT STATE OF CALIFORNIA COUNTY OF <u>RIVERSIDE</u>} S.S.</p>	<p>_____ Tom Fan / Principal Development Specialist</p>
<p>On _____ before me, _____ a Notary Public, personally appeared <u>Tom Fan</u> who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.</p>	<p>(This area for official notarial seal)</p>
<p>I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.</p>	
<p>WITNESS my hand and official seal</p>	
<p>Signature _____</p>	
<p>Escrow or Loan No. _____</p>	