

**EXHIBIT "A"**

**Borrower:** Riverside Housing Development Corporation  
**Address:** 4250 Brockton Avenue  
Riverside, CA 92501  
**Project Title:** Orange Blossom IV Apartments  
**Location:** 41945 Orange Blossom Lane, Hemet, CA 92544, identified as Assessor Parcel  
Number 438-110-061 (Community of Valle Vista).

**Project Description:**

Riverside Housing Development Corporation (RHDC), a California nonprofit public benefit corporation will utilize \$620,000 in HOME funds for the acquisition and rehabilitation of an existing building located on Orange Blossom Lane. The project will consist of two 2-bedroom units and one 3-bedroom unit.

All units will be designated as HOME assisted units. The project consists of a building consisting of one 3-bedroom unit and two 2-bedroom units. One 2-bedroom unit will be set-aside for households whose incomes do not exceed 50% of the area median income for the County of Riverside with respect to household size, which shall be designated as Low HOME rent units. The remaining one 2-bedroom unit and one 3-bedroom unit will be set-aside for households whose incomes do not exceed 60% of the area median income, which shall be designated as High HOME rent units. The total three (3) units (two 2-Bedrooms and one 3-Bedroom) of the Project are to be designated as HOME rent units ("COUNTY HOME-Assisted Units").

## LEGAL DESCRIPTION OF PROPERTY

The land referred to in this report is situated in the County of Riverside, State of California, described as follows:

Lot 16 of Tract No. 11600 as per Map recorded in Book 110, Pages 46 and 47 of Maps Records, in the Office of the County Recorder of said Riverside County, California.

Assessor's Parcel No.: 438-110-061-4  
41945 Orange Blossom Lane, Hemet, CA 92544

**Permanent Sources and Uses of Fund:**

Sources		
County of Riverside HOME Loan	\$	620,000
Provident Savings Bank Loan	\$	103,000
Deferred Developer Fee	\$	18,700
Total Sources	\$	741,700
Uses:		
Acquisition	\$	305,000
Rehabilitation	\$	324,975
LBP/ACM testing & mold abatement & termite	\$	3,000
Relocation Expenses	\$	40,000
Soft Costs (Permits, Architectural Fees, etc.) and Reserves	\$	28,725
Contingency	\$	0
Developer's Fee	\$	40,000
Total Uses	\$	741,700

## IMPLEMENTATION SCHEDULE

<b>Milestone</b>	<b>Completion Date</b>
1. Permanent Financing Commitment	November 30, 2016
2. Acquisition Deadline	August 1, 2016
3. Construction Start Deadline	9 months from date of Agreement
4. Completion Deadline	2 years from date of Agreement
5. Lease Deadline	4 months from Notice of Completion
6. Submission of Final actual project costs and Sources and Uses of Funds	January 2018
7. Submission of income & ethnic characteristics report	January 2018

**DOCUMENT SUBMISSION SCHEDULE**

<b>Documents</b>	<b>Due Date</b>
1. Construction Activities Reporting	Monthly, due by the 5 <sup>th</sup> of each month
2. Liability and Certificate of Workers' Compensation Insurance for Borrower 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– <b>March<sup>st</sup></b> & <b>September 15<sup>th</sup></b>
4. Section 504 Architect Certification	Beginning of Construction – initial letter End of Construction – final letter
5. Project Site Photos	Bimonthly, due by the 5 <sup>th</sup> of each month
6. The filing of the Notice of Completion	End of Construction
7. Certificate of Occupancy	End of Construction
8. Tenant Checklist Reporting	Close of Project; and Semi-Annually– <b>Sept 30th &amp; March 31st</b>
9. Conditional/Unconditional Release for Final from GC, and if applicable, Sub-contractors	Close of Project
10. Project Completion Report	Close of Project
11. Final Development Cost - Sources and Uses	Close of Project
12. Final Cost Certification by CPA	Close of Project and Audits Completed
13. Final 15/30 Year Cash Flow Projection	Close of Project
14. Affirmative Fair Housing Marketing Plan, HUD form 935.2A	Marketing Stage
15. Management Plan	Marketing Stage
16. Tenant Selection Policy	Marketing Stage
17. Copy of Lease Agreement	Marketing Stage
18. Flyers, Community Contacts, Outreach, Press Releases, Grand Opening info	Marketing Stage
19. Project Operating Budget	Annual submission
20. Audited Yearly Income Expense Report for the Project	Annual submission

# **EXHIBIT “B”**

EXEMPT RECORDING FEE CODE 6103

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

County of Riverside  
Economic Development Agency  
5555 Arlington Avenue  
Riverside, CA 92504  
Attn. Stephanie Adams

SPACE ABOVE THIS LINE FOR RECORDER'S USE

### DEED OF TRUST AND ASSIGNMENT OF RENTS

This DEED OF TRUST AND ASSIGNMENT OF RENTS is made this \_\_\_\_\_ day of \_\_\_\_\_, 2016 by Riverside Housing Development Corporation, a California nonprofit public benefit corporation, (hereinafter referred to as "Trustor"), whose address is 4250 Brockton Avenue, Riverside, CA 92501. The trustee is \_\_\_\_\_ ("Trustee"). The beneficiary is the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (hereinafter called "Beneficiary"), whose address is 5555 Arlington Avenue, Riverside, CA 92504.

WITNESSETH: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee, its successors and assigns, in Trust, with POWER OF SALE TOGETHER WITH RIGHT OF ENTRY AND POSSESSION the following property (the "Trust Estate"):

(A) That certain fee interest in the real property in the community of Valle Vista, in the unincorporated area of the County of Riverside, State of California more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (such interest in real property is hereafter referred to as the "Subject Property");

(B) All buildings, structures and other improvements now or in the future located or to be constructed on the Subject Property (the "Improvements");

(C) all tenements, hereditaments, appurtenances, privileges, franchises and other rights and interests now or in the future benefiting or otherwise relating to the Subject Property or the Improvements, including easements, rights-of-way and development rights (the "Appurtenances"). (The Appurtenances, together with the Subject Property and the Improvements, are hereafter referred to as the "Real Property");

(D) All rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the Trustorship, use, management, operation leasing or occupancy of the Trust Estate, including those past due and unpaid (the "Rents");

(E) all present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California

Uniform Commercial Code (the "UCC"), and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, theater equipment, seating, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property, but not including personal property that is donated to Trustor (the "Goods," and together with the Real Property, the "Property"); and

(F) all present and future right, title and interest of Trustor in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written material (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Property or any other part of the Trust Estate or the Ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the property or any other part of the Trust Estate, including (to the extent applicable to the Property or any other portion of the Trust Estate) (i) permits, approvals and other governmental authorizations, (ii) improvement plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers, supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) takeout, refinancing and permanent loan commitments, (v) warranties, guaranties, indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (vi) claims, demands, awards, settlements, and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Property, (vii) license agreements, service and maintenance agreements, purchase and sale agreements and purchase options, together with advance payments, security deposits and other amounts paid to or deposited with Trustor under any such agreements, (viii) reserves, deposits, bonds, deferred payments, refunds, rebates, discounts, cost savings, escrow proceeds, sale proceeds and other rights to the payment of money, trade names, trademarks, goodwill and all other types of intangible personal property of any kind or nature, and (ix) all supplements, modifications, amendments, renewals, extensions, proceeds, replacements and substitutions of or to any of such property (the "Intangibles").

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estates described above in which a security interest may be created under the UCC (collectively, the "Personal Property"). This Deed of Trust constitutes a security agreement under the UCC, conveying a security interest in the Personal Property to Trustee and Beneficiary. Trustee and Beneficiary shall have, in addition to all rights and remedies provided herein, all the rights and remedies of a "secured party" under the UCC and other applicable California law. Trustor covenants and agrees that this Deed of Trust constitutes a fixture filing under Section 9334 and 9502(b) of the UCC.



FOR THE PURPOSE OF SECURING, in such order of priority as Beneficiary may elect, the following:

1. due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:
  - (a) that certain Promissory Note in favor of the Beneficiary executed by Trustor ("Borrower" therein) of even date herewith (the "Note");
  - (b) that certain Loan Agreement for the Use of HOME Funds dated June 21, 2016 and recorded in the Official Records ("Official Records") of the County of Riverside concurrently herewith, between Trustor ("Borrower" therein) and Beneficiary ("County" therein) (the "HOME Loan Agreement"); and
  - (c) that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records of the Recorder's Office for the County of Riverside, between Trustor ("Borrower" therein) and Beneficiary ("County" therein) ("Covenant Agreement").
2. payment of indebtedness of the Trustor to the Beneficiary not to exceed Six Hundred Twenty Thousand (\$620,000) (the "HOME Loan") according to the terms of the Note.

Said Note, HOME Loan Agreement and Covenant Agreement (collectively, referred to as the "Secured Obligations") and all of their terms are incorporated herein by reference and this conveyance shall secure any and all extensions, amendments, modifications or renewals thereof however evidenced, and additional advances evidenced by any note reciting that it is secured hereby. The Note, HOME Loan Agreement and Covenant Agreement as used herein shall mean, refer to and include the Note, HOME Loan Agreement and Covenant Agreement, as well as any riders, exhibits, addenda, implementation agreements, amendments, or attachments thereto (which are hereby incorporated herein by this reference). Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the HOME Loan Agreement.

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 maturity of the HOME Loan shall be the first to occur of (i) July 1, 2073 or (ii) fifty-five (55) years from and after the recordation of the Notice of Completion for the last building completed as part of the Project (as defined in the HOME Loan Agreement) (the "HOME Loan Term").

TRUSTOR COVENANTS that the Trustor is lawfully seized of the estate hereby conveyed and has the right to grant and convey the fee interest of the Property. Trustor warrants and will defend generally the title to the Property against all claims and demands, subject to such encumbrances of record.

**AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR  
COVENANTS AND AGREES:**

1. That Trustor shall pay the Note at the time and in the manner provided therein, and perform the obligations of the Trustor as set forth in the HOME Loan Agreement and Covenant Agreement at the time and in the manner respectively provided therein.

2. That Trustor shall not permit or suffer the use of any of the property for any purpose other than the use set forth in the HOME Loan Agreement and Covenant Agreement,

3. That the Secured Obligations are incorporated in and made a part of the Deed of Trust. Upon default of a Secured Obligation, and after the giving of notice and the expiration of any applicable cure period, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable.

4. That all rents, profits and income from the property covered by this Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor so long as no default exists hereunder after the giving of notice and the expiration of any applicable cure period, to collect such rents, profits and income for use in accordance with the provisions of the HOME Loan Agreement and Covenant Agreement.

5. **Payment of Principal and Interest; Prepayment and Late Charges.** Trustor 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.

6. **Taxes and Insurance.** Trustor shall pay 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 Deed of Trust.

a. Should Trustor fail to make any payment or to do any act herein provided, then Beneficiary or Trustee, but without obligation so to do and upon written notice to or demand upon Trustor and without releasing Trustor 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, Beneficiary 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 Beneficiary 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.

7. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Beneficiary under **Sections 5 and 6** 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.

8. **Prior Deeds of Trust; Charge; Liens.** Trustor 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. Trustor shall pay these obligations in the manner provided in **Section 6**, or if not paid in that manner, Trustor shall pay them on time directly to the person owed payment. Trustor shall promptly furnish to Beneficiary all notices of amounts to be paid under this Section. If Trustor makes these payments directly, Trustor shall promptly furnish to Beneficiary receipts evidencing the payments.

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

9. **Second Priority Position.** This Deed of Trust shall be recorded in a second priority position junior in priority to the following instruments, (i) Deed of Trust executed by Borrower for the benefit of Provident Savings Bank ("Senior Lender" or "Senior Lienholder") securing a construction loan in a principal amount up to \$103,000 ("Senior Loan"). Beneficiary hereby agrees to execute any and all documents necessary to effectuate such priority, including, but not limited to subordination agreements first approved as to form and content by Beneficiary and Beneficiary's legal counsel.

10. **Hazard or Property Insurance.** Trustor 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 Beneficiary 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 Trustor subject to Beneficiary's approval which shall not be unreasonably withheld. If Trustor fails to maintain coverage described above, Beneficiary may, at Beneficiary's option, obtain coverage to protect Beneficiary's rights in the Property in accordance with **Section 12**.

a. All insurance policies and renewals shall be acceptable to Beneficiary and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Trustor complies with the insurance requirements under this Deed of Trust and the HOME Loan Agreement. Trustor shall promptly give to Beneficiary certificates of insurance showing the coverage is in full force and effect and that Beneficiary is named as additional insured. In the event of loss, Trustor shall give prompt notice to the insurance carrier, the Senior Lien Holder, if any, and Beneficiary. Beneficiary may make proof of loss if not made promptly by the Senior Lien Holder, if any, or the Trustor.

b. Unless Beneficiary and Trustor 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 Trustor determines that such restoration or repair is economically feasible and there is no default continuing beyond the expiration of all applicable cure periods. If Trustor 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 Trustor. If the Property is abandoned by Trustor, or if Trustor fails to respond to Beneficiary within 30 days from the date notice is mailed by Beneficiary to Trustor that the insurance carrier offers to settle a claim for insurance benefits, Beneficiary is authorized to collect and apply the insurance proceeds at Beneficiary's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

c. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of Note. If under **Section 27** the Property is acquired by Beneficiary, Trustor's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Beneficiary to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

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

**11. Preservation, Maintenance and Protection of the Property; Trustor's Loan Application; Leaseholds.** Trustor shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property; normal wear and tear excepted. Trustor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Beneficiary's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or Beneficiary's security interest. Trustor may cure such a default and reinstate, as provided in **Section 23**, by causing the action or proceeding to be dismissed with a ruling that, in Beneficiary's good faith determination, precludes forfeiture of the Trustor's interest in the Property or other material impairment of the lien created by this Deed of Trust or Beneficiary's security interest. Trustor shall also be in default if Trustor, during the loan application process, gave materially false or inaccurate information or statements to Beneficiary (or failed to provide Beneficiary with any material information) in connection with the loan evidenced by the Note, including, but not limited to representations concerning Trustor's use of Property for affordable housing. If this Deed of Trust is on a leasehold, Trustor shall comply with all provisions of the lease. If Trustor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

a. The Trustor 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 Trustor's ability to rent the Property. The violation of any use and occupancy restrictions may, if

not prohibited by federal law, entitle the Beneficiary to the remedies provided in **Section 27** hereof.

12. **Protection of Beneficiary's Rights in the Property.** If Trustor fails to perform the covenants and agreements contained in this Deed of Trust, or there is a legal proceeding that may significantly affect Beneficiary'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, Beneficiary may do and pay for whatever is necessary to protect the value of the Property and Beneficiary's rights in the Property. Beneficiary's actions may include paying any sums secured by a lien which has priority over this Deed of Trust, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Beneficiary may take action under this **Section 12**, Beneficiary does not have to do so.

a. Any amounts disbursed by Beneficiary under this **Section 12** shall become additional debt of Trustor secured by this Deed of Trust. Unless Trustor and Beneficiary 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 Beneficiary to Trustor requesting payment.

13. **Reserved.**

14. **Inspection.** Beneficiary or its agent may make reasonable entries upon and inspections of the Property. Beneficiary shall give Trustor at least forty-eight (48) hours advanced notice in connection with an inspection specifying reasonable cause for the inspection.

15. **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 Beneficiary, subject to the terms of a Senior Lien Holder Deed of Trust, if any.

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 Trustor. 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 Trustor and Beneficiary 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 Trustor. 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 Trustor and Beneficiary 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 Beneficiary's lien is not impaired, any condemnation proceeds may be used by Trustor for repair and/or restoration of the project.

b. If the Property is abandoned by Trustor, or if, after notice by Beneficiary to Trustor that the condemner offers to make an award or settle a claim for damages, Trustor fails to respond to Beneficiary within 30 days after the date the notice is given, Beneficiary 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 Beneficiary and Trustor 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 5 and 6** or change the amount of such payments.

**16. Trustor Not Released; Forbearance By Beneficiary Not a Waiver.** Except in connection with any successor in interest approved by Beneficiary in writing, extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Beneficiary to any successor in interest of Trustor shall not operate to release the liability of the original Trustor or Trustor's successors in interest. Beneficiary 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 Trustor or Trustor's successors in interest. Any forbearance by Beneficiary in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**17. 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 Beneficiary and Trustor, subject to the provisions of **Section 22**. Trustor's covenants and agreements shall be joint and several.

**18. 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 Trustor which exceeded permitted limits will be promptly refunded to Trustor. Beneficiary may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Trustor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

**19. Notices.** Any notice to Trustor 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 Trustor's mailing address stated herein or any other address Trustor designates by notice to Beneficiary. All such notices to Trustor shall also be provided to the investment limited partner at the address set forth in the HOME Loan Agreement. Any notice to Beneficiary shall be given by first class mail to Beneficiary's address stated herein or any other address Beneficiary designates by notice to Trustor. Any notice required to be given to a Senior Lien Holder shall be given by first class mail to such other address the Senior Lien Holder designates by notice to the Trustor. Any notice provided for in this Deed of Trust shall be deemed to have been given to Trustor or Beneficiary when given as provided in this Section.

20. **Governing Law; Severability.** This Deed of Trust shall be governed by federal law and the laws of the State of California. 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. Any action at law or in equity arising under this Deed of Trust or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

21. **Trustor's Copy.** Trustor shall be given one conformed copy of the Note and of this Deed of Trust.

22. **Transfer of the Property or a Beneficial Interest in Trustor.** Except as otherwise allowed under the HOME 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 Trustor is sold or transferred and Trustor is not a natural person) without Beneficiary'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) Beneficiary 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 Beneficiary 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 Beneficiary's approval of a transfer of a limited partnership interest in the Trustor or of a conveyance of an easement interest in the Property for utility purposes.

a. If Beneficiary exercises the aforementioned option, Beneficiary shall give Trustor 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 Trustor must pay all sums secured by this Deed of Trust. If Trustor fails to pay these sums prior to the expiration of this period, Beneficiary may invoke any remedies permitted by this Deed of Trust without further notice or demand on Trustor.

b. 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.

23. **Trustor's Right to Reinstate.** If Trustor meets certain conditions, Trustor 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 Trustor: (a) pays Beneficiary 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 Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unchanged. Upon reinstatement by Trustor, 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 22**.

24. **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 Trustor. 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, Trustor will be given written notice of the change in accordance with **Section 19** 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.

25. **No Assignment.** The Note and this Deed of Trust shall not be assigned by Trustor without the Beneficiary's prior written consent and the consent of the Senior Lender.

26. **Hazardous Substances.** Trustor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Trustor 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. Trustor shall promptly give Beneficiary 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 Trustor has actual knowledge. If Trustor 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, Trustor shall promptly take all necessary remedial actions in accordance with Environmental Law.

b. As used in this **Section 26**, "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, excluding household products in normal quantities. As used in this **Section 26**, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

27. **Acceleration; Remedies.** Beneficiary shall give notice to Trustor prior to acceleration following Trustor'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 date of 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 Trustor 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 Trustor to acceleration and sale. If the default is not cured by the Trustor on or before the date specified in the notice, and the Senior Lien Holder or the investor limited partner have not cured the default within that same period, subject to any non-recourse provisions then in effect, then Beneficiary 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. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Section 27**, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

a. If Beneficiary invokes the power of sale, Beneficiary or Trustee shall mail copies of a notice of sale in the manner prescribed by applicable law to Trustor, 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 Trustor, 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. Beneficiary 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.

28. **Release.** Upon payment of all sums secured by this Deed of Trust, Beneficiary shall release this Deed of Trust without charge to Trustor. Trustor shall pay any recordation costs. The lien of the Covenant Agreement shall not be released or reconveyed until the expiration of the term set forth therein notwithstanding the payment of all sums secured by this Deed of Trust.

29. **Substitute Trustee.** Beneficiary, 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.

30. **Modification of Senior Loan Documents.** Any agreement or arrangement, in which a Senior Lender waives, postpones, extends, reduces, or modifies any provisions of the

Senior Lien Holder Deed of Trust or any other Senior Lenders loan documents, including any provisions requiring the payment of money, shall require the prior written approval of Beneficiary.

31. **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 Beneficiary 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.

32. **General Partner Change.** Except as otherwise provided in the HOME Loan Agreement, the withdrawal, removal, and/or replacement of a general partner of the Trustor pursuant to the terms of the Partnership Agreement shall not constitute a default under any of the Secured Obligations, and any such actions shall not accelerate the maturity of the HOME Loan, provided that any required substitute general partner is reasonably acceptable to Beneficiary and is selected with reasonable promptness. Any proposed General Partner replacement shall have the qualifications and financial responsibility as reasonably determined by Beneficiary necessary and adequate to fulfill the obligations undertaken in the HOME Loan Agreement, as amended.

33. **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 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 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.

[Remainder of Page Blank]

[Signatures on Following Page]

**BY SIGNING BELOW, TRUSTOR accepts and agrees to the terms and covenants contained in this Deed of Trust.**

TRUSTOR:

Riverside Housing Development Corporation,  
a California nonprofit public benefit corporation

By:   
Bruce Kulpa, Executive Director

Date: 6/2/16

**(TRUSTOR signature needs to be notarized)**

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

STATE OF CALIFORNIA }  
COUNTY OF Riverside }

On 10-3-16, before me, Jean Barry, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Bruce Kulpa  
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 Jean Barry  
Signature of Notary Public

Place Notary Seal Above

## **EXHIBIT "A"**

### LEGAL DESCRIPTION OF PROPERTY

The land referred to in this report is situated in the County of Riverside, State of California, described as follows:

Lot 16 of Tract No. 11600 as per Map recorded in Book 110, Pages 46 and 47 of Maps Records, in the Office of the County Recorder of said Riverside County, California.

Assessor's Parcel No.: 438-110-061-4  
41945 Orange Blossom Lane, Hemet, CA 92544

# **EXHIBIT “C”**

**PROMISSORY NOTE (HOME Loan)**

**\$620,000**

**Riverside, CA**

In installments as hereafter stated, for value received, Riverside Housing Development Corporation ("Borrower"), a California non-profit public benefit corporation promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), or order, at 5555 Arlington Avenue, Riverside, CA 92504, the sum of Six Hundred Twenty Thousand Dollars and No/100 Dollars (U.S. \$620,000.00) (the "HOME Loan" or "Note Amount") 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 \_\_\_\_\_ and recorded in the Official Records ("Official Records") of the County of Riverside concurrently herewith (the "HOME Loan Agreement"). Except to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings established in the HOME Loan Agreement. The Note is secured by a Deed of Trust executed by Borrower for the benefit of the County recorded on or about the date hereof in the Official Records of the County of Riverside (the "HOME Deed of Trust"). The rights and obligations of the Borrower and COUNTY under this Note shall be governed by the HOME Loan Agreement and the following terms:

- (1) The HOME Loan evidenced by this Note and secured by the Deed of Trust are 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"). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on rent and occupancy set forth in the HOME Program regulations, the Home Loan Agreement and that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records of Riverside County ("Official Records"), between Borrower and County.
- (2) That the HOME Loan will accrue simple interest at a rate of zero percent (0%) 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. Interest will accrue 30 days from the date of recordation of the Notice of Completion in the Official Records.
- (3) This Note shall be repaid according to the following: Fifty percent (50%) of the Project's Residual Receipts shall be used towards the payment of the loans secured by the Project, and the payment shall be prorated based on the percentage of each relative loan amount based upon the total amount of all such loans, until the HOME Note is repaid in full; and fifty percent (50%) of the Project's Residual Receipts will be paid to BORROWER.
- (4) The Project's Residual Receipts shall be determined based on an annual review of certified financial statements for the Project. Annual audited financial statements shall be submitted by BORROWER within one hundred twenty (120) days following the close of the project fiscal year commencing on April 1 of the first full calendar year following the recordation of the Notice of Completion. All outstanding principal along with accrued interest shall be due upon maturity of the HOME Loan Agreement, which shall be the first to occur of (i) July 1, 2073 or (ii) fifty-five (55) years from and after the recordation of the Notice of Completion (the "HOME Loan Term"). The first payment shall be due on July 1<sup>st</sup> in the first full calendar year following the date of the recordation of the

Notice of Completion for the Project, to the extent of available Residual Receipts, as set forth herein. Subsequent payments shall be made on July 1<sup>st</sup> thereafter to the extent of available Residual Receipts until sooner of full repayment of the HOME Loan or the HOME Loan maturity date as set forth above.

- (5) The Project's Residual Receipts are defined as gross receipts, less the following: i) auditing and accounting fees; ii) property management fee not to exceed \$55 per unit per month and increased annually by the percentage equal to the percentage increase in the Consumer Price Index for the Los Angeles-Riverside-Orange County, CA area ("CPI"), provided, however, that in the event of a decrease in the CPI, the property management fee shall remain the same as the immediate preceding year; 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) replacement reserves, established in a separate account from operating reserves in an amount not to exceed \$400 per HOME-Assisted Unit; v) operating reserves in an annual amount up to \$25,000 vi) deferred developer's fee; vii) 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"); viii) COUNTY's Annual Monitoring Fee in the amount of \$400, increased annually by an amount equal to the increase of the Consumer Price Index (CPI), provided, however, that in the event of a decrease in the CPI, the County's annual monitoring fee shall remain the same as the immediate preceding year.
- (6) The HOME Loan evidenced by this Note is secured by that certain Deed of Trust and Assignment of Rents executed by Borrower for the benefit of the COUNTY, dated on or about the date hereof and recorded in the Official Records of the County of Riverside on or about the date hereof ("Deed of Trust").
- (7) This Note may be prepaid in whole or in part by the undersigned at any time without prepayment penalty or premium, provided however notwithstanding such prepayment, Borrower shall be required to adhere to the affordability restrictions contained in the Covenants until the expiration of the term contained therein.
- (8) Subject to the provisions and limitations of this Paragraph 8, the obligation to repay the Note Amount is a nonrecourse obligation of Borrower and its partners. Neither Borrower nor its partners shall have any personal liability for repayment of the Note Amount, except as provided in this Paragraph 8. The sole recourse of the County shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the HOME Loan; provided, however, that the foregoing shall not (i) constitute a waiver of any other obligation evidenced by this Note or the Deed of Trust; (ii) limit the right of the COUNTY to name Borrower as a party defendant in any action or suit for judicial foreclosure and sale under this Note and the Deed of Trust or any action or proceeding hereunder so long as no judgment in the nature of a deficiency judgment shall be asked for or taken against Borrower; (iii) release or impair either this Note or the Deed of Trust; (iv) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, any other remedy against the mortgaged Property or any other instrument securing this Note or as prescribed by law or in equity in case of default; (v) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative



defense, a counterclaim or other basis for relief in respect of the exercise of, its remedies in respect of any deposits, insurance proceeds, condemnation awards or other monies or other collateral or letters of credit securing this Note; or (vi) affect in any way the validity of any guarantee or indemnity from any person of all or any of the obligations evidenced and secured by this Note and the Deed of Trust. Notwithstanding the first sentence of this Section 20, the COUNTY may recover directly from Borrower or, unless otherwise prohibited by any applicable law, from any other party: (a) any damages, costs and expenses incurred by the COUNTY as a result of fraud, misrepresentation or any criminal act or acts of Borrower or any general partner, shareholder, officer, director or employee of Borrower, or of any member or general partner of Borrower, or of any general partner of such member or general partner; (b) any damages, costs and expenses incurred by the COUNTY as a result of any misappropriation of funds provided to pay costs as described in the HOME Loan Agreement, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; (c) 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 Deed of Trust; (d) the fair market value of any personal property or fixtures removed or disposed of by the Borrower other than in accordance with the Deed of Trust; (e) any and all amounts owing by Borrower pursuant to any indemnity set forth in the HOME Loan Agreement and/or Deed of Trust or the indemnification regarding Hazardous Substances pursuant to the HOME Loan Agreement and/or Deed of Trust, and (f) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

- (9) The occurrence of any of the following events shall constitute an "Event of Default" under this Note after notice and opportunity to cure pursuant to the terms set forth in the HOME Loan Agreement:

a. Monetary Default. (1) Borrower's failure to pay when due any sums payable under the HOME Note or any advances made by COUNTY under this Agreement, (2) Borrower's or any agent of Borrower's use of HOME funds for costs other than those costs permitted under the HOME Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, (3) Borrower's or any agent of Borrower's failure to make any other payment of any assessment or tax due under the HOME Loan Agreement, and /or (4) default past any applicable notice and cure period under the terms of (i) that certain Deed of Trust executed by Borrower for the benefit of Provident Savings Bank securing a construction loan in a principal amount up to \$103,000; and (ii) any other instrument or document secured against the Property;

b. Non-Monetary Default - Operation. (1) Discrimination by Borrower or Borrower's agent on the basis of characteristics prohibited by this Agreement or applicable law, (2) the imposition of any encumbrances or liens on the Project without COUNTY's prior written approval that are prohibited under this agreement or that have the effect of reducing the priority or invalidating the lien of the HOME Deed of Trust, (3) Borrower's failure to obtain and maintain the insurance coverage required under the HOME Loan Agreement, (4) any material default under the HOME Loan Agreement, HOME Deed of Trust with Assignment of Rents, Covenant Agreement, HOME Note, or any document executed by the County in connection with this Agreement, and/or (4) default past any applicable notice and cure period under the terms of (i) that certain Deed of Trust executed by Borrower for the benefit of Provident Savings Bank securing a construction loan in a principal

amount up to \$103,000; and/or (ii) and/or (iv) any other instrument or document secured against the Property;

c. General Performance of Loan Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on Borrower imposed in the HOME Loan Agreement; and

d. General Performance of Other Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on the Project imposed by any other agreement with respect to the financing, development, or operation of the Project; whether or not COUNTY is a party to such agreement.

- (10) COUNTY shall give written notice of default to Borrower, specifying the default complained of by the COUNTY. Borrower shall have sixty (60) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.
- (11) Any failures or delays by COUNTY in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by COUNTY in asserting any of its rights and remedies shall not deprive COUNTY of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.
- (12) If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations shall be completely performed and paid. In the event that any provision or clause of this Note conflicts with applicable law, such conflict will not affect other provisions of this Note which can be given effect without the conflicting provision, and to this end the provisions of the Note are declared to be severable.
- (13) Borrower hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this Note, and expressly agrees that, without in any way affecting the liability of Borrower hereunder, the COUNTY may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder and release any security now or hereafter securing this Note. Borrower further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this Note, or on any deed of trust, security agreement, guaranty or other agreement now or hereafter securing this Note.
- (14) 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 HOME 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.

- (15) This Note has been negotiated and entered in the State of California, and shall be governed by, construed and enforced in accordance with the internal laws of the State of California, applied to contracts made in California by California domiciliaries to be wholly performed in California. Any action at law or in equity arising under this Note or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Note shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.
- (16) No modification, rescission, waiver, release or amendment of any provision of this Note shall be made except by a written agreement executed by Borrower and the duly authorized representative of the COUNTY.
- (17) The COUNTY may, in its sole and absolute discretion, assign its rights under this Note and its right to receive repayment of the Note Amount without obtaining the consent of Borrower.
- (18) In no event shall Borrower assign or transfer any portion of this Note or any rights herein without the prior express written consent of the COUNTY, which consent the COUNTY may give or withhold in its sole and absolute discretion. In the absence of specific written agreement by the COUNTY, no unauthorized assignment or transfer, or approval thereof by the COUNTY, shall be deemed to relieve Borrower or any other party from any obligations under the HOME Loan Agreement or this Note. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.
- (19) Except as to the Permitted Deeds of Trust identified herein, Borrower shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion.
- (20) The relationship of Borrower and the COUNTY pursuant to this Note is that of debtor and creditor and shall not be, or be construed to be, a joint venture, equity venture, partnership or other relationship.
- (21) (a) Formal notices, demands and communications between the County and Borrower shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the COUNTY and Borrower as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or "kick-out" sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.

(b) The address of the COUNTY for purposes of receiving notices pursuant to this Note shall be 5555 Arlington Avenue, Riverside, California 92504, Attention: Assistant Director of Housing. The facsimile number for the COUNTY's receipt of notices is (951) 352-4852.

(c) The address of Borrower for purposes of receiving notices pursuant to this Note is 4250 Brockton Avenue, Riverside, CA 92501, Attention: Bruce Kulpa, Executive Director.

- (22) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
- (23) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
- (24) This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Borrower has executed this Note as of the day and year first set forth above.

**BORROWER:**  
Riverside Housing Development Corporation  
a California nonprofit public benefit corporation

By:   
Bruce Kulpa, Executive Director

Date: 6/2/16

**EXHIBIT "D"**

**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.

**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 \_\_\_\_\_ \$ \_\_\_\_\_

HUD Effective FY 2016 – Annual Low-Income Limit

Persons in Household	1	2	3	4	5	6	7	8
Low-Income Family (80% AMI)	\$35,800	\$40,900	\$46,000	\$51,100	\$55,200	\$59,300	\$63,400	\$67,500

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.

**EXHIBIT D-2**

**§ 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 or 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 action, 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 135 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.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25



U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

## Prohibition Against Conflicts of Interest

### EXHIBIT "E"

#### § 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:

g. 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;

h. 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;

- i. 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;
- j. Whether the interest or benefit was present before the affected person was in a position as described in **paragraph (c)** of this section;
- k. Whether undue hardship will result either to COUNTY or the person affected when weighed against the public interest served by avoiding the prohibited conflict;
- l. 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 F: Sample Tenant Checklist

Project Name:  
 Address:

Insert a check mark for each item that is relevant to the family below

Unit No.	Tenant Name	Move In Date	Move Out Date	Rent Amount	Family Size	No. of BRs	Utility Allowance	Tenant Portion	Section 8 Subsidy	Recent Date	Tenant Income	% of Median	Non-Hisp.	Hisp.	Am. Ind (AIAN)	Asn	Blk	N.Haw/ Pc Islan	WHT	AIAN & WHT	ASN & WHT	BLK & WHT	AIAN & BLK	Two or more Races	

Prepared by:

Title:

Phone Number:

Problems or questions please call Mervyn Manalo

If you would like this form prepared on Microsoft Excel e-mailed to you, please contact [mmanalo@rivcoeda.org](mailto:mmanalo@rivcoeda.org)

# **EXHIBIT “G”**

Covenant Agreement

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 5555 Arlington Avenue  
11 Riverside, CA 92504  
12 Attn. Mervyn Manalo

13 SPACE ABOVE THIS LINE FOR RECORDERS USE

14 **COVENANT AGREEMENT**  
15 **(Orange Blossom IV Apartments)**

16 This Covenant Agreement (Orange Blossom IV Apartments) (“Covenant”) is made and  
17 entered into as of the day of \_\_\_\_\_, 2016 by and between the COUNTY OF  
18 RIVERSIDE, a political subdivision of the State of California (“COUNTY”), and RIVERSIDE  
19 HOUSING DEVELOPMENT CORPORATION (“RHDC”), a California nonprofit public  
20 benefit corporation.

21 **RECITALS**

22 WHEREAS, RHDC owns those certain real properties located at 41945 Orange Blossom  
23 Lane, Hemet, CA 92544 (Community of Valle Vista), Assessor’s Parcel Number(S): 438-110-  
24 061, legally described in **Exhibit A** attached hereto and incorporated herein by this reference  
25 (the “Property”);

26 WHEREAS, on June 21, 2016, COUNTY and RHDC entered into that certain Loan  
27 Agreement for the Use of HOME Funds recorded in the Official Records (“Official Records”) of  
28 the County of Riverside concurrently herewith (the “HOME Loan Agreement”) which provides  
for, among other things, acquisition and rehabilitation on the Property of an existing building,  
“Orange Blossom IV Apartments,” a portion of which will be for low and very low-income  
families (the “Project”). Capitalized terms not defined herein shall have the meaning ascribed to

1 them in the HOME Loan Agreement;

2           WHEREAS, the County was qualified by the United States Department of  
3 Housing and Urban Development (“HUD”) as an “Urban County” and an approved  
4 participating jurisdiction that has received funds from HUD pursuant to the HOME Investment  
5 Partnerships Act and HOME Investment Partnerships Program, Title II of the Cranston-  
6 Gonzalez National Affordable Housing Act , as amended (commencing at 42 U.S.C. 12701 et  
7 seq.), and the implementing regulations thereto (24 CFR Part 92) (collectively, the “HOME  
8 Program”), for the purposes of providing decent, safe, sanitary, and affordable housing with  
9 primary attention to rental housing, for low-income families; to strengthen public-private  
10 partnerships to carry out affordable housing programs; and to provide for coordinated  
11 assistance to participants in the development of affordable low-income housing;

12           WHEREAS, pursuant to the HOME Loan Agreement, County loaned to RHDC,  
13 \$620,000 consisting of HOME community housing development organization (“CHDO”) set-  
14 aside funds (“HOME Loan”), to provide financial assistance to RHDC, to pay a portion of the  
15 costs related to the Project, as more fully described in the HOME Loan Agreement. The HOME  
16 Loan is evidenced by a Promissory Note executed by RHDC, in favor of the COUNTY dated on  
17 or about the date hereof (“HOME Loan Note”)and secured by that certain Deed of Trust  
18 executed by RHDC, for the benefit of COUNTY and recorded in the Official Records  
19 concurrently herewith (“HOME Loan Deed of Trust”) ; and

20           WHEREAS, pursuant to the HOME Loan Agreement, RHDC has agreed to acquire and  
21 rehabilitate an existing building consisting of a total of three (3) units, and reserve all three (3)  
22 units to be rented to and occupied by qualified low and very low income households pursuant to  
23 the HOME Program (“HOME-Assisted Units”) as set forth more specifically below.

24           NOW, THEREFORE, in consideration of the mutual covenants and agreements, and for  
25 other good and valuable consideration, the receipt and sufficiency of which are hereby  
26 acknowledged, RHDC, on behalf of itself and its successors, assigns, and each successor in  
27 interest to the Property or any part thereof, hereby declares as follows:

28           1)    RESTRICTIONS. This Covenant shall continue in full force and effect for the



1 later of (i) fifty-five (55) years from the recordation of the Notice of Completion for the last  
2 building for which construction is completed for the Project on the Property, or (ii) July 1, 2073  
3 (“Term”), for itself and on behalf of its successors and assigns. For the duration of the term, the  
4 Property shall be held, sold and conveyed, subject to the following covenants, conditions, and  
5 restrictions:

6 a) One (1) of the 2-bedroom units of the Project shall be designated as a  
7 floating Low HOME rent units (“Low HOME-Assisted Unit”) as defined under 24 CFR 92.252  
8 as published by the United States Departments of Housing and Urban Development (“HUD”).  
9 The Low HOME-Assisted Unit shall be limited to households whose incomes do not exceed fifty  
10 percent (50%) of the median family income for the County of Riverside, adjusted by family size  
11 at the time of occupancy. The remaining one 2-bedroom unit and one 3-bedroom unit shall be  
12 limited to households whose incomes do not exceed 60% of the area median income. The Low  
13 HOME Assisted Units shall be a “floating” designation on the Property such that the  
14 requirements of this Agreement will be satisfied so long as the total number of HOME Assisted  
15 Units remains the same throughout the Affordability Period and the substituted Low HOME  
16 Assisted Unit is comparable in terms of size, features, and number of bedrooms to the originally  
17 designated Low HOME Assisted Units;

18 b) Rent limitations are set forth under 24 CFR 92.252 and the COUNTY  
19 HOME Assisted Units shall be rented to income qualified applicants at the Low and High  
20 HOME rent levels for the County of Riverside, which are published periodically by HUD; and

21 c) RHDC shall comply with the terms of the HOME Loan Agreement,  
22 HOME Loan Note, HOME Loan Deed of Trust and any other instrument secured against the  
23 Property.

24 2) SUBORDINATION. This Covenant Agreement shall be recorded in second  
25 position junior to the following liens (1) a construction loan from Provident Savings Bank in a  
26 principal amount up to \$103,000.

27 3) COMPLIANCE WITH LAWS AND REGULATIONS. During the Term of this  
28 Covenant, RHDC, for itself and on behalf of its successors and assigns, shall adhere to and

1 comply with all federal, state and local laws, regulations and ordinances., including, but not  
2 limited to the following:

3 a) The HOME Investment Partnership Program as enacted under Title II of  
4 the Cranston Gonzalez National Affordable Housing Act (42 USC 12701 et seq.) and its  
5 implementing regulations, 24 CFR Part 92, as both shall be amended from time to time,  
6 including, but not limited to, 24 CFR 92.356, 24 CFR 92.358, 24 CFR 92.253, 24 CFR 92.252,  
7 24 CFR 92.255, 24 CFR 92.256, 24 CFR 92.350, Subpart F, Subpart H, and its implementing  
8 regulations set forth in the Final Rule, as it now exists and may hereafter be amended.

9 b) 24 CFR Section 92.350 Other Federal requirements and  
10 nondiscrimination. As set forth in 24 CFR part 5, Subpart A, RHDC is required to include the  
11 following requirements: nondiscrimination and equal opportunity under Section 282 of the Act;  
12 disclosure; debarred, suspended, or ineligible contractors; and drug-free workplace.

13 c) 24 CFR Section 92.351 Affirmative marketing and minority outreach  
14 program. RHDC must adopt affirmative marketing procedures and requirements. These must  
15 include:

16 (7) Methods for informing the public, owners, and potential  
17 tenants about Federal fair housing laws and the affirmative marketing policy (e.g., the use of the  
18 Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners,  
19 and written communication to fair housing and other groups).

20 (8) Requirements and practices that RHDC must adhere to in  
21 order to carry out the affirmative marketing procedures and requirements (e.g., use of  
22 commercial media, use of community contacts, use of the Equal Housing Opportunity logotype  
23 or slogan, and display of fair housing poster).

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

28 (10) Records that will be kept describing actions taken by

1 RHDC to affirmatively market units and records to assess the results of these actions.

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

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

- 15 (i) Placing qualified small and minority businesses and  
16 women's business enterprises on solicitation lists.
- 17 (ii) Assuring that small and minority businesses, and women's  
18 business enterprises are solicited whenever they are  
19 potential sources.
- 20 (iii) Dividing total requirements, when economically feasible,  
21 into smaller tasks or quantities to permit maximum  
22 participation by small and minority business, and women's  
23 business enterprises.
- 24 (iv) Establishing delivery schedules, where the requirement  
25 permits, which encourage participation by small and  
26 minority business, and women's business enterprises.
- 27 (v) Using the services and assistance of the Small Business  
28 Administration, and the Minority Business Development

Agency of the Department of Commerce.

4) TENANT PROTECTIONS. RHDC shall provide protection to the tenants of the COUNTY HOME Assisted Units in accordance with the requirements set forth at 24 CFR 92.253 and described as follows:

a) Provide written lease agreement for not less than one year, unless by mutual agreement between the tenant and RHDC. County shall review the initial form of the lease agreement prior to RHDC executing any leases and, provided that RHDC uses the approved lease form, RHDC shall be permitted to enter into residential leases without County's prior written consent.

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

(9) *Agreement to be sued*. Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of RHDC in a lawsuit brought in connection with the lease.

(10) *Treatment of property*. Agreements by tenant that RHDC, L.P. may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. RHDC may dispose of this personal property in accordance with State law.

(11) *Excusing RHDC from responsibility*. Agreement by the tenant not to hold RHDC or RHDC's agents legally responsible for any action or failure to act, whether intentional or negligent.

(12) *Waiver of notice*. Agreement of the tenant that RHDC may institute a lawsuit without notice to the tenant.

(13) *Waiver of legal proceeding*. Agreement by the tenant that the

1 RHDC may evict the tenant or household members without  
2 instituting a civil court proceeding in which the tenant has the  
3 opportunity to present a defense, or before a court decision on the  
4 rights of the parties.

5 (14) *Waiver of a jury trial.* Agreement by the tenant to waive any right  
6 to a trial by jury.

7 (15) *Waiver of right to appeal court decision.* Agreement by the tenant  
8 to waive the tenant's right to appeal, or to otherwise challenge in  
9 court, a court decision in connection with the lease.

10 (16) *Tenant chargeable with cost of legal actions regardless of*  
11 *outcome.* Agreement by the tenant to pay attorneys' fees or other  
12 legal costs even if the tenant wins in a court proceeding by RHDC  
13 against the tenant. The tenant, however, may be obligated to pay  
14 costs if the tenant loses.

15 (17) *Mandatory supportive services.* Agreement by the tenant (other  
16 than a tenant in transitional housing) to accept supportive services  
17 that are offered.

18 c) Violence Against Women Reauthorization Act of 2013. (Pub. L. 113-4,  
19 127 Stat. 54) ("VAWA 2013"). VAWA 2013 reauthorizes and amends the Violence Against  
20 Women Act of 1994, as previously amended, (title IV, sec. 40001-40703 of Pub. L. 103-322,  
21 42 U.S.C. 13925 et seq.) VAWA 2013, among other things, bars eviction and termination due  
22 to a tenant's status as a victim of domestic violence, dating violence, or stalking, and requires  
23 landlords to maintain survivor-tenant confidentiality. VAWA 2013 prohibits a tenant who is a  
24 survivor of domestic violence, dating violence, sexual assault, and stalking from being denied  
25 assistance, tenancy, or occupancy rights based solely on criminal activity related to an act of  
26 violence committed against them. It extends housing protections to survivors of sexual assault,  
27 and adds "intimate partner" to the list of eligible relationships in the domestic violence  
28 definition. Protections also now cover an "affiliated individual," which includes any lawful

1 occupant living in the survivor's household, or related to the survivor by blood or marriage  
2 including the survivor's spouse, parent, brother, sister, child, or any person to whom the  
3 survivor stands in loco parentis. VAWA 2013 allows a lease bifurcation so a tenant or lawful  
4 occupant who engages in criminal activity directly relating to domestic violence, dating  
5 violence, sexual assault, or stalking against an affiliated individual or other individual, or  
6 others may be evicted or removed without evicting or removing or otherwise penalizing a  
7 victim who is a tenant or lawful occupant. If victim cannot establish eligibility, RHDC, L.P.  
8 must give a reasonable amount of time to find new housing or establish eligibility under  
9 another covered housing program. A Notice of Rights under VAWA 2013 for tenants must be  
10 provided at the time a person applies for housing, when a person is admitted as a tenant of a  
11 housing unit, and when a tenant is threatened with eviction or termination of housing benefits.  
12 Tenants must request an emergency transfer and reasonably believe that they are threatened  
13 with imminent harm from further violence if the tenant remains in the same unit. The  
14 provisions of VAWA 2013 that are applicable to HUD programs are found in title VI of  
15 VAWA 2013, which is entitled "Safe Homes for Victims of Domestic Violence, Dating  
16 Violence, Sexual Assault, and Stalking." Section 601 of VAWA 2013 amends subtitle N of  
17 VAWA (42 U.S.C. 14043e et seq.) to add a new chapter entitled "Housing Rights."

18 5) MAINTENANCE OF THE IMPROVEMENTS. RHDC, on behalf of itself and  
19 its successors, assigns, and each successor in interest to the Property and Project or any part  
20 thereof hereby covenants to and shall protect, maintain, and preserve the Property in compliance  
21 with all applicable federal and state law and regulations and local ordinances. In addition,  
22 RHDC, its successors and assigns, shall maintain the improvements on the Property in the same  
23 aesthetic and sound condition (or better) as the condition of the Property at the time of the  
24 recordation of the Notice of Completion for the Project, reasonable wear and tear excepted. This  
25 standard for the quality of maintenance of the Property shall be met whether or not a specific  
26 item of maintenance is listed below. However, representative items of maintenance shall include  
27 frequent and regular inspection for graffiti or damage or deterioration or failure, and immediate  
28 repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary;

1 emptying of trash receptacles and removal of litter; sweeping of public sidewalks adjacent to the  
2 Property, on-site walks and paved areas and washing-down as necessary to maintain clean  
3 surfaces; maintenance of all landscaping in a healthy and attractive condition, including  
4 trimming, fertilizing and replacing vegetation as necessary; cleaning windows on a regular basis;  
5 painting the buildings on a regular program and prior to the deterioration of the painted surfaces;  
6 conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and  
7 weather-tight condition; maintaining security devices in good working order. In the event  
8 RHDC, its successors or assigns fails to maintain the Property in accordance with the standard  
9 for the quality of maintenance, the County or its designee shall have the right but not the  
10 obligation to enter the Property upon reasonable notice to RHDC, correct any violation, and hold  
11 RHDC, or such successors or assigns responsible for the cost thereof, and such cost, until paid,  
12 shall constitute a lien on the Property.

13         6)         NONDISCRIMINATION. RHDC shall not discriminate on the basis of race,  
14 gender, religion, national origin, ethnicity, sexual orientation, age or disability in the solicitation,  
15 selection, hiring or treatment of any contractors or consultants, to participate in  
16 subcontracting/subconsulting opportunities. RHDC understands and agrees that violation of this  
17 clause shall be considered a material breach of this Lease and may result in termination,  
18 debarment or other sanctions. This language shall be incorporated into all contracts between  
19 RHDC and any contractor, consultant, subcontractor, subconsultants, vendors and suppliers.  
20 RHDC shall comply with the provisions of the California Fair Employment and Housing Act  
21 (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352),  
22 as amended, and all Administrative Rules and Regulations issued pursuant to said Acts and  
23 Orders with respect to its use of the Property.

24         RHDC herein covenants by and for itself, its successors and assigns, and all persons  
25 claiming under or through them, that this Covenant is made and accepted upon and subject to the  
26 following conditions: There shall be no discrimination against or segregation of any person or  
27 group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the  
28 Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and

1 paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code,  
2 in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor  
3 shall the transferee itself or any person claiming under or through him or her, establish or permit  
4 any such practice or practices of discrimination or segregation with reference to the selection,  
5 location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the  
6 Property.

7 RHDC, its successors and assigns, shall refrain from restricting the rental, sale, or lease  
8 of the Property or any portion thereof, on the basis of race, color, creed, religion, sex, sexual  
9 orientation, marital status, national origin, or ancestry of any person. Every deed, lease, and  
10 contract entered into with respect to the Property, or any portion thereof, after the date of this  
11 Agreement shall contain or be subject to substantially the following nondiscrimination or  
12 nonsegregation clauses:

13 a) In deeds: "The grantee herein covenants by and for himself or herself, his  
14 or her heirs, executors, administrators, and assigns, and all persons claiming under or  
15 through them, that there shall be no discrimination against or segregation of, any person  
16 or group of persons on account of any basis listed in subdivision (a) or (d) of Section  
17 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1,  
18 subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section  
19 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy,  
20 tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person  
21 claiming under or through him or her, establish or permit any practice or practices of  
22 discrimination or segregation with reference to the selection, location, number, use or  
23 occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein  
24 conveyed. The foregoing covenants shall run with the land."

25 b) In leases: "The lessee herein covenants by and for himself or herself, his  
26 or her heirs, executors, administrators, and assigns, and all persons claiming under or  
27 through him or her, and this lease is made and accepted upon and subject to the following  
28 conditions: That there shall be no discrimination against or segregation of any person or



1 group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955  
2 of the Government Code, as those bases are defined in Sections 12926, 12926.1,  
3 subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section  
4 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy,  
5 tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself,  
6 or any person claiming under or through him or her, establish or permit any such practice  
7 or practices of discrimination or segregation with reference to the selection, location,  
8 number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the  
9 premises herein leased.”

10 c) In contracts: “There shall be no discrimination against or segregation of  
11 any person or group of persons, on account of any basis listed in subdivision (a) or (d) of  
12 Section 12955 of the Government Code, as those bases are defined in Sections 12926,  
13 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and  
14 Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use,  
15 occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person  
16 claiming under or through him or her, establish or permit any such practice or practices of  
17 discrimination or segregation with reference to the selection, location, number, use, or  
18 occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land.”

19 In addition to the obligations and duties of RHDC set forth herein, RHDC shall, upon  
20 notice from County, promptly pay to County all fees and costs, including administrative and  
21 attorneys’ fees, incurred by County in connection with responding to or defending any  
22 discrimination claim brought by any third party and/or local, state or federal government entity,  
23 arising out of or in connection with the Agreement or this Covenant.

24 7) INSURANCE. Without limiting or diminishing RHDC’s obligation to indemnify  
25 or hold County harmless, RHDC shall procure and maintain or cause to be maintained, at its sole  
26 cost and expense, the following insurance coverage’s during the term of this Covenant.

27 a) Worker’s Compensation Insurance. If RHDC has employees as defined by the State of  
28 California, RHDC shall maintain statutory Workers’ Compensation Insurance (Coverage

1 A) as prescribed by the laws of the State of California. Policy shall include Employers'  
2 Liability (Coverage B) including Occupational Disease with limits not less than  
3 \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in  
4 favor of the County of Riverside, and, if applicable, to provide a Borrowed  
5 Servant/Alternate Employer Endorsement.

6 b) Commercial General Liability Insurance. Commercial General Liability insurance  
7 coverage, including but not limited to, premises liability, contractual liability, products  
8 and completed operations liability, personal and advertising injury, and cross liability  
9 coverage, covering claims which may arise from or out of RHDC's performance of its  
10 obligations hereunder. Policy shall name the County of Riverside, its Agencies, Districts,  
11 Special Districts, and Departments, their respective directors, officers, Board of  
12 Supervisors, employees, elected or appointed officials, agents or representatives as  
13 Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per  
14 occurrence combined single limit. If such insurance contains a general aggregate limit, it  
15 shall apply separately to this agreement or be no less than two (2) times the occurrence  
16 limit.

17 c) Vehicle Liability Insurance. If vehicles or mobile equipment are used in the performance  
18 of the obligations under this Covenant, then RHDC shall maintain liability insurance for  
19 all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000  
20 per occurrence combined single limit. If such insurance contains a general aggregate  
21 limit, it shall apply separately to this agreement or be no less than two (2) times the  
22 occurrence limit. Policy shall name the County of Riverside, its Agencies, Districts,  
23 Special Districts, and Departments, their respective directors, officers, Board of  
24 Supervisors, employees, elected or appointed officials, agents or representatives as  
25 Additional Insured or provide similar evidence of coverage approved by County's Risk  
26 Manager ("Risk Manager").

27 d) General Insurance Provisions – All Lines.

28 i) Any insurance carrier providing insurance coverage hereunder shall be

1 admitted to the State of California and have an A M BEST rating of not less  
2 than A: VIII (A:8) unless such requirements are waived, in writing, by Risk  
3 Manager. If Risk Manager waives a requirement for a particular insurer such  
4 waiver is only valid for that specific insurer and only for one policy term.

5 ii) RHDC's insurance carrier(s) must declare its insurance self-insured  
6 retentions. If such self-insured retentions exceed \$500,000 per occurrence  
7 such retentions shall have the prior written consent of Risk Manager. Upon  
8 notification of self-insured retention unacceptable to County, and at the  
9 election of Risk Manager, RHDC's carriers shall either: (a) reduce or  
10 eliminate such self-insured retention, or (b) procure a bond which guarantees  
11 payment of losses and related investigations, claims administration, and  
12 defense costs and expenses.

13 iii) RHDC shall cause RHDC's insurance carrier(s) to furnish the County of  
14 Riverside with copies of the Certificate(s) of Insurance and Endorsements  
15 effecting coverage as required herein, and 2) if requested to do so orally or in  
16 writing by Risk Manager, provide copies of policies including all  
17 Endorsements and all attachments thereto, showing such insurance is in full  
18 force and effect. Further, said Certificate(s) and policies of insurance shall  
19 contain the covenant of the insurance carrier(s) that thirty (30) days written  
20 notice shall be given to the County of Riverside prior to any material  
21 modification, cancellation, expiration or reduction in coverage of such  
22 insurance. RHDC shall not continue operations until County has been  
23 furnished Certificate(s) of Insurance and copies of endorsements and if  
24 requested, copies of policies of insurance including all endorsements and any  
25 and all other attachments as required herein. An individual authorized by the  
26 insurance carrier to do so, on its behalf, shall sign the original endorsements  
27 for each policy and the Certificate of Insurance.

28 iv) It is understood and agreed to by the parties hereto that RHDC's insurance

1 shall be construed as primary insurance, and County's insurance and/or  
2 deductibles and/or self-insured retention's or self-insured programs shall not  
3 be construed as contributory.

4 v) If, during the term of this Covenant or any extension thereof, there is a  
5 material change in the scope of services or there is a material change in the  
6 equipment to be used in the performance of the scope of work which will add  
7 additional exposures (such as the use of aircraft, watercraft, cranes, etc.), then  
8 County reserves the right to adjust the types of insurance required under this  
9 Covenant and the monetary limits of liability for the insurance coverage's  
10 currently required herein, if, in Risk Manager's reasonable judgment, the  
11 amount or type of insurance carried by RHDC has become inadequate.

12 vi) RHDC shall pass down the insurance obligations contained herein to all tiers  
13 of subcontractors.

14 vii) RHDC agrees to notify County in writing of any claim by a third party or any  
15 incident or event that may give rise to a claim arising from the performance of  
16 the Agreement.

17 8) HOLD HARMLESS/INDEMNIFICATION. RHDC shall indemnify and hold  
18 harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments,  
19 their respective directors, officers, Board of Supervisors, elected and appointed officials,  
20 employees, agents and representatives (individually and collectively hereinafter referred to as  
21 Indemnitees) from any liability whatsoever, based or asserted upon any services of RHDC, its  
22 officers, employees, subcontractors, agents or representatives arising out of or in any way  
23 relating to this Agreement, including but not limited to property damage, bodily injury, or death  
24 or any other element of any kind or nature whatsoever arising from the performance of RHDC,  
25 its officers, employees, subcontractors, agents or representatives Indemnitors from this  
26 Agreement. RHDC shall defend, at its sole expense, all costs and fees including, but not limited,  
27 to attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any  
28 claim or action based upon such alleged acts or omissions. With respect to any action or claim

1 subject to indemnification herein by RHDC shall, at their sole cost, have the right to use counsel  
2 of their own choice and shall have the right to adjust, settle, or compromise any such action or  
3 claim without the prior consent of County; provided, however, that any such adjustment,  
4 settlement or compromise in no manner whatsoever limits or circumscribes RHDC's  
5 indemnification to Indemnitees as set forth herein. RHDC's obligation hereunder shall be  
6 satisfied when RHDC has provided to County the appropriate form of dismissal relieving  
7 County from any liability for the action or claim involved. The specified insurance limits  
8 required in this Agreement shall in no way limit or circumscribe RHDC's obligations to  
9 indemnify and hold harmless the Indemnitees herein from third party claims. In the event there is  
10 conflict between this clause and California Civil Code Section 2782, this clause shall be  
11 interpreted to comply with Civil Code 2782. Such interpretation shall not relieve RHDC from  
12 indemnifying the Indemnitees to the fullest extent allowed by law.

13 9) NOTICES. All Notices provided for in this Covenant shall be deemed received  
14 when personally delivered, or two (2) days following mailing by certified mail, return receipt  
15 requested. All mailing shall be addressed to the respective parties at their addresses set forth  
16 below, or at such other address as each party may designate in writing and give to the other  
17 party:

18		
19	<u>COUNTY</u>	<u>RIVERSIDE HOUSING DEVELOPMENT CORP.</u>
20	Assistant Director, Housing	c/o Bruce Kulpa, Executive Director
21	Riverside County	4250 Brockton Avenue
22	Economic Development Agency	Riverside, CA 92501
23	5555 Arlington Avenue	
	Riverside, CA 92504	

24 10) REMEDIES. County shall have the right, in the event of any breach of any such  
25 agreement or covenant, to exercise all available rights and remedies, and to maintain any actions  
26 at law or suit in equity or other proper proceedings to enforce the curing of such breach of  
27 agreement or covenant.

28 11) TERM. The non-discrimination covenants, conditions and restrictions contained

1 in Section 6 of this Covenant shall remain in effect in perpetuity. Every other covenant,  
2 condition and restriction contained in this Covenant shall continue in full force and effect for the  
3 Term, as defined in **Section 1** of this Covenant.

4 12) NOTICE AND CURE. Prior to exercising any remedies hereunder, the County  
5 shall give RHDC notice of such default pursuant to section 9 above. Any monetary default shall  
6 be cured within seven (7) days of delivery of written notice. Except as otherwise set forth herein,  
7 if a non-monetary default is reasonably capable of being cured within sixty (60) days of delivery  
8 of such notice of default, RHDC shall have such period to effect a cure prior to exercise of  
9 remedies by County. If the non-monetary default is such that it is not reasonably capable of  
10 being cured within sixty (60) days of delivery of such notice of default, and RHDC (a) initiates  
11 corrective action within said period, and (b) diligently, continually, and in good faith works to  
12 effect a cure as soon as possible, then RHDC shall have such additional time as is reasonably  
13 necessary to cure the default prior to exercise of any remedies by the County; but in no event no  
14 later than ninety (90) days from delivery of such notice of default. County, upon providing  
15 RHDC with any notice of default under this Covenant, shall, within a reasonable time, provide a  
16 copy of such default notice to a Permitted Lender who has given written notice to County of its  
17 interest in the Property and Project. From and after such notice has been delivered to a Permitted  
18 Lender, such Permitted Lender shall have the same period for remedying the default complained  
19 of as the cure period provided to RHDC pursuant to this section 12. County shall accept  
20 performance by a Permitted Lender as if the same had been done by RHDC.

21 If a violation of any of the covenants or provisions of this Covenant remains uncured  
22 after the respective time period set forth in this Section 12, County and its successors and  
23 assigns, without regard to whether County or its successors and assigns is an owner of any land  
24 or interest therein to which these covenants relate, may institute and prosecute any proceedings  
25 at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to  
26 compel specific performance by RHDC of its obligations hereunder. No delay in enforcing the  
27 provisions hereof as to any breach or violation shall impair, damage or waive the right of any  
28 party entitled to enforce the provisions hereof or to obtain relief against or recover for the

1 continuation or repetition of such breach or violations or any similar breach or violation hereof  
2 at any later time.

3 13) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY.

4 RHDC hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the  
5 Project, the Property or any portion thereof, without obtaining the prior written consent of  
6 County, in its sole discretion. Any sale, assignment, or transfer of the Project or Property, shall  
7 be memorialized an assignment and assumption agreement the form and substance of which have  
8 been first approved in writing by the County in its sole discretion. Such assignment and  
9 assumption agreement shall, among other things, provide that the transferee has assumed in  
10 writing and in full, and is reasonably capable of performing and complying with RHDC's duties  
11 and obligations under the Agreement and this Covenant, provided, however RHDC shall not be  
12 released of all obligations under the HOME Loan Agreement and this Covenant.

13 14) AMENDMENTS OR MODIFICATIONS. This Covenant may be changed or  
14 modified only by a written amendment signed by authorized representatives of both parties.

15 15) GOVERNING LAW; VENUE; SEVERABILITY. This Covenant shall be  
16 governed by the laws of the State of California. Any legal action related to the performance or  
17 interpretation of this Covenant shall be filed only in the Superior Court of the State of California  
18 located in Riverside, California, and the parties waive any provision of law providing for a  
19 change of venue to another location. In the event any provision in this Covenant is held by a  
20 court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions  
21 will nevertheless continue in full force without being impaired or invalidated in any way

22 16) BINDING EFFECT. The rights and obligations of this Covenant shall bind and  
23 inure to the benefit of the respective heirs, successors and assigns of the parties.

24 17) PERMITTED MORTGAGES. No violation or breach of the covenants,  
25 conditions, restrictions, provisions or limitations contained in this Covenant shall defeat or  
26 render invalid or in any way impair the lien or charge of any deed of trust or mortgage permitted  
27 by the Agreement or the lien or charge of a deed of trust made by RHDC for the benefit of any  
28 lender first approved in writing by the County ( each, a "Permitted Lender") and nothing herein

1 or in the Agreement shall prohibit or otherwise limit the exercise of a Permitted Lender's rights  
2 and remedies thereunder, including a foreclosure or deed-in-lieu of foreclosure and subsequent  
3 transfer thereafter.

4 18) SEVERABILITY. In any event that any provision, whether constituting a separate  
5 paragraph or whether contained in a paragraph with other provisions, is hereafter determined to  
6 be void and unenforceable, it shall be deemed separated and deleted from the agreement and the  
7 remaining provisions of this Agreement shall remain in full force and effect.

8 19) PROJECT MONITORING AND EVALUATION.

9 a) Tenant Checklist. RHDC shall submit a Tenant Checklist Form to COUNTY, as shown  
10 in **Exhibit F** which is attached hereto and incorporated herein by this reference, and may  
11 be revised by COUNTY, summarizing the racial/ethnic composition, number and  
12 percentage of very low-income households who are tenants of the HOME-assisted units.  
13 The Tenant Checklist Form shall be submitted upon completion of the construction and  
14 thereafter, on a semi-annual basis on or before March 31 and September 30. RHDC shall  
15 maintain financial, programmatic, statistical and other supporting records of its  
16 operations and financial activities in accordance with the requirements of the HOME  
17 Program under 24 CFR 92.508, including the submission of Tenant Checklist Form.  
18 Except as otherwise provided for in this Covenant and in the Agreement, RHDC shall  
19 maintain and submit records to COUNTY within ten (10) business days of COUNTY's  
20 request which clearly documents RHDC's performance under each requirement of the  
21 HOME Program.

22 b) Inspections. Pursuant to 24 CFR 92.504(d)(1)(ii), during the period of affordability,  
23 COUNTY must perform on-site inspections of HOME-assisted rental housing to  
24 determine compliance with the property standards of §92.251 and to verify the  
25 information submitted by the owners in accordance with the requirements of §92.252.  
26 The inspections must be in accordance with the inspection procedures that the  
27 participating jurisdiction establishes to meet the inspection requirements of §92.251. The  
28 on-site inspections must occur at least once every 3 years thereafter during the period of



1 affordability. If there are observed deficiencies for any of the inspectable items in the  
2 property standards established by COUNTY, in accordance with the inspection  
3 requirements of §92.251, a follow-up on-site inspection to verify that deficiencies are  
4 corrected must occur within 12 months. COUNTY may establish a list of non-hazardous  
5 deficiencies for which correction can be verified by third party documentation (e.g., paid  
6 invoice for work order) rather than re-inspection. Health and safety deficiencies must be  
7 corrected immediately, in accordance with §92.251. COUNTY must adopt a more  
8 frequent inspection schedule for properties that have been found to have health and  
9 safety deficiencies. The property owner must annually certify to the COUNTY that each  
10 building and all HOME- assisted units in the project are suitable for occupancy, taking  
11 into account State and local health, safety, and other applicable codes, ordinances, and  
12 requirements, and the ongoing property standards established by the participating  
13 jurisdiction to meet the requirements of §92.251. Inspections must be based on a  
14 statistically valid sample of units appropriate for the size of the HOME-Assisted project,  
15 as set forth by HUD through notice. For projects with one-to-four HOME-Assisted  
16 Units, COUNTY must inspect 100 percent of the HOME-Assisted Units and the  
17 inspectable items (site, building exterior, building systems, and common areas) for each  
18 building housing HOME-assisted units.

19 20) ACCESS TO PROJECT SITE. Representatives of the COUNTY and HUD shall  
20 have the right of access to the Property, upon 24 hours' written notice to RHDC (except in the  
21 case of an emergency, in which case COUNTY and/or HUD shall provide such notice as may be  
22 practical under the circumstances), without charges or fees, during normal business hours to  
23 review the operation of the Project in accordance with this Covenant and the Agreement.

24 21) COUNTERPARTS. This Covenant may be signed by the different parties hereto  
25 in counterparts, each of which shall be an original, but all of which together shall constitute one  
26 and the same agreement.

27 22) This Covenant and the Agreement set forth and contain the entire understanding  
28 and agreement of the parties hereto. There are no oral or written representations,

1 understandings, or ancillary covenants, undertakings or agreements, which are not contained or  
2 expressly referred to within this Covenant, and the Agreement, including all amendments and  
3 modifications to the Agreement.

4  
5 ///

6 ///

7 [remainder of page intentionally blank]

8  
9  
10 (SIGNATURES ON THE NEXT PAGE)

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1 IN WITNESS WHEREOF, COUNTY and RHDC have executed this Covenant as of the dates  
2 written below.

3 COUNTY:

4 County of Riverside, a political  
5 Subdivision of the State of California

Riverside Housing Development Corporation  
a California nonprofit limited partnership

6  
7 By: \_\_\_\_\_  
8 John J. Benoit, Chairman  
9 Board of Supervisors

By:   
Bruce Kulpa, Executive Director

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

By: BRUCE KULPA

Date: 6/2/16

11  
12  
13 ATTEST:  
14 KECIA HARPER-IHEM  
15 Clerk of the Board

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

17  
18  
19  
20 APPROVED AS TO FORM:  
21 GREGORY P. PRIAMOS, County Counsel  
22 Clerk of the Board

23 By: \_\_\_\_\_  
24 Jhaila R. Brown, Deputy County Counsel

25  
26  
27 **(Signatures need to be notarized)**

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

STATE OF CALIFORNIA }

COUNTY OF Riverside }

On 10-3-16, before me, Jean Barry, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Bruce Kulpa  
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 Jean Barry  
Signature of Notary Public

Place Notary Seal Above

**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

## **EXHIBIT "A"**

### LEGAL DESCRIPTION OF PROPERTY

The land referred to in this report is situated in the County of Riverside, State of California, described as follows:

Lot 16 of Tract No. 11600 as per Map recorded in Book 110, Pages 46 and 47 of Maps Records, in the Office of the County Recorder of said Riverside County, California.

Assessor's Parcel No.: 438-110-061-4  
41945 Orange Blossom Lane, Hemet, CA 92544

# **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  
5555 Arlington Avenue  
Riverside, CA 92504  
Attn: Mervyn Manalo

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 dated \_\_\_\_\_ and recorded concurrently herewith in the Official Records of the County of Riverside, California, executed by Riverside Housing Development Corporation, a California nonprofit public benefit corporation, as Trustor in which XXXX is named as Beneficiary, and \_\_\_\_\_ as Trustee, and describing land therein as all that certain real property situated in the County of Riverside, State of California, described as follows:

Lot 16 of Tract No. 11600 as per Map recorded in Book 110, Pages 46 and 47 of Maps Records, in the Office of the County Recorder of said Riverside County, California.

Assessor's Parcel No.: 438-110-061-4  
41945 Orange Blossom Lane, Hemet, CA 92544

All notices to be mailed to Riverside County EDA, Housing Division, Attention Assistant Director at 5555 Arlington Avenue, Riverside, California 92504.

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  
**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.**

Dated \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE ) S.S.

On \_\_\_\_\_, before me, \_\_\_\_\_  
a Notary Public, personally appeared John Aguilar 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







# Exhibit I

## Sample

### Contractor Debarment Certification Form

#### Excluded Parties Lists System (EPLS)

The purpose of EPLS is to provide a single comprehensive list of individuals and firms excluded by Federal government agencies from receiving federal contracts or federally approved subcontracts and from certain types of federal financial and nonfinancial assistance and benefits.

The EPLS was established to ensure that agencies solicit offers from, award contracts, grants, or financial or non-financial assistance and benefits to, and consent to subcontracts with responsible contractors/vendors only and not allow a party to participate in any affected program if any Executive department or agency has debarred, suspended, or otherwise excluded (to the extent specified in the exclusion action) that party from participation in an affected program.

In July 2012, all records from CCR/FedReg, ORCA, and EPLS, active or expired, were moved to the System for Award Management (SAM). SAM is a Federal Government owned and operated free web site that consolidates the capabilities in CCR/FedReg, ORCA, and EPLS.

The County of Riverside requires that each contractor/vendor hold the required federal/state/local license for the service provided.

Please complete the following verification process for each contractor/vendor:

- STEP 1: Visit <https://www.sam.gov/portal/public/SAM/>
- STEP 2: Under "Search Records", enter the company name and press enter.
- STEP 3: Click "Print" on the Search Results page.
- STEP 4: Repeat steps 2 & 3 for variations of the name of contractor/vendor (individual last name or firm).
- STEP 5: Attach print out of search results to this certification as supporting documentation.
- STEP 6: Attach to this certification as supporting documentation a copy of contractor/vendor license for the service provided.

By signing below NSP Recipient, developer name, has verified the contractor/vendor known as, name of contractor/vendor, was not listed in the Excluded Parties Lists System and has the required contractor/vendor license as of date of verification.

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DEVELOPER SIGNATURE