

EXHIBIT A-1

LEGAL DESCRIPTION OF PROPERTY

(See Attached two pages)

LEGAL DESCRIPTION OF PROPERTY

Property A

All that certain real property situated in the County of Riverside, State of California, described as follows:

LOT 15 OF TRACT NO. 11600, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 110, PAGES 46 AND 47 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Assessor's Parcel No.: 438-110-060
41933 Orange Blossom Lane, Hemet, CA 92544

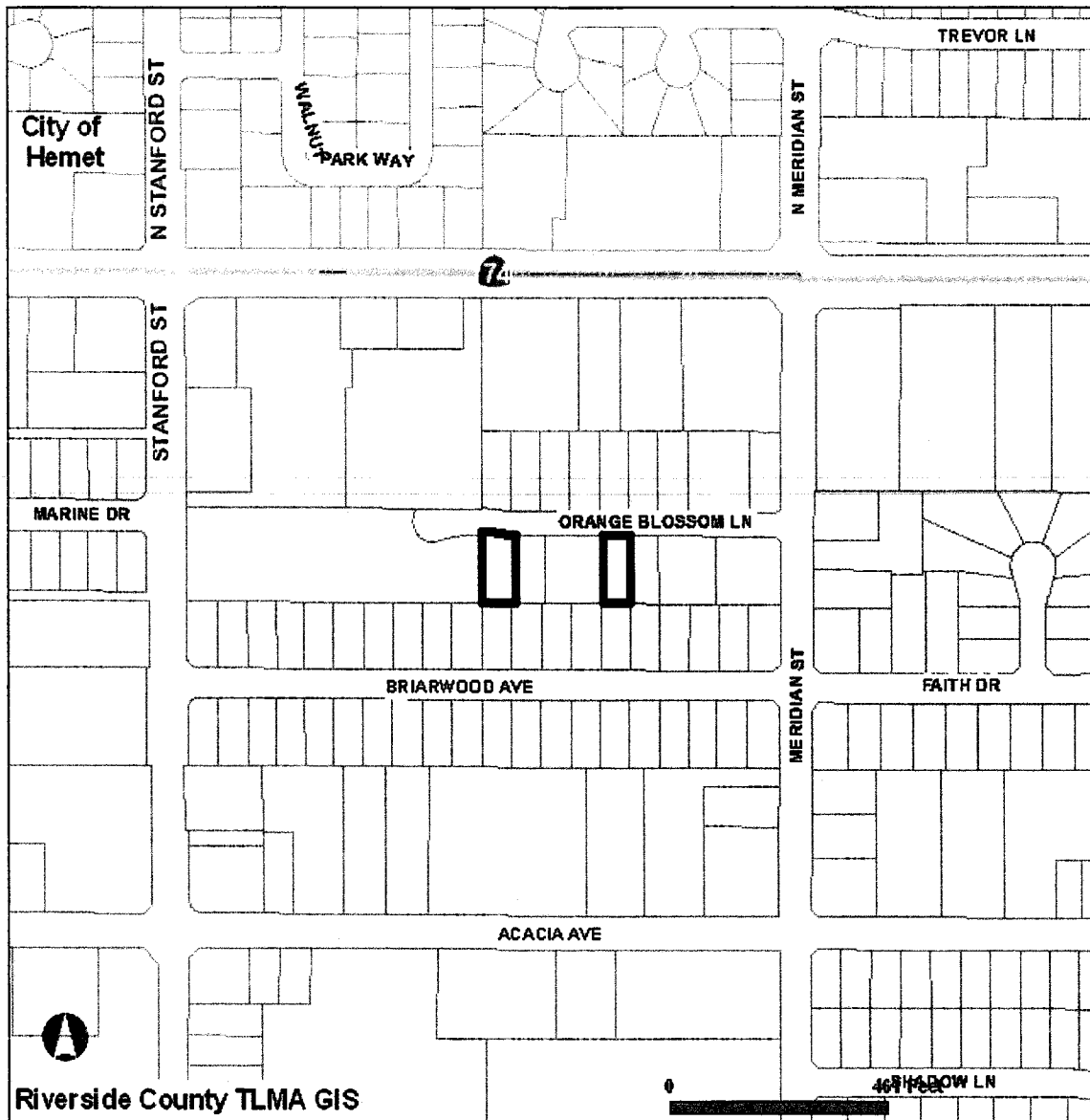
Property B

All that certain real property situated in the County of Riverside, State of California, described as follows:

LOT 11 OF TRACT NO. 11600, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 110, PAGES 46 AND 47 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, TOGETHER WITH THAT PORTION OF ORANGE BLOSSOM LANE KNOWN AS LOT "A" OF TRACT NO. 11600 IN BOOK 110, PAGE 46 OF MAPS, VACATED BY THAT CERTAIN "RESOLUTION TO VACATE NO. 2009-160" RECORDED SEPTEMBER 2, 2009 AS INSTRUMENT NO. 2009-0458809 OF OFFICIAL RECORDS, WHICH WOULD PASS BY OPERATION OF LAW UPON CONVEYANCE.

Assessor's Parcel No.: 438-110-056
41883 Orange Blossom Lane, Hemet, CA 92544

Orange Blossom III



Selected parcel(s):
 438-110-056 438-110-060

IMPORTANT

Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

REPORT PRINTED ON...Mon Jan 05 14:36:10 2015

Version 131127

EXHIBIT C

PROMISSORY NOTE (HOME Loan)

\$1,265,000

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 One Million Two Hundred and Sixty Five Thousand Dollars and No/100 Dollars (U.S. \$1,265,000.00) (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, 2072 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 1st 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 1st 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, but not including the Monitoring Fee: 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) and ix) 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"); and x) the COUNTY's Annual Monitoring Fee in the amount of \$700, 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 CDFI securing a construction loan in a principal amount up to \$225,000; 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 CDFI securing a construction loan in a principal amount up to \$225,000; 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.


(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.

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: 1/8/15

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 2014 – Annual Low-Income Limit

| Persons in Household | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Low-Income Family | \$34,000 | \$38,850 | \$43,700 | \$48,550 | \$52,450 | \$56,350 | \$60,250 | \$64,100 |

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 E

§ 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 F

§ 92.356 Conflict of interest.

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

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

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

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

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

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

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

- 1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;
- 2) Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

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

Owners/Participants and Developers.

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

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

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

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

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

EXHIBIT H

Covenant Agreement

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. Stephanie Adams

SPACE ABOVE THIS LINE FOR RECORDERS USE

13 **COVENANT AGREEMENT**
14 **(Orange Blossom III)**

15 This Covenant Agreement (Orange Blossom III) ("Covenant") is made and entered into
16 as of the day of January 27, 2015 by and between the COUNTY OF RIVERSIDE, a
17 political subdivision of the State of California ("COUNTY"), and RIVERSIDE HOUSING
18 DEVELOPMENT CORPORATION (RHDC), a California nonprofit public benefit corporation.

19 **RECITALS**

20 WHEREAS, RHDC owns those certain real properties located at 41933 and 41883
21 Orange Blossom Lane, Hemet, CA 92544 (Community of Valle Vista), also known as Assessor's
22 Parcel Number(s): 438-110-056 and 438-110-060, as legally described in Exhibit A attached
23 hereto and incorporated herein by this reference (the "Property");

24 WHEREAS, on January 27, 2015, COUNTY and RHDC entered into
25 that certain Loan Agreement for the Use of HOME Funds recorded in the Official Records
26 ("Official Records") of the County of Riverside concurrently herewith (the "HOME Loan
27 Agreement" or "Agreement") which provides for, among other things, acquisition of the
28 Property and the rehabilitation of the improvements located thereon "Orange Blossom III," to be
rented to and occupied by income qualified households (the "Project"). Capitalized terms not
defined herein shall have the meaning ascribed to them in the HOME Loan Agreement;

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

11 WHEREAS, pursuant to the HOME Loan Agreement, County loaned to RHDC,
12 \$1,265,000 consisting of HOME community housing development organization (“CHDO”)
13 set-aside funds (“HOME Loan”), to provide financial assistance to RHDC to pay a portion of
14 the acquisition and rehabilitations costs related to the Project, as more fully described in the
15 HOME Loan Agreement. The HOME Loan is evidenced by a Promissory Note executed by
16 RHDC in favor of the COUNTY dated on or about the date hereof (“HOME Loan Note”) which
17 is secured by that certain Deed of Trust with Assignment of Rents executed by RHDC for the
18 benefit of COUNTY and recorded in the Official Records concurrently herewith (“HOME Loan
19 Deed of Trust”) ; and

20 WHEREAS, pursuant to the HOME Loan Agreement, in addition to acquiring the
21 Property, the Project consisted of rehabilitating two existing buildings consisting of a total of
22 seven (7) rental apartment units (one 3-bedroom unit and six 2-bedroom units), and restrict all
23 seven (7) rental apartment units to be rented to and occupied by qualified low and very low
24 income households (“HOME-Assisted Units”) in accordance with Title 24 Code of Federal
25 Regulations (CFR), section 92.252, Qualification as affordable housing: Rental housing, and as
26 set forth below;

27 WHEREAS, pursuant to the HOME Loan Agreement, the Project, including the HOME-
28

1 Assisted Units, shall remain affordable to qualified low and very low-income tenants for the first
2 of (i) fifty-five (55) years from the recordation of the Notice of Completion in the Official
3 Records for the last building for which construction is complete for the Project, or (ii) July 1,
4 2072, without regard to the term of the HOME Loan Agreement, repayment of the HOME Loan,
5 or the transfer of ownership; and

6 WHEREAS, the parties desire to memorialize RHDC's obligation to maintain the
7 affordability of the HOME-assisted units pursuant to the HOME Program regulations, as more
8 particularly set forth below.

9 NOW, THEREFORE, in consideration of the mutual covenants and agreements
10 contained in this Covenant, and for other good and valuable consideration, the receipt and
11 sufficiency of which are hereby acknowledged, RHDC, on behalf of itself and its successors,
12 assigns, and each successor in interest to the Property or any part thereof, hereby declares as
13 follows:

14 1) RESTRICTIONS. This Covenant shall continue in full force and effect for the
15 later of (i) fifty-five (55) years from the recordation of the Notice of Completion for the last
16 building for which construction is completed for the Project on the Property, or (ii) July 1, 2072
17 ("Term"). RHDC for itself and on behalf of its successors and assigns, covenants and
18 acknowledges and agrees that for the duration of the term, the Property shall be held, sold and
19 conveyed, subject to the following covenants, conditions, and restrictions:

20 a) All seven (7) of the units of the Project located on the Property consisting
21 of one 3-bedroom unit and six 2-bedroom units shall be designated as HOME-Assisted Units as
22 defined under 24 CFR 92.252. The use and occupancy of the HOME-Assisted Units shall be
23 restricted as set forth herein until the expiration of the Term.

24 b) A minimum of two (2) of the 2-bedroom HOME-Assisted Units of the
25 Project shall be designated as floating Low HOME rent units ("Floating Low HOME Units") as
26 defined under 24 CFR 92.252(j) as published by the United States Departments of Housing and
27 Urban Development ("HUD") and shall only be rented to and occupied by households whose
28

1 incomes do not exceed fifty percent (50%) of the area median income (AMI) for the County of
2 Riverside, adjusted by family size at the time of occupancy. An individual does not qualify as a
3 household whose incomes do not exceed fifty percent (50%) of the AMI if the individual is a
4 student who is not eligible to receive Section 8 assistance under 24 CFR 5.612. Compliance with
5 the "floating" designation pursuant to 24 CFR 92.252 (j) will be satisfied so long as the Floating
6 Low HOME Units are changed to maintain conformity with the requirements of 24 CFR 92.252
7 during the affordability Term set forth herein so that the total number of housing units meeting
8 ~~the requirements of Section 24 CFR 92.252 remains the same, and each substituted unit is~~
9 comparable in terms of size, features, and number of bedrooms to the originally designated
10 Floating Low HOME Units.

11 c) A minimum of four of the 2-bedroom HOME-Assisted Units of the
12 Project and one 3-bedroom HOME-Assisted Unit of the Project shall be rented to and occupied
13 by households whose incomes do not exceed 60% of the AMI for the County of Riverside,
14 adjusted by family size at the time of occupancy. An individual does not qualify as a household
15 whose incomes do not exceed 60% of the AMI for the County of Riverside if the individual is a
16 student who is not eligible to receive Section 8 assistance under 24 CFR 5.612.

17 d) Rent limitations for the HOME-Assisted Units shall be as set forth under
18 24 CFR 92.252 and such units shall be rented to and occupied by income qualified applicants at
19 the Low and High HOME rent levels for the County of Riverside as provided herein, which are
20 published periodically by HUD.

21 e) RHDC on behalf of itself and its successors, assigns, and each successor in
22 interest to the Property and the Project including the HOME-Assisted Units or any part thereof
23 shall comply with the terms of the HOME Loan Agreement, HOME Loan Note, HOME Loan
24 Deed of Trust and any other instrument secured against the Property.

25 2) COMPLIANCE WITH LAWS AND REGULATIONS. During the Term of this Covenant,
26 RHDC on behalf of itself and its successors, assigns, and each successor in interest to the
27 Property and the Project including HOME-Assisted Units or any part thereof, shall adhere to
28

1 and comply with all federal, state and local laws, regulations and ordinances, including, but
2 not 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 (1) 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 (2) 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 (3) 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).

1 (4) Records that will be kept describing actions taken by
2 RHDC to affirmatively market units and records to assess the results of these actions.

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

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

16 (i) Placing qualified small and minority businesses and
17 women's business enterprises on solicitation lists.

18 (ii) Assuring that small and minority businesses, and women's
19 business enterprises are solicited whenever they are
20 potential sources.

21 (iii) Dividing total requirements, when economically feasible,
22 into smaller tasks or quantities to permit maximum
23 participation by small and minority business, and women's
24 business enterprises.

25 (iv) Establishing delivery schedules, where the requirement
26 permits, which encourage participation by small and
27 minority business, and women's business enterprises.
28

1 (v) Using the services and assistance of the Small Business
2 Administration, and the Minority Business Development
3 Agency of the Department of Commerce.

4 3) TENANT PROTECTIONS. RHDC shall provide protection to the tenants of the
5 COUNTY HOME Assisted Units in accordance with the requirements set forth at 24 CFR
6 92.253 and described as follows:

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

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

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

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

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

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

27 (5) *Waiver of legal proceeding*. Agreement by the tenant that the
28

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

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

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

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

13 (9) *Mandatory supportive services.* Agreement by the tenant (other than a
14 tenant in transitional housing) to accept supportive services that are offered.

15 c) Violence Against Women Reauthorization Act of 2013. (Pub. L. 113-4,
16 127 Stat. 54) ("VAWA 2013"). VAWA 2013 reauthorizes and amends the Violence Against
17 Women Act of 1994, as previously amended, (title IV, sec. 40001-40703 of Pub. L. 103-322,
18 42 U.S.C. 13925 et seq.) VAWA 2013, among other things, bars eviction and termination due
19 to a tenant's status as a victim of domestic violence, dating violence, or stalking, and requires
20 landlords to maintain survivor-tenant confidentiality. VAWA 2013 prohibits a tenant who is a
21 survivor of domestic violence, dating violence, sexual assault, and stalking from being denied
22 assistance, tenancy, or occupancy rights based solely on criminal activity related to an act of
23 violence committed against them. It extends housing protections to survivors of sexual assault,
24 and adds "intimate partner" to the list of eligible relationships in the domestic violence
25 definition. Protections also now cover an "affiliated individual," which includes any lawful
26 occupant living in the survivor's household, or related to the survivor by blood or marriage
27 including the survivor's spouse, parent, brother, sister, child, or any person to whom the
28

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

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

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

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

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

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

1 conditions: That there shall be no discrimination against or segregation of any person or
2 group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955
3 of the Government Code, as those bases are defined in Sections 12926, 12926.1,
4 subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section
5 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy,
6 tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself,
7 or any person claiming under or through him or her, establish or permit any such practice
8 or practices of discrimination or segregation with reference to the selection, location,
9 number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the
10 premises herein leased.”

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

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

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

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

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

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

2 d) General Insurance Provisions – All Lines.

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

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

16 iii) RHDC shall cause RHDC’s insurance carrier(s) to furnish the County of
17 Riverside with copies of the Certificate(s) of Insurance and Endorsements
18 effecting coverage as required herein, and 2) if requested to do so orally or in
19 writing by Risk Manager, provide copies of policies including all
20 Endorsements and all attachments thereto, showing such insurance is in full
21 force and effect. Further, said Certificate(s) and policies of insurance shall
22 contain the covenant of the insurance carrier(s) that thirty (30) days written
23 notice shall be given to the County of Riverside prior to any material
24 modification, cancellation, expiration or reduction in coverage of such
25 insurance. RHDC shall not continue operations until County has been
26 furnished Certificate(s) of Insurance and copies of endorsements and if
27 requested, copies of policies of insurance including all endorsements and any
28

1 and all other attachments as required herein. An individual authorized by the
2 insurance carrier to do so, on its behalf, shall sign the original endorsements
3 for each policy and the Certificate of Insurance.

4 iv) It is understood and agreed to by the parties hereto that RHDC's insurance
5 shall be construed as primary insurance, and County's insurance and/or
6 deductibles and/or self-insured retention's or self-insured programs shall not
7 be construed as contributory.

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

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

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

21 7) HOLD HARMLESS/INDEMNIFICATION. RHDC shall indemnify and hold
22 harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments,
23 their respective directors, officers, Board of Supervisors, elected and appointed officials,
24 employees, agents and representatives (individually and collectively hereinafter referred to as
25 Indemnitees) from any liability whatsoever, based or asserted upon any services of RHDC, its
26 officers, employees, subcontractors, agents or representatives arising out of or in any way
27 relating to this Agreement, including but not limited to property damage, bodily injury, or death
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1 or any other element of any kind or nature whatsoever arising from the performance of RHDC,
2 its officers, employees, subcontractors, agents or representatives Indemnitors from this
3 Agreement. RHDC shall defend, at its sole expense, all costs and fees including, but not limited,
4 to attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any
5 claim or action based upon such alleged acts or omissions. With respect to any action or claim
6 subject to indemnification herein by RHDC shall, at their sole cost, have the right to use counsel
7 of their own choice and shall have the right to adjust, settle, or compromise any such action or
8 claim without the prior consent of County; provided, however, that any such adjustment,
9 settlement or compromise in no manner whatsoever limits or circumscribes RHDC's
10 indemnification to Indemnitees as set forth herein. RHDC's obligation hereunder shall be
11 satisfied when RHDC has provided to County the appropriate form of dismissal relieving
12 County from any liability for the action or claim involved. The specified insurance limits
13 required in this Agreement shall in no way limit or circumscribe RHDC's obligations to
14 indemnify and hold harmless the Indemnitees herein from third party claims. In the event there is
15 conflict between this clause and California Civil Code Section 2782, this clause shall be
16 interpreted to comply with Civil Code 2782. Such interpretation shall not relieve RHDC from
17 indemnifying the Indemnitees to the fullest extent allowed by law.

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

23
24
25
26
27
28

1 COUNTY

RIVERSIDE HOUSING DEVELOPMENT, CORP.

2 Assistant Director, Housing
3 Riverside County
4 Economic Development Agency
5 5555 Arlington Avenue
6 Riverside, CA 92504

 c/o Bruce Kulpa, Executive Director
 4250 Brockton Avenue
 Riverside, CA 92501

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

11 10) TERM. The non-discrimination covenants, conditions and restrictions contained
12 in Section 6 of this Covenant shall remain in effect in perpetuity. Every other covenant,
13 condition and restriction contained in this Covenant shall continue in full force and effect for the
14 Term, as defined in Section 1 of this Covenant.

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

1 Lender, such Permitted Lender shall have the same period for remedying the default complained
2 of as the cure period provided to RHDC pursuant to this section 12. County shall accept
3 performance by a Permitted Lender as if the same had been done by RHDC.

4 If a violation of any of the covenants or provisions of this Covenant remains uncured
5 after the respective time period set forth in this Section 12, County and its successors and
6 assigns, without regard to whether County or its successors and assigns is an owner of any land
7 or interest therein to which these covenants relate, may institute and prosecute any proceedings
8 ~~at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to~~
9 compel specific performance by RHDC of its obligations hereunder. No delay in enforcing the
10 provisions hereof as to any breach or violation shall impair, damage or waive the right of any
11 party entitled to enforce the provisions hereof or to obtain relief against or recover for the
12 continuation or repetition of such breach or violations or any similar breach or violation hereof
13 at any later time.

14 12) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY.

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

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

26 14) GOVERNING LAW; VENUE; SEVERABILITY. This Covenant shall be
27 governed by the laws of the State of California. Any legal action related to the performance or
28

1 interpretation of this Covenant shall be filed only in the Superior Court of the State of California
2 located in Riverside, California, and the parties waive any provision of law providing for a
3 change of venue to another location. In the event any provision in this Covenant is held by a
4 court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions
5 will nevertheless continue in full force without being impaired or invalidated in any way

6 15) BINDING EFFECT. The rights and obligations of this Covenant shall bind and
7 inure to the benefit of the respective heirs, successors and assigns of the parties.

8 16) PERMITTED MORTGAGES. ~~No violation or breach of the covenants,~~
9 conditions, restrictions, provisions or limitations contained in this Covenant shall defeat or
10 render invalid or in any way impair the lien or charge of any deed of trust or mortgage permitted
11 by the Agreement or the lien or charge of a deed of trust made by RHDC for the benefit of any
12 lender first approved in writing by the County (each, a "Permitted Lender") and nothing herein
13 or in the Agreement shall prohibit or otherwise limit the exercise of a Permitted Lender's rights
14 and remedies thereunder, including a foreclosure or deed-in-lieu of foreclosure and subsequent
15 transfer thereafter.

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

20 18) PROJECT MONITORING AND EVALUATION.

21 a) Tenant Checklist. RHDC shall submit a Tenant Checklist Form to COUNTY, as shown
22 in **Exhibit F** which is attached hereto and incorporated herein by this reference, and may
23 be revised by COUNTY, summarizing the racial/ethnic composition, number and
24 percentage of very low-income households who are tenants of the HOME-assisted units.
25 The Tenant Checklist Form shall be submitted upon completion of the construction and
26 thereafter, on a semi-annual basis on or before March 31 and September 30. RHDC shall
27 maintain financial, programmatic, statistical and other supporting records of its
28

1 operations and financial activities in accordance with the requirements of the HOME
2 Program under 24 CFR 92.508, including the submission of Tenant Checklist Form.
3 Except as otherwise provided for in this Covenant and in the Agreement, RHDC shall
4 maintain and submit records to COUNTY within ten (10) business days of COUNTY's
5 request which clearly documents RHDC's performance under each requirement of the
6 HOME Program.

- 7 b) Inspections. Pursuant to 24 CFR 92.504(d)(1)(ii), during the period of affordability,
8 COUNTY must perform on-site inspections of HOME-assisted rental housing to
9 determine compliance with the property standards of §92.251 and to verify the
10 information submitted by the owners in accordance with the requirements of §92.252.
11 The inspections must be in accordance with the inspection procedures that the
12 participating jurisdiction establishes to meet the inspection requirements of §92.251. The
13 on-site inspections must occur at least once every 3 years thereafter during the period of
14 affordability. If there are observed deficiencies for any of the inspectable items in the
15 property standards established by COUNTY, in accordance with the inspection
16 requirements of §92.251, a follow-up on-site inspection to verify that deficiencies are
17 corrected must occur within 12 months. COUNTY may establish a list of non-hazardous
18 deficiencies for which correction can be verified by third party documentation (e.g., paid
19 invoice for work order) rather than re-inspection. Health and safety deficiencies must be
20 corrected immediately, in accordance with §92.251. COUNTY must adopt a more
21 frequent inspection schedule for properties that have been found to have health and
22 safety deficiencies. The property owner must annually certify to the COUNTY that each
23 building and all HOME- assisted units in the project are suitable for occupancy, taking
24 into account State and local health, safety, and other applicable codes, ordinances, and
25 requirements, and the ongoing property standards established by the participating
26 jurisdiction to meet the requirements of §92.251. Inspections must be based on a
27 statistically valid sample of units appropriate for the size of the HOME-Assisted project,
28

1 as set forth by HUD through notice. For projects with one-to-four HOME-Assisted
2 Units, COUNTY must inspect 100 percent of the HOME-Assisted Units and the
3 inspectable items (site, building exterior, building systems, and common areas) for each
4 building housing HOME-assisted units.

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

10 20) COUNTERPARTS. This Covenant may be signed by the different parties hereto
11 in counterparts, each of which shall be an original, but all of which together shall constitute one
12 and the same agreement.

13 21) This Covenant and the Agreement set forth and contain the entire understanding
14 and agreement of the parties hereto. There are no oral or written representations,
15 understandings, or ancillary covenants, undertakings or agreements, which are not contained or
16 expressly referred to within this Covenant, and the Agreement, including all amendments and
17 modifications to the Agreement.

18
19 ///

20 ///

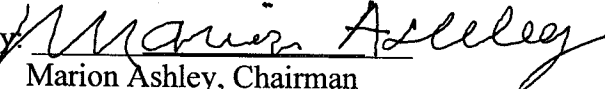
21 [remainder of page intentionally blank]
22
23


24 (SIGNATURES ON THE NEXT PAGE)
25
26
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1 IN WITNESS WHEREOF, COUNTY and RHDC have executed this Covenant as of the dates
2 written below.

3
4 COUNTY:
5 COUNTY OF RIVERSIDE, a political
6 subdivision of the State of California

RHDC:
RIVERSIDE HOUSING DEVELOPMENT
CORPORATION, a California nonprofit
public benefit corporation

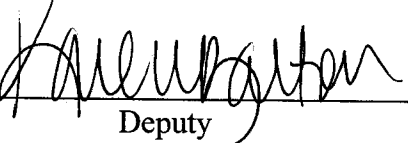
7 By: 
8 Marion Ashley, Chairman
Board of Supervisors

By: 
Bruce Kulpa, Executive Director

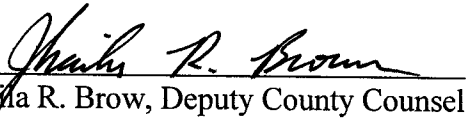
9 Date: JAN 27 2015

Date: 1/8/15

10
11 ATTEST:
12 KECIA HARPER-IHEM
Clerk of the Board

13
14 By: 
Deputy

15
16
17 APPROVED AS TO FORM:
18 GREGORY P. PRIAMOS, County Counsel
Clerk of the Board

19
20 By: 
Jhanna R. Brow, Deputy County Counsel

(Signatures need to be notarized)

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

} §

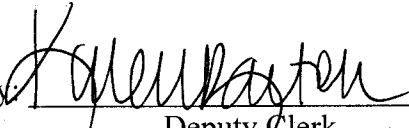
On January 27, 2015, before me, Karen Barton, Board Assistant, personally appeared Marion Ashley, Chairman of the Board of Supervisors, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument; and that a copy of this paper, document or instrument has been delivered to the chairperson.

I certify under the 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

Kecia Harper-Ihem
Clerk of the Board of Supervisors

By:


Deputy Clerk

(SEAL)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Riverside

On 1-8-2015 before me, Jean Barry Notary Public

Date

Here, Insert Name and Title of the Officer

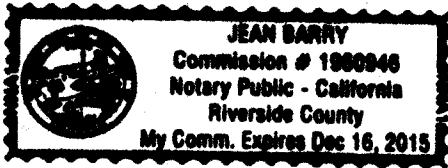
personally appeared Bruce Kulpa

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

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

Signer's Name: _____

Corporate Officer — Title(s): _____

Partner — Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer Is Representing: _____

JEAN BARRE
Commission # 180348
Notary Public - California
Placer County
My Comm. Expires Dec 18, 2013



EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

(See Attached two pages)

LEGAL DESCRIPTION OF PROPERTY

Property A

All that certain real property situated in the County of Riverside, State of California, described as follows:

LOT 15 OF TRACT NO. 11600, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 110, PAGES 46 AND 47 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Assessor's Parcel No.: 438-110-060
41933 Orange Blossom Lane, Hemet, CA 92544

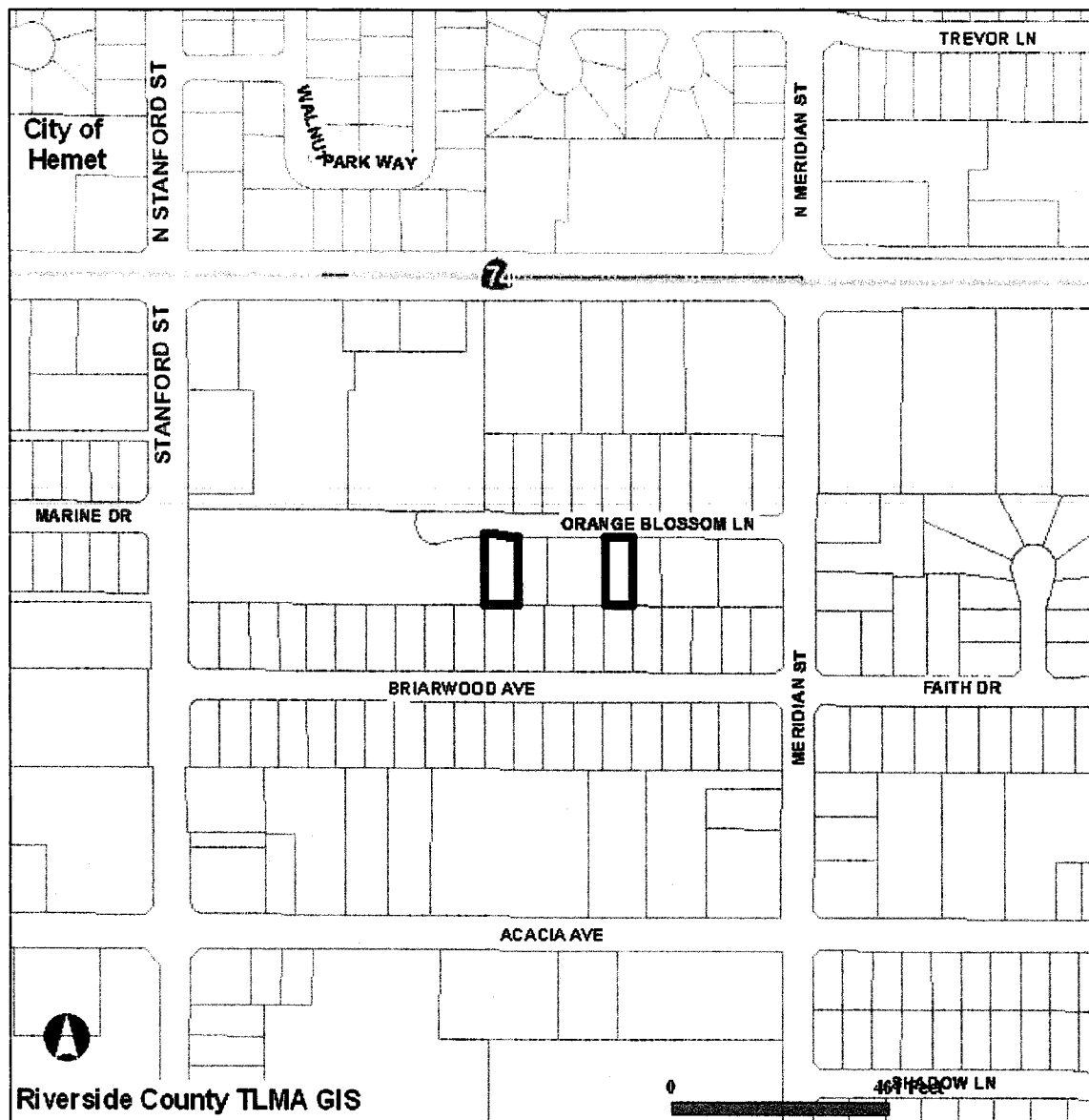
Property B

All that certain real property situated in the County of Riverside, State of California, described as follows:

LOT 11 OF TRACT NO. 11600, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 110, PAGES 46 AND 47 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, TOGETHER WITH THAT PORTION OF ORANGE BLOSSOM LANE KNOWN AS LOT "A" OF TRACT NO. 11600 IN BOOK 110, PAGE 46 OF MAPS, VACATED BY THAT CERTAIN "RESOLUTION TO VACATE NO. 2009-160" RECORDED SEPTEMBER 2, 2009 AS INSTRUMENT NO. 2009-0458809 OF OFFICIAL RECORDS, WHICH WOULD PASS BY OPERATION OF LAW UPON CONVEYANCE.

Assessor's Parcel No.: 438-110-056
41883 Orange Blossom Lane, Hemet, CA 92544

Orange Blossom III



Selected parcel(s):
 438-110-056 438-110-060

IMPORTANT

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Version 131127

EXHIBIT I

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: Juan Garcia

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 CDFI 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:

(Legal Description)

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

LEGAL DESCRIPTION OF PROPERTY

Property A

All that certain real property situated in the County of Riverside, State of California, described as follows:

LOT 15 OF TRACT NO. 11600, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 110, PAGES 46 AND 47 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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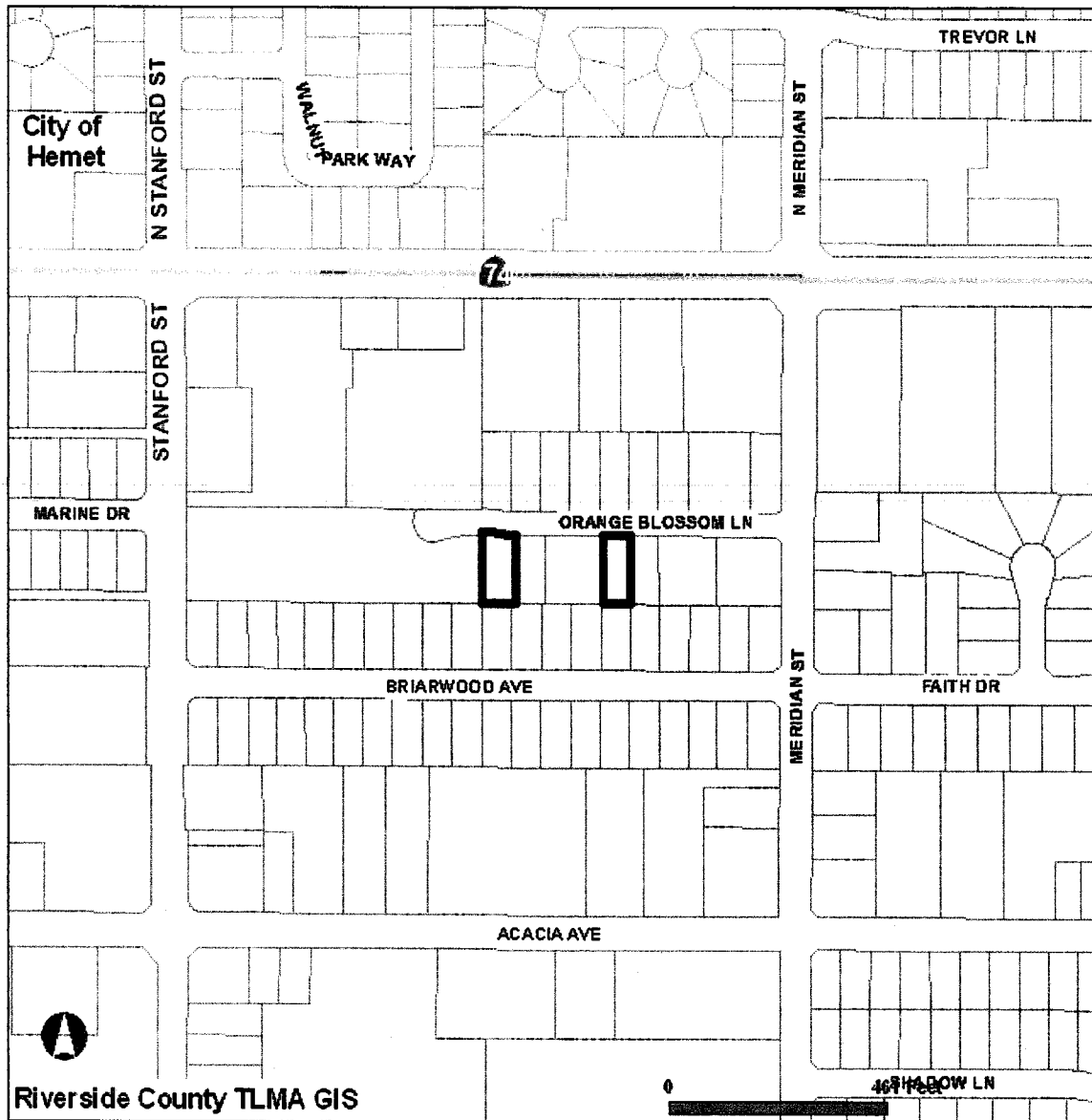
Property B

All that certain real property situated in the County of Riverside, State of California, described as follows:

LOT 11 OF TRACT NO. 11600, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 110, PAGES 46 AND 47 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, TOGETHER WITH THAT PORTION OF ORANGE BLOSSOM LANE KNOWN AS LOT "A" OF TRACT NO. 11600 IN BOOK 110, PAGE 46 OF MAPS, VACATED BY THAT CERTAIN "RESOLUTION TO VACATE NO. 2009-160" RECORDED SEPTEMBER 2, 2009 AS INSTRUMENT NO. 2009-0458809 OF OFFICIAL RECORDS, WHICH WOULD PASS BY OPERATION OF LAW UPON CONVEYANCE.

Assessor's Parcel No.: 438-110-056
41883 Orange Blossom Lane, Hemet, CA 92544

Orange Blossom III



Selected parcel(s):
 438-110-056 438-110-060

IMPORTANT

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Exhibit J

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.

DEVELOPER SIGNATURE



NOTICE OF EXEMPTION

Jan 6th, 2015

Project Name: County of Riverside, Orange Blossom III Apartments Loan Agreement

Project Number: HM3-15-001

Project Location: APN 438-110-056 and 438-110-060, 41883 and 41933 Orange Blossom Lane, Hemet, CA 92544 (See Attached Exhibit A)

Description of Project: The County of Riverside is proposing to provide a loan agreement utilizing funds obtained from the United States Department of Housing and Urban Development (HUD) for the purpose of providing decent, safe, sanitary, and affordable housing for low-income families. The loan will provide funds to acquire and rehabilitate two existing buildings consisting of 7-units of multifamily housing for rent to qualified very low and low income households located in the community of Valle Vista in the unincorporated area of Riverside County. The scope of the capital improvements include the following: installing new double-pane, low-energy windows and blinds; installing air conditioning, heating systems, plumbing fixtures, water heaters, and lighting fixtures, installing kitchen cabinets and counter tops; and providing new paint, flooring, and roofing. All the units will be equipped with energy star rated appliances to include stoves/ovens. No new residential units will be created and the existing use of the site will remain the same and of similar intensity. However, the existing residential multifamily units will be upgraded. Any existing impacts related to noise, traffic, or utilities will remain similar to existing conditions.

Name of Public Agency Approving Project: County of Riverside, Economic Development Agency.

Name of Person or Agency Carrying Out Project: County of Riverside, Economic Development Agency.

Exempt Status: California Environmental Quality Act (CEQA) Guidelines, Section 15301, Existing Facilities and Section 15061 (b) (3), General Rule Exemption.

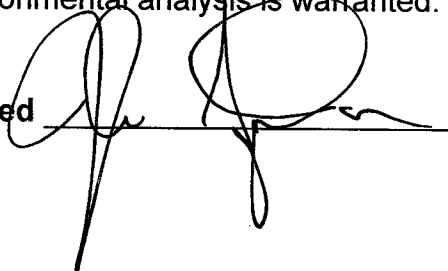
Reasons Why Project is Exempt: The project is exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The project will not result in any specific or general exceptions to the use of the categorical exemption as detailed

under State CEQA Guidelines Section 15300.2. The project will not cause any impacts to scenic resources, historic resources, or unique sensitive biological environments. The existing structure that will be upgraded does not possess any historic significance and the project site is already developed. Further, no unusual circumstances or potential cumulative impacts would occur that may reasonably create an environmental impact. The purchase and upgrade of existing residential units to be utilized in a similar manner will not have an effect on the environment and no significant physical environmental impacts are anticipated to occur.

- Section 15301 – Class 1 Existing Facilities Exemption. This exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site's use. The project as proposed is the purchase and upgrade of existing residential multifamily units for use as low income rental units. The project includes interior and exterior repairs, upgrades, and minor alterations in order to improve the existing use of the site for housing. The construction as proposed is minimal, would occur on existing disturbed land, and would not result in any physical environmental impacts. Once the upgrades are complete, the property will continue to operate as residential units. Therefore, the project meets the scope and intent of the Class 1 Exemption.
- Section 15061 – General Rule or “Common Sense” Exemption. The State CEQA Guidelines provides this exemption based upon the general rule that CEQA only applies to projects with the potential to cause a significant effect on the environment. With certainty, there is no possibility that the proposed project may have a significant effect on the environment. The purchase and improvement of an already existing multifamily housing unit at the same physical location will not have an effect on the environment. The upgraded units will not increase any potential environmental impacts from either construction or operations of the units. The use and operation of the site will be substantially similar to the existing residential units and will not create any new environmental impacts to the surrounding area. In fact, the upgrades to the housing will improve both the existing structures and the surrounding community. Construction activities will be limited to the exterior and interior portions of the homes and any impacts related to the operation of the site will be the same or similar in nature to the existing conditions. Therefore, in no way would the project as proposed have the potential to cause a significant environmental impact and the project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the project as proposed is exempt under CEQA. No further environmental analysis is warranted.

Signed



Date

1-6-15



CEQA Notice of Exemption

To: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

County Clerk
2724 Gateway Drive
Riverside, CA 92507

From: Riverside County Economic Development Agency
5555 Arlington Avenue
Riverside, CA 92504

Project Title: Orange Blossom III Apartments

Location – Address: 41883 and 41933 Orange Blossom Lane

– **City, State, Zip Code:** Hemet, CA 92544

– **Assessor Parcel Number(s):** 438-110-056 and 438-110-060

– **County:** County of Riverside

Project Description – Nature, Purpose and Beneficiaries:

The County of Riverside Economic Development Agency will be providing federal HOME Investment Partnerships Act funds for acquisition and rehabilitation of two existing buildings which will consist of 7 -units for affordable rental housing to qualified very low- and low-income households involving negligible or no expansion of an existing use. The HOME-assisted units will be restricted for a period of at least fifty five (55) years from and after the recordation of the Notice of Completion without regard to the agreement term, repayment of the investment, or the transfer of ownership.

Name of Public Agency Approving Project: County of Riverside Economic Development Agency

Name of Person/Agency Carrying Out Project: County of Riverside Economic Development Agency

Exempt Status: *(Check one and Cite Section)*

- Statutory Exemption:
- Categorical Exemption: Title 14 California Code of Regulations,
Section 15301, Existing Facilities
- General Rule:
- Disapproved Project:

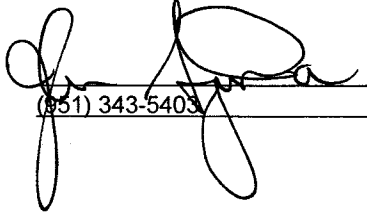
Reasons why project is exempt:

The project is Categorically Exempt per Title 14 California Code of Regulations, Chapter 3 Guidelines for Implementation of the California Environmental Quality Act, Article 19, Categorical Exemptions, Section 15301 as it is acquisition and rehabilitation of a 7-units involving negligible or no expansion of use beyond that existing at the time of the County's determination.

Lead Agency Contact:

Name: John Aguilar

Title: Deputy Director

Signature: 
Telephone: (951) 343-5403

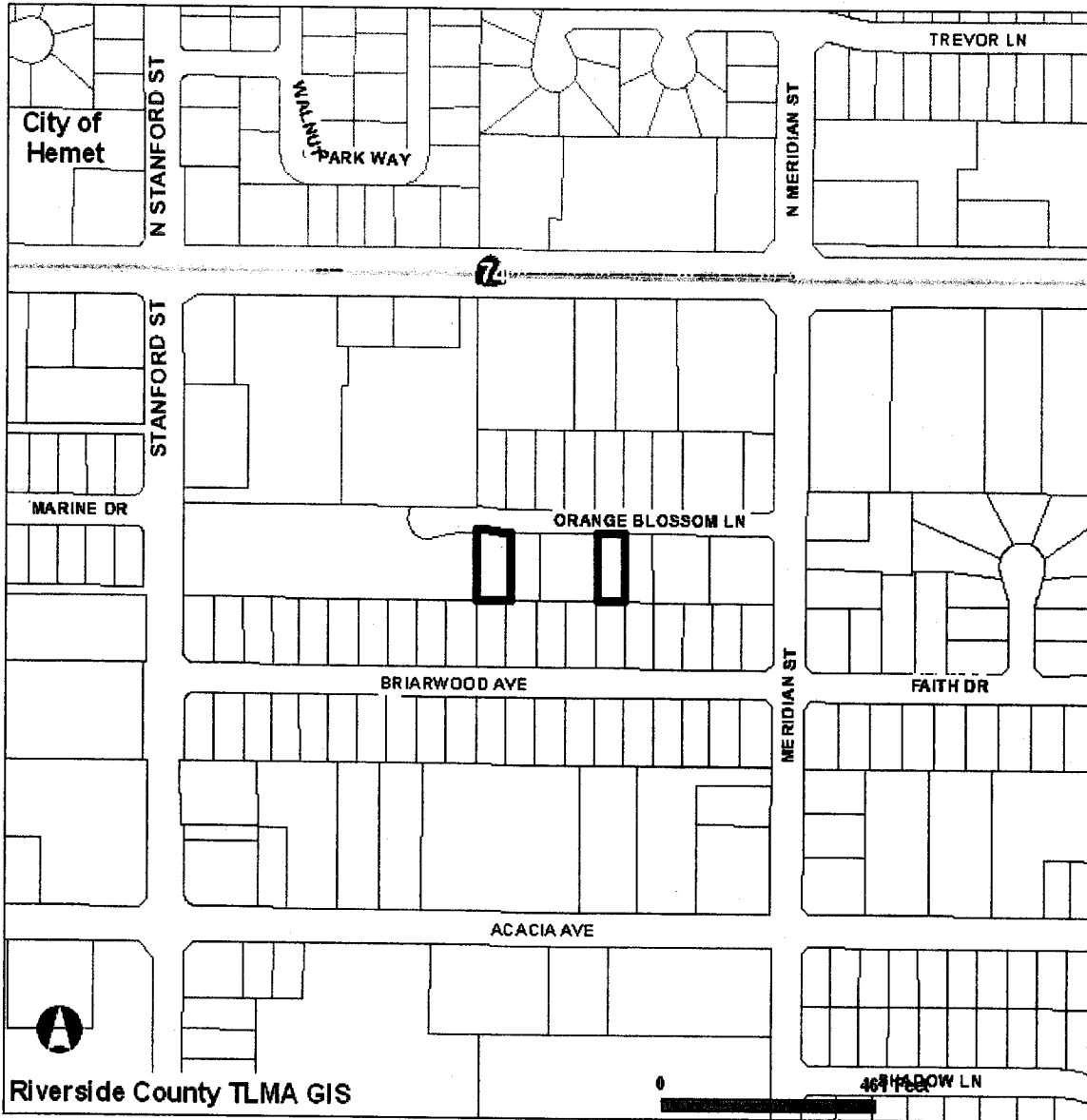
Date: 1-6-15

EXHIBIT A

SITE MAP

(behind this page)

Orange Blossom III



Selected parcel(s):
 438-110-056 438-110-060

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