

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



ITEM
3.19
(ID # 6606)

MEETING DATE:

Tuesday, April 24, 2018

FROM : ECONOMIC DEVELOPMENT AGENCY (EDA):

SUBJECT: ECONOMIC DEVELOPMENT AGENCY (EDA): Loan Agreement for the Use of Neighborhood Stabilization Program Funds (Hayman House Project) in the City of Lake Elsinore, District 1, [\$291,000], Neighborhood Stabilization Program Funds 100%, Project is Exempt Under CEQA

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15303 and Section 15061(b)(3);
2. Affirm the Finding of No Significant Impact adopted by the Board of Supervisors on February 27, 2018 for the project concluding that the project is not an action which may affect the quality of the environment pursuant to the provisions of the National Environmental Policy Act of 1969 (NEPA) and under the implementing regulations at 24 CFR Parts 50 and 58;
3. Approve the attached Loan Agreement for the Use of Neighborhood Stabilization Program Funds (NSP1), including all exhibits (NSP1 Loan Agreement), in the amount of \$291,000, between the County of Riverside and Habitat for Humanity Inland Valley for the relocation and rehabilitation of a single family home in the City of Lake Elsinore, County of Riverside;

ACTION: Policy

Robert Field, Assistant County Executive Officer/EDA

3/14/2018

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: April 24, 2018
xc: EDA

Kecia Harper-Ihem
Clerk of the Board

By: 
Deputy

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RECOMMENDED MOTION: That the Board of Supervisors:

4. Approve the attached Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents (Deed of Trust), Promissory Note and Homebuyer Covenant Agreement (Homebuyer Covenant);
5. Approve and adopt the attached Relocation Plan conforming to statutes and regulations established by the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, its implementing regulations at 49 Code of Federal Regulations Part 24, the California Relocation Assistance Law, California Government Code Section 7260 et seq., the California Relocation Assistance and Real Property Acquisition Guidelines, Title 25, California Code of Regulations, Chapter 6, Section 6000 et seq. for residential displacements;
6. Authorize the Chairman of the Board of Supervisors to execute the attached Loan Agreement;
7. Authorize the Assistant County Executive Officer/EDA, or designee, to execute the Homebuyer Covenant and to take all necessary steps to implement the NSP1 Loan Agreement, Deed of Trust, Promissory Note, and Homebuyer Covenant, including, but not limited to, signing subsequent necessary and relevant documents, subject to approval by County Counsel; and
8. Direct EDA staff to file the Notice of Exemption within five working days.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 200,000	\$ 91,000	\$ 291,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% Neighborhood Stabilization Program Funds			Budget Adjustment: No	
			For Fiscal Year: 2017/18 2018/19	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Habitat for Humanity Inland Valley (Habitat), a nonprofit public benefit corporation and an affordable housing developer, made a request to the County of Riverside (County) to utilize \$291,000 in Neighborhood Stabilization Program funds for the relocation and rehabilitation of a single-family residential home in the City of Lake Elsinore (City) and the redevelopment of the new site where the home will be located (Proposed Project). The subject home was once the residence of Jean Hayman, a devoted teacher in the community.

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The subject home is approximately 1,020 square feet consisting of 2-bedrooms and 1-bathroom located at 307 North Main Street, City of Lake Elsinore, identified as Assessor's Parcel Number 374-073-009 (Existing Home) adjacent to a gas station at 301 North Main Street. The Existing Home is currently being rented. Both the Existing Home and gas station are owned by the same private owner. The owner wishes to demolish the Existing Home in order to rebuild and expand the gas station. Pursuant to City of Lake Elsinore (City) Resolution No. 2015-075 adopted by its City Council on August 11, 2015, the City set forth conditions of approval prior to permit issuance for the demolition and redesign of the gas station. One of the conditions of approval requires the Existing Home to be relocated to a City-owned parcel within the Historic District. The tenants currently residing at the Existing Home are being offered relocation assistance as described in the attached Relocation Plan.

Habitat has partnered with the City to accept a City-owned parcel located at 310 East Pottery Street, City of Lake Elsinore, identified as Assessor's Parcel Number 377-292-027 (New Location) within the City's Historic District. The City has also agreed to accept a donation of the Existing Home for relocation to the New Location and the rehabilitation and sale of the home to a qualified low-income family. The tenant currently renting the Existing Home will be permanently relocated to a new home and reimbursed in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) as set forth in the attached Relocation Plan.

Staff recommends that the County provide a loan to Habitat in the amount of \$291,000 derived from NSP1 funds (NSP1 Loan). The NSP1 Loan terms are memorialized in the attached proposed Loan Agreement for the Use of Neighborhood Stabilization Program Funds, including exhibits (NSP1 Loan Agreement). The NSP1 Loan shall be evidenced by a Promissory Note and secured by a Deed of Trust, each attached to the proposed NSP1 Loan Agreement. The Proposed Project shall be sold to a qualified low-income family for an affordable price and occupied by such family for a period of at least 15 years. The affordability restrictions will be set forth in a deed restriction to be recorded against the New Location. Upon the sale of the Proposed Project to a qualified low-income family, the NSP1 Loan will convert to a conditional grant.

The environmental effects of activities carried out with NSP1 funds must be assessed by the County of Riverside, as the responsible entity, in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in the United States Department of Housing and Urban Development's implementing regulations at 24 Code of Federal Regulations (CFR) Parts 50 and 58. These regulations specify procedures for conducting environmental review, including finding a level of clearance and requesting release of funds. The County of Riverside Economic Development Agency (EDA) has completed applicable review procedures and has evaluated the potential effects of the Proposed Project on the environment. The attached Environmental Assessment (EA) documentation was prepared pursuant to NEPA and the environmental procedures set forth in 24 CFR Sections 58.5 and 58.6. EDA has determined that the Proposed Project would not have a significant effect on the environment. Public noticing requirements have been satisfied in accordance with 24 CFR Section 58.43 and 58.45.

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Project Description:

The Proposed Project consists of the relocation and rehabilitation of an approximately 1,020 square foot single-family home consisting of 2-bedrooms and 1-bathroom and the redevelopment of the New Location. The home will be sold to and occupied by qualified low-income household whose incomes do not exceed 80% of the area median income for the County of Riverside.

The estimated total cost for the Proposed Project is \$350,000. Anticipated sources of funds include: \$291,000 in County NSP1 funds and \$59,000 in City of Lake Elsinore assistance to process minor design review, public noticing, staff report preparation, Planning Commission hearing, building and mechanical plan checks, building and mechanical permits and building inspections.

Pursuant to the California Environmental Quality Act (CEQA), the Proposed Project is determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15303, New Construction or Conversion of Small Structures, and State CEQA Guidelines Section 15061(b) (3), General Rule or "Common Sense" Exemption. The Proposed Project involves the relocation and rehabilitation of a single-family residential home in the City of Lake Elsinore and the redevelopment of the new site where the home will be located in the City of Lake Elsinore. Under State CEQA Guidelines Section 15303, New Construction or Conversion of Small Structures exemption, up to three single-family residences may be constructed. A Notice of Exemption will be filed with the County Clerk upon approval of the NSP1 Loan Agreement.

County Counsel has reviewed and approved as to form the attached NSP1 Loan Agreement, Deed of Trust, Promissory Note, and Homebuyer Covenant. Staff recommends that the Board approve the attached NSP1 Loan Agreement, Deed of Trust, Promissory Note, and Homebuyer Covenant.

Impact on Residents and Businesses

Approving this item will have a positive impact on the citizens and businesses of the City of Lake Elsinore. The Proposed Project is expected to generate temporary construction jobs, redevelop vacant land, and provide infill housing and affordable housing for a household in the City of Lake Elsinore and the County of Riverside.

Additional Fiscal Information

No impact upon the County's General Fund. The County's contribution to the project will be fully funded with NSP1 funds from the U.S. Department of Housing and Urban Development.

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ATTACHMENTS:

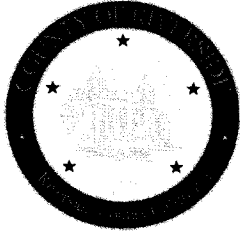
- Loan Agreement for the Use of Neighborhood Stabilization Program Funds (Hayman House Project), including exhibits
- Site Map
- CEQA Notice of Exemption
- Relocation Plan February 2018

RF:HM:CH:JG:MM

H:\Housing\HOME\2017 NSP\Habitat - Jean Hayman House, Lake Elsinore\F11\F11 Agmt Hayman-House project.doc


Rekini Dasika, Principal Management Analyst 4/16/2018


Gregory H. Priamos, Director County Counsel 4/12/2018



MEMORANDUM

RIVERSIDE COUNTY COUNSEL

CONFIDENTIAL
ATTORNEY-CLIENT PRIVILEGE

DATE: April 12, 2018

TO: Kecia Harper-Ihem, Clerk of the Board

FROM: Amrit P. Dhillon, Deputy County Counsel



MT ITEM: 6606

AGENDA: April 24, 2018

SUBMITTING DEPT: ECONOMIC DEVELOPMENT AGENCY (EDA)

Attached please find the following original document(s) for the above-referenced Minute Traq item:

1. Loan Agreement for the Use of Neighborhood Stabilization Program Fund in the City of Lake Elsinore

A copy of the form approved document was uploaded to MT. If there should be any issues, please contact one of the above named individuals from County Counsel or the submitting department.

APD:gg
Attachment

3.19

Site Map

HAYMAN HOUSE PROJECT – LAKE ELSINORE

310 East Pottery Street, City of Lake Elsinore, identified as Assessor's Parcel Number 377-292-027

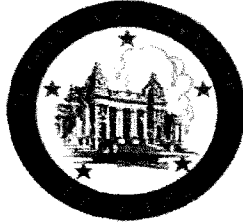


CEQA

Notice of Exemption

Original: Administrative Determination/Notice
Date: 1/11/18
Client: City of Lake Elsinore

Dept. File



Notice of Exemption

To:
 Office of Planning and Research
For U.S. Mail: Street Address: 1400 Tenth St. Sacramento, CA 95812-3044
Street Address: 1400 Tenth St. Sacramento, CA 95814

From:
Public County of Riverside
Agency: Economic Development Agency
Address: 5555 Arlington Avenue Riverside, CA 92504
Contact: Mervyn Manalo, Housing Specialist
Phone: (951) 343-5495

County Clerk
County of: Riverside
Address: 2724 Gateway Drive P.O. Box 751 Riverside, CA 92502-0751

Lead Agency (if different from above):
Address: _____
Contact: _____
Phone: _____

SUBJECT: Filing of Notice of Exemption in Compliance with 15303 and 15061(b)(3) of State CEQA Guidelines.

Project Title: Hayman House Project in Lake Elsinore

Location: 310 East Pottery Street, City of Lake Elsinore, identified as Assessor's Parcel Number 377-292-027

Project Description:

Habitat for Humanity Inland Valley (Habitat) made a request to the County of Riverside to utilize \$291,000 in Neighborhood Stabilization Program (NSP1) funds for the relocation and rehabilitation of a single-family residential home in the City of Lake Elsinore and the redevelopment of the new site where the home will be located for sale to a low-income household (Proposed Project).

Project Sponsor: Habitat for Humanity Inland Valley

This is to advise that the County of Riverside Board of Supervisors approved the above project on

Lead agency or Responsible Agency

April 24, 2018 and has made the following determinations regarding the above described project:
(tentative date)

Exempt Status: California Environmental Quality Act (CEQA) Guidelines, Section 15303, Class 3-New construction or conversion of small structures, and 15061 (b)(3), General Rule Exemption or "Common Sense" Exemption.

Reasons Why Project is Exempt: Pursuant to the California Environmental Quality Act (CEQA), the NSP1 Loan Agreement was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15303, Class 3-New construction or conversion of small structures and State CEQA Guidelines 15061(b)(3), General Rule or "Common Sense" Exemption. The proposed project, the NSP1 Loan Agreement, involves the loan of NSP1 funds and the relocation and rehabilitation of an existing facility and no expansion of an existing use will occur. In addition, there is no possibility that the proposed project will have a significant effect on the environment and the project will not lead to any direct or reasonably indirect physical environmental impacts since the existing use will be maintained.

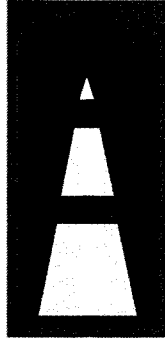
Signature:  Title: Michael Walsh, Deputy Director Riverside County EDA

Date: 4/12/18 Date received for filing: _____

Relocation Plan

February 2018

A U T O



T E M P

**307 N. MAIN STREET
LAKE ELSINORE, CA 92530
RELOCATION PLAN**

PREPARED FOR

**Habitat for Humanity Inland Valley
41615 Winchester Rd #214
Temecula, CA 92590**

By

**AUTOTEMP
373 4TH STREET, SUITE 2A
OAKLAND, CA 94607
510.238.9386**

February 2018

307 N. Main Street Relocation Plan

INTRODUCTION

The mission of Habitat for Humanity Inland Valley is to facilitate the dream of homeownership, as well as improve living conditions for those in the community. Habitat for Humanity Inland Valley ("Habitat"), in cooperation with the City of Lake Elsinore and the County of Riverside Economic Development Agency, have been given the opportunity to move a donated 1915 Craftsman Bungalow from its current location on Main Street to a nearby vacant lot at 310 East Pottery Street. After the move and rehabilitation of the structure, it will be sold to a low-income family by Habitat.

This action will require the relocation of one household currently occupying the historic bungalow.

The Project

Habitat proposes to move and rehabilitate the historic bungalow and then sell the home to low-income family (the "Project"). The Project site which is the subject of this Relocation Plan is located in the City of Lake Elsinore, in the County of Riverside. The subject property is located at 307 North Main Street, generally west of Interstate 15, between West Sumner Avenue and West Pottery Street. The surrounding area is a mix of single family residences, multi-family residences and commercial uses. Please see **Attachment 1** for the project site location.

As a result of construction of the Project, one household will have to be permanently displaced for this Project to go forward.

The project complies with all of the General Plan guidelines, housing element and zoning requirements and conforms to the adjacent land uses. There is no foreseen negative impact on the surrounding neighborhood.

Prospective funding sources include HUD NSP funds along with conventional funding.

Autotemp an experienced acquisition and relocation firm, has been selected to prepare this Relocation Plan (the 'Plan'), and will provide all subsequently required relocation assistance. In compliance with statutory requirements, the

307 N. Main Street Relocation Plan

Plan has been prepared to evaluate the present circumstances and replacement housing requirements of the current Project occupants.

This Plan provides for the results of a needs assessment survey, their incorporation into the planning process, and details of Habitat's proposed relocation plan. This Plan sets forth policies and procedures which would be necessary to conform to statutes and regulations established by the Federal, Uniform Relocation Act (46 U.S.C. § 4600 et seq.), its implementing regulations (49 C.F.R.) Part 24); and, the California Relocation Assistance Law, California Government Code Section 7260 et seq (the "CRAL") and the California Relocation Assistance and Real Property Acquisition Guidelines, Title 25, California Code of Regulations, Chapter 6, Section 6000 et seq. (the "Guidelines") for residential displacements and the funding agencies' own rules and regulations.

It should be noted that, with certain narrow exceptions, Federal funds cannot be used for any "displaced person" who is an alien not lawfully present in the United States.

No mandatory displacement activities will take place prior to the required reviews and approval of this Plan.

A. METHODOLOGY AND ASSESSMENT OF NEEDS

To obtain information necessary for the preparation of this Plan, a personal interview was conducted with the residential household that would be impacted by the implementation of the prospective project.

All information of a statistical nature supplied by the occupants was anecdotal and not validated by documentary evidence that otherwise may be required to comply with mandatory relocation and eligibility qualifying criteria.

One household will be permanently displaced, in order for the relocation and rehabilitation of the bungalow to occur. Inquiries made of the residential occupants included household size and composition, ages of occupants, rental and income information, length and type of occupancy, ethnicity, primary

307 N. Main Street Relocation Plan

language in the home, disabilities and health problems, and preferences related to replacement housing and location.

The interview process was used to determine housing preferences or reported need to be close to public transportation, employment, schools, public/social services and agencies, recreational services, parks, community centers, or shopping. In addition, health needs, which would require special consideration for accessibility and perhaps proximity to medical facilities, were identified. The interview was performed by staff and confidentiality will be maintained.

The three-bedroom single family residence is occupied by four adults and two children, paying \$1200 per month in rent. Based upon the Federal Department of Housing and Urban Development's (HUD's) income categories, the household falls within the "Moderate" income category. The Spanish speaking household reported no special needs and would like to remain in the Lake Elsinore area.

B. REPLACEMENT RESOURCES

A resource survey will be conducted prior to any mandatory displacement to identify available comparable, decent, safe and sanitary units, which are adequate in size and contain the required number of bedrooms, in close proximity to the Project site. A housing survey was performed during the week of October 10, 2017 to identify available comparable, decent, safe and sanitary units in proximity to the Project site.

These potential replacement housing resources offer similar amenities, with prices ranging from \$1600 to \$1795 for three- bedroom single family residences a in the surrounding area.

Based on the results of that survey, an adequate number of available units were found to meet the potential needs of the households that will be permanently displaced, one three-bedroom single family residence.

This Relocation Plan outlines the requirements for moving the households being displaced, and demonstrates the level of advisory and financial assistance that will be provided.

307 N. Main Street Relocation Plan

C. CONCURRENT DISPLACEMENT

Based on the anticipated needs of the Project, there is no known concurrent displacement at this time which may impact, negatively, upon the ability to relocate the occupants of the site.

D. TEMPORARY RELOCATION

There is no *anticipated* requirement for temporary relocation.

E. PROGRAM ASSURANCES AND STANDARDS

Adequate funds shall be made available to relocate the three residential tenants on the site.

Relocation assistance services will be provided to ensure that displacement does not result in different or separate treatment of occupants based on race, color, religion, national origin, sex, marital status, familial status, disability or any other basis protected by the federal Fair Housing Amendments Act, the Americans with Disabilities Act, Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, the California Fair Employment & Housing Act, and the Unruh Act, as well as any arbitrary or unlawful discrimination.

No household will be displaced without at least 90 days notice and unless comparable replacement housing can be located. Comparable housing includes standards such as: decent, safe and sanitary (as defined in § 6008[d] of the Guidelines); comparable as to the number of bedrooms, living space, and type and quality of construction of the acquired unit, but not lesser in rooms or living space than necessary to accommodate the displaced household; in an area that does not have unreasonable environmental conditions; not generally less desirable than the acquired unit with respect to proximity to schools, employment, health and medical facilities, and other public and commercial facilities and services; and within the financial means of the displaced household as defined in Section 6008, subdivision (c)(5) of the Guidelines.

The relocation program to be implemented by Habitat conforms with the standards and provisions set forth in Government Code section 7260 et seq., the

307 N. Main Street Relocation Plan

Guidelines, California Health and Safety Code section 33410 et seq., if applicable, and all other applicable regulations and requirements.

F. RELOCATION ASSISTANCE PROGRAM

Autotemp staff will be available to assist tenants being displaced with questions about relocation and, actual assistance in relocating. Relocation staff may be contacted, at **888.202.9195**, between the hours of 8:30 AM. to 6:00 PM, Monday through Friday, and also available on-site by appointment.

The Relocation Office is located at **373 4th Street, Suite 2A, Oakland, CA.**, with a field office in southern California. A comprehensive relocation assistance program, with technical and advisory assistance, will be provided to the tenants being displaced.

Specific activities will include:

1. Distribution of informational statements. **Attachment 2** contains a *sample* of the informational notices that will be given to the displaced businesses and, residential occupants;
2. Timely referrals to residential dwelling units; and,
3. Assistance with completion and filing of relocation claims and appeals forms, if necessary.
4. To fully inform eligible project occupants of the nature of, and procedures for, obtaining relocation assistance and benefits;
5. To determine the needs of each displacee eligible for assistance;
6. To provide assistance that does not result in different or separate treatment due to race, color, religion, national origin, sex, sexual orientation, marital status or other arbitrary circumstances;
7. To assist each eligible person to complete applications for benefits.

307 N. Main Street Relocation Plan

8. To make relocation benefit payments in accordance with the Guidelines, where applicable;
9. To inform all persons subject to displacement of Habitat's policies with regard to eviction and property management; and,
10. To establish and maintain a formal grievance procedure for use by displaced persons seeking administrative review of Habitat's decisions with respect to relocation assistance.

Because of the nature of a permanent displacement, the following services will be provided to the households in addition to those outlined above:

1. To provide an adequate number of referrals.
2. To provide current and continuously updated information concerning replacement housing opportunities.

G. CITIZEN PARTICIPATION

Copies of this Plan will be provided to the project site occupants to promote review and participation. Habitat will ensure the following:

1. Full and timely access to documents relevant to the relocation program;
2. Providing technical assistance necessary to interpret elements of the relocation program and other pertinent materials;
3. A general notice of this Plan shall be provided to all displacees of the proposed project. This Plan shall be made available for circulation for information and review by interested citizen groups, state and county agencies, and all persons affected by the project;
4. The Plan will be reviewed to ensure that it is feasible and complies with locally-adopted rules and regulations governing relocation.

H. RELOCATION BENEFIT CATEGORIES

Benefits will be provided in accordance with the URA, the CRAL, the Guidelines, and all other applicable regulations and requirements. Benefits will be paid upon submission of required claim forms and documentation in accordance with approved procedures as outlined in **Attachment 3**. Habitat will provide appropriate benefits for the site tenants/displacees as required by the above laws and requirements.

Residential tenants are considered eligible for relocation assistance and benefits if they had continued occupancy of the subject property 90 days prior to the date of the "Initiation of Negotiations" for acquisition of the property; this date is defined as the later of the date upon which Habitat acquires the structure or obtained funding approval. The Initiation of Negotiations has not occurred as the time of this writing.

Pursuant to the definition of dwelling, both primary residents and any part-time residents are entitled to the moving expenses detailed in §6090 as long as they meet the eligibility requirements of §6034. Part-time residents are not entitled to rental assistance payments. If the displaced person was paying little or no rent, the base rent will be calculated on the amount they would have to pay for a similar dwelling in a comparable area.

Specific eligibility requirements and benefit plans will be detailed on an individual basis with each displaced household. In the course of personal interviews and follow-up visits, each displaced household will be counseled as to available options and the consequences of any choice with respect to financial assistance.

Residential Moving Expense Payments

All permanently displaced households will be eligible to receive a payment for moving expenses or compensation therefor. The payment will be made based upon either a fixed room count schedule or an invoice for actual reasonable moving expenses from a licensed professional mover. Moving expenses will be based on one of the following options:

307 N. Main Street Relocation Plan

1. **Fixed Payment** – A fixed payment for moving expenses based on the number of rooms containing furniture or other personal property to be moved. The fixed moving payment will be based upon the most recent Federal Highway Administration (FHA) schedule maintained by the California Department of Transportation (Attachment);

- Or -

2. **Actual Reasonable Moving Expense Payments** - The displaced tenants may elect to have a licensed, professional mover perform the move; if so, Habitat will pay for the actual cost of the move up to 50 miles and all reasonable charges for packing, unpacking, insurance, and utility connection charges. The payment will be made directly to the mover or as a reimbursement to the displaced tenants

Rental Assistance/Down Payment Assistance

For permanent residential displacee households – *except* in the case of 'Last Resort Housing' situations, as defined below – a Rental Assistance Payment (RAP) will be limited to a maximum of five thousand two hundred fifty dollars (\$5,250.00), based upon the households monthly housing need over a forty-two (42) month period. In addition, such tenants may opt to apply the amount to which they are entitled toward the purchase of a replacement unit.

Last Resort Housing

Based on a housing resource survey which was conducted concurrent with the preparation of this Plan, it would appear that an adequate number of "comparable replacement housing" units would be available – *if* the time of displacement were imminent – to meet the needs of any displaced tenants *however*, a combination of factors – including the income level of the particular project occupant; the project rent; and, the prospectively higher cost of replacement units – may create the need for a 'Last Resort Housing Payment'.

307 N. Main Street Relocation Plan

“Last Resort Housing” payments are authorized by statute if affordable “comparable replacement housing” cannot be located for the displaced tenant household (i.e., housing renting for not more than 30% of the household’s gross monthly income). In such an instance, payments may be made beyond the \$5,250.00 statutory cap, up to forty-two (42) months’ worth of rental assistance. Any supplemental increment beyond \$5,250.00 *may* be paid in installments or, a lump sum, at Habitat’s discretion.

I. PAYMENT OF RELOCATION BENEFITS

Relocation benefit payments will be made expeditiously. Claims and supporting documentation for relocation benefits must be filed with Habitat within eighteen (18) months from the date the claimant moves from the displacement property. Procedures for preparing and filing of claims and processing and delivering of payments are included in this Plan as **Attachment 3**.

J. EVICTION POLICY

Habitat recognizes that eviction is permissible only as a last resort and that relocation records must be documented to reflect the specific circumstances surrounding any eviction. Eviction will only take place in cases of nonpayment of rent; serious violation(s) of the rental agreement; a dangerous or illegal act performed by Lessee, its employees, invitees or, any combination thereof in the unit; or, if the lessee/displacee refuses all reasonable offers to move. Eviction will not affect the eligibility of a person legally entitled to relocation benefits.

K. APPEALS POLICY

The appeals policy will follow the standards described in Section 6150 et seq. of the Guidelines. Briefly stated, displaced tenants will have the right to ask for review when there is a perceived grievance regarding any of a displacee’s rights to relocation, and relocation assistance, such as a determination as to eligibility, the amount of a payment, or the failure to provide a comparable replacement housing referral.

307 N. Main Street Relocation Plan

L. PROJECTED DATES OF DISPLACEMENT

The residential occupants will receive a 90 day notice to vacate before they are required to move. This notice is expected to be issued following adoption of the Plan.

M. ESTIMATED RELOCATION COSTS

Habitat pledges to appropriate the necessary funds, on a timely basis, to ensure the successful completion of the project. Any and all required financial assistance will be provided. The anticipated budget for relocation benefits is \$34,000.

TABLE OF ATTACHMENTS

- Attachment 1:** Project Site Maps
- Attachment 2:** Sample Informational Statement – Residential Occupants
- Attachment 3:** Relocation Payment Policy and Procedures for Relocation Payments and Assistance

ATTACHMENT 1: PROJECT SITE MAPS

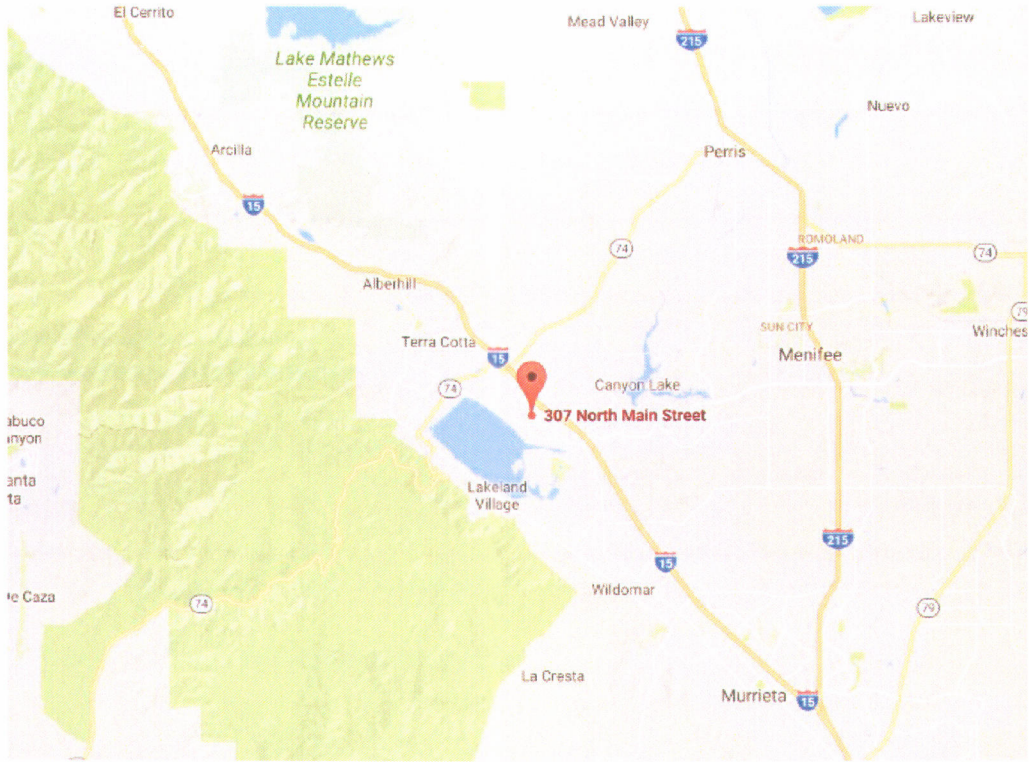


Figure 1. Regional Location

Figure 2. General Site-specific Location

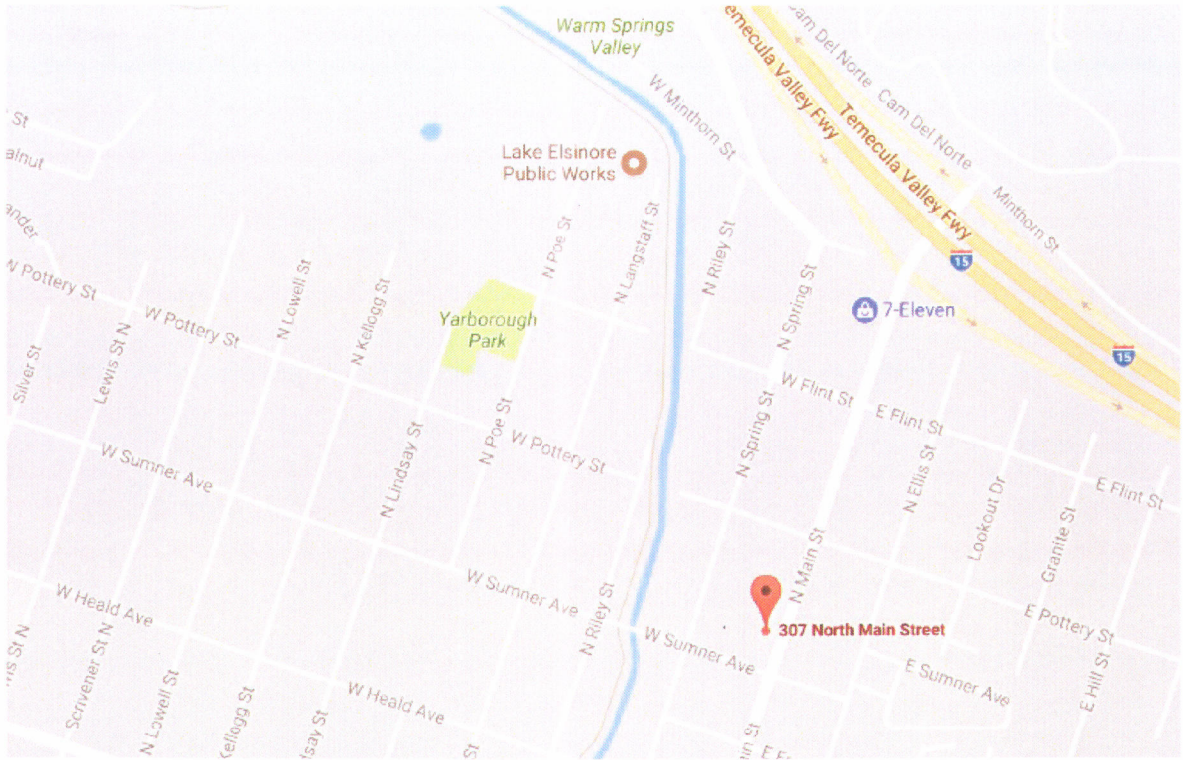


Figure 3. Overhead View



ATTACHMENT 2: SAMPLE INFORMATIONAL STATEMENT FOR FAMILIES AND INDIVIDUALS

1. GENERAL INFORMATION

Habitat for Humanity Inland Valley ("Habitat"), in cooperation with the City of Lake Elsinore and the County of Riverside Economic Development Agency, intend to relocate the dwelling in which you now live. If and when the project proceeds, and it is necessary for you to move from your dwelling, you may be eligible for certain benefits. You will be notified in a timely manner as to the date by which you must move. Please read this information, as it will be helpful to you in determining your eligibility and the amount of the relocation benefits you may receive under the state law. You will need to provide adequate and timely information to determine your relocation benefits. The information is voluntary, but if you don't provide it, you may not receive the benefits or it may take longer to pay you. We suggest you save this informational statement for reference.

Habitat has retained the professional firm of **Autotemp** to provide relocation assistance to you. The firm is available to explain the program and benefits. Their address and telephone number is:

**Autotemp
373 4th Street Suite 2A
Oakland, CA 94607
Telephone: 888.202.9195**

PLEASE DO NOT MOVE PREMATURELY. THIS IS NOT A NOTICE TO VACATE YOUR DWELLING. However, if you desire to move sooner than required, you must contact your representative with Autotemp so you will not jeopardize any benefits. This is a general informational brochure only, and is not intended to give a detailed description of either the law or regulations pertaining to Habitat's relocation assistance program.

Please continue to pay your rent to your current landlord, otherwise you may be evicted and jeopardize the relocation benefits to which you may be entitled to receive.

2. ASSISTANCE IN LOCATING A REPLACEMENT DWELLING

Habitat, through its representatives, will assist you in locating a comparable replacement dwelling by providing referrals to appropriate and available housing units. You are encouraged to actively seek such housing yourself.

PREPARED BY AUTOTEMP

When a suitable replacement dwelling unit has been found, your relocation consultant will carry out an inspection and advise you as to whether the dwelling unit meets decent, safe and sanitary housing requirements. A decent, safe and sanitary housing unit provides adequate space for its occupants, proper weatherproofing and sound heating, electrical and plumbing systems. Your new dwelling must pass inspection before relocation assistance payments can be authorized.

3. MOVING BENEFITS

If you must move as a result of displacement by Habitat, you will receive a payment to assist in moving your personal property. The actual, reasonable and necessary expenses for moving your household belongings may be determined based on the following methods:

- A Fixed Moving Payment based on the number of rooms you occupy (see below); **or**
- A payment for your Actual Reasonable Moving and Related Expenses based on at least two written estimates and receipted bills; **or**
- A combination of both (in some cases).

For example, you may choose a Self Move, receiving a payment based on the Fixed Residential Moving Cost Schedule shown below, plus contract with a professional mover to transport your grand piano and /or other items that require special handling. In this case, there may be an adjustment in the number of rooms which qualify under the Fixed Residential Moving Cost Schedule.

A. Fixed Moving Payment

A Fixed Moving Payment is based upon the number of rooms you occupy and whether or not you own your own furniture. The payment is based upon a schedule approved by Habitat, and ranges, for example, from \$475.00 for one furnished room to \$2,505.00 for eight rooms in an unfurnished dwelling. (For details see the table). Your relocation representative will inform you of the amount you are eligible to receive, if you choose this type of payment.

If you select a fixed payment, you will be responsible for arranging for your own move, and Habitat will assume no liability for any loss or damage of your personal property. A fixed payment also includes utility hook-up, credit check and other related moving fees.

B. Actual Moving Expense (Professional Move)

If you wish to engage the services of a licensed commercial mover and have Habitat pay the bill, you may claim the ACTUAL cost of moving your personal property up to 50 miles. Your relocation representative will inform you of the number of competitive moving bids (if any) which may be required, and assist you in developing a “mover” scope of services for Habitat’s approval.

FIXED MOVING SCHEDULE - CALIFORNIA (effective 9/2015)	
Occupant owns furniture Excludes bathrooms, Closets and Hallways	
1 room	\$725.00
2 rooms	\$930.00
3 rooms	\$1,165.00
4 rooms	\$1,375.00
5 rooms	\$1,665.00
6 rooms	\$1,925.00
7 rooms	\$2,215.00
8 rooms	\$2,505.00
each additional room	\$265.00
Occupant does NOT own furniture	
1 room	\$475.00
each additional room	\$90.00

4. REPLACEMENT HOUSING PAYMENT - TENANTS AND CERTAIN OTHERS

You may be eligible for a payment of up to \$5,250.00 to assist you in renting or purchasing a comparable replacement dwelling. In order to qualify, you must either be a tenant who has occupied the present dwelling for at least 90 days prior to the initiation of negotiations or an owner who has occupied the present dwelling between 90 and 180 days prior to the initiation of negotiations.

- A. **Rental Assistance.** If you qualify, and **wish to rent** your replacement dwelling, your maximum rental assistance benefits will be based upon the difference over a forty-two (42) month period between the rent you must pay for a comparable replacement dwelling and the lesser of your current rent and estimated utilities or thirty percent (30%) of your gross monthly household income. You will be required to provide your relocation representative with monthly rent and household income verification prior to the determination of your eligibility for this payment.

- OR -

- B. **Down-payment Assistance.** If you qualify, and **wish to purchase** a home as a replacement dwelling, you can apply up to the total amount of your rental assistance payment towards the down-payment and non-recurring incidental expenses. Your relocation representative will clarify procedures necessary to apply for this payment.

Where a tenant is sharing a dwelling with an owner-occupant and paying the owner-occupant rent for the privilege, the tenant shall not be entitled to more than one-half of the rental assistance otherwise payable.

5. SECTION 8 TENANTS

When you do move, you may be eligible to transfer your Section 8 eligibility to a replacement site. In such cases, a comparable replacement dwelling will be determined based on your family composition at the time of displacement and the current housing program criteria. This may not be the size of the unit you currently occupy. Your relocation representative will provide counseling and other advisory services along with moving benefits.

6. QUALIFICATION FOR, AND FILING OF, RELOCATION CLAIMS

To qualify for a Replacement Housing Payment, you must rent or purchase and occupy a comparable replacement unit **within one year from the following:**

- For a tenant, the date you move from the displacement dwelling.
- For an owner-occupant, the latter of:
 - a. The date you receive final payment for the displacement dwelling, or, in the case of condemnation, the date the full amount of estimated just compensation is deposited in court,:
 - or**
 - b. The date you move from the displacement dwelling.

All claims for relocation benefits must be filed with Habitat **within eighteen (18) months** from the date on which you receive final payment for your property, or the date on which you move, whichever is later.

7. LAST RESORT HOUSING ASSISTANCE

If comparable replacement dwellings are not available when you are required to move, or if replacement housing is not available within the monetary limits described above, Habitat will provide Last Resort Housing assistance to enable you to rent or purchase a replacement dwelling on a timely basis. Last Resort Housing assistance is based on the individual circumstances of the displaced person. Your relocation representative will explain the process for determining whether or not you qualify for Last Resort assistance.

If you are a tenant, and you choose to purchase rather than rent a comparable replacement dwelling, the entire amount of your rental assistance and Last Resort eligibility must be applied toward the down-payment and eligible incidental expenses of the home you intend to purchase.

8. EVICTIONS

Any person, who occupies the real property and is not in unlawful occupancy, is presumed to be entitled to relocation benefits. Except for the causes of eviction set forth below, no person lawfully occupying property will be required to move without having been provided with at least 90 days written notice from Habitat. Eviction will be undertaken only in the event of one or more of the following reasons:

- Failure to pay rent; except in those cases where the failure to pay is due to the lessor's failure to keep the premises in habitable condition, is the result of harassment or retaliatory action or is the result of discontinuation or substantial interruption of services;
- Performance of dangerous illegal act in the unit;
- Material breach of the rental agreement and failure to correct breach within the legally prescribed notice period;
- Maintenance of a nuisance and failure to abate within a reasonable time following notice;
- Refusal to accept one of a reasonable number of offers of replacement dwellings;
or
- The eviction is required by State or local law and cannot be prevented by reasonable efforts on the part of the public entity.

9. APPEAL PROCEDURES - GRIEVANCE

Any person aggrieved by a determination as to eligibility for a relocation payment, or the amount of a payment, may have the claim reviewed or reconsidered in accordance with Habitat's appeals procedure. Complete details on appeal procedures are available upon request from Habitat.

10. TAX STATUS OF RELOCATION BENEFITS

California Government Code Section 7269 indicates no relocation payment received shall be considered as income for the purposes of the Personal Income Tax Law, Part 10 (commencing with Section 170 01) of Division 2 of the Revenue and Taxation Code, or the Bank and Corporation Tax law, Part 11 (commencing with Section 23001) of Division 2 of

the Revenue and Taxation Code. Furthermore, federal regulations (49 CFR Part 24, Section 24.209) also indicate that no payment received under this part (Part 24) shall be considered as income for the purpose of the Internal Revenue Code of 1954, which has been redesignated as the Internal Revenue Code of 1986. The preceding statement is not tendered as legal advice in regard to tax consequences, and displacees should consult with their own tax advisor or legal counsel to determine the current status of such payments.

(IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that any tax advice contained in this communication (including any attachments) was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) promoting marketing or recommending to another party any matters addressed herein)

11. NON-DISCRIMINATION AND FAIR HOUSING

No person shall on the grounds of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under Habitat's relocation assistance program pursuant to Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, and other applicable state and federal anti-discrimination and fair housing laws. You may file a complaint if you believe you have been subjected to discrimination. For details contact Habitat.

12. ADDITIONAL INFORMATION AND ASSISTANCE AVAILABLE

Those responsible for providing you with relocation assistance hope to assist you in every way possible to minimize the hardships involved in relocating to a new home. Your cooperation will be helpful and greatly appreciated. If you have any questions at any time during the process, please do not hesitate to contact your relocation representative at Autotemp.

ATTACHMENT 3: RELOCATION PAYMENT POLICY AND PROCEDURES FOR OBTAINING RELOCATION ASSISTANCE AND PAYMENTS

Claims and supporting documentation for relocation benefits must be filed with Habitat within eighteen (18) months from the date the claimant moves from the acquired property.

The procedure for the preparation and filing of claims and the processing and delivery of payments will be as follows:

1. Claimant(s) will provide all necessary documentation to substantiate eligibility for assistance.
2. Assistance amounts will be determined in accordance with the provisions of the California Relocation Law and Guidelines.
3. Required claim forms will be prepared by relocation personnel in conjunction with claimant(s). Signed claims and supporting documentation will be submitted by relocation personnel to Habitat.
4. Habitat will review and approve claims for payment or request additional information.
5. Habitat will issue benefit checks which will be personally delivered, or available for pick-up by Claimants, unless circumstances dictate otherwise.
6. Final payments will be issued after confirmation that the Project area premises have been completely vacated and actual residency at replacement unit is verified.
7. Receipts of payment will be obtained and maintained in the relocation case file.

**Loan Agreement for the Use of
Neighborhood Stabilization Program
Funds (Hayman House Project),
including all attached Exhibits**

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

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

6 RECORDING REQUESTED BY AND
7 WHEN RECORDED MAIL TO:

8 County of Riverside
9 Economic Development Agency
10 5555 Arlington Avenue
11 Riverside, CA 92504
12 Attn: Mervyn Manalo

13 SPACE ABOVE THIS LINE FOR RECORDER'S USE

14
15 **LOAN AGREEMENT FOR THE USE OF**
16 **NEIGHBORHOOD STABILIZATION PROGRAM FUNDS**
17 **(Hayman House Project)**

18 This LOAN AGREEMENT FOR THE USE OF NEIGHBORHOOD
19 STABILIZATION PROGRAM FUNDS ("Agreement") is made and entered into this
20 ____ day of _____, 2018 by and between the COUNTY OF RIVERSIDE, a
21 political subdivision of the State of California ("COUNTY") and HABITAT FOR
22 HUMANITY INLAND VALLEY, a California nonprofit public benefit corporation
23 ("BORROWER"). The COUNTY and BORROWER may be individually referred to
24 herein as a "Party" and collectively as the "Parties."

25 **WITNESSETH:**

26 **WHEREAS**, the Neighborhood Stabilization Program ("NSP1"), which
27 was enacted under Title III of Division B of the Housing and Economic Recovery Act of
28 2008 ("HERA") and appropriated under Community Development Block Grant
("CDBG"), was created under the heading of Emergency Assistance for
Redevelopment of Abandoned and Foreclosed Homes for the purpose of assisting in
the redevelopment of abandoned or foreclosed homes. The intent of NSP1 is to
stabilize neighborhoods in areas with greatest need and stem the decline of house
values of neighboring homes;

WHEREAS, COUNTY has qualified as an "Urban County" for purposes of

1 receiving CDBG funds, including NSP1 funds, which are to be used to assist and
2 undertake essential community development and housing assistance activities
3 pursuant to the Housing and Community Development Act of 1974, Title I, as
4 amended, Public Law 93-383 ("Act");

5 **WHEREAS**, BORROWER is eligible under NSP1 to apply and receive
6 NSP1 funds to perform those activities described herein;

7 **WHEREAS**, BORROWER desires to utilize NSP1 funds to perform the
8 following in the City of Lake Elsinore, collectively referred to herein as the "Project" (i)
9 relocate certain real property located at 307 North Main Street, Lake Elsinore,
10 identified as Assessor's Parcel Number 374-073-009 ("Existing Home") to 310 East
11 Pottery Street, City of Lake Elsinore, identified as Assessor's Parcel Number 377-292-
12 027 ("New Location"), and (ii) rehabilitate the Existing Home, a single-family
13 residential home (2 bedrooms and 1 bathroom), which shall be sold to and occupied
14 by a Low-Income Household, more particularly described in **Sections 20 and 22**
15 below;

16 **WHEREAS**, the Existing Home was once the residence of Jean Hayman,
17 a devoted teacher in the community and is currently a rental property located adjacent
18 to a gas station at 301 North Main Street;

19 **WHEREAS**, both the Existing Home and the gas station are owned by
20 the same private owner who wishes to demolish the Existing Home in order to rebuild
21 and expand the gas station;

22 **WHEREAS**, pursuant to City of Lake Elsinore ("City") Resolution No.
23 2015-075 adopted by its City Council on August 11, 2015, the City set forth conditions
24 of approval prior to permit issuance for the demolition and redesign of the gas station;

25 **WHEREAS**, one of the City's conditions of approval requires the Existing
26 Home to be relocated to a City-owned parcel within its Historic District;

27 **WHEREAS**, BORROWER has partnered with the City to accept a City-
28 owned parcel located at the New Location within the City's Historic District;

1 **WHEREAS**, BORROWER has agreed to accept a donation of the
2 Existing Home for relocation to the New Location (collectively referred to hereafter as
3 the "Property" or "Assisted Unit") for rehabilitation and sale to a Qualified Homebuyer
4 as defined in **Section 22** herein;

5 **WHEREAS**, the existing tenant renting the Existing Home will be
6 permanently relocated to a new home and reimbursed in accordance with the Uniform
7 Relocation Assistance and Real Property Acquisition Policies Act ("URA");

8 **WHEREAS**, the Assisted Unit will be restricted to ownership and
9 occupancy by low-income households whose incomes do not exceed 80% of the area
10 median income ("AMI") adjusted for family size appropriate to the unit for a period of at
11 least 15 years which is more particularly described in **Exhibit A** attached hereto and
12 incorporated herein by this reference;

13 **WHEREAS**, the purpose of this Agreement is for COUNTY to provide
14 financial assistance to BORROWER in the maximum amount of Two Hundred Ninety-
15 One Thousand Dollars (\$291,000) consisting of NSP1 funds, to pay Project costs
16 related to acquisition, relocation, rehabilitation and disposition, as more fully described
17 in **Exhibit A**;

18 **WHEREAS**, the NSP1-assisted activities described herein comply with
19 the objectives as defined in the COUNTY's 2008-2009 One Year Action Plan ("Action
20 Plan") and its amendments as required under NSP1; and

21 **WHEREAS**, the NSP1-assisted activities described herein are consistent
22 with the COUNTY's Consolidated Plan and Action Plan.

23 **NOW, THEREFORE**, based upon the foregoing Recitals and for good
24 and valuable consideration, the receipt and sufficiency of which is acknowledged by all
25 Parties, the COUNTY and BORROWER hereby agree as follows:

26 1. PURPOSE. The aforementioned Recitals are true and correct and
27 incorporated herein by this reference. COUNTY has agreed to lend no more than a
28 maximum total amount of TWO HUNDRED NINETY-ONE THOUSAND DOLLARS

1 (\$291,000.00) of NSP1 funds ("NSP1 Loan") to BORROWER upon the terms and
2 conditions set forth herein including but not limited to the conditions precedent to
3 distribution of NSP1 Loan funds set forth in **Section 10**. Subject to performance
4 requirements in **Section 9**, BORROWER shall undertake and complete the NSP1
5 activities required herein and as set forth in **Exhibit A**, and shall utilize the NSP1 Loan
6 funds, as required herein and pursuant to NSP1.

7 2. **BORROWER'S OBLIGATIONS**. Upon the commencement of the
8 Effective Date (defined in **Section 49**), BORROWER shall undertake and complete
9 the following activities within the time periods set forth herein and in **Exhibit A**:

- 10 a. Satisfy the conditions precedent to distribution of NSP1
11 Loan funds set forth in **Section 10**.
- 12 b. Acquire fee title to the Property no later than the date set
13 forth in **Exhibit A**, including any County approved
14 extensions thereto.
- 15 c. Develop the Project in accordance with the timeline set forth
16 in **Exhibit A**.
- 17 d. Ensure the Project will remain affordable to a Qualified
18 Homebuyer for the Affordability Period as defined in **Section**
19 **12** herein without regard to (i) the term of the NSP1 Note or
20 (ii) transfer of ownership as further described in **Section 13**.
- 21 e. Maintain the Project in compliance with applicable local,
22 state, federal laws, codes, ordinances and regulations as
23 further described in **Section 19** until the expiration of the
24 Term of this Agreement set forth in **Section 5**, and the
25 Affordability Period set forth in **Section 12**.
- 26 f. Provide the COUNTY the Data Universal Number as
27 assigned by the Data Universal Number System ("DUNS")
28 assigned to BORROWER as required by the Federal

1 Funding Accountability and Transparency Act of 2006.

- 2 g. Cooperate with the Riverside County Workforce
3 Development Center ("WDC") and post all jobs created, if
4 any, as a result of this Project with the WDC. Evidence of
5 posted jobs, if any, shall be submitted to the COUNTY prior
6 to start of construction.

7 3. COUNTY'S OBLIGATIONS. The COUNTY agrees to undertake
8 and complete the following activities, subject to its receipt of NSP1 funds from the U.S.
9 Department of Housing and Urban Development ("HUD") and BORROWER's
10 satisfactory completion of the conditions precedent to disbursement of NSP1 funds set
11 forth in this Agreement:

- 12 a. Provide the NSP1 Loan to BORROWER in the total amount
13 identified in **Section 1** to pay NSP1-eligible costs including,
14 but not limited to, relocation, rehabilitation and disposition
15 costs for the Project pursuant to the NSP1 Program.
16 b. Comply with all of its obligations as grantee under the
17 applicable regulations set forth under HUD regulations.

18 4. NSP1 Loan. Subject to the satisfaction of the conditions precedent
19 to disbursement of the NSP1 Loan set forth in **Section 10**, COUNTY shall provide
20 financing to BORROWER in the form of a loan in the amount of the NSP1 Loan,
21 pursuant to the following terms and conditions:

- 22 a. Term of NSP1 Loan. This Agreement shall become effective
23 upon the Effective Date, as defined in **Section 49**, and shall
24 continue in full force and effect for a period of eighteen (18)
25 months (the "Term").
26 b. Principal. The total amount of the NSP1 Loan shall not
27 exceed \$291,000 and shall be evidenced by a Promissory
28 Note, substantially conforming in form and substance to the

1 Promissory Note attached hereto as **Exhibit C** and
2 incorporated herein by this reference ("NSP1 Note"). The
3 NSP1 Note shall be secured by a Deed of Trust, Security
4 Agreement and Fixture Filing with Assignment of Rents,
5 substantially conforming in form and substance to the Deed
6 of Trust, Security Agreement and Fixture Filing with
7 Assignment of Rents attached hereto as **Exhibit B** and
8 incorporated herein by this reference ("NSP1 Deed of
9 Trust").

10 c. Interest. The interest rate shall be zero percent (0%) per
11 annum.

12 d. Repayment. The terms of the NSP1 Note shall be as
13 follows:

14 1) The NSP1 Loan shall be: (1) due and payable in an
15 Event of Default (set forth in **Section 27**) by
16 BORROWER which has not been cured as provided
17 for in this Agreement, and (2) converted to a grant
18 upon sale and transfer of title to a Qualified
19 Homebuyer.

20 2) The NSP1 Loan shall be converted to a grant upon
21 the sale and transfer of title of the Assisted Unit to a
22 Qualified Homebuyer and BORROWER shall cause
23 the Qualified Homebuyer to record in the Official
24 Records of the County of Riverside a covenant
25 ("Homebuyer Covenant"), substantially conforming in
26 form and substance to the Homebuyer Covenant
27 Agreement attached hereto as **Exhibit G** and
28 incorporated herein by this reference. The term,

1 "Official Records" used herein shall mean the Official
2 Records of the Recorder's Office of the County of
3 Riverside. At the time of sale of the Assisted Unit to a
4 Qualified Homebuyer and upon execution and
5 recordation of the Homebuyer Covenant Agreement,
6 COUNTY shall cause to be delivered to
7 BORROWER a full reconveyance of the Deed of
8 Trust, of which termination shall not affect the
9 Affordability Period, as defined in **Section 12** for the
10 Assisted Unit.

11 3) BORROWER shall be the primary lender to provide
12 the Qualified Homebuyer a minimum 30-year fixed
13 rate mortgage loan to purchase the home.

14 4) Upon sale of the Assisted Unit prior to the expiration
15 of the Affordability Period, BORROWER shall utilize
16 proceeds from the sale towards eligible NSP1
17 activities, as defined in the County of Riverside's
18 2008-2009 One Year Action Plan and its
19 amendments.

20 5) Annual financial statements providing for the status
21 of the NSP1 proceeds shall be submitted to
22 COUNTY within 60 days of July 1st for COUNTY
23 review and approval commencing on July 1, 2019.

24 e. Security. The NSP1 Loan shall be secured by NSP1 Deed
25 of Trust and BORROWER agrees that the NSP1 Deed of
26 Trust shall be in the first position until the home has been
27 sold to a Qualified Homebuyer. Upon conveyance to a
28 Qualified Homebuyer, the Homebuyer Covenant Agreement

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shall be in the first position.

5. TERM OF AGREEMENT. This Agreement shall become effective upon the Effective Date, as defined in **Section 49**, and shall continue in full force and effect for a period of eighteen (18) months (the "Term").

6. BORROWER REPRESENTATIONS. BORROWER represents and warrants to COUNTY as follows:

- a. Authority. BORROWER is a duly organized non-profit corporation under the laws of the State of California and is certified to conduct business in the State of California by the California Secretary of State. The copies of the documents evidencing the organization of BORROWER, which have been delivered to the COUNTY, are true and complete copies of the originals, amended to the date of this Agreement. BORROWER has full right, power and lawful authority to accept the conveyance of the eligible Property of the Project and undertake all obligations as provided herein and the execution, performance and delivery of this Agreement by BORROWER has been fully authorized by all requisite actions on the part of BORROWER.
- b. No Conflict. To the best of BORROWER's knowledge, BORROWER's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under contract, agreement or order to which BORROWER is a party or by which it is bound.
- c. No Bankruptcy. BORROWER is not the subject of a bankruptcy proceeding.
- d. Prior to Closing. BORROWER shall upon learning of any fact or condition which would cause any of the warranties

1 and representations in this Agreement not to be true as of
2 Closing, immediately give written notice such fact or
3 condition to COUNTY. Such exception(s) to a
4 representation shall not be deemed a breach by
5 BORROWER hereunder, but shall constitute an exception
6 which COUNTY shall have the right to approve or
7 disapprove if such exception would have an effect on the
8 value or operation of the Project.

9 7. COMPLETION SCHEDULE. BORROWER shall proceed
10 consistent with the completion schedule set forth in **Exhibit A**, as the same may be
11 amended in writing by the parties from time to time, and subject to force majeure
12 delays.

13 8. FORCE MAJEURE DELAYS. "Force Majeure" means event(s)
14 beyond the reasonable control of BORROWER, and which could not have been
15 reasonably anticipated, which prevent(s) BORROWER from complying with any of its
16 obligations under this Agreement, including, but not limited to: acts of God, acts of
17 war, acts or threats of terrorism, civil disorders, strikes, labor disputes, flood, fire,
18 explosion, earthquake or other similar acts.

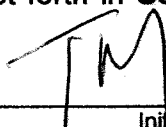
19 "Force Majeure Delay" is delay due to Force Majeure event that, in
20 each case, (i) materially adversely affects the performance by BORROWER of its
21 obligations hereunder, (ii) is not reasonably foreseeable and is beyond BORROWER's
22 reasonable control, (iii) despite the exercise of reasonable diligence, cannot be
23 prevented, avoided or removed by BORROWER and is not attributable to the
24 negligence, willful misconduct or bad faith of BORROWER, and (iv) is not the result of
25 the failure of BORROWER to perform any of its obligations under this Agreement.
26 Notwithstanding the foregoing, a Force Majeure Delay shall not be deemed to have
27 occurred unless BORROWER has notified COUNTY in writing of such occurrence of a
28 Force Majeure event within fifteen (15) days after such occurrence and has provided

1 COUNTY with the details of such event and the length of the anticipated delay within
2 an additional fifteen (15) days thereafter. BORROWER shall diligently attempt to
3 remove, resolve, or otherwise eliminate such event, keep COUNTY advised with
4 respect thereto, and shall commence performance of its obligations hereunder
5 immediately upon such removal, resolution or elimination. During the occurrence and
6 continuance of a Force Majeure Delay, BORROWER shall be excused from
7 performance of its obligations under this Agreement to the extent the Force Majeure
8 event prevents BORROWER from performing such obligations.

9 9. PERFORMANCE REQUIREMENTS. BORROWER shall complete
10 all of the following activities within the timeframe specified below:

- 11 a. Acquire the Existing Home and New Location resulting in a
12 recorded NSP1 Deed of Trust for the Assisted Unit within four
13 (4) months from the Effective Date;
- 14 b. Relocate and rehabilitate the Assisted Unit within sixteen (16)
15 months from the Effective Date; and
- 16 c. Sell the Assisted Unit to a Qualified Homebuyer within eighteen
17 (18) months from the Effective Date.
- 18 d. Upon sale of the Assisted Unit to a Qualified Homebuyer,
19 BORROWER shall cause the Qualified Homebuyer to execute
20 and record a Homebuyer Covenant Agreement in the Official
21 Records concurrently with the close of escrow.

22 Subject to the Force Majeure Delays, as provided in **Section 8** above, failure to
23 meet the performance requirements in this **Section 9** shall constitute an Event of
24 Default. Notice of Default and Opportunity to Cure provisions are set forth in **Section**
25 **28** below.

26 
Initial Here

27 10. CONDITIONS PRECEDENT FOR DISBURSEMENT OF NSP1
28 LOAN FUNDS. COUNTY, through its EDA, shall: (1) make payments of the NSP1

1 Loan to BORROWER as specified in Exhibit A, and (2) monitor the Project to ensure
2 compliance with applicable federal, state and local laws, regulations, ordinances,
3 including environmental compliance, and the terms of this Agreement.

4 There will be no disbursement of funds for relocation costs for the
5 Assisted Unit until the following conditions precedent are satisfied:

- 6 a. BORROWER shall execute this Agreement which shall be
7 recorded in the Official Records;
- 8 b. BORROWER shall provide the Data Universal Number as
9 assigned by the Data Universal Number System (DUNS)
10 assigned to BORROWER as required by the Federal
11 Funding Accountability and Transparency Act of 2006; and
- 12 c. BORROWER shall provide documentation to support
13 compliance with eligibility requirements for the Assisted
14 Unit.

15 There will be no disbursement of funds for rehabilitation and disposition
16 costs for the Assisted Unit until the following conditions precedent are first satisfied:

- 17 d. BORROWER shall provide at its expense an updated
18 Preliminary Title Report for the Assisted Unit evidencing the
19 recordation of all documents to COUNTY;
- 20 e. If Davis Bacon wages are required to be paid, then
21 BORROWER must hire a qualified professional firm or
22 assign experienced staff to review and monitor Davis-Bacon
23 prevailing wage compliance for all submissions of
24 contractors certified payrolls to the COUNTY;
- 25 f. BORROWER must provide satisfactory evidence that it has
26 secured any and all permits and approvals which may be
27 required for rehabilitation of the Assisted Unit pursuant to
28 the applicable rules and regulations of the county and cities

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- where the properties are located and any other governmental agency affected by such construction of work;
- g. BORROWER shall provide a detailed construction plan and timetable to complete the rehabilitation and sale of the Assisted Unit in accordance with the implementation schedule shown in **Exhibit A** including a detailed line item construction cost budget for review and approval by COUNTY;
 - h. BORROWER shall provide duly executed documents and instruments showing the ownership of the Assisted Unit;
 - i. BORROWER shall pay all costs incurred due to the ownership and development of the Assisted Unit in a timely manner. BORROWER shall pay all incurred costs on or before the date such incurred cost becomes delinquent. COUNTY shall not reimburse BORROWER for late payments or penalties incurred by BORROWER due to non-timely payment. In the event that COUNTY has inadvertently paid for a late payment penalty, the amount of the penalty shall be deducted from the BORROWER's fee, unless otherwise authorized by the COUNTY;
 - j. Pursuant to 24 CFR Parts 180 and 2424, BORROWER shall certify that BORROWER, and its principals, or any/all persons, contractors, consultants, businesses, etc. ("BORROWER Associates"), that BORROWER is conducting business with, are not presently debarred, proposed for debarment, suspended, declared ineligible, or voluntarily excluded from participation or from receiving federal contracts or federally approved subcontracts or from

1 certain types of federal financial and nonfinancial assistance
2 and benefits with the Excluded Parties Listing System
3 (“EPLS”). EPLS records are located at www.sam.gov; and

- 4 k. BORROWER shall search and provide a single
5 comprehensive list of BORROWER Associates (individuals
6 and firms) and print and maintain evidence of the search
7 results of each BORROWER associate as verification of
8 compliance with this requirement as provided in **Exhibit F**,
9 Contractor Debarment Certification Form, which is
10 incorporated herein and attached hereto by reference.

11 COUNTY shall release final draw down, including BORROWER’s
12 developer fee, of NSP1 funds for the Assisted Unit following receipt of all of the
13 following closing documents from BORROWER:

- 14 1) Conditional lien release from general contractor;
15 2) recorded Notice of Completion;
16 3) submission of documentation that shows compliance
17 with the Uniform Relocation Assistance and Real
18 Property Acquisition Policies Act of 1970 and 24 CFR
19 Part 42;
20 4) if applicable, all remaining Davis Bacon
21 documentation, if any, including, but not limited to,
22 complete certified payrolls, Section 3 certifications,
23 fringe benefit forms, and certificates of authorization
24 and understanding;
25 5) final Contract and Subcontract Activity report,
26 Minority Business Enterprise/Women Business
27 Enterprise (MBE/WBE) report, HUD form 2516;
28 6) final development costs and project budget; and

1 Project, as certified and documented by the
2 architect/engineer for the Project.

- 3 c. Up to ninety percent (90%) of the NSP1 Loan may be
4 disbursed upon one-hundred percent (100%) completion of
5 Project, as certified and documented by the
6 architect/engineer for the Project.

7 COUNTY shall release and disburse the final draw down of ten
8 percent (10%) of the NSP1 Loan, including the BORROWER's developer fee,
9 following receipt of all of the items listed in **Section 10**.

10 12. TERMS OF AFFORDABILITY. The period of affordability for the
11 Assisted Unit (the "Affordability Period") shall be fifteen (15) years from the date a
12 Grant Deed and Homebuyer Covenant are concurrently recorded in the Official
13 Records conveying title from the BORROWER to the Qualified Homebuyer.

14 13. AFFORDABILITY RESTRICTIONS. The COUNTY and
15 BORROWER hereby declare their express intent that the restrictions set forth in the
16 Homebuyer Covenant Agreement and this Agreement for the Assisted Unit of the
17 Project shall run with the land as a lien for a period of fifteen (15) years from the
18 recorded date in the Official Records of the Grant Deed conveying title from
19 BORROWER to Qualified Homebuyer. The restrictions set forth in this Agreement for
20 the Assisted Unit of the Project shall bind all successors in title to the Assisted Unit
21 until the expiration of the Affordability Period. Each and every contract, deed or other
22 instrument hereafter executed covering and conveying the Assisted Unit or any portion
23 thereof shall be held conclusively to have been executed, delivered and accepted
24 subject to such restrictions, regardless whether such restrictions are set forth in such
25 contract, deed or other instrument.

26 14. BORROWER'S DEVELOPER FEE AND REAL ESTATE SALE
27 COMMISSIONS. The BORROWER's developer fee cannot exceed 10% of total
28 Project costs identified in **Exhibit A**. COUNTY will allow for real estate commissions

1 up to 3% of the resale price for each Assisted Unit. BORROWER's developer fee shall
2 be disbursed in accordance with **Section 10**. The real estate commission fee shall not
3 be calculated as part of the Project Cost in determining BORROWER's developer fee.

4 15. INSURANCE. Without limiting or diminishing BORROWER'S
5 obligation to indemnify or hold COUNTY harmless, BORROWER shall procure and
6 maintain or cause to be maintained, at its sole cost and expense, the following
7 insurance coverages during the term of this Agreement. As respects to the insurance
8 section only, the COUNTY herein refers to the County of Riverside, its Agencies,
9 Districts, Special Districts, and Departments, their respective directors, officers, Board
10 of Supervisors, employees, elected or appointed officials, agents or representatives as
11 Additional Insureds.

12 a. Builder's All Risk (Course of Construction) Insurance.

13 BORROWER shall provide a policy of Builder's All Risk
14 (Course of Construction) insurance coverage including (if
15 the work is located in an earthquake or flood zone or if
16 required on financed or bond financing arrangements)
17 coverage for earthquake and flood, covering the COUNTY,
18 BORROWER and every subcontractor, of every tier, for the
19 entire Project, including property to be used in the
20 construction of the work while such property is at off-site
21 storage locations or while in transit or temporary off-site
22 storage. Such policy shall include, but not be limited to,
23 coverage for fire, collapse, faulty workmanship, debris
24 removal, expediting expense, fire department service
25 charges, valuable papers and records, trees, grass,
26 shrubbery and plants. If scaffolding, false work and
27 temporary buildings are insured separately by the
28 BORROWER or others, evidence of such separate

1 coverage shall be provided to County prior to the start of the
2 work. Such policy shall be written on a completed value
3 form. Such policy shall also provide coverage for temporary
4 structures (on-site offices, etc.), fixtures, machinery and
5 equipment being installed as part of the work.
6 BORROWER shall be responsible for any and all
7 deductibles under such policy. Upon request by COUNTY,
8 BORROWER shall declare all terms, conditions, coverages
9 and limits of such policy. If the County so provides, in its
10 sole discretion, the All Risk (Course of Construction)
11 insurance for the Project, then BORROWER shall assume
12 the cost of any and all applicable policy deductibles
13 (currently, \$50,000 per occurrence) and shall insure its own
14 machinery, equipment, tools, etc. from any loss of any
15 nature whatsoever.

16 b. Worker's Compensation Insurance.

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

27 c. Commercial General Liability Insurance.

28 Commercial General Liability insurance coverage, including

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

15 d. Vehicle Liability Insurance.

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

1 **Manager.**

2 **e. Fire Insurance.**

3 BORROWER shall furnish new fire insurance prior to the
4 close of escrow of Assisted Unit with sufficient coverage on
5 the dwelling for replacement of subject property.
6 BORROWER will deposit sufficient funds as called for by
7 escrow to pay first year premium at close of escrow.
8 COUNTY shall be listed as additional insured on the
9 property's fire insurance, title insurance, and flood
10 insurance, if applicable. The loss payee shall read: County
11 of Riverside, its successors and/or assigns, 5555 Arlington
12 Ave, Riverside, CA 92504, Attention: EDA Housing.

13 **f. General Insurance Provisions – All Lines.**

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

22 2) BORROWER must declare its insurance self-
23 insured retention for each coverage required herein. If any
24 such self-insured retention exceeds \$500,000 per
25 occurrence each such retentions shall have the prior written
26 consent of the COUNTY Risk Manager before the
27 commencement of operations under this Agreement. Upon
28 notification of self-insured retention unacceptable to the

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COUNTY, and at the election of the COUNTY's Risk Manager, BORROWER's carriers shall either: (1) reduce or eliminate such self-insured retention as respects this Agreement with the COUNTY, or (2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) BORROWER shall cause BORROWER's insurance carrier(s) to furnish the County of Riverside with either 1) copies of the Certificate(s) of Insurance and Endorsements effecting coverage as required herein, or 2) if requested to do so orally or in writing by COUNTY Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that a minimum of thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. If BORROWER insurance carrier(s) policies do not meet the minimum notice requirement found herein, BORROWER shall cause BORROWER'S insurance carrier(s) to furnish a 30 day Notice of Cancellation Endorsement.

4) In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another Certificate of Insurance and copies of endorsements,

1 including all endorsements and attachments thereto
2 evidencing coverage's set forth herein and the insurance
3 required herein is in full force and effect. BORROWER
4 shall not commence operations until COUNTY has been
5 furnished Certificate(s) of Insurance and copies of
6 endorsements and if requested, copies of policies of
7 insurance including all endorsements and any and all other
8 attachments as required in this Section. An individual
9 authorized by the insurance carrier to do so on its behalf
10 shall sign the original endorsements for each policy and the
11 Certificate of Insurance.

12 5) It is understood and agreed to by the parties
13 hereto that BORROWER's insurance shall be construed as
14 primary insurance, and COUNTY's insurance and/or
15 deductibles and/or self-insured retention's or self-insured
16 programs shall not be construed as contributory.

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

1 7) BORROWER shall pass down the insurance
2 obligations contained herein to all tiers of subcontractors
3 working under this Agreement.

4 8) The insurance requirements contained in this
5 Agreement may be met with a program(s) of self-insurance
6 acceptable to COUNTY.

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

11 16. FINANCIAL AND PROJECT RECORDS. BORROWER shall
12 maintain financial, programmatic, statistical, and other supporting records of its
13 operations and financial activities in accordance with the requirements of NSP1, and
14 the regulations as amended and promulgated thereunder, which records shall be open
15 to inspection and audit by authorized representatives of COUNTY, HUD, and the
16 Comptroller General of the United States during regular working hours. COUNTY,
17 HUD, and the Comptroller General, or any of their representatives, have the right of
18 access with at least forty-eight (48) hours prior notice, to any pertinent books,
19 documents, papers, or other records of BORROWER, in order to make audits,
20 examinations, excerpts, and transcripts. Said records shall be retained for such time
21 as may be required by the regulations of NSP1, but in no event no less than five (5)
22 years after the Project completion date as evidenced by recordation of the Notice of
23 Completion; except that records of individual tenant income verifications, project rents,
24 and project inspections must be retained for the most recent five (5) year period, until
25 five (5) years after the Affordability Period terminates. If any litigation, claim,
26 negotiation, audit, or other action has been started before the expiration of the regular
27 period specified, the records must be retained until completion of the action and
28 resolution of all issues which arise from it, or until the end of the regular period,

1 whichever is later.

2 17. PROJECT MONITORING AND EVALUATION. Except as
3 otherwise provided for in this Agreement, BORROWER shall maintain and submit
4 records to the COUNTY within ten (10) business days of the COUNTY's request which
5 clearly documents BORROWER's performance under each requirement of NSP1. A
6 list of document submissions and timeline are shown in **Exhibit A** and such list may
7 be amended from time to time subject to HUD and COUNTY reporting requirements.

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

12 19. COMPLIANCE WITH LAWS AND REGULATIONS. By executing
13 this Agreement, BORROWER hereby certifies that it will adhere to and comply with all
14 federal, state and local laws, regulations and ordinances. In particular, BORROWER
15 shall comply with the following as they may be applicable to BORROWER of funds
16 granted pursuant to the NSP1 program:

- 17 a. NSP1 regulations as set forth under HERA, as it now exists
18 and may hereafter be amended, and Federal Register / Vol.
19 73, No. 194 / Monday, October 6, 2008 / Docket No. FR-
20 5255-N-01, Notice of Allocations, Application Procedures,
21 Regulatory Waivers Granted to and Alternative
22 Requirements for Emergency Assistance for
23 Redevelopment of Abandoned and Foreclosed Homes
24 Grantees Under the Housing and Economic Recovery Act,
25 2008. Since NSP1 is a component of the Community
26 Development Block Grant (CDBG) Program, the CDBG
27 regulatory structure is the platform used to implement
28 NSP1. The regulations created by the Office of the

1 Assistant Secretary of Community Planning and
2 Development that pertain to Community Development
3 programs are contained within 24 CFR part 570 -
4 Community Development Block Grants. NSP1 is governed
5 by CDBG regulations except where specifically waived.

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

13 c. 24 CFR Section 92.351 Affirmative marketing and minority
14 outreach program. BORROWER shall adopt affirmative
15 marketing procedures and requirements which shall include
16 the following:

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

24 (2) Requirements and practices that BORROWER shall
25 adhere to in order to carry out the affirmative
26 marketing procedures and requirements (e.g., use of
27 commercial media, use of community contacts, use
28 of the Equal Housing Opportunity logotype or slogan,

1 and display of fair housing poster).

2 (3) Procedures to be used by BORROWER to inform
3 and solicit applications from persons in the housing
4 market area who are not likely to apply without
5 special outreach (e.g., use of community
6 organizations, employment centers, fair housing
7 groups, or housing counseling agencies).

8 (4) Records that will be kept describing actions taken by
9 BORROWER to affirmatively market units and
10 records to assess the results of these actions.

11 (5) A description of how BORROWER will annually
12 assess the success of affirmative marketing actions
13 and what corrective actions will be taken where
14 affirmative marketing requirements are not met.

15 (6) BORROWER must prescribe procedures to establish
16 and oversee a minority outreach program to ensure
17 the inclusion, to the maximum extent possible, of
18 minorities and women, and entities owned by
19 minorities and women, including, without limitation,
20 real estate firms, construction firms, appraisal firms,
21 management firms, financial institutions, investment
22 banking firms, underwriters, accountants, and
23 providers of legal services, in all contracts entered
24 into by BORROWER with such persons or entities,
25 public and private, in order to facilitate the activities
26 of COUNTY to provide affordable housing authorized
27 under this Act or any other Federal housing law. 2
28 CFR Section 200.321 provides affirmative steps to

1 assure that minority business enterprises and women
2 business enterprises are used when possible in the
3 procurement of property and services. The steps
4 include:

- 5 (i) Placing qualified small and minority
6 businesses and women's business enterprises
7 on solicitation lists;
- 8 (ii) Assuring that small and minority businesses,
9 and women's business enterprises are
10 solicited whenever they are potential sources;
- 11 (iii) Dividing total requirements, when
12 economically feasible, into smaller tasks or
13 quantities to permit maximum participation by
14 small and minority business, and women's
15 business enterprises;
- 16 (iv) Establishing delivery schedules, where the
17 requirement permits, which encourage
18 participation by small and minority business,
19 and women's business enterprises;
- 20 (v) Using the services and assistance of the
21 Small Business Administration, and the
22 Minority Business Development Agency of the
23 Department of Commerce; and
- 24 (vi) Requiring the prime contractor, if subcontracts
25 are to be let, to take the affirmative steps
26 listed in (i) through (v) above of this section.

27 d. 24 CFR Section 92.352 Environmental review. The
28 environmental effects of each activity carried out with

1 HOME funds must be assessed in accordance with the
2 provisions of the National Environmental Policy Act of 1969
3 (NEPA) (42 U.S.C. 4321) and the related authorities listed
4 in HUD's implementing regulations at 24 CFR Parts 50 and
5 58.

6 e. 24 CFR Section 92.353 Displacement, relocation, and
7 acquisition. The relocation requirements of Title II and the
8 acquisition requirements of Title III of the Uniform
9 Relocation Assistance and Real Property Acquisition
10 Policies Act of 1970, and the implementing regulations at 24
11 CFR Part 42. BORROWER must ensure that it has taken all
12 reasonable steps to minimize the displacement of persons
13 as a result of this project assisted with NSP1 Funds.

14 f. 24 CFR Section 92.354 Lead-based paint. Housing
15 assisted with NSP1 funds is subject to the lead-based paint
16 requirements of 24 CFR Part 35 issued pursuant to the
17 Lead-Based Paint Poisoning Prevention Act (42 U.S.C.
18 4821, et seq.). The lead-based paint provisions of 24 CFR
19 982.401 (j), except 24 CFR 982.401 (j)(1)(i), also apply,
20 irrespective of the applicable property standard under
21 §92.251.

22 g. 24 CFR Section 92.354 Labor. Every contract for the
23 construction of housing that includes twelve (12) or more
24 units assisted with NSP1 funds must contain a provision
25 requiring the payment of not less than the wages prevailing
26 in the locality, as predetermined by the Secretary of Labor
27 pursuant to the Davis-Bacon Act (40 U.S.C. 276a-276a-5),
28 to all laborers and mechanics employed in the development

1 of any part of the housing. Such contracts must also be
2 subject to the overtime provisions, as applicable, of the
3 Contract Work Hours and Safety Standards Act (40 U.S.C.
4 327-332). BORROWER must apply most current wage rate
5 determination at the date of execution of this Agreement.

6 h. 24 CFR Section 92.356 Conflict of Interest. In the
7 procurement of property and services by BORROWER, the
8 conflict of interest provisions in 2 CFR Section 200.317 and
9 2 CFR Section 200.318, respectively shall apply. Section
10 92.356 shall cover all cases not governed by 2 CFR Section
11 200.317 and 2 CFR Section 200.318.

12 j. State and local codes, ordinances, and requirements.
13 COUNTY requires the housing to meet all applicable State
14 and local codes, ordinances, and requirements. Housing
15 that is rehabilitated with NSP1 funds must also meet
16 California Building Standards Code (California Code of
17 Regulations, Title 24) and applicable local codes,
18 ordinances, and zoning requirements.

19 k. Section 3 of the Housing and Urban Development Act of
20 1968. To the greatest extent feasible, opportunities for
21 training and employment arising from NSP1 funds will be
22 provided to low-income persons residing in the program
23 service area. To the greatest extent feasible, contracts for
24 work to be performed in connection with NSP1 funds will be
25 awarded to business concerns that are located in or owned
26 by persons residing in the program service area as outlined
27 in the Riverside County EDA Section 3 Contract
28 Requirements attached hereto as **Exhibit D** and

1 incorporated herein by reference. Contracts funded from
2 Section 3 covered funding sources must abide by the
3 Section 3 Clause prescribed at 24 CFR Section 135.38. All
4 contracts subject to the requirements of Section 3 must
5 include the Section 3 Clause verbatim that is contained at
6 24 CFR Section 135.38 attached hereto as **Exhibit D-2** and
7 incorporated herein by reference.

8 i. Section 106 of the National Historic Preservation Act of
9 1966 (NHPA). Consultation with concerned Native
10 American tribes must continue under HUD regulation 24
11 CFR Parts 50 and 58, and Section 106 of the National
12 Historic Preservation Act and its implementing regulations
13 36 CFR Part 800 for possible impacts on historic properties.
14 Historic properties include archeological sites, burial
15 grounds, sacred landscapes or features, ceremonial areas,
16 traditional cultural places and landscapes, plant and animal
17 communities, and buildings and structures with significant
18 tribal association.

19 m. 24 CFR Section 92.358 Consultant Activities. No person
20 providing consultant services in an employer-employee type
21 relationship shall receive more than a reasonable rate of
22 compensation for personal services paid with NSP1 funds.

23 n. BORROWER shall carry out its activity pursuant to this
24 Agreement in compliance with all federal laws and
25 regulations described in 24 CFR Part 92 Subpart E
26 (Program Requirements), except that:

27 (a) BORROWER does not assume COUNTY'S
28 environmental responsibilities described at 24 CFR

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Section 92.352; and

(b) BORROWER does not assume COUNTY's responsibility for initiating the review process under the provisions of 24 CFR Section 92.352

- o. Uniform Administrative Requirements of 24 CFR 92.505 and 24 CFR Part 200 as now in effect and as may be amended from time to time. 24 CFR Part 84 and 2 CFR Part 200 "Common Rule", OMB Circular Nos. A-87 (for government entities), A-122 (for non-profit organizations), and 2 CFR Part 200 et seq. Federal awards expended as a recipient or a subrecipient, as defined by HUD, would be subject to single audit. The payments received for goods or services provided as a vendor would not be considered Federal awards.
- p. BORROWER shall include written agreements that include all provisions of **Section 19** if BORROWER provides NSP1 funds to for-profit owners or developers, non-profit owners or developers, sub-recipients, homeowners, homebuyers, tenants receiving tenant-based rental assistance, or contractors.
- q. Immigration requirements of Federal Register, Vol. 62, No. 221, Department of Justice Interim Guidance on Verification of Citizenship, Qualified Alien Status and Eligibility Under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ("PRWORA"). Final Attorney General's Order issued pursuant to PRWORA is specified under Federal Register Vol. 66, No. 10, Department of Justice Final Specification of Community Programs

1 Necessary for Protection of Life or Safety Under Welfare
2 Reform Legislation.

- 3 d. BORROWER shall comply with all applicable local, state
4 and federal laws in addition to the above mentioned laws.

5 20. INCOME TARGETING REQUIREMENTS. BORROWER shall
6 expend NSP1 funds to assist a low-income ("LI") household whose incomes are at or
7 below eighty percent (80%) of the AMI pursuant to NSP1 regulations, adjusted for
8 family size appropriate to the unit for the County of Riverside.

9 21. DISPOSAL REQUIREMENTS. BORROWER is required to sell the
10 Assisted Unit to a Qualified Homebuyer as described in **Section 22** below. The selling
11 price of the Assisted Unit shall not exceed either (a) the fair market value or (b) the
12 total costs to acquire, relocate, rehabilitate and dispose the Assisted Unit pursuant to
13 NSP1.

14 22. QUALIFIED HOMEBUYER. BORROWER shall provide to EDA
15 evidence to support the following listed information for EDA's review and approval in
16 its sole and absolute discretion, the approval of which shall qualify a household as a
17 "Qualified Homebuyer":

- 18 a. Income Limits. In order for homebuyers to be eligible to
19 purchase an Assisted Unit the proposed homebuyer's annual
20 income shall be a LI homebuyer whose annual income must
21 not exceed eighty percent (80%) of the AMI, as determined by
22 NSP1 Regulations, adjusted for family size appropriate to the
23 unit for the County of Riverside. The income and assets of all
24 persons age eighteen (18) and older who will reside in the
25 home must be included in the calculation to determine income
26 eligibility.
- 27 b. Co-owners. Co-owners are only permitted if they will occupy
28 the home as their principal residence and qualify as first time

1 buyers. The income of all co-owners will be included in
2 determining if the household qualifies as moderate income, as
3 noted above. Co-signers are not permitted.

- 4 c. First-time homebuyer. In order to qualify as a first-time
5 homebuyer, the homebuyer cannot have owned a home for
6 the previous three years from the date the homebuyer enters
7 into a purchase agreement. BORROWER shall cause the
8 homebuyer to sign a sworn affidavit attesting that they have
9 not owned a home and tax returns from the last three (3) years
10 will be reviewed to ascertain that no mortgage interest or real
11 estate tax deductions have been claimed.
- 12 d. Principal Residence. The Assisted Unit shall be the principal
13 residence of the Qualified Homebuyer during the Affordability
14 Period.
- 15 e. Occupancy Standard. All homebuyers must meet the
16 occupancy standard as defined in the Housing Quality Act
17 under 24 CFR Section 982.401 that states, "The dwelling unit
18 must have at least one bedroom or living/sleeping room for
19 each two persons." Children of opposite sex, other than very
20 young children, may not be required to occupy the same
21 bedroom or living/sleeping room.
- 22 f. Homebuyer Education. Each homebuyer must receive a
23 certificate of completion evidencing at least eight (8) hours of
24 homebuyer counseling from a HUD-approved housing
25 counseling agency before obtaining a mortgage loan.
- 26 g. Long Term Affordability. NSP1 Assisted Unit must meet the
27 affordability requirements for fifteen (15) years after
28 recordation of the Homebuyer Covenant Agreement and the

1 Grant Deed from BORROWER to Qualified Homebuyer in the
2 Official Records. Affordability requirements apply regardless
3 of the term of any loan, mortgage or the transfer of ownership.
4 Affordability requirements are imposed by deed restrictions.

5 h. Creditworthiness. Qualified Homebuyers must be creditworthy
6 and able to undertake traditional 30-year fixed rate loan FHA,
7 VA, CalHFA, Fannie Mae or Freddie Mac insured loan
8 products with fully amortized loan payments.

9 i. County Assistance. Only the County of Riverside's Mortgage
10 Credit Certificate program can be used to further assist eligible
11 first-time homebuyers to buy the Assisted Unit. The following
12 County of Riverside programs are not eligible: First Time
13 Home Buyer Program, Neighborhood Stabilization
14 Homeownership Program and Redevelopment
15 Homeownership Program.

16 23. FEDERAL REQUIREMENTS. BORROWER shall comply with the
17 provisions of NSP1 and any amendments thereto and all applicable federal
18 regulations and guidelines now or hereafter enacted.

19 24. INDEPENDENT CONTRACTOR. BORROWER and its agents,
20 servants and employees shall act at all times in an independent capacity during the
21 Term of this Agreement, and shall not act as, shall not be, nor shall they in any
22 manner be construed to be agents, officers, or employees of COUNTY.

23 25. NONDISCRIMINATION. BORROWER shall abide by 24 CFR
24 Section 570.602 which requires that no person in the United States shall on the
25 grounds of race, color, national origin, religion, or sex be excluded from participation
26 in, be denied the benefits of, or be subjected to discrimination under any program or
27 activity receiving Federal financial assistance made available pursuant to the Act.
28 Under the Act, Section 109 directs that the prohibitions against discrimination on the

1 basis of age under the Age Discrimination Act and the prohibitions against
2 discrimination on the basis of disability under Section 504 shall apply to programs or
3 activities receiving Federal financial assistance under Title I programs. The policies
4 and procedures necessary to ensure enforcement of Section 109 are codified in 24
5 CFR Part 6. In addition, BORROWER shall not discriminate on the basis of race,
6 gender, religion, national origin, ethnicity, sexual orientation, age or disability in the
7 solicitation, selection, hiring or treatment of any contractors or consultants, to
8 participate in subcontracting/subconsulting opportunities. BORROWER understands
9 and agrees that violation of this clause shall be considered a material breach of this
10 Lease and may result in termination, debarment or other sanctions. This language
11 shall be incorporated into all contracts between BORROWER and any contractor,
12 consultant, subcontractor, subconsultants, vendors and suppliers. BORROWER shall
13 comply with the provisions of the California Fair Employment and Housing Act
14 (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L.
15 88-352), as amended, and all Administrative Rules and Regulations issued pursuant
16 to said Acts and Orders with respect to its use of the Property.

17 BORROWER herein covenants by and for itself, its successors and assigns, and
18 all persons claiming under or through them, that this Covenant is made and accepted
19 upon and subject to the following conditions: There shall be no discrimination against or
20 segregation of any person or group of persons, on account of any basis listed in
21 subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are
22 defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision
23 (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease,
24 sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall the
25 transferee itself or any person claiming under or through him or her, establish or permit
26 any such practice or practices of discrimination or segregation with reference to the
27 selection, location, number, use, or occupancy, of tenants, lessees, sublessees,
28 subtenants, or vendees of the Property.

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

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

20 b) In leases: "The lessee herein covenants by and for himself or herself, his or her
21 heirs, executors, administrators, and assigns, and all persons claiming under or
22 through him or her, and this lease is made and accepted upon and subject to the
23 following conditions: That there shall be no discrimination against or segregation
24 of any person or group of persons, on account of any basis listed in subdivision
25 (a) or (d) of Section 12955 of the Government Code, as those bases are defined
26 in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p)
27 of Section 12955, and Section 12955.2 of the Government Code, in the leasing,
28 subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises

1 herein leased nor shall the lessee himself or herself, or any person claiming
2 under or through him or her, establish or permit any such practice or practices of
3 discrimination or segregation with reference to the selection, location, number,
4 use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in
5 the premises herein leased.”

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

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

22 26. PROHIBITION AGAINST CONFLICTS OF INTEREST:

- 23 a. BORROWER and its assigns, employees, agents,
24 consultants, officers and elected and appointed officials shall
25 become familiar with and shall comply with the conflict of
26 interest provisions in OMB Circular A-110, 24 CFR 570.611
27 and Policy Manual #A-11, attached hereto as **Exhibit E** and
28 incorporated herein by reference.

1 b. BORROWER understands and agrees that no waiver or
2 exception can be granted to the prohibition against conflict of
3 interest except upon written approval of HUD pursuant to 24
4 CFR Section 92.356(d). Any request by BORROWER for an
5 exception shall first be reviewed by COUNTY to determine
6 whether such request is appropriate for submission to HUD.
7 In determining whether such request is appropriate for
8 submission to HUD, COUNTY will consider the factors listed
9 in 24 CFR Section 92.356(e).

10 c. Prior to any funding under this Agreement, BORROWER
11 shall provide COUNTY with a list of all employees, agents,
12 consultants, officers and elected and appointed officials who
13 are in a position to participate in a decision-making process,
14 exercise any functions or responsibilities, or gain inside
15 information with respect to the NSP1 activities funded under
16 this Agreement. BORROWER shall also promptly disclose to
17 COUNTY any potential conflict, including even the
18 appearance of conflict that may arise with respect to the
19 NSP1 activities funded under this Agreement.

20 d. Any violation of this section shall be deemed a material
21 breach of this Agreement, and the Agreement shall be
22 immediately terminated by the COUNTY.

23 27. EVENTS OF DEFAULT. The occurrence of any of the following
24 events shall constitute an "Event of Default" under this Agreement:

25 a. Monetary Default. (1) BORROWER's failure to pay any sums
26 payable when due under this Agreement, the Covenant
27 Agreement, the NSP1 Note or any advances made by
28 COUNTY under this Agreement; (2) BORROWER's or any

1 agent of BORROWER's use of NSP1 funds for costs other
2 than those costs permitted under this Agreement or for uses
3 inconsistent with terms and restrictions set forth in this
4 Agreement; (3) BORROWER's or any agent of
5 BORROWER's failure to make any other payment of any
6 assessment or tax due under this Agreement, or (4) default
7 under the terms of any Senior Loan documents or any other
8 instrument or document secured against the Property;

9 b. Non-Monetary Default - Operation. (1) Discrimination by
10 BORROWER or BORROWER's agent(s) on the basis of
11 characteristics prohibited by this Agreement or applicable
12 law; (2) the imposition of any encumbrances or liens on the
13 Project without COUNTY's prior written approval that are
14 prohibited under this Agreement or that have the effect of
15 reducing the priority or invalidating the lien of the NSP1 Deed
16 of Trust; (3) BORROWER's failure to obtain and maintain the
17 insurance coverage required under this Agreement; (4) any
18 material default under this Agreement, the NSP1 Deed of
19 Trust, NSP1 Note, or any document executed by COUNTY in
20 connection with this Agreement, or (5) a default under the
21 terms of any senior documents or any other instrument or
22 document secured against the Property or the Project;

23 c. General Performance of Loan Obligations. Any substantial or
24 continuous or repeated breach by BORROWER or
25 BORROWER's agents of any material obligations of
26 BORROWER under this Agreement, including failure to meet
27 performance requirements set forth in **Section 9**; but only
28 following any applicable notice and cure periods with respect

1 to any such obligation.

2 d. General Performance of Other Obligations. Any substantial
3 or continuous or repeated breach by BORROWER or
4 BORROWER's agents of any material obligations on the
5 Project imposed by any other agreement with respect to the
6 financing, development, or operation of the Project; whether
7 or not the COUNTY is a party to such agreement; but only
8 following any applicable notice and cure periods with respect
9 to any such obligation.

10 e. Representations and Warranties. A determination by
11 COUNTY that any of BORROWER's representations or
12 warranties made in this Agreement, any statements made to
13 COUNTY by BORROWER, or any certificates, documents, or
14 schedules supplied to COUNTY by BORROWER were false
15 in any material respect when made, or that BORROWER
16 concealed or failed to disclose a material fact to COUNTY.

17 f. Damage to Project. In the event that the Project is materially
18 damaged or destroyed by fire or other casualty, and
19 BORROWER receives an award or insurance proceeds for
20 the repair or reconstruction of the Project, and BORROWER
21 does not use such award or proceeds to repair or reconstruct
22 the Project.

23 g. Bankruptcy, Dissolution and Insolvency. BORROWER's (1)
24 filing for bankruptcy, dissolution, or reorganization, or failure
25 to obtain a full dismissal of any such involuntary filing brought
26 by another party before the earlier of final relief or ninety (90)
27 days after such filing; (2) making a general assignment for the
28 benefit of creditors; (3) applying for the appointment of a

1 receiver, trustee, custodian, or liquidator, or failure to obtain a
2 full dismissal of any such involuntary application brought by
3 another party before the earlier of final relief or ninety (90)
4 days after such filing; (4) insolvency; or (5) failure, inability or
5 admission in writing of its inability to pay its debts as they
6 become due.

7 **28. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE.**

- 8 a. Formal notices, demands and communications between the
9 COUNTY and the BORROWER shall be sufficiently given if
10 dispatched by registered or certified mail, postage prepaid,
11 return receipt requested, to the principal offices of the
12 COUNTY and the BORROWER, as designated below.
13 Such written notices, demands and communications may be
14 sent in the same manner to such other addresses as either
15 party may from time to time designate by mail as provided
16 in this **Section 28**. Any notice that is transmitted by
17 electronic facsimile transmission followed by delivery of a
18 "hard" copy, shall be deemed delivered upon its
19 transmission; any notice that is personally delivered
20 (including by means of professional messenger service,
21 courier service such as United Parcel Service or Federal
22 Express, or by U.S. Postal Service), shall be deemed
23 received on the documented date of receipt by the recipient;
24 and any notice that is sent by registered or certified mail,
25 postage prepaid, return receipt required shall be deemed
26 received on the date of delivery thereof
- 27 b. Subject to the Force Majeure Delays, as provided in
28 **Section 8**, failure or delay by BORROWER to perform any

1 term or provision of this Agreement constitutes a default
2 under this Agreement. BORROWER must immediately
3 commence to cure, correct or remedy such failure or delay
4 and shall complete such cure, correction or remedy with
5 reasonable diligence.

6 c. COUNTY shall give written notice of default to
7 BORROWER, specifying the default complained of by
8 COUNTY. Failure or delay in giving such notice shall not
9 constitute a waiver of any default, nor shall it change the
10 time of default. Except as otherwise expressly provided in
11 this Agreement, any failures or delays by COUNTY in
12 asserting any of its rights and remedies as to any default
13 shall not operate as a waiver of any default or of any such
14 rights or remedies. Delays by COUNTY in asserting any of
15 its rights and remedies shall not deprive COUNTY of its
16 right to institute and maintain any actions or proceedings
17 which it may deem necessary to protect, assert or enforce
18 any such rights or remedies.

19 d. If a monetary event of default occurs, prior to exercising any
20 remedies hereunder, COUNTY shall give BORROWER
21 written notice of such default. BORROWER shall have a
22 period of ten (10) days after such notice is given within
23 which to cure the default prior to exercise of remedies by
24 COUNTY.

25 e. If a non-monetary event of default occurs, prior to exercising
26 any remedies hereunder, COUNTY shall give BORROWER
27 written notice of such default. If the default is reasonably
28 capable of being cured within thirty (30) days, BORROWER

1 shall have such period to effect a cure prior to exercise of
2 remedies by COUNTY. If the default is such that it is not
3 reasonably capable of being cured within thirty (30) days,
4 and BORROWER (i) initiates corrective action within said
5 period, and (ii) diligently, continually, and in good faith
6 works to effect a cure as soon as possible, then
7 BORROWER shall have such additional time as is
8 reasonably necessary to cure the default prior to exercise of
9 any remedies by the injured party, but in no event no more
10 than sixty (60) days from the date of the notice of default. In
11 no event shall COUNTY be precluded from exercising
12 remedies if its security becomes or is about to become
13 materially jeopardized by any failure to cure a default or the
14 default is not cured within sixty (60) days after the first
15 notice of default is given.

16 29. COUNTY REMEDIES. Upon the occurrence of an Event of
17 Default, after notice and opportunity to cure, COUNTY's obligation to disburse NSP1
18 funds shall terminate and COUNTY shall also have the right, but not the obligation to,
19 in addition to other rights and remedies permitted by this Agreement or applicable law,
20 proceed with any or all of the following remedies in any order or combination COUNTY
21 may choose in its sole discretion:

- 22 a. Terminate this Agreement, in which event the entire NSP1
23 Loan amount as well as any other monies advanced to
24 BORROWER by COUNTY under this Agreement including
25 administrative costs, shall immediately become due and
26 payable to COUNTY at the option of COUNTY.
- 27 b. Bring an action in equitable relief (1) seeking the specific
28 performance by BORROWER of the terms and conditions of

1 this Agreement, and/or (2) enjoining, abating, or preventing
2 any violation of said terms and conditions, and/or (3) seeking
3 declaratory relief.

4 c. Accelerate the NSP1 Loan, and demand immediate full
5 payment of the principal payment outstanding and all accrued
6 interest under the NSP1 Note, as well as any other monies
7 advanced to BORROWER by COUNTY under this
8 Agreement.

9 d. Enter upon, take possession of, and manage the Project,
10 either in person, by agent, or by a receiver appointed by a
11 court, and collect rents and other amounts specified in the
12 Assignment of Rents in the Deed of Trust and apply them to
13 operate the Project or to pay off the NSP1 Loan or any
14 advances made under this Agreement, as provided for by the
15 NSP1 Deed of Trust.

16 e. Pursue any other remedy allowed at law or in equity.

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

28 31. BORROWER'S CERTIFICATION. BORROWER certifies, to the

1 best of its knowledge and belief, that:

- 2 a. No federally appropriated funds have been paid or will be paid,
3 by or on behalf of the undersigned, to any person for
4 influencing or attempting to influence an officer or employee of
5 any agency, a member of Congress, an officer or employee of
6 Congress, or an employee of a member of Congress in
7 connection with the awarding of any federal contract, the
8 making of any federal grant, the making of any federal loan, the
9 entering into of any cooperative agreement, and the extension,
10 continuation, review, amendment, or modification of any federal
11 contract, grant, loan, or cooperative agreement.
- 12 b. If any funds other than federally appropriated funds have been
13 paid or will be paid to any person for influencing or attempting
14 to influence an officer or employee of any agency, a member of
15 Congress, an officer or employee of Congress, or an employee
16 of a member of Congress in connection with this federal
17 contract, grant, loan, or cooperative agreement, the
18 undersigned shall complete and submit Standard Form-LLL,
19 "Disclosure Form to Report Lobbying," in accordance with its
20 instructions.
- 21 c. The undersigned shall require that the language of this
22 certification be included in the award documents for all sub-
23 awards at all tiers (including subcontracts, sub-grants, and
24 contracts under grants, loans, and cooperative agreements)
25 and that BORROWER shall certify and disclose accordingly.
26 This certification is a material representation of fact upon which
27 reliance was placed when this transaction was made or
28 entered into.

1 **32. HOLD HARMLESS AND INDEMNIFICATION. BORROWER shall**
2 indemnify and hold harmless the County of Riverside, its Agencies, Boards, Districts,
3 Special Districts and Departments, their respective directors, officers, Board of
4 Supervisors, elected and appointed officials, employees, agents and representatives
5 (collectively the "Indemnified Parties") from any liability whatsoever, based or asserted
6 upon any services of BORROWER, its officers, employees, subcontractors, agents or
7 representatives arising out of their performance under this Agreement, including but
8 not limited to property damage, bodily injury, or death or any other element of any kind
9 or nature whatsoever arising from the performance of BORROWER, its officers,
10 agents, employees, subcontractors, agents or representatives under this Agreement.
11 BORROWER shall defend, at its sole expense, all costs and fees including, but not
12 limited, to attorney fees, cost of investigation, defense and settlements or awards, the
13 County of Riverside, its Agencies, Districts, Special Districts and Departments, their
14 respective directors, officers, Board of Supervisors, elected and appointed officials,
15 employees, agents and representatives in any claim or action based upon such alleged
16 acts or omissions.

17 With respect to any action or claim subject to indemnification herein by
18 BORROWER, BORROWER shall, at their sole cost, have the right to use counsel of
19 their own choice and shall have the right to adjust, settle, or compromise any such
20 action or claim without the prior consent of COUNTY; provided, however, that any such
21 adjustment, settlement or compromise in no manner whatsoever limits or circumscribes
22 BORROWER'S indemnification to COUNTY as set forth herein.

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

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

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

5 BORROWER's obligations set forth in this Section 32 shall survive the
6 expiration or earlier termination of this Agreement.

7 33. TERMINATION.

8 a. BORROWER. BORROWER may terminate this Agreement
9 prior to disbursement of any NSP1 Loan funds by COUNTY
10 in accordance with the applicable NSP1 regulations, and 2
11 CFR Section 200.339.

12 b. COUNTY. Notwithstanding the provisions of Section 33(a),
13 COUNTY may suspend or terminate this Agreement upon
14 written notice to BORROWER of the action being taken and
15 the reason for such action in the event one of the following
16 events occur:

17 (a) In the event BORROWER fails to perform the
18 covenants herein contained at such times and in
19 such manner as provided in this Agreement after the
20 applicable notice and cure provision hereof;

21 (b) In the event there is a conflict with any federal, state
22 or local law, ordinance, regulation or rule rendering
23 any material provision, in the judgment of COUNTY
24 of this Agreement invalid or untenable; or

25 (c) In the event the NSP1 funding from HUD identified in
26 Section 1 above is terminated or otherwise becomes
27 unavailable.

28 c. This Agreement may be terminated or funding suspended in

1 whole or in part for cause in accordance with 2 CFR Section
2 200.338. Cause shall be based on the failure of
3 BORROWER to materially comply with either the terms or
4 conditions of this Agreement after the expiration of all
5 applicable notice and cure provisions hereof. Upon
6 suspension of funding, BORROWER agrees not to incur
7 any costs related thereto, or connected with, any area of
8 conflict from which COUNTY has determined that
9 suspension of funds is necessary. The award may be
10 terminated for convenience in accordance with 2 CFR
11 Section 200.339.

12 d. Upon expiration or earlier termination of this Agreement,
13 BORROWER shall transfer to COUNTY any unexpended
14 NSP1 funds in its possession at the time of expiration of the
15 Agreement as well as any accounts receivable held by
16 BORROWER which are attributable to the use of NSP1
17 funds awarded pursuant to this Agreement.

18 34. MECHANICS LIENS AND STOP NOTICES. If any claim of
19 mechanics lien is filed against the Project or a stop notice affecting the NSP1 Loan is
20 served on COUNTY, BORROWER must, within twenty (20) calendar days of such
21 filing or service, either pay and fully discharge the lien or stop notice, obtain a release
22 of the lien or stop notice by delivering to COUNTY a surety bond in sufficient form and
23 amount, or provide COUNTY with other assurance reasonably satisfactory to
24 COUNTY that the lien or stop notice will be paid or discharged.

25 35. ENTIRE AGREEMENT. It is expressly agreed that this Agreement
26 embodies the entire agreement of the parties in relation to the subject matter hereof,
27 and that no other agreement or understanding, verbal or otherwise, relative to this
28 subject matter, exists between the parties at the time of execution.

1 36. AUTHORITY TO EXECUTE. The persons executing this
2 Agreement or exhibits attached hereto on behalf of the parties to this Agreement
3 hereby warrant and represent that they have the authority to execute this Agreement
4 and warrant and represent that they have the authority to bind the respective parties to
5 this Agreement to the performance of its obligations hereunder.

6 37. WAIVER. Failure by a party to insist upon the strict performance of
7 any of the provisions of this Agreement by the other party, or the failure by a party to
8 exercise its rights upon the default of the other party, shall not constitute a waiver of
9 such party's rights to insist and demand strict compliance by the other party with the
10 terms of this Agreement thereafter.

11 38. INTERPRETATION AND GOVERNING LAW. This Agreement and
12 any dispute arising hereunder shall be governed by and interpreted in accordance with
13 the laws of the State of California. This Agreement shall be construed as a whole
14 according to its fair language and common meaning to achieve the objectives and
15 purposes of the parties hereto, and the rule of construction to the effect that
16 ambiguities are to be resolved against the drafting party shall not be employed in
17 interpreting this Agreement, all parties having been represented by counsel in the
18 negotiation and preparation hereof.

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

25 40. SEVERABILITY. Each paragraph and provision of this Agreement
26 is severable from each other provision, and if any provision or part thereof is declared
27 invalid by a competent court of law, the remaining provisions shall nevertheless
28 remain in full force and effect.

1 41. MINISTERIAL ACTS. COUNTY's Assistant County Executive
2 Officer/Economic Development Agency or designee(s) are authorized to take such
3 ministerial actions as may be necessary or appropriate to implement the terms,
4 provisions, and conditions of this Agreement as it may be amended from time to time
5 by the Parties.

6 42. MODIFICATION OF AGREEMENT. COUNTY or BORROWER
7 may consider it in its best interest to change, modify or extend a term or condition of
8 this Agreement, provided such change, modification or extension is agreed to in
9 writing by the other party. Any such change, extension or modification, which is
10 mutually agreed upon by COUNTY and BORROWER shall be incorporated in written
11 amendments to this Agreement. The Assistant County Executive Officer/EDA or
12 designee is authorized to execute, subject to County Counsel approval, the
13 amendments to change, modify or extend a term or condition of this Agreement. Such
14 amendments shall not invalidate this Agreement, nor relieve or release COUNTY or
15 BORROWER from any obligations under this Agreement, except for those parts
16 thereby amended. No amendment to this Agreement shall be effective and binding
17 upon the parties, unless it expressly makes reference to this Agreement, is in writing,
18 is signed and acknowledged by duly authorized representatives of all parties, and
19 approved by COUNTY.

20 43. ASSIGNMENT. BORROWER shall not make any sale,
21 assignment, conveyance, or lease of any trust or power, or transfer in any other form
22 with respect to this Agreement or the Project, other than the sale of the Assisted Unit
23 to Qualified Homebuyer as set forth in this Agreement.

24 44. EXHIBITS AND ATTACHMENTS. Each of the attachments and
25 exhibits attached hereto is incorporated herein by this reference.

26 45. MEDIA RELEASES. BORROWER agrees to allow COUNTY to
27 coordinate all media releases regarding the Project, with prior approval of
28 BORROWER. Any publicity generated by BORROWER for the Project must make

1 reference to the contribution of COUNTY in making the Project possible. COUNTY's
2 name shall be prominently displayed in all pieces of publicity generated by
3 BORROWER, including flyers, press releases, posters, signs, brochures, and public
4 service announcements. BORROWER agrees to cooperate with COUNTY in any
5 COUNTY-generated publicity or promotional activities with respect to the Project.

6 46. NOTICES. All notices, requests, demands and other
7 communication required or desired to be served by either party upon the other shall be
8 addressed to the respective parties as set forth below or the such other addresses as
9 from time to time shall be designated by the respective parties and shall be sufficient if
10 sent by United States first class, certified mail, postage prepaid, or express delivery
11 service with a receipt showing the date of delivery.

12 COUNTY
13 Assistant Director of Housing
14 Riverside County
15 Economic Development Agency
16 5555 Arlington Ave.
17 Riverside, CA 92504

BORROWER
Executive Director
Habitat for Humanity
Inland Valley
41615 Winchester Rd, Suite 214
Temecula, CA 92591

18 47. COUNTERPARTS. This Agreement may be signed by the different
19 parties hereto in counterparts, each of which shall be an original but all of which
20 together shall constitute one and the same agreement.

21 48. TIME OF THE ESSENCE. Time is of the essence with respect to
22 all provisions of this Agreement that specify a time for performance.

23 49. EFFECTIVE DATE. The effective date of this Agreement is the
24 date the Parties execute the Agreement ("Effective Date"). If the Parties execute the
25 Agreement on more than one date, then the last date the Agreement is executed by a
26 Party shall be the Effective Date.

27 50. FURTHER ASSURANCES. BORROWER shall execute any
28 further documents consistent with the terms of this Agreement, including documents in
recordable form, as the COUNTY may from time to time find necessary or appropriate
to effectuate its purposes in entering into this Agreement.

1 51. NONLIABILITY OF COUNTY OFFICIALS AND EMPLOYEES. No
2 member, official, employee or consultant of the COUNTY shall be personally liable to
3 the BORROWER, or any successor in interest, in the event of any default or breach by
4 the COUNTY or for any amount which may become due to the BORROWER or to its
5 successor, or on any obligations under the terms of this Agreement.

6 a. Construction and Interpretation of Agreement. The
7 language in all parts of this Agreement shall in all cases be construed simply, as a
8 whole and in accordance with its fair meaning and not strictly for or against any party.
9 The parties hereto acknowledge and agree that this Agreement has been prepared
10 jointly by the parties and has been the subject of arm's length and careful negotiation
11 over a considerable period of time, that each party has been given the opportunity to
12 independently review this Agreement with legal counsel, and that each party has the
13 requisite experience and sophistication to understand, interpret, and agree to the
14 particular language of the provisions hereof. Accordingly, in the event of an ambiguity
15 in or dispute regarding the interpretation of this Agreement, this Agreement shall not
16 be interpreted or construed against the party preparing it, and instead other rules of
17 interpretation and construction shall be utilized.

18 b. If any term or provision of this Agreement, the deletion of
19 which would not adversely affect the receipt of any material benefit by any party
20 hereunder, shall be held by a court of competent jurisdiction to be invalid or
21 unenforceable, the remainder of this Agreement shall not be affected thereby and
22 each other term and provision of this Agreement shall be valid and enforceable to the
23 fullest extent permitted by law. It is the intention of the parties hereto that in lieu of
24 each clause or provision of this Agreement that is illegal, invalid, or unenforceable,
25 there be added as a part of this Agreement an enforceable clause or provision as
26 similar in terms to such illegal, invalid, or unenforceable clause or provision as may be
27 possible.

28 c. The captions of the articles, sections, and subsections

1 herein are inserted solely for convenience and under no circumstances are they or
2 any of them to be treated or construed as part of this instrument.

3 d. References in this instrument to this Agreement mean, refer
4 to and include this instrument as well as any riders, exhibits, addenda and
5 attachments hereto (which are hereby incorporated herein by this reference) or other
6 documents expressly incorporated by reference in this instrument. Any references to
7 any covenant, condition, obligation, and/or undertaking "herein," "hereunder," or
8 "pursuant hereto" (or language of like import) means, refer to, and include the
9 covenants, obligations, and undertakings existing pursuant to this instrument and any
10 riders, exhibits, addenda, and attachments or other documents affixed to or expressly
11 incorporated by reference in this instrument.

12 e. As used in this Agreement, and as the context may require,
13 the singular includes the plural and vice versa, and the masculine gender includes the
14 feminine and vice versa.

15 52. BINDING EFFECT. This Agreement, and the terms, provisions,
16 promises, covenants and conditions hereof, shall be binding upon and shall inure to
17 the benefit of the parties hereto and their respective heirs, legal representatives,
18 successors and assigns.

19 53. NO THIRD PARTY BENEFICIARIES. The Parties to this
20 Agreement acknowledge and agree that the provisions of this Agreement are for the
21 sole benefit of COUNTY and BORROWER, and not for the benefit, directly or
22 indirectly, of any other person or entity, except as otherwise expressly provided
23 herein.

24 54. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.

25 a. This Agreement shall be executed in three duplicate
26 originals each of which is deemed to be an original. This Agreement, including all
27 attachments hereto and exhibits appended to such attachments shall constitute the
28 entire understanding and agreement of the parties.

1 b. This Agreement integrates all of the terms and conditions
2 mentioned herein or incidental hereto, and supersedes all negotiations or previous
3 agreements between the parties with respect to all or any part of the Property.

4 c. All waivers of the provisions of this Agreement must be in
5 writing and signed by the appropriate authorities of the COUNTY or the BORROWER,
6 and all amendments hereto must be in writing and signed by the appropriate authorities
7 of the COUNTY and the BORROWER. This Agreement and any provisions hereof
8 may be amended by mutual written agreement by the BORROWER and the COUNTY.

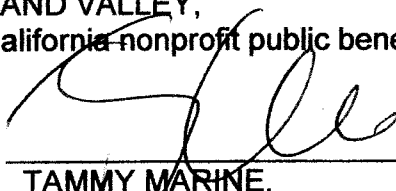
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10 (Signatures follow next page)
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1 **IN WITNESS WHEREOF**, the COUNTY and BORROWER have executed this
2 Agreement as of the date written below.

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

BORROWER:
HABITAT FOR HUMANITY
INLAND VALLEY,
a California nonprofit public benefit corporation

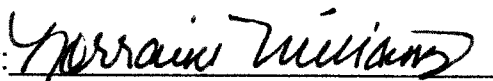
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8 By: 
9 CHUCK WASHINGTON, Chairman
Board of Supervisors

By: 
TAMMY MARINE,
Executive Director

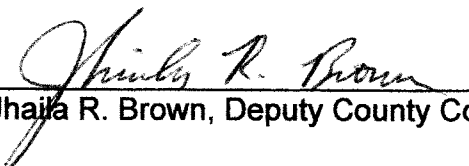
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11 Date: 4/24/2018

Date: 4-11-18

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

16
17 By: 
18 Deputy

19
20 APPROVED AS TO FORM:
21 Gregory P. Priamos
22 County Counsel

23 By: 
24 Jhalla R. Brown, Deputy County Counsel

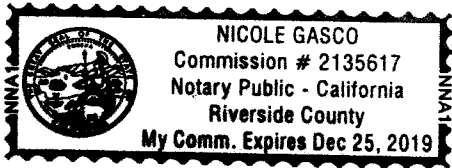
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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 April 11, 2018 before me, Nicole Gasco, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Tammy Marine
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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

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: _____ Signer's Name: _____

Corporate Officer – Title(s): _____ Corporate Officer – Title(s): _____

Partner – Limited General Partner – Limited General

Individual Attorney in Fact Individual Attorney in Fact

Trustee Guardian of Conservator Trustee Guardian of Conservator

Other: _____ Other: _____

Signer is Representing: _____ Signer is Representing: _____

Exhibit A

BORROWER: Habitat for Humanity Inland Valley

Address: 41615 Winchester Rd, Suite 214, Temecula, CA 92590

Project Title: HFHIV NSP1 Hayman House Project

Project Description:

BORROWER will utilize up to \$291,000 in NSP1 funds for the acquisition, relocation, rehabilitation and disposition of a single-family home to a low-income ("LI") first-time homebuyers within the designated NSP1 target area in the City of Lake Elsinore as defined in the County of Riverside's 2008-2009 One Year Action Plan and its amendments.

BORROWER shall expend NSP1 funds to assist a LI households whose incomes are at or below eighty percent (80%) of the AMI, adjusted by family size at the time of occupancy for the County of Riverside.

Qualified homebuyer must not have owned a home within the past 3 years and are required to attend an eight (8) hour home buyer counseling session certified by the United States Department of Housing and Urban Development (HUD). BORROWER will utilize NSP1 funds for acquisition, construction and disposal costs of properties for the Project. NSP1 Assisted Units shall be affordable for a period of at least 15 years from the transfer of title to qualified first-time homebuyers.

Eligible Properties ("Assisted Units")

Each Assisted Unit will be subject to environmental review prior to acquisition, demolition, construction or new construction. The environmental effects of each activity carried out with NSP1 funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and related authorities listed at HUD's implementing regulations at 24 CFR Parts 50 and 58. The Project is required to comply with 24 CFR Section 58.5 (related federal laws and authorities) including but not limited to: historic properties, floodplain management & wetlands protection, coastal zone management, aquifers, endangered species, rivers, air, farmlands, HUD environmental standards and environmental justice. BORROWER shall also comply with the California Environmental Quality Act (CEQA).

Target Areas

Assisted Units must reside inside areas of greatest need within the designated Target Areas of the County of Riverside as defined in the County's 2008-2009 One Year Action Plan and its amendments.

Maximum Purchase Price

The maximum purchase price shall not exceed \$278,000 for new construction, \$262,000 for existing single family residence, \$204,000 for new/existing condominium or townhouse and \$114,000 for new manufactures home. In addition, the purchase price of property shall not exceed the appraised value of the property.

Resale Price Limitation

The Selling Price of each Assisted Unit shall not exceed (a) the fair market value or (b) the total costs to acquire, relocate, rehabilitate and dispose of the Assisted Unit pursuant to NSP1.

Project Sources and Uses of Funds:

Sources:

City	\$	59,000
County of Riverside NSP1 Loan	\$	<u>291,000</u>
Total Sources	\$	<u>350,000</u>

Uses:

Relocation of Displaced Tenants	47,000
House Moving Expenses	56,000
Appraisals	400
Property Taxes	1,000
Fees	17,000
Engineering, Architectural, Grading, etc.	66,000
Marketing	1,500
Rehabilitation Construction	129,300
Title, Recording, Escrow, Legal & Audit	2,800
Accounting	2,500
Contingency	2,500
(Total Project Costs) Sub-Total	320,000
Developer Fee	26,500
Total Uses	\$350,000

IMPLEMENTATION SCHEDULE

Milestone	Completion Date
1. NSP Loan Agreement executed	(1 st month)
2. Acquisition of Land Completed	(1 st month)
3. Land Development & House Design	(4 th month)
4. Relocation of Existing Home to New Location	(4 th month)
5. Homeowner Recruitment/Selection & EDA Approval	(4 th month)
6. Marketing & Community Outreach	(Ongoing)
7. Rehabilitation of Assisted Unit*	(16 th month)
8. Transfer of title to Qualified Homebuyer*	(16 th month)
9. Submission of Closing Documents	(16 th month)

* Section 9, Performance Requirements

DOCUMENT SUBMISSION SCHEDULE

Documents	Due Date
1. NSP1 Activities Reporting and Project Photos	Monthly, due by the 15 th of each month
2. Liability and Certificate of Workers' Compensation Insurance for BORROWER and General Contractor	BORROWER – At the execution of this Agreement. GC – Before start of construction. Copies of Certificates must be filed and up-to-date throughout the course of the Project with the COUNTY additionally insured.
3. Minority & Women Business Enterprise Report – HUD form 2516, and Section 3 Reporting	Semi-Annually Sept 30th & March 31st Completion of Project
4. Notice of Completion	End of Construction
5. Certificate of Occupancy	End of Construction
6. Conditional/Unconditional Release for Final from GC, and if applicable, Sub-contractors	Close of Construction
7. Construction Completion Report	Close of Construction
8. Final Development Cost - Sources and Uses	Close of Construction
9. Qualified Homebuyer Selection Policy	Marketing Stage
10. Flyers, Community Contacts, Outreach, Press Releases, Grand Opening info	Marketing Stage
11. Updated Preliminary Title Report showing Transfer of title to Qualified Homebuyer	Close of Escrow

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

LOT 6 IN BLOCK 503 OF SMITH' S ADDITION TO ELSINORE, IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 2, PAGE 135 OF MAPS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA.

APN: 377-292-027

EXHIBIT B

Deed of Trust

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

Riverside County
Economic Development Agency
5555 Arlington Avenue
Riverside, CA 92504
ATTN: Mervyn Manalo

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING
(WITH ASSIGNMENT OF RENTS)**

This DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING WITH ASSIGNMENT OF RENTS ("Security Instrument" or "Deed of Trust") is made on this _____ day of _____, 2018. The trustor is HABITAT FOR HUMANITY INLAND VALLEY, INC., a California nonprofit corporation ("Trustor"), whose address is 41615 Winchester Rd, Suite 214, Temecula, CA 92590. The trustee is _____ ("Trustee"). The beneficiary is the COUNTY OF RIVERSIDE ("Beneficiary"), a political subdivision of the State of California, and whose address is 5555 Arlington Avenue, Riverside, CA 92504.

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

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

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

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

(D) All rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the

Trustorship, use, management, operation leasing or occupancy of the Trust Estate, including those past due and unpaid (the "Rents");

(E) All present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code (the "UCC"), and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, theater equipment, seating, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property, but not including personal property that is donated to Trustor (the "Goods," and together with the Real Property, the "Property"); and

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

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and

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

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

- 1) due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:
 - (a) that certain Promissory Note in favor of the Beneficiary ("COUNTY" therein) executed by Trustor ("BORROWER" therein) of even date herewith (the "NSP1 Note") in the principal amount of \$291,000;
 - (b) that certain Loan Agreement, for the Use of Neighborhood Stabilization Program ("NSP1") Funds dated _____ and recorded in the Official Records of the County of Riverside ("Official Records") concurrently herewith, between Trustor ("BORROWER" therein) and Beneficiary ("County" therein) (the "NSP1 Loan Agreement").
- 2) payment of indebtedness of the Trustor to the Beneficiary not to exceed **TWO HUNDRED NINETY ONE THOUSAND DOLLARS (\$291,000)** (the "NSP1 Loan") according to the terms of the Note.

Said NSP1 Note, NSP1 and Loan Agreement (collectively, referred to as the "Secured Obligations") and all of their terms are incorporated herein by this reference and this conveyance shall secure any and all extensions, amendments, modifications or renewals thereof however evidenced, and additional advances evidenced by any note reciting that it is secured hereby. The NSP1 Note and NSP1 Loan Agreement as used herein shall mean, refer to and include the NSP1 Note and NSP1 Loan Agreement, as well as any riders, exhibits, addenda, implementation agreements, covenants, amendments, or attachments thereto (which are hereby incorporated herein by this reference). Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the NSP1 Loan Agreement.

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

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

1. That Trustor shall pay the NSP1 Note at the time and in the manner provided therein, and perform the obligations of the Trustor as set forth in the NSP1 Loan Agreement at the time and in the manner respectively provided therein.
2. That Trustor shall not permit or suffer the use of any of the property for any purpose other than the use set forth in the NSP1 Loan Agreement.
3. That the Secured Obligations are incorporated in and made a part of the Deed of Trust. Upon default of a Secured Obligation, and after the giving of notice and the expiration of any applicable cure period, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable.
4. That all rents, profits and income from the property covered by this Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor so long as no default exists hereunder after the giving of notice and the expiration of any applicable cure period, to collect such rents, profits and income for use in accordance with the provisions of the NSP1 Loan Agreement.
 - a. That upon default hereunder or under any of the Secured Obligations and after giving notice and opportunity to cure, Beneficiary shall be entitled to the appointment of receiver by any court having jurisdiction, without notice, to take possession and protect the Property described herein and operate same and collect the rents, profits and income therefrom.
5. **Payment of Principal and Interest; Prepayment and Late Charges.** Trustor shall promptly pay when due the principal of and interest on the debt evidenced by the NSP1 Note and any late charges due under the Note.
6. **Taxes and Insurance.** Trustor shall pay before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Deed of Trust.
 - a. Should Trustor fail to make any payment or to do any act herein provided, then Beneficiary or Trustee, but without obligation so to do and upon written notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the

same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

7. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Beneficiary under **Section 5** shall be applied: first, to interest due; second, to principal due; and last, to any late charges due under the NSP1 Note.
8. **Prior Deeds of Trust; Charge; Liens.** Trustor shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Deed of Trust, and leasehold payments or ground rents, if any, subject to applicable cure periods directly to the person owed payment. Trustor shall pay these obligations in the manner provided in **Section 6**. Trustor shall promptly furnish to Beneficiary all notices of amounts to be paid under this Section. If Trustor makes these payments directly, Trustor shall promptly furnish to Beneficiary receipts evidencing the payments.
 - a. Except for the liens permitted in writing by the Beneficiary, Trustor shall promptly discharge any other lien which shall have attained priority over this Deed of Trust unless Trustor: (1) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Beneficiary; (2) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Beneficiary's opinion operate to prevent the enforcement of the lien; or (3) bond around the lien (4) secures from the holder of the lien an agreement satisfactory to Beneficiary subordinating the lien to this Deed of Trust. Except for the liens approved herein, if Beneficiary determines that any part of the Property is subject to a lien which may attain priority over this Deed of Trust, Beneficiary may give Trustor a notice identifying the lien. Trustor shall satisfy such lien or take one or more of the actions set forth above within 30 days of the giving of notice.
9. **First Priority Position.** This Deed of Trust shall be recorded in a first priority position. This Deed of Trust shall remain in a superior position over any other trust deed that may be issued to secure additional public and/or private funding. Upon conveyance of the Subject Property and upon execution of the Homebuyer Covenant Agreement, the Homebuyer Covenant Agreement shall take first priority position.