

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

939



SUBMITTAL DATE:
December 2, 2010

FROM: Redevelopment Agency

SUBJECT: Agreement for the Use of United States Department of Agriculture Rural Business Enterprise Grant Funds for Mountain View Estates Mobile Home Park in Oasis

RECOMMENDED MOTION: That the Board of Directors:

1. Approve the attached agreement with Desert Empire Homes, a California corporation;
2. Authorize the Chairman of the Board of Directors to sign the agreement; and
3. Authorize the Executive Director or designee to take all necessary steps to implement this agreement, including, but not limited to, signing subsequent necessary and relevant documents.

BACKGROUND: (Commences on Page 2)

[Signature of Robert Field]

Robert Field
Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 675,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2010/11

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: United States Department of Agriculture Rural Business Enterprise Grant Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: *[Signature of Jennifer L. Sargent]*

County Executive Office Signature: Jennifer L. Sargent

MINUTES OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY

On motion of Supervisor Stone, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: December 14, 2010
xc: RDA, Auditor

Kecia Harper-Ihem
Clerk of the Board
By: *[Signature]*
Deputy

Prev. Agn. Ref.: 4.1 - 4/8/08

District: 4

Agenda Number:

4.6

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
BY: ANITA C. WILLIS
DATE: 11/29/10
FISCAL PROCEDURES APPROVED
BY: Samuel Wong 12/1/10
ROBERT E. BYRD, AUDITOR-CONTROLLER

Dep't Recomm.: ☐ Policy ☒ Policy
Per Exec. Ofc.: ☐ Consent ☒ Consent

BACKGROUND:

On April 8, 2008, the Board of Directors approved a Grant Agreement for the Use of Low- and Moderate- Income Housing Set-Aside Funds by and between the Redevelopment Agency for the County of Riverside and Desert Empire Homes, a California corporation in the amount of \$5,000,000. The purpose of the Agency grant was for the development and construction of the first phase of a 398 space mobile home park, Mountain View Estates, in Oasis, CA an unincorporated area of Riverside County. Subsequent to the approval by the Board of Directors an amendment to the Agency grant was submitted and approved by the Board of Directors for an increase to the Agency grant from \$5,000,000 to \$6,500,000 to accommodate unanticipated costs related to requested improvements to the project by the Agency.

As part of the commitment to the project, the Agency applied to United States Department of Agriculture Rural Business Enterprise Grant funds for an allocation of funds to be utilized for the construction of newly imposed roadway upgrades that includes a bridge on Harrison Street, the main access to and from the project. On December 4, 2009, the Agency received notification from USDA that an allocation of RBEG funds had been awarded to the Agency in the amount of \$675,000 to be utilized for the project improvements.

As such, the Agency and the Developer have agreed to enter into an agreement for the management of the RBEG funds. The Agency agreement extends the conditions and requirements as set forth by USDA for the administration and use of the RBEG Funds.

Agency Counsel has reviewed and approved the attached agreement. Staff recommends that the Board approve the attached agreement.

CLERK'S COPY

11/29/10

to Riverside County Clerk of the Board, Stop 1010

Post Office Box 1147, Riverside, Ca 92502-1147

Thank you.

**AGREEMENT BY AND BETWEEN THE REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE AND DESERT EMPIRE HOMES**

This AGREEMENT ("Agreement") is entered into this ____ day of _____, 2010 ("Effective Date"), by and between the Redevelopment Agency for the County of Riverside ("Agency"), a California public body, corporate and politic and Desert Empire Homes ("Developer"), a California corporation.

RECITALS

WHEREAS, Agency is a redevelopment agency duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the provisions of the California Community Redevelopment Law ("CRL"), which is Part 1 of Division 24 of the California Health and Safety Code (commencing with Section 33000 et seq.); and

WHEREAS, Agency has provided Developer funding to develop a 398 space mobile home park to be built out in two phases, the first phase will include 181 space mobile home park with spaces for rent including one manager's unit in the community of Oasis located in the unincorporated area of the County of Riverside (Mountain View Estates); and

WHEREAS, Agency has applied and received an allocation of funds from the United States Department of Agriculture ("USDA") Rural Business Enterprise Grant ("RBEG") program; and

WHEREAS, the amount of allocation of funds received from RBEG is \$675,000 ("RBEG Funds") for the purpose of constructing street improvements to Harrison Street as imposed by the Riverside County Transportation Department ("Project") more fully described in Exhibit "A" which is attached hereto and by this reference incorporated herein; and

WHEREAS, the Project will increase, improve and preserve the community's supply of low and moderate income housing available at affordable housing cost to persons and families of low or moderate income, and

WHEREAS, the Developer is in the business of developing and providing affordable housing opportunities to the Low, Very-Low and Extremely-Low Income households; and

WHEREAS, the Agency proposes to manage the RBEG Funds for the Project; and

DEC 14 2010 4:46

1 WHEREAS, the Developer agrees to use the RBEG Funds to ensure completion of the
2 Project in accordance with the rules and the application submitted by the Agency to USDA.

3 NOW, THEREFORE, in consideration of the mutual understanding provided
4 herein, the parties hereto execute this Agreement based upon the following terms and
5 conditions:

6 1) TERM. The Term of this Agreement shall be for thirty-six (36) months
7 from the Effective Date.

8 2) PURPOSE. The Agency agrees to manage and distribute Six Hundred
9 Seventy Five Thousand Dollars (\$675,000) of RBEG Funds to the Developer upon the terms and
10 conditions set forth herein (the "RBEG Agreement"). Developer promises and agrees to
11 undertake and assist with the Agency activities by utilizing RBEG Funds as required by USDA
12 and construct the Project as specifically identified in Exhibit "A".

13 3) DEVELOPER GENERAL REQUIREMENTS:

14 a. Compliance. The Developer shall comply with all requirements
15 as set forth in USDA's Administration of Rural Business
16 Enterprise and Television Demonstration Grants, (Exhibit "B")
17 and USDA's Assurance-Construction Programs document,
18 ("Exhibit "C"), which is attached hereto and by this reference
19 incorporated herein.

20 b. Project Funding. The RBEG Funds utilized for the Project shall
21 not exceed \$675,000.

22 c. Civil Rights Compliance Requirement. The Developer is required
23 to comply with civil rights requirements as governed by 1924-G,
24 Section 1942.310 and subject to the requirements of Title VI of
25 the Civil Rights Act of 1964, which prohibits discrimination on
26 the basis of race, color and national origin.

27 d. Section 504 of the Rehabilitation Act of 1973. Developer must
28 agree to comply with this act. Section 504 of the Rehabilitation

1 Act of 1973, as amended (U.S.C. 794) , no handicapped
2 individual in the United States shall, solely by reason of their
3 handicap, be excluded from participation in, be denied the
4 benefits of, or be subjected to discrimination under any program
5 or activity receiving USDA Rural Development financial
6 assistance.

7 e. Certification. The following certifications are required:

- 8 i. Certify that this grant will benefit small and emerging
9 private business enterprise defined as "Any private
10 business which will employ 50 or fewer new employees
11 and has less than \$1 million in projected gross revenues."
12 ii. "Developer must certify at least 51 percent of the
13 outstanding interest in the project has membership or is
14 owned by those who are either citizens of the United
15 States or reside in the United States after being legally
16 admitted for permanence residence."
17 iii. "Developer must execute Form AD-1047 to certify that
18 the organization is not debarred or suspended from
19 Government assistance. Developer also must obtain a
20 certification on Form AD-1048, "Certification Regarding
21 Debarment, suspension, Ineligibility, and Voluntary
22 Exclusion-Lower Tier Covered Transactions," from any
23 person or entity you do business with as a result of this
24 Government assistance that they are not debarred or
25 suspended from Government assistance."
26 iv. Developer must execute USDA Form RD400-1 certifying
27 compliance with the Equal Opportunity Agreement.
28 v. Developer must execute USDA Form RD400-4 certifying

1 compliance with the Assurance Agreement.

- 2 vi. Developer must execute USDA Form 1040-Q certifying
3 compliance with Certification for Contracts, Grants and
4 Loans.

5 f. Environmental Reviews.

- 6 i. USDA, Rural Development projects are subject to
7 environmental reviews.
8 ii. Submit proper documentation of disposal of any and all
9 material subject to environmental provision in accordance
10 with environmental requirements as directed by Federal,
11 State and Local governmental regulations.
12 iii. During any stage of project development, including
13 construction, should environmental issues develop which
14 require mitigation measures, Developer is required to
15 notify USDA Rural Development and comply with such
16 mitigation measures. Failure by Developer to implement
17 mitigation measures disqualifies the Project from RBEG
18 funding.

- 19 g. Project Development. Develop the Project or cause the Project to
20 be developed in accordance with the Plans and Specifications as
21 defined in Section 17 ("Quality of Work") of this RBEG
22 Agreement.

23 4) AGENCY'S ROLE AND RESPONSIBILITIES.

- 24 a. RBEG Funds. Agency shall manage the RBEG Funds as
25 indicated in Exhibit B and Exhibit C.
26 b. Agency Cooperation. Agency agrees to cooperate with Developer
27 to provide appropriate information, if available and not otherwise
28 privileged to assist the Developer with the development of the

1 Project. Agency shall also cooperate with the Developer's
2 professional consultants and associates to provide them with any
3 information and assistance reasonably within the capacity of
4 Agency to provide in connection with the Project pursuant to this
5 RBEG Agreement or as required by all applicable local, state and
6 federal regulations.

7 5) PROJECT COST ESTIMATE. Developer anticipates that the total cost for
8 development of the Project will be approximately Six Hundred Seventy Five Thousand Dollars
9 (\$675,000). In the event that the Project cost exceeds \$675,000, Developer shall pay for all
10 additional costs.

11 6) CONDITION FOR DISTRIBUTION OF FUNDS. Agency shall 1) make
12 payment of the RBEG Funds to Developer and 2) monitor the Project to ensure compliance
13 with all applicable State regulations and the terms of the RBEG Agreement. There will be no
14 disbursement of funds until the following events first occur:

- 15 a. Developer executes the RBEG Agreement.
- 16 b. Draw Requests will not be submitted more frequently than every
17 30 days, an original and one copy of form SF-270, "Request for
18 Advance or Reimbursement," may be submitted to the Agency.
- 19 c. Form SF-269, "Financial Status Report," and a Project
20 Performance Activity Report will be required on a monthly basis
21 (due by the 5th of each month). A final Project Performance
22 Report will be required with the Last SF-269. The Project
23 performance reports shall include but not be limited to the
24 following:
 - 25 i. A comparison of actual accomplishments to the objectives
26 established for that period;
 - 27 ii. Reasons why established objectives were not met;
 - 28 iii. Problems, delays, or adverse conditions which will affect

1 attainment of overall Project objectives, prevent meeting
2 time schedules or objectives, or preclude the attainment of
3 particular Project work elements during established time
4 periods. This disclosure shall be accompanied by a
5 statement of the action taken or planned to resolve the
6 situation; and

7 iv. Objectives and timetables established for the next
8 reporting period.

9 c. Agency shall release final draw down of RBEG Funds following
10 receipts of conditional lien release from all contractors upon final
11 completion and after submission of Project completion report and
12 final sources and uses of funds.

13 d. Developer provides satisfactory evidence that it has all the
14 financing documents required to cause the proceeds of the
15 construction loan in an amount sufficient, when combined with
16 the RBEG Funds to pay for all development costs.

17 7) AFFORDABILITY PERIOD. The mobile home park will have a fifty five
18 (55) year affordability covenant recorded against the property to ensure affordability.

19 8) DISTRIBUTION OF FUNDS. Any disbursement of funds is expressly
20 conditioned upon the satisfaction of conditions set forth in Section 5. Agency shall pay
21 Developer the sum specified in Section 1 above on a "reimbursement" basis for all eligible
22 approved costs under the following schedule:

23 a. Twenty five percent (25%) upon fifty percent (50%) completion of
24 Project, as certified and documented by the Developer's Project
25 architect or engineer.

26 b. Fifty percent (50%) upon fifty percent (50%) completion of Project,
27 as certified and documented by the Developer's Project architect or
28 engineer.

1 c. Seventy five percent (75%) upon seventy five percent (75%)
2 completion of Project, as certified and documented by the
3 Developer's Project architect or engineer.

4 d. The balance upon completion of Project, as certified and
5 documented by the Developer's Project architect or engineer.

6 9) NONDISCRIMINATION. Developer covenants and agrees that there
7 shall be no discrimination against or segregation of any person, or group of persons, on account
8 of race, religion, sex, sexual orientation, marital status, nationality, familial status, source of
9 income or disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment
10 of the Proposed Project, nor shall Agency or any person claiming under or through Developer
11 establish or permit any such practice or practices of discrimination or segregation with
12 reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants,
13 sublessees, or vendees of the Site.

14 10) ENVIRONMENTAL REQUIREMENTS. Developer shall ensure that all
15 federal, state and local environmental requirements applicable to the Project, including without
16 limitation, the National Environmental Policy Act of 1969, Public Law 91-190 as amended, 42
17 U.S.C. Sections 4321-4347 and the California Environmental Quality Act California Public
18 Resources Code Section 21000, *et seq.* have been satisfied.

19 11) AMENDMENT. This Agreement may only be amended by the written
20 consent of all the parties to this Agreement at the time of such amendment.

21 12) TERMINATION OF AGREEMENT. Failure by either party to perform
22 any of its duties as provided in this Agreement shall constitute an event of default hereunder.
23 The non-defaulting party shall give written notice of default to the defaulting party, specifying
24 the nature of the default and the action required to cure the default. If the default remains
25 uncured fifteen (15) days after service of such notice, the non-defaulting party may terminate
26 this Agreement. Upon termination of Agreement, Developer shall have no further rights
27 regarding the subject matter hereof unless Agency and Developer mutually agree, in writing, to
28 extend the term hereof. In the event this Agreement is terminated, Agency may negotiate with

1 any other person or entity with respect to any aspect of the Project and/or proposed projects.

2 13) REMEDIES FOR BREACH OF AGREEMENT. In the event of an
3 uncured default by either party hereto, the non-defaulting party may terminate this Agreement
4 and pursue any remedy allowed under law or equity.

5 14) PROHIBITION AGAINST ASSIGNMENT. The qualifications of
6 Developer and its principals are of particular interest to Agency. Consequently, no person or
7 entity, whether a voluntary or involuntary successor of Developer, shall acquire any rights or
8 power under this Agreement, nor shall Developer assign all or any part of this Agreement
9 without the prior written approval of Agency, which approval Agency may grant, withhold or
10 deny in its sole and absolute discretion. Any purported transfer, voluntarily or by operation of
11 law, shall be absolutely null and void and shall confer no rights whatsoever upon any purported
12 assignee or transferee.

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

18 16) NOTICES. Any notice required or permitted under this Agreement shall
19 be delivered to the following addresses:

20 Agency: Attention: Emilio Ramirez, Assistant Director
21 44-199 Monroe Street, Suite 200
22 Indio, CA 92201

23 Developer: Attention: Robert B. Melkesian
24 85-400 Grapefruit Blvd.
25 Coachella, CA

26 17) ENTIRE AGREEMENT. This Agreement constitutes the entire
27 Agreement between the parties and supersedes all agreements, representation, warranties,
28 statements, promised or understandings, whether oral or written, with respect to the subject
matter hereof and no party shall be bound by any such representation, statement, promise or
understanding not specifically set forth in this Agreement.

1 18) PLANS AND SPECIFICATIONS. No later than 30 day from the
2 execution of the Agreement, Developer must submit to the Agency for its review the approved
3 plans and specification for the Project as approved by the Riverside County Transportation and
4 Land Management Agency. This shall include schematic drawings, site plans, landscaping
5 plan, schematic plans for street and sidewalk improvements, utilities, outline specifications, and
6 preliminary construction and design cost estimates for the same.

7 19) SEVERABILITY. In the event that any of the provisions, or portions
8 thereof, of this Agreement are held to be unenforceable or invalid by any court of competent
9 jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof,
10 shall not be affected thereby.

11 20) TIME IS OF THE ESSENCE. Time is of the essence of every portion of
12 this Agreement in which time is a material part. All services shall be rendered by Developer in a
13 timely and diligent manner.

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

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

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

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

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

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

15 22) INSURANCE. Without limiting or diminishing the Developer's
16 obligation to indemnify or hold the Agency harmless, Developer shall procure and maintain or
17 cause to be maintained, at its sole cost and expense, the following insurance coverage's during
18 the term of this Agreement.

19 a. Worker's Compensation Insurance.

20 If Developer has employees as defined by the State of California,
21 the Developer shall maintain statutory Workers' Compensation
22 Insurance (Coverage A) as prescribed by the laws of the State of
23 California. Policy shall include Employers' Liability (Coverage
24 B) including Occupational Disease with limits not less than
25 \$1,000,000 per person per accident. The policy shall be endorsed
26 to waive subrogation in favor of the Agency, and, if applicable, to
27 provide a Borrowed Servant/Alternate Employer Endorsement.

28 b. Commercial General Liability Insurance.

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

15 c. Vehicle Liability Insurance.

16 If vehicles or mobile equipment are used in the performance of
17 the obligations under this Agreement, then Developer shall
18 maintain liability insurance for all owned, non-owned or hired
19 vehicles so used in an amount not less than \$1,000,000 per
20 occurrence combined single limit. If such insurance contains a
21 general aggregate limit, it shall apply separately to this Agreement
22 or be no less than two (2) times the occurrence limit. Policy shall
23 name Agency, the County of Riverside, the Agencies, Districts,
24 Special Districts, Departments of the County of Riverside and
25 their respective directors, officers, Board of Supervisors,
26 employees, elected or appointed officials, agents or
27 representatives as Additional Insureds

28 General Insurance Provisions – All Lines.

1 1) Any insurance carrier providing insurance coverage
2 hereunder shall be admitted to the State of California and have an
3 A M BEST rating of not less than A: VIII (A:8) unless such
4 requirements are waived, in writing, by the AGENCY Risk
5 Manager. If the Agency's Risk Manager waives a requirement
6 for a particular insurer such waiver is only valid for that specific
7 insurer and only for one policy term.

8 2) Developer's insurance carrier(s) must declare its
9 insurance self-insured retentions. If such self-insured retentions
10 exceed \$500,000 per occurrence such retentions shall have the
11 prior written consent of the Agency Risk Manager before the
12 commencement of operations under this Agreement. Upon
13 notification of self insured retention unacceptable to the Agency,
14 and at the election of the Agency's Risk Manager, Developer's
15 carriers shall either; (a) reduce or eliminate such self-insured
16 retention as respects this Agreement with the Agency, or (b)
17 procure a bond which guarantees payment of losses and related
18 investigations, claims administration, and defense costs and
19 expenses.

20 3) Developer shall cause Developer's insurance carrier(s)
21 to furnish the Agency with either 1) a properly executed original
22 Certificate(s) of Insurance and certified original copies of
23 Endorsements effecting coverage as required herein, and 2) if
24 requested to do so orally or in writing by the Agency Risk
25 Manager, provide original Certified copies of policies including
26 all Endorsements and all attachments thereto, showing such
27 insurance is in full force and effect. Further, said Certificate(s)
28 and policies of insurance shall contain the covenant of the

1 insurance carrier(s) that thirty (30) days written notice shall be
2 given to the Agency prior to any material modification,
3 cancellation, expiration or reduction in coverage of such
4 insurance. In the event of a material modification, cancellation,
5 expiration, or reduction in coverage, this Agreement shall
6 terminate forthwith, unless the Agency receives, prior to such
7 effective date, another properly executed original Certificate of
8 Insurance and original copies of endorsements or certified original
9 policies, including all endorsements and attachments thereto
10 evidencing coverage's set forth herein and the insurance required
11 herein is in full force and effect. Developer shall not commence
12 operations until the Agency has been furnished original
13 Certificate (s) of Insurance and certified original copies of
14 endorsements and if requested, certified original policies of
15 insurance including all endorsements and any and all other
16 attachments as required in this Section. An individual authorized
17 by the insurance carrier to do so on its behalf shall sign the
18 original endorsements for each policy and the Certificate of
19 Insurance.

20 4) It is understood and agreed to by the parties hereto that
21 Developer's insurance shall be construed as primary insurance,
22 and the Agency's insurance and/or deductibles and/or self-insured
23 retention's or self-insured programs shall not be construed as
24 contributory.

25 5) If, during the term of this Agreement or any extension
26 thereof, there is a material change in the scope of services; or,
27 there is a material change in the equipment to be used in the
28 performance of the scope of work which will add additional

1 exposures (such as the use of aircraft, watercraft, cranes, etc.); or,
2 the term of this Agreement, including any extensions thereof,
3 exceeds five (5) years the Agency reserves the right to adjust the
4 types of insurance required under this Agreement and the
5 monetary limits of liability for the insurance coverage's currently
6 required herein, if; in the Agency Risk Manager's reasonable
7 judgment, the amount or type of insurance carried by Developer
8 has become inadequate.

9 6) Developer shall pass down the insurance obligations
10 contained herein to all tiers of subcontractors working under this
11 Agreement.

12 7) The insurance requirements contained in this
13 Agreement may be met with a program(s) of self-insurance
14 acceptable to the Agency.

15 8) Developer agrees to notify Agency of any claim by a
16 third party or any incident or event that may give rise to a claim
17 arising from the performance of this Agreement.

18 23) INDEPENDENT CONTRACTOR. Neither Agency, nor any of its
19 officers or employees, shall have any control over the conduct of Developer, or any of
20 Developer's employees. Agency shall have no voice in the selection, discharge, supervision or
21 control of Developer's employees, representatives or agents, or in fixing their number,
22 compensation, or hours of service. Developer expressly warrants not to, at any time, or in any
23 matter, represent that it, or any of its agents, servants or employees are in any manner agents,
24 servants or employees of Agency. Developer is and shall at all times remain as to Agency a
25 wholly independent contractor, and Developer's obligations to Agency are solely such as are
26 prescribed by this Agreement.

27 24) WAIVER. Failure by a party to insist upon the strict performance of any
28 of the provisions of this Agreement by the other party, or the failure by a party to exercise its

1 rights upon the default of the other party, shall not constitute a waiver of such party's rights to
2 insist and demand strict compliance by the other party with the terms of this Agreement
3 thereafter.

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

9 26) AGREEMENT DOES NOT CONSTITUTE PROJECT APPROVAL.
10 Agency reserves final discretion and approval as to any affordable housing loan agreement,
11 Project Agreement, development agreement or similar agreement and all proceedings and
12 decisions in connection therewith. This Agreement shall not be construed as a covenant,
13 promise, or commitment by Agency, by the County of Riverside or by any agency of the
14 County of Riverside to finance the development of the Proposed Project. All plans for a
15 proposed project, including, but not limited to, the financing plans and rehabilitation plans, shall
16 be subject to the review and approval of the Agency Board of Directors and the County Board
17 of Supervisors as necessary and required by law.

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

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

28 29) INCORPORATION. The recitals and attached exhibits are incorporated

herein by reference.

30) EFFECTIVE DATE. The effective date of this Agreement is the date the parties execute the Agreement. If the parties execute the Agreement on more than one date, than the last date the Agreement is executed by a party shall be the effective date.

(SIGNATURES ON FOLLOWING PAGE)

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11/29/10

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147
Thank you.

IN WITNESS WHEREOF, Agency and Developer have executed this Agreement as of the date
first above written.

REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE
a California public body, corporate and politic

DESERT EMPIRE HOMES
a California corporation

By: Marion Ashley
Marion Ashley, Chairman, Board of Directors

By: _____
Robert B. Melkesian, President

APPROVED AS TO FORM
PAMELA J. WALLS

Agency Counsel

By: Anita Willis
Deputy, Anita Willis

ATTEST:
Kecia Harper-Ihem
Clerk of the Board

By: Kecia Harper-Ihem
Deputy

DEC 14 2010 4:00

Exhibit "A"

Transportation Conditions of Approval

10.TRANS 005 CROSSING OF HIGHWAY	USE - STD INTRO 3(ORD 460/461)	Status: INEFFECT	Conditions: Informational
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With respect to the conditions of approval for the referenced tentative exhibit, the landowner shall provide all street improvements, street improvement plans and/or road dedications set forth herein in accordance with Ordinance 460 and Riverside County Road Improvement standards (Ordinance 461). It is understood that the exhibit correctly shows acceptable centerline elevations, all existing easements, traveled ways, and drainage courses with appropriate Q's, and that their omission or unacceptability may require the exhibit to be resubmitted for further consideration. These Ordinances and all conditions of approval are essential parts and a requirement occurring in ONE is as binding as though occurring in all. All questions regarding the true meaning of the conditions shall be referred to the Transportation Department.

10.TRANS 006 CROSSING OF HIGHWAY	USE - TS/CONDITIONS	Status: INEFFECT	Conditions: Informational
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The Transportation Department has reviewed the traffic study submitted for the referenced project. The study has been prepared in accordance with County-approved guidelines. We generally concur with the findings relative to traffic impacts.

The General Plan circulation policies require a minimum of Level of Service 'C', except that Level of Service 'D' may be allowed in community development areas at intersections of any combination of secondary highways, major highways, arterials, urban arterials, expressways or state highways and ramp intersections.

The study indicates that it is possible to achieve adequate levels of service for the following intersections based on the traffic study assumptions.

Harrison Street (NS) at: 66th Avenue (EW) Middleton Street (EW) Project North

Access (EW) Project South Access (EW) 70th Avenue (EW)

Polk Street (NS) at: 70th Avenue (EW) Harrison Street - West (EW) Harrison Street - East (EW)

As such, the proposed project is consistent with this General Plan policy.

The associated conditions of approval incorporate mitigation measures identified in the traffic study, which are necessary to achieve or maintain the required level of service.

10.TRANS 007 TRAFFIC CONTROL	USE - DRAINAGE 1	Status: INEFFECT	Conditions: Informational
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The proponent shall protect downstream properties from damages caused by alteration of the drainage patterns, i.e., concentration or diversion of flow. Protection shall be provided by constructing adequate drainage facilities including emergency existing facilities and/or by securing a drainage easement. All drainage easements shall be shown on the final map and noted as follows: "Drainage Easement - no building, obstructions, or encroachments by landfills are allowed." The protection shall be as approved by the Transportation Department.

10.TRANS 008 TRAFFIC CONTROL	USE - DRAINAGE 2	Status: INEFFECT	Conditions: Informational
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The proponent shall accept and properly dispose of all off-site drainage flowing onto or through the site. In the event the Transportation Department permits the use of streets for drainage purposes, the provisions of Article XI of Ordinance No. 460 will apply. Should the quantities exceed the street capacity or the use of streets be prohibited for drainage purposes, the proponent shall provide adequate drainage facilities and/or appropriate easements as approved by the Transportation Department.

10.TRANS 009 TRAFFIC CONTROL	USE - FLOOD HAZARD REPORT	Status: INEFFECT	Conditions: Informational
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This is a proposal to construct a 398 unit mobile home park on 59 acres (APN 751-260-017). This project lies within the Oasis area on the north side of 69th and just east of Harrison Street and west of Polk Street. For new developments in this area, they are required to retain the incremental increase of the runoff for a 100-year event. The proponent shall provide mitigation measures to be incorporated into the development to prevent flooding of the site or downstream properties. The retention of the incremental increase of the 100 year storm shall be required as part of the drainage improvements for this project.

10.TRANS 010 TRAFFIC CONTROL	USE - DRAINAGE EASEMENT	Status: INEFFECT	Conditions: Informational
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Crescent Valley Water District will need additional facilities to provide for the orderly

Exhibit "B"

General Requirements for Administration of Rural Business Enterprise and Television Demonstration Grants

GENERAL REQUIREMENTS FOR ADMINISTRATION
OF RURAL BUSINESS ENTERPRISE
AND TELEVISION DEMONSTRATION GRANTS

I. Introduction.

The provisions for Rural Development internal operations of the Rural Business Enterprise (RBE) and Television Demonstration grant programs are contained in this Attachment. This Attachment is only a supplement to the information contained in the main body of the instruction and does not contain information which would be of benefit to the public. This Attachment has three sections: Section A - General Requirements; Section B - Attachment to Form RD 1940-1, "Request for Obligation of Funds," (Responsibilities of the Grantee); and Section C - Project Selection Criteria.

Section A

II. General Requirements.

A. Intergovernmental review. RBE/Television Demonstration grant projects are subject to the provisions of Executive Order 12372 which requires intergovernmental consultation with State and local officials. For each project to be assisted with a grant under this subpart and for which the State has elected to review the project under their intergovernmental review process, the State Point of Contact must be notified. Notification, in the form of a project description, can be initiated by the grantee. Any comments from the State must be included with the grantee's request to use Rural Development grant funds for the specific project. Prior to Rural Development's decision on the request, compliance with requirements of intergovernmental consultation must be demonstrated for each project. These requirements should be carried out in accordance with 7 CFR 3015, Subpart V, "Intergovernmental Review of Rural Development Programs and Activities," (see RD Instruction 1940-J, available in any Rural Development office). In those instances where a State's comments cannot be accommodated, Rural Development will provide the State with a timely explanation of the basis for its decision. Rural Development will not implement its decision for 15 days after the State receives the explanation, unless unusual circumstances make the 15-day waiting period not feasible. The explanation will take the form of a written explanation and may be supplemented by telephone, meeting, or other telecommunication.

B. Selection priorities/State Office review (\$ 1942.305 of this subpart).

1. All applications shall be accompanied by sufficient information to permit the numerical ranking established by § 1942.305 (b)(3) of this subpart. Such information should include:

- a. A description of proposed service(s) to be provided/projects to be funded.
- b. Income data on area to be served.
- c. Unemployment rate of the area to be served.
- d. Median household income of area to be served.
- e. Grantee's experience in providing the proposed service.

2. When ranking applications see items b through d of paragraph II B 1 of this Attachment, the entire area to be served should be considered when assigning discretionary points.

3. If an application involves the establishment of a revolving fund, the following additional information should be provided in accordance with § 1942.311 (a)(2) of this subpart.

- a. Grantee's financial ability to administer a revolving loan fund (at a minimum, the information should include a balance sheet and an income statement).
- b. The need for a revolving fund.
- c. Other funds available to leverage funds made available under this program.

C. Office of General Counsel (OGC) review. Rural Development will request an opinion from the Regional Attorney, OGC, that the applicant is an eligible applicant with authority to carry out the purposes of the proposed grant. The applicant will provide the necessary information to Rural Development for submission to the Regional Attorney.

D. Application processing (§ 1942.311 of this subpart). The applicant shall be advised of the conditions/requirements (outlined in this attachment) for receipt of RBE monies at the time of preapplication conference. Upon notification on Form AD-622, "Notice of Preapplication Review Action," that the applicant is eligible for funding, the following will be submitted to Rural Development.

1. Standard Form (SF) 424.1, "Application for Federal Assistance (For Non-construction)," or SF-424.2, "Application for Federal Assistance (For Construction)," will be used for making application under this program, as applicable.
 2. For grants to establish a revolving loan fund, a proposed Scope of Work detailing:
 - a. Information as prescribed in § 1942.314 of this subpart.
 - b. Proposed project budget.
 - c. Other requested information needed by Rural Development to make a grant award determination.
 3. For grants to establish a revolving fund and/or to provide technical assistance, the following forms and documents will be part of the grant docket:
 - a. Form RD 400-1, "Equal Opportunity Agreement."
 - b. Form RD 400-4, "Assurance Agreement (Under Title VI, Civil Rights Act of 1966)."
 - c. Scope of Work prepared by the applicant.
 - d. Form RD 1940-1, "Request for Obligation of Funds," (with the required attachment).
 4. Dockets for nonrevolving fund grants will contain those items specified in paragraphs II D (3)(a), (b), and (d) of this Attachment, as well as other appropriate items specified in Subpart A of Part 1942 of this chapter.
 5. All dockets will contain executed Forms AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions," and AD-1049, "Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative I - For Grantees Other Than Individuals," required in RD Instruction 1940-M, "Governmentwide Debarment and Suspension (Nonprocurement) and Requirements for Drug-Free Workplace," available in any Rural Development office.
- E. Appraisals. When land is to be purchased in accordance with § 1942.306 (a) of this subpart, the State Director, to establish "fair market value," may require the applicant to provide an appraisal report prepared by an independent qualified appraiser.

F. Planning and performing development. The applicable provisions of § 1942.18 of Subpart A of Part 1942 of this chapter related to planning and performing development are to be adhered to for construction of RBE grant projects. This includes requirements for actions pertaining to:

1. Professional services, design policies, preliminary engineering and architectural reports and construction bids, contract awards, and construction inspections.
2. Concurrence in agreements between grantees and third parties.
3. Preconstruction conferences.

G. Letter of Conditions (§ 1942.315 of this subpart).

1. The applicable provisions of § 1942.5 of Subpart A of Part 1942 of this chapter regarding the Letter of Conditions should be followed.

2. The Letter of Conditions will include those matters as prescribed in § 1942.315 of this subpart and should be attached to the Form RD 1940-1 (see Section A, paragraph II H of this Attachment).

3. The Letter of Conditions will also include the following paragraphs, as appropriate:

a. For revolving loan and technical assistance grants include, "You must certify that each project is located in a rural area." If technical assistance grant funds are involved, include also, "You must certify that the technical assistance provided is benefiting a rural area."

b. "You must certify at least 51 percent of the outstanding interest in the project has membership or is owned by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence."

c. "You must execute Form AD-1047 to certify that your organization is not debarred or suspended from Government assistance. You also must obtain a certification on Form AD-1049, "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," from any person or entity you do business with as a result of this Government assistance that they are not debarred or suspended from Government assistance."

d. "You must execute Form AD-1049 to certify that you will provide a drug-free awareness program for employees."

H. Grant approval, obligation of funds, grant closing. Section B of this Attachment shall become a permanent part of Form RD 1940-1 when RBE grant funds are involved, and the following paragraph will appear in the comment section of that form.

"The grantee understands the requirements for receipt of funds under the Rural Business Enterprise grant program. The grantee assures and certifies that it is in compliance with all applicable laws, regulations, Executive Orders and other generally applicable requirements, including those set out in Part 1942, Subpart G, Attachment 1, "General Requirements for Administration of Rural Business Enterprise and Television Demonstration Grants," 7 CFR, Parts 3015, 3016, 3017, 3018, 3019, and 3052 including revisions through _____ (date of grant approval) and the Letter of Conditions.
(Revised 07-16-03, PN 361.)

For grants involving the establishment of a revolving loan program, the following statement shall also be added to the comment section of Form RD 1940-1: "The grantee furthermore agrees to use grant funds for the purposes outlined in the Scope of Work approved by Rural Development."

1. Grants will be approved and closed in accordance with the applicable parts of Subpart A of Part 1942 of this chapter, including §§ 1942.7 and 1942.17 (c), this Attachment, and any instructions from the Regional Attorney, OGC.
2. An executed copy of the Scope of Work will be sent to the applicant on the obligation date, along with a copy of Form RD 1940-1 and the required attachment.
3. When Form RD 1940-1 has been executed by all parties, the grant is closed.
4. If the grant is not approved, the applicant will be notified in writing of the reason(s) for rejection. The notification to the applicant will state that a review of this decision by Rural Development may be requested by the applicant under Subpart B of Part 1900 of this chapter. (Renumbered 07-16-03, PN 361.)

I. Fund disbursement. Except for grants for revolving loans, grant funds will be disbursed by Rural Development on a reimbursement basis. Requests should not exceed one advance every 30 days. The financial management system of the recipient organization shall provide for effective control and accountability of all funds, property, and other assets.

1. As needed, but not more frequently than once every 30 days, an original and one copy of SF-270, "Request for Advance or Reimbursement," may be submitted to Rural Development. Recipient's request for advance shall not be made in excess of reasonable outlays for the month covered.

2. Grantee shall provide satisfactory evidence to Rural Development that all officers of grantee organization authorized to receive and/or disburse Federal funds are covered by such bonding and/or insurance requirements as are normally required by the grantee.

3. Release of technical assistance funds.

a. The grantee will provide the District Office with a project description and intergovernmental review data as defined in Section A, paragraph II A of this Attachment.

b. The servicing official will review the project for eligibility. Once determined eligible and satisfactory intergovernmental review clearances have been received, the grantee may request funds as outlined above in paragraph II I 1 of this Attachment.

4. For grants to provide assistance to third parties, through a revolving fund, funds will be disbursed in accordance with USDA's Uniform Federal Assistance Regulations, the items listed above in paragraph II I 3 a of this Attachment and the following:

a. The grantee is responsible for providing Rural Development with environmental review data. Each project will undergo the applicable environmental review in accordance with \$1942.310 (b) of this subpart.

b. The grantee is responsible for providing Rural Development with intergovernmental review clearances in accordance with Section A, paragraph II A of this Attachment. Each project will undergo the intergovernmental review process.

c. Once the State Office has received clearances for intergovernmental review and the environmental assessment is completed, the grantee may request grant funds for that purpose by use of SF-270 as outlined above in paragraph II I 1 of this Attachment.

J. Reporting. Forms SF-269, "Financial Status Report," and a Project Performance Activity Report will be required of all grantees on a quarterly basis (due 15 working days after end of quarter). A final Project Performance Report will be required with the last SF-269. The final report may serve as the last quarterly report. Grantees shall constantly monitor performance to ensure that time schedules are being met, projected work by time periods is being accomplished, and other performance objectives are being achieved.

The project performance reports shall include, but not be limited to, the following:

1. A comparison of actual accomplishments to the objectives established for that period;
2. Reasons why established objectives were not met;
3. Problems, delays, or adverse conditions which will affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular project work elements during established time periods. This disclosure shall be accompanied by a statement of the action taken or planned to resolve the situation; and
4. Objectives and timetables established for the next reporting period.

K. Audit requirements. Audit requirements only apply to the year(s) in which Agency grant funds are expended. Grantees expending \$300,000 or more of Federal assistance per year must submit an audit in accordance with the requirements of OMB Circular A-133 as codified in 7 CFR 3052. Grantees that expend less than \$300,000 a year in Federal award are exempt from Federal audit requirements for that year except as noted in 7 CFR 3052.215(a), but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and General Accounting Office. (Revised 07-17-02, PN 348.)

L. Programmatic changes. The recipient shall obtain prior approval for any change to the scope or objectives of the approved project. (For construction projects, any material change in approved space utilization or functional layout shall be considered a change in scope). Failure to obtain prior approval of changes to the scope can result in suspension/termination of grant funds.

M. Grant cancellation. Grants may be cancelled by the grant approval official by use of Form RD 1940-10, "Cancellation of U.S. Treasury Check and/or Obligation." The State Director will notify the applicant by letter that the grant has been cancelled. A copy of the letter will be sent to the applicant's attorney and engineer and to the Regional Attorney, OGC, if the Regional Attorney has been involved.

N. Grant servicing. Grants will be serviced in accordance with Subpart E of Part 1951 of this chapter.

O. Subsequent grants. Subsequent grants will be processed in accordance with the requirements set forth in this subpart.

Section B

III. Responsibilities of the Grantee

This section contains information regarding the responsibilities of the grantee for receipt of monies under the RBE/television demonstration grant program. This section shall become a permanent attachment to Form RD 1940-1 as outlined in Section A, paragraph II. H. of this Attachment. These requirements do not supersede the requirement for receipt of Federal funds as stated in Parts 3015, 3016, and 3019 of the Uniform Federal Assistance Regulations; however, specific areas related to the RBE/television demonstration grant program are cited below. (Revised 07-16-03, FN 361.)

Grantee agrees to:

A. Comply with property management standards established by 7 CFR Parts 3015, 3016, and 3019 for real and personal property. "Personal property" means property of any kind except real property. It may be tangible - having physical existence - or intangible - having no physical existence; such as patents, inventions, and copyrights. "Nonexpendable personal property" means tangible personal property having a useful life of more than 1 year and an acquisition cost of \$300 or more per unit. A grantee may use its own definition of nonexpendable personal property provided that such definition would at least include all tangible personal property as defined above. "Expendable personal property" refers to all tangible personal property other than nonexpendable property. When real property or nonexpendable property is acquired by a grantee with project funds, title shall not be taken by the Federal Government but shall be vested in the grantee subject to the following conditions: (Revised 07-16-03, PN 361.)

1. Right to transfer title. For items of real or nonexpendable personal property having a unit acquisition cost of \$1,000 or more, the Agency may reserve the right to transfer the title to the Federal Government or to a third party named by the Federal Government when such third party is otherwise eligible under existing statutes. Such reservation shall be subject to the following standards:

- a. The property shall be appropriately identified in the grant or otherwise made known to the grantee in writing.
- b. The Agency shall issue disposition instructions within 120 calendar days after the end of the Federal support of the project for which it was acquired. If the Agency fails to issue disposition instructions within the 120 calendar day period, the grantee shall apply the standards of Section B, paragraphs III. A. 2. and 3. of this Attachment.
- c. When the Agency exercises its right to take title, the personal property shall be subject to the provisions for federally owned nonexpendable property discussed in Section B, paragraphs III. A. 2. and 3. of this Attachment.

b. Real or nonexpendable personal property with a unit acquisition cost of \$1,000 or more. The grantee may retain the property for other use provided that compensation is made to Rural Development or its successor. The amounts of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to current fair market value of the property. If the grantee has no need for the property and the property has further use value, the grantee shall request disposition instructions from the original grantor agency.

c. Rural Development shall determine whether the property can be used to meet the agency's requirements. If no need exists within Rural Development, the General Services Administration's Federal Property Management Regulations (FPMR) will be used by Rural Development to determine whether a need for the property exists in other Federal agencies. Rural Development shall issue instructions to the grantee no later than 120 days after the grantee request and the following procedures shall govern:

i. If so instructed, or if disposition instructions are not issued within 120 calendar days after the grantee's request, the grantee shall sell the property and reimburse Rural Development an amount computed by applying to the original project or program. However, the grantee shall be permitted to deduct and retain from the Federal share \$100 or 10 percent of the proceeds, whichever is greater, for the grantee's selling and handling expenses.

ii. If the grantee is instructed to dispose of the property other than as described in Section B, paragraphs III A 2 and 3 of this Attachment, the grantee shall be reimbursed by Rural Development for such costs incurred in its disposition.

iii. Property management standards for nonexpendable personal property. The grantee's property management standards for nonexpendable personal property shall include the following procedural requirements:1111

a. Property records shall be maintained accurately and shall include:

i. A description of the property.

ii. Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.

iii. Sources of the property including grant or other a agreement number.

iv. Whether title vests in the grantee or the Federal Government.

v. Acquisition date (or date received, if the property was furnished by the Federal Government) and cost.

vi. Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired. (Not applicable to property furnished by the Federal Government).

vii. Location, use, and condition of the property and the date the information was reported.

viii. Unit acquisition cost.

ix. Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a grantee compensates the Federal agency for its share.

b. Property owned by the Federal Government must be marked to indicate Federal ownership.

c. A physical inventory of property shall be taken and the results reconciled with the property records at least once every 2 years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The grantee shall, in connection with the inventory, verify the existence, current utilization, and continued need for the property.

d. A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or the theft of nonexpendable property shall be investigated and fully documented; if the property was owned by the Federal Government, the grantee shall promptly notify Rural Development.

e. Adequate maintenance procedures shall be implemented to keep the property in good condition.

f. Where the grantee is authorized or required to sell the property, proper sales procedures shall be established which would provide for completion to the extent practicable and result in the highest possible return.

g. Expendable personal property shall vest in the grantee upon acquisition. If there is a residual inventory of such property exceeding \$1,000 in total aggregate fair market value, upon termination or completion of the grant and if the property is not needed for any other federally sponsored project or program, the grantee shall retain the property for use on nonfederally sponsored activities, or sell it, but must, in either case, compensate the Federal Government for its share. The amount of compensation shall be computed in the same manner as nonexpendable personal property.

This Attachment covers the following described personal property and any additional property acquired wholly or in part with grant funds (use continuation sheets as necessary):

When real property is no longer needed as provided above, return all real property, furnished or purchased wholly with Federal grant funds to the grantor. In the case of property purchased in part with Federal grant funds, the grantee may be permitted to take title to the Federal interest therein upon compensating the Federal Government for its fair share of the property. The Federal share of the property shall be the amount computed by applying the percentage of the Federal participation in the total cost of the grant program for which the property was acquired to the current fair market value of the property.

This Attachment covers the following described real property purchased/to be purchased wholly or in part with grant funds (use continuation sheets as necessary):

B. Cause said program to be completed within the total sums available to it, including said grant, in accordance with the program plan and any necessary modifications thereof prepared by grantee and approved by grantor.

C. Permit periodic inspection of the program operations by a representative of grantor.

D. Make the program available to all persons in grantee's service area without regard to race, color, national origin, religion, sex, marital status, age, physical or mental handicap who have also received Rural Development related assistance from the grantee.

E. Not use grant funds to replace any financial support previously provided or assured from any other source. The grantee agrees that the general level of expenditure by the grantee for the benefit of program area and/or program covered by this attachment shall be maintained and not reduced as a result of the Federal share of funds received under this grant.

F. No nonexpendable personal property to be owned or used by the borrower or its affiliate(s) for use other than the grant purposes will be acquired wholly or in part with grant funds.

G. Use of the property including land, land improvement, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed. The grantee shall obtain approval of the grantor before using the real property for other purposes when the grantee determines that the property is no longer needed for the original grant purposes.

H. Provide financial management systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.

2. Records which identify adequately the source and application of funds for grant-supporting activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

3. Effective control over, and accountability for, all funds. Grantees shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.

4. Accounting records supported by source documentation.

- I. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least 3 years after grant closing except that the records shall be retained beyond the 3-year period if audit findings have not been resolved. Microfilm copies may be substituted in lieu of original records. The grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the grantee governments which are pertinent to the specific grant program for the purpose of making audit, examination, excerpts, and transcripts.
- J. Provide information as requested by the grantor to determine the need for and complete any necessary environmental assessments or Environmental Impact Statements.
- K. Grantees expending \$300,000 or more of Federal assistance in the year(s) that Agency grant funds are expended shall submit an audit in accordance with OMB Circular A-133 as codified in 7 CFR 3052. Grantees that expend less than \$300,000 a year in Federal award are exempt from Federal audit requirements for that year except as noted in 7 CFR 3052.215(a), but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and General Accounting Office. (Revised 07-17-02, PN 348.)
- L. Provide grantor with such periodic reports as it may require and permit periodic inspection of its operations by a designated representative of the grantor.
- M. Not to encumber, transfer, or dispose of the property or any part thereof, furnished by the grantor or acquired wholly or in part with grantor funds without the written consent of the grantor except as provided in Section B, paragraph III. A. of this Attachment.
- N. Execute Form RD 400-1, Form RD 400-4, and any other agreements required by grantor to implement the civil rights requirements. If any such form has been executed by grantee as a result of a loan being made to grantee by grantor contemporaneously with the making of this grant, another form of the same type need not be executed in connection with this grant.

O. In contracts in excess of \$2,000 and in other contracts in excess of \$2,500 which involve the employment of mechanics or laborers, to include a provision for compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR, Part 5). Applies only where Davis Bacon requirements apply.

P. Include in all contracts in excess of \$100,000 a provision for compliance with all applicable standards, orders, or regulations issued pursuant to the Clear Air Act of 1970. Violations shall be reported to the grantor and the Regional Office of the Environmental Protection Agency.

- Q. Upon any default under its representations or agreements set forth in this instrument, grantee, at the option and the demand of grantor, will, to the extent legally permissible, repay to grantor forthwith the original principal amount of the grant stated hereinabove, with interest equal to the rate of interest paid on U.S. 26-week Treasury Bills adjusted quarterly from the date of the default. The provisions of this Attachment may be enforced by grantor at its option and without regard to prior waivers by it of previous defaults of grantee, by judicial proceedings to require specific performance of the terms of this Attachment or by such other proceedings in law or equity, in either Federal or State courts as may be deemed necessary by grantor to ensure compliance with the provisions of this Attachment and the laws and regulations under which this grant is made.
- R. That no member of Congress shall be admitted to any share or part of this grant or any benefit that may rise therefrom; but this provision shall not be construed to bar as a contractor under the grant a publicly held corporation whose ownership might include a member of Congress.
- S. That all nonconfidential information resulting from its activities shall be made available to the general public on an equal basis.
- T. That the purpose and Scope of Work for which this grant is made shall not duplicate programs for which monies have been received, are committed, or are applied to from other sources, public or private.
- U. That grantee shall relinquish any and all copyrights and/or privileges to the materials developed under this grant, such material being the sole property of the Federal Government. In the event anything developed under this grant is published in whole or in part, the material shall contain notice and be identified by language to the following effect: "The material is the result of tax-supported research and as such is not copyrightable. It may be freely reprinted with the customary crediting of the source."
- V. That the grantee shall abide by the policies promulgated in 7 CFR Parts 3015, 3016, and 3019 which provides standards for use by grantees in establishing procedures for the procurement of supplies, equipment, and other services with Federal grant funds. (Revised 07-16-03, PN 361.)
- W. To the following termination provisions:

1. Termination for cause: The grantor agency may terminate any grant in whole, or in part, at any time before the date of completion, whenever it is determined that the grantee has failed to comply with the conditions of the grant. The grantor agency shall promptly notify the grantee in writing of the determination and the reasons for termination, together with the effective date.

2. Termination for convenience: The grantor agency or grantee may terminate grants in whole, or in part, when both parties agree that the continuation of the program would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date, and in the case of partial terminations, the portion to be terminated. The grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The grantor agency shall allow full credit to the grantee for the Federal share of the noncancelable obligations, properly incurred by the grantee prior to termination.

X. That grantee will remit interest earned on grant funds deposited in an interest bearing account in accordance with 7 CFR Parts 3015, 3016, and 3019. (Revised 07-16-03, PN 361.)

Section C

Rural Business Enterprise and Television Demonstration Grant Program
Project Selection Criteria

Project Score _____

Name of Applicant _____

State _____ County _____

Grant \$ _____ Initial or Subsequent _____

Amount of previous Rural Development funding for this project
\$ _____

Purpose: Revolving Fund: ☐ Technical Assistance: ☐

Industrial Site: ☐ Other Business Development: ☐

Brief description of the proposed facility:

Priorities

Points

A. Population.

Proposed project is located in a rural
community having a population:

Between 15,000 and 25,000	5
Between 5,000 and 15,000	10
Under 5,000	15

4. The proposed project will create and/or save jobs at:

- | | |
|--|----|
| a. one job per each \$10,000 or less in grant funds expended | 10 |
| b. one job per each \$25,000 to \$10,000 in grant funds expended | 5 |

5. Proposed project is consistent with, and is reflected in, local plans for the area. 5

6. Grant projects utilizing funds available under this subpart are:

- | | |
|-------------------------------------|----|
| a. less than \$100,000 | 25 |
| b. \$100,000 to \$200,000 | 15 |
| c. more than \$200,000 to \$500,000 | 10 |

7. The project will assist a small and emerging private business enterprise as described in \$1942.305 (a)(2) of this subpart. 10
(Revised 12-20-02, SPECIAL PN.)

E. Discretionary points for initial grants of not more than \$500,000 in accordance with \$1942.305 (b)(3)(v) of this subpart. Give written justification. _____
(Revised 12-20-02, SPECIAL PN.)

Chief, Community and Business Programs

Date

Directions: Complete the information requested on pages 17-19 of this Attachment. In paragraphs A-D of Section C, circle the points for those priorities which apply to, and are met by, the preapplication under consideration. Determine and justify the number of discretionary points, if any, to be awarded in paragraph E of Section C of this Attachment and add up the total number of points scored.

RD Instruction 1942-G
Attachment 1
Page 20
(Revision 1)

TO: Administrator, Rural Business-Cooperative Service
Washington, DC 20250

Attention: _____ Specialty Lenders Division

State: _____

Name of Applicant: _____

A. Amount \$ _____

B. State the priority of this project in relation to all others on hand at the time of submission to the National Office. (Attach a revised priority listing for previously submitted projects, if necessary.) _____

C. Is this project ready for obligation? _____ Yes _____ No.
If no, give estimated date project will be ready for obligation of funds.

D. If other funds are involved in this project, have they been committed?
_____ Yes _____ No.

State Director _____

Date _____

Directions: To request an allocation of funds from the National Office, State Offices should complete this part of Attachment 1, Section C, attach it to the project selection criteria, and submit both to the National Office.

Exhibit "C"

Assurance-Construction Programs Document

ASSURANCES - CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.


PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL 		TITLE Emilio Ramirez, Director of Housing	
APPLICANT ORGANIZATION Redevelopment Agency Riverside County		DATE SUBMITTED May 28, 2009	