

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



ITEM
3.40
(ID # 9939)

MEETING DATE:

Tuesday, May 21, 2019


FROM : SUPERVISOR KEVIN JEFFRIES AND SUPERVISOR CHUCK WASHINGTON :

SUBJECT: SUPERVISOR KEVIN JEFFRIES, SUPERVISOR CHUCK WASHINGTON AND DEPARTMENT OF PUBLIC SOCIAL SERVICES: State of California Business, Consumer Services and Housing Agency (BCSH) 2018 Homeless Emergency Aid Program (HEAP) Continuum of Care Grant Agreement and Subrecipient Agreements. Districts: All; [Total Cost \$9,791,805 - 100% State] (4/5 Vote Required)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify acceptance of the 2018 HEAP Continuum of Care grant from BCSH in the amount of \$9,791,805, to be one hundred percent (100%) expended by June 30, 2021, on behalf of the County as the Administrative Entity of the Continuum of Care for Riverside County, to address immediate homelessness challenges;
2. Ratify and approve Standard Agreement No. 18-HEAP-00052 between BCSH and the County of Riverside for the 2018 HEAP Continuum of Care grant, in the amount of \$9,791,805, effective January 25, 2019 through October 31, 2021, (Grant Agreement), and authorize the Director of DPSS, or her designee, to sign the agreement on behalf of the County;
3. Approve the form of the Subrecipient Agreement for the 2018 HEAP template (Template), attached;

ACTION: Policy, 4/5 Vote Required


Supervisor Kevin Jeffries, Vice Chairman

5/15/2019



Supervisor Chuck Washington

5/17/2019

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, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: May 21, 2019
xc: First Dist., Third Dist. DPSS, Auditor, E.O.

Kecia Harper
Clerk of the Board
By: 
Deputy

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

RECOMMENDED MOTION: That the Board of Supervisors:

4. Authorize the Director of DPSS, or designee, to execute the individual 2018 subrecipient agreements, substantially conforming in form and substance to the Template and as approved by County Counsel, with the subrecipients, for the service projects in an amount not to exceed the funding amount, covering the Supervisor Districts, as set forth in the table below (2018 Subrecipient Agreements);
5. Authorize the Director of DPSS, or designee, based on availability of funding and as approved by County Counsel to: (a) sign amendments that do not change the substantive terms of the 2018 Subrecipient Agreements, and (b) sign amendments to the 2018 Subrecipient Agreements moving funds between the subrecipients, not to exceed the total grant amount, as approved by BCSH.
6. Authorize the Director of DPSS, or designee, to administer the Grant Agreement and the 2018 Subrecipient Agreements;
7. Approve the form of the attached Affordable Housing Loan Agreement, including all exhibits (Affordable Housing Loan Agreement), substantially to form, to be entered into between the County of Riverside, as lender, and Social Work Action Group, a California nonprofit corporation, (SWAG), as borrower, providing for a loan in the maximum total amount of \$1,796,411 derived from a HEAP grant, to pay acquisition and rehabilitation costs related to an affordable housing project located at 18183 Haines Street, Perris, CA 92570, identified as Assessor's Parcel Number 315-110-011.
8. Authorize the Assistant County Executive Officer of Community and Economic Development, or designee, to execute an Affordable Housing Loan Agreement, including exhibits, conforming in form and substance to the attached Affordable Housing Loan Agreement, subject to approval by County Counsel;
9. Authorize the Assistant County Executive Officer of Community and Economic Development, or designee, to negotiate and execute all necessary and required agreements to administer and implement the Affordable Housing Loan Agreement, including, but not limited to, escrow agreements and other security agreements, subject to approval by County Counsel; and
10. Approve and direct the Auditor Controller to the make budget adjustment as noted on Attachment A.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 2,000,000	\$ 5,202,762	\$ 9,791,805	\$0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$0
SOURCE OF FUNDS: 100% State Funding			Budget Adjustment: Yes	
			For Fiscal Year: 18/19-21/22	

C.E.O. RECOMMENDATION: [CEO use]

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

BACKGROUND:

The State has established the Homeless Emergency Aid Program ("HEAP" or "the Program" or "the Grant") pursuant to Chapter 5 (commencing with Section 50210) of Part 1 of Division 31 of the Health and Safety Code, and all other relevant provisions established under SB 850 (Chapter 48, Statutes of 2018). The Program is administered by the California Homeless Coordinating and Financing Council ("Council") in the Business, Consumer Services and Housing Agency ("BCSH"). The general purpose of the Program is to provide one-time block grant funding to address the immediate emergency needs of homeless individuals and individuals at imminent risk of homelessness in the jurisdictions of each Continuum of Care (CoC) that declared and have in effect a shelter crisis in accordance with Government Code section 8698.2.

On August 28, 2018, the Board of Supervisors adopted Resolution No. 2018-179 (Item 3.78) declaring a shelter crisis in the unincorporated areas of the County of Riverside. Eligible uses of grant funds include, but are not limited to, the following: services, rental assistance or subsidies, capital improvements and homeless youth activities. No more than five (5) percent of HEAP funds may be used for administrative costs related to the execution of eligible activities.

Summary

On September 5, 2018, the Council announced the Notice of Funding Availability (NOFA) for Program funding to local CoC Service Areas, including Riverside County. The County of Riverside Department of Public Social Services (DPSS) has been designated by the Riverside County CoC as the Administrative Entity (AE) to administer allocation of HEAP program funds.

On December 27, 2018, DPSS submitted an application for HEAP funds to the BCSH through a collaborative effort with the County's CoC; the CoC is a network of private and public sector homeless service providers, designed to promote communitywide planning and the strategic use of resources addressing homelessness. The total HEAP allocation to the County of Riverside is \$9,791,805; no County matched funds are required, and the expenditure deadline is June 30, 2021. On March 4, 2019, DPSS executed the Standard Agreement (Grant Agreement) with the BCSH.

Social Work Action Group, a California nonprofit public benefit corporation (SWAG), has proposed to utilize \$1,796,411 in HEAP funds as a loan to acquire and rehabilitate a property located in the unincorporated community of Mead Valley in Riverside County. The proposed project is located at 18183 Haines Street, Perris, CA 92570, also identified as Assessor's Parcel Number 315-110-011 (Property) and will consist of the acquisition and rehabilitation of an existing building consisting of nine bedrooms. SWAG is proposing to redevelop the Property into a licensed 18-bedroom facility and house unsheltered homeless individuals referred by the County. All 18 beds will be restricted for occupancy and rent by households whose incomes do not exceed 30% of the area median income for the County of Riverside with respect to household size. SWAG has also agreed to provide onsite permanent supportive services to all residents residing at the Property.

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

DPSS is partnering with the County of Riverside Economic Development Agency to oversee the negotiation and execution of the agreement for a property acquisition with SWAG. If approved, the HEAP Loan would be evidenced by a Promissory Note in favor of the County of Riverside (HEAP Loan Note), which would be secured by a Deed of Trust with Assignment of Rents for the benefit of the County (HEAP Loan Deed of Trust). The proposed HEAP Loan Deed of Trust and HOME Loan Note are attached hereto.

The total development cost and operation of the Proposed Project is estimated to be \$1,796,411. The terms of the proposed HEAP Loan and obligations of SWAG and the County are memorialized in the proposed Affordable Housing Loan Agreement for the use of HEAP funds attached hereto (Affordable Housing Loan Agreement).

Impact on Residents and Businesses

Through the CoC, the County of Riverside and its subrecipients continue improving the lives of homeless men, women and children through the direct housing and services programs funded in the 2018 HEAP grant.

Contract History and Price Reasonableness

On November 16, 2018, the DPSS Homeless Program Unit released a competitive bid through a Request for Proposal (RFP), #DPARC 564A for the HEAP Program. This was advertised through Public Purchase website seeking proposal for this service. The RFP was also posted through the County of Riverside DPSS website and an e-mail with a Notification to Bid was sent to all CoC and Community Partners providing a link in which to apply for the RFP. The bid closed on 12/21/2018; a total of forty-two (42) applications were received. These applications received a threshold review, and 36 applications met the program threshold review and were forwarded to the Independent Review Panel for scoring.

An Independent Review Panel made up of 16 non-conflicted evaluators reviewed the 36 applications that met the program threshold review. The Independent Review Panel evaluated and ranked in priority order all project applications for HEAP Program funds and made funding recommendations to the CoC Board of Governance (BOG). The BOG approved the panel's recommendations at a meeting on February 7, 2019 and March 4, 2019.

Below is a list of funding amounts for the service projects and the SWAG acquisition, as well as the administrative costs approved by the BOG:

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

Subrecipient	Type	Project Description	Funding Amount	Supervisor District
Coachella Valley Rescue Mission (CVAG)	Service	Mass Shelter expansion (50 beds)	\$370,900.00	4
Path of Life Ministries	Service	Housing Locator	\$500,014.00	1,2,3
Path of Life Ministries	Service	Mass Shelter expansion (20 beds)	\$566,463.00	1
Valley ReStart	Service	Street Outreach expansion / Shelter Operations	\$305,940.00	3,5
City of Lake Elsinore	Service	Regional Demo. Project for Diversion & Flex Subsi	\$1,500,191.00	1
Martha's Village and Kitchen	Service	Recuperative care beds	\$337,618.00	4,5
Martha's Village and Kitchen	Service	Employment Service program	\$250,879.00	4,5
Operation Safe House	Service	Youth Outreach & Supportive Services	\$327,276.00	1,2
Social Work Action Group (SWAG)	Service	Rental Asst & Flex Subsidies for encampments	\$129,798.00	1,2,3,5
Social Work Action Group (SWAG)	Service	Encampment Response Team	\$627,682.00	1,2,3,5
Social Work Action Group (SWAG)	Capital	Acquisition & Rehab of 18 PSH units	\$1,796,411.00	1,3,5
Administrative Costs			\$489,590.00	
Total:			\$7,202,762.00	

The remainder of HEAP grant funds will be allocated to projects as approved by the BOG; these projects will come before the Board of Supervisors for approval at a future date.

The Subrecipient Agreement for the 2018 HEAP template (Attachment C) will be used to ensure timely processing of each service project. The form Affordable Housing Loan Agreement (Attachment D) will be used to ensure timely processing of the SWAG acquisition.

SCHEDULE A. BUDGET ADJUSTMENT FY 18/19

Increase Appropriations:

21300-5100600000-536200 Contribution to Non-County Agency \$2,000,000

Decrease Appropriations:

21300-5100500000-536200 Contribution to Non-County Agency \$2,000,000

Increase Estimated Revenue:

21300-5100600000-767220 Fed-Other Operating Grants \$2,000,000

Decrease Estimated Revenue:

21300-5100500000-767220 Fed-Other Operating Grants \$2,000,000

ATTACHMENTS:

Attachment B: **Standard Agreement No. 18-HEAP-00052**

Attachment C: **Subrecipient Agreement for the 2018 Homeless Emergency Aid Program Template**

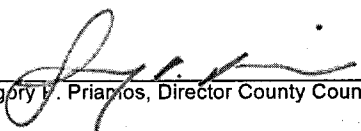
Attachment D: **Affordable Housing Loan Agreement The Farm House with SWAG**

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

SM:lm


Mistry Wang, Supervising Accountant 5/10/2019


Mistry Wang, Supervising Accountant 5/10/2019


Gregory V. Priamos, Director County Counsel 5/14/2019

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

AGREEMENT NUMBER 18-HEAP-00052
REGISTRATION NUMBER CA-608

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

CONTRACTOR'S NAME
 County of Riverside Department of Public Social Services

2. The term of this Agreement is: **Upon BCSH Approval** through **10/31/2021**

3. The maximum amount of this Agreement is: **\$ 9,791,805.06**


4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibit A - Authority, Purpose and Scope of Work	3
Exhibit B - Budget Detail and Payment Provisions	4
Exhibit C - Terms and Conditions	9
Exhibit D - Special Terms and Conditions	1
TOTAL NUMBER OF PAGES ATTACHED:	17

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)
 County of Riverside Department of Public Social Services


BY (Authorized Signature) 	DATE SIGNED (Do not type) 3/4/19
---	--

PRINTED NAME AND TITLE OF PERSON SIGNING
Jennifer Clark, Assistant Director

ADDRESS
 1111 Spruce Street
 Riverside, CA 92507

STATE OF CALIFORNIA

AGENCY NAME
BUSINESS, CONSUMERS SERVICES AND HOUSING AGENCY

BY (Authorized Signature) 	DATE SIGNED (Do not type) 1/25/19
---	---

PRINTED NAME AND TITLE OF PERSON SIGNING
**Alexis Podesta, Secretary
 Business, Consumer Services and Housing Agency**

ADDRESS
 915 Capitol Mall, Suite 350-A, Sacramento, CA 95814

California Department of General
 Services Use Only

Exempt per:

**Standard Agreement
EXHIBIT A**

AUTHORITY, PURPOSE AND SCOPE OF WORK

Homeless Emergency Aid Program (HEAP)

1. Authority

Pursuant to Chapter 5 (commencing with Section 50210) of Part 1 of Division 31 of the Health and Safety Code, and all other relevant provisions established under SB 850 (Chapter 48, Statutes of 2018), the State has established the Homeless Emergency Aid Program ("HEAP" or "the Program" or "the grant"). The Program is administered by the California Homeless Coordinating and Financing Council ("Council") in the Business, Consumer Services and Housing Agency ("Agency"). HEAP provides one-time flexible block grant funds to Administrative Entities as defined in the September 5, 2018 HEAP Notice of Funding Availability (NOFA) and Large Cities to address their immediate homelessness challenges. This Standard Agreement along with all its exhibits ("Agreement") is entered into by the Agency and an Administrative Entity or Large City ("Contractor") under the authority of, and in furtherance of the purpose of, the Program. In signing this Agreement and thereby accepting this award of funds, the Contractor agrees to comply with the terms and conditions of the Agreement, the Notice of Funding Availability ("NOFA") under which the Contractor applied, the representations contained in the Contractor's application, and the requirements of the authority cited above.

2. Purpose

The general purpose of the Program is to provide one-time block grant funding to address the immediate emergency needs of homeless individuals and individuals at imminent risk of homelessness in the service area of each Contractor. In accordance with the authority cited above, an application was made by the Contractor for HEAP funds to be allocated for eligible uses under the grant, which include, but are not limited to, the following: services, rental assistance or subsidies, capital improvements and homeless youth activities.

3. Definitions

Terms herein shall have the same meaning as the definitions set forth in the HEAP NOFA.

4. Scope of Work

The Scope of Work ("Work") for this Agreement shall include one-time uses that are consistent with Chapter 5 (commencing with Section 50210) of Part 1 of Division 31 of the Health and Safety Code, and all other relevant provisions established under SB 850 (Chapter 48, Statutes of 2018), for eligible uses, which include, but are not limited to, one or more of the following:

**Standard Agreement
EXHIBIT A**

- A. Services,
- B. Rental Assistance or Subsidies,
- C. Capital Improvements,
- D. Homeless Youth Set-Aside,
- E. Administrative Costs, and
- F. Other

5. Agency Contract Coordinator

The Agency's Contract Coordinator for this Agreement is the Council's HEAP Grant Manager or the Grant Manager's designee. Unless otherwise instructed, any notice, report, or other communication requiring Contractor signature for this Agreement shall be mailed by first class mail to the Agency Contract Coordinator at the following address:

Business, Consumer Services and Housing Agency
 Attn: Homeless Emergency Aid Program Grant Manager
 915 Capitol Mall, Suite 350-A
 Sacramento, CA 95814

6. Contractor's Contract Coordinator

The Contractor's Contract Coordinator ("Authorized Representative") for this Agreement is listed below. Unless otherwise informed, any notice, report or other communication required by this Agreement will be mailed by first class mail to the Contractor's Contract Coordinator at the following address:

Contractor's Authorized Representative Name:	Jennifer Claar, Assistant Director
Address:	1111 Spruce Street Riverside, CA 92507
Phone:	(951) 358-6937
Email:	jpclaar@rivco.org

**Standard Agreement
EXHIBIT A**

7. Effective Date, Term of Agreement, and Deadlines

- A. This Agreement is effective upon approval by the Agency (indicated by the signature provided by Agency in the lower left section of page one, Standard Agreement, STD. 213), when signed by all parties.
- B. All HEAP grant funds must be at least fifty percent contractually obligated by January 1, 2020. One hundred percent of Program funds must be expended by June 30, 2021. Any funds not expended by that date shall be returned to the Agency and will revert to the General Fund (See Health and Safety Code Section 50215).

8. Special Conditions

Agency reserves the right to add any special conditions to this Agreement it deems necessary to ensure the goals of the Program are achieved.

**Standard Agreement
EXHIBIT B**

BUDGET DETAIL AND PAYMENT PROVISIONS

Homeless Emergency Aid Program (HEAP)

1. Budget Detail

The Contractor agrees that HEAP funds shall be expended on one-time uses that address immediate homelessness challenges.

Consistent with the application submitted by the Contractor on December 27, 2018, the Business, Consumer Services and Housing Agency ("Agency") shall award funds in the form of a grant for the following eligible activities:

A. Capital Improvements:	\$4,340,920.36
B. Services:	\$2,841,715.88
C. Rental Assistance or Subsidies:	\$1,629,988.57
D. Homeless Youth Set-Aside:	\$ 489,590.25
E. Administrative Costs:	\$ 489,590.00
F. Other:	\$ 00.00
Total HEAP Award Amount:	\$9,791,805.06

2. General Conditions Prior to Disbursement

General Requirements – All Contractors must submit the following forms prior to HEAP funds being released:

- A. Request for Funds Form (RFF),
- B. Four original copies of the signed STD. 213 form and initialed Exhibits A through D, and
- C. Any other documents, certifications, or evidence requested by Agency as part of the HEAP application.

3. Expenditure of Funds

Specific requirements and deadlines for contractually obligating and expending awarded funds are defined in the HEAP statutes. Health and Safety Code Sections 50214 and 50215 mandate the following:

- A. No more than five (5) percent of HEAP funds may be used for administrative costs related to the execution of eligible activities.
- B. No less than five (5) percent of HEAP funds shall be used to establish or expand services meeting the needs of homeless youth or youth at risk of homelessness.
- C. No less than 50 percent of HEAP funds shall be contractually obligated by January 1, 2020.
- D. One hundred percent of HEAP funds shall be expended by June 30, 2021.
- E. Any funds not expended by June 30, 2021 shall be returned to Agency and will revert to the General Fund.

**Standard Agreement
EXHIBIT B**

Homeless Coordinating and Financing Council ("Council") staff will provide ongoing technical assistance and training to support Contractors in successfully complying with these requirements and deadlines.

HEAP funds may not be obligated and expended prior to the effective date of this Agreement or prior to Contractor's receipt of HEAP funds; whichever date is later, even if it is for an eligible use under the statute. Program funds shall be expended in compliance with the requirements set forth in Chapter 5 of Part 1 of Division 31 of the Health and Safety Code and all other relevant provisions established under SB 850, the NOFA, and this Agreement.

4. Disbursement of Funds

HEAP funds will be disbursed to the Contractor upon receipt, review and approval of the completed RFF by Agency, which will then forward the RFF to the State Controller's Office ("SCO") for a check to be issued. The RFF must include the proposed activities and amount of funds proposed for expenditure under each eligible use. HEAP funds will be disbursed in a single allocation once the RFF has been received by the SCO.

5. Budget Changes

After the effective date of this Agreement, the Contractor agrees that no changes shall be made to the Contractor's HEAP budget, funded homeless service providers ("subrecipients"), or eligible activities listed in the RFF without first obtaining approval from Agency. Any changes to this Agreement must be requested by the Contractor in writing through submission of a Change Request Form. Changes must be approved in writing by Agency.

6. Ineligible Costs

HEAP funds shall not be used for costs associated with activities in violation of any law or for any activities not consistent with the intent of the Program and the eligible uses identified in Health and Safety Code Section 50214.

Agency reserves the right to request additional information and clarification to determine the reasonableness and eligibility of all costs to be paid with funds made available by this Agreement. If the Contractor or its funded subrecipients use HEAP funds to pay for ineligible activities, the Contractor shall be required to reimburse these funds to Agency.

A. An expenditure which is not authorized by this Agreement, or which cannot be adequately documented, shall be disallowed and must be reimbursed to Agency by the Contractor.

B. Expenditures for activities not described in Exhibit A or Paragraph 1 above shall be deemed authorized if the activities are consistent with Health and Safety Code

**Standard Agreement
EXHIBIT B**

Section 50214 and such activities are included in the approved RFF or are approved in writing by Agency prior to the expenditure of funds for those activities.

- C. Agency, at its sole and reasonable discretion, shall make the final determination regarding the allowability of expenditures of HEAP funds.
- D. Program funds shall not be used for overhead or planning activities, including Homeless Management Information Systems or Homelessness Plans.

7. Administrative Costs

The Contractor must comply with Health and Safety Code Section 50214, which limits administrative costs related to the execution of eligible activities to no more than five percent of HEAP funds. For purposes of this Program, "administrative costs" does not include staff costs directly related to carrying out the eligible activities described in Paragraph 1 of this Exhibit.

Standard Agreement
EXHIBIT C

TERMS AND CONDITIONS

Homeless Emergency Aid Program (HEAP)

1. Effective Date, Commencement of Work and Completion Dates

- A. This Agreement is effective upon approval by Agency, which is indicated by the signature provided by Agency in the lower left-hand corner of page one, Standard Agreement, STD. 213, when signed by all parties. Contractor agrees that the work shall not commence, nor any costs to be paid with HEAP funds be incurred or obligated by any party, prior to execution of this Agreement by Agency and the Contractor, or prior to Contractor's receipt of HEAP funds, whichever date is later. Contractor agrees that the work shall be completed by the expenditure date specified in Exhibit A, Paragraph 6.
- B. Contractor must contractually obligate no less than 50 percent of HEAP funds by January 1, 2020. One hundred percent of HEAP funds shall be expended by June 30, 2021. Any funds not expended by June 30, 2021 shall be returned to Agency and revert to the General Fund. "Obligate" means that the Contractor has placed orders, awarded contracts, received services, or entered similar transactions that require payment from the grant amount. In the case of an award made to a general purpose local government that subcontracts with private nonprofit organizations via letters of awards and Service Provider Agreements, the Subcontractors are required to obligate the funds by the same statutory deadlines. "Expended" means all HEAP funds obligated under contract or subcontract have been fully paid and receipted, and no invoices remain outstanding.
- C. Contractor and its Subcontractors agree that the work shall be completed by the expiration date specified in Exhibit A, Paragraph 6 and that the Scope of Work will be provided for the full term of this Agreement.

2. Sufficiency of Funds and Termination

- A. Agency may terminate this Agreement at any time for cause by giving a minimum of 14 days' notice of termination, in writing, to the Contractor. Cause shall consist of: violations of any terms or conditions of this Agreement, or any breach of contract as described in Paragraph 7; violation of any Federal or State Laws or Regulations; or withdrawal of Agency's expenditure authority. Upon termination of this Agreement, unless otherwise approved in writing by Agency, any unexpended funds received by the Contractor shall be returned to Agency within thirty days of the Notice of Termination.
- B. This Agreement is valid and enforceable only if sufficient funds are made available to Agency by legislative appropriation. In addition, this Agreement is subject to any

**Standard Agreement
EXHIBIT C**

additional restrictions, limitations or conditions, or statutes, regulations or any other laws, whether federal or those of the State of California, or of any agency, department, or any political subdivision of the federal or State of California governments, which may affect the provisions, terms or funding of this Agreement in any manner.

3. Transfers

Contractor may not transfer or assign by subcontract or novation, or by any other means, the rights, duties, or performance of this Agreement or any part thereof, except with the prior written approval of Agency and a formal amendment to this Agreement to affect such subcontract or novation.

4. Contractor's Application for Funds

Contractor has submitted to Agency an application for HEAP funds to provide urgently needed emergency assistance to homeless people in communities with a declared shelter crisis or applicable waiver as authorized by Health and Safety Code Section 50212(b). Agency is entering into this Agreement on the basis of, and in substantial reliance upon, Contractor's facts, information, assertions and representations contained in that Application, and in any subsequent modifications or additions thereto approved by Agency. The Application and any approved modifications and additions thereto are hereby incorporated into this Agreement.

Contractor warrants that all information, facts, assertions and representations contained in the Application and approved modifications and additions thereto are true, correct, and complete to the best of Contractor's knowledge. In the event that any part of the Application and any approved modification and addition thereto is untrue, incorrect, incomplete, or misleading in such a manner that would substantially affect Agency approval, disbursement, or monitoring of the funding and the grants or activities governed by this Agreement, then Agency may declare a breach hereof and take such action or pursue such remedies as are provided for breach hereof.

5. Reporting/Audits

A. The Contractor shall submit an annual report to Agency on forms provided by Agency, by January 1, 2020 and January 1, 2021. If the Contractor fails to provide such documentation, Agency may disencumber any portion of the amount authorized by this Agreement with a 14-day written notification. The Contractor shall also submit a final report by September 30, 2021.

B. The annual report shall contain a detailed report containing the following:

1. Amounts awarded to subrecipients with activity(ies) identified.
2. Contract expenditures.

**Standard Agreement
EXHIBIT C**

3. Unduplicated number of homeless persons or persons at imminent risk of homelessness served.
4. Number of instances of service (defined in September 5, 2018 HEAP NOFA).
5. Increases in capacity for new and existing programs.
6. The number of unsheltered homeless persons becoming sheltered.
7. The number of homeless persons entering permanent housing.

Breakdowns will be expected for each activity (i.e. services, capital improvements, rental assistance, etc.) and program type (i.e. emergency shelter, rapid re-housing, outreach, etc.) for the supplemental reporting requirements listed above, when applicable. The same information will also be requested specifically for the following subpopulations, based on priorities defined by the U.S. Department of Housing and Urban Development (HUD):

1. Chronically homeless
2. Homeless veterans
3. Unaccompanied homeless youth
4. Homeless persons in families with children

Counts by subpopulation will not be required in cases where that information is unavailable, but it is expected in cases where client information is entered in a Homeless Management Information System (HMIS). Additional breakdowns for other subgroups (e.g. race, ethnicity, disability status, etc.) are optional, if the Contractor chooses to include them.

The Contractor will also be asked to comment on the following:

1. Progress made toward local homelessness goals.
 2. The alignment between HEAP funding priorities and "Housing First" principles adopted by the Homeless Coordinating and Financing Council.
 3. Any other effects from HEAP funding that the CoC or large city would like to share (optional).
- C. Agency reserves the right to perform or cause to be performed a financial audit. At Agency request, the Contractor shall provide, at its own expense, a financial audit prepared by a certified public accountant. HEAP administrative funds may be used to fund this expense.
1. If a financial audit is required by Agency, the audit shall be performed by an independent certified public accountant.
 2. The Contractor shall notify Agency of the auditor's name and address immediately after the selection has been made. The contract for the audit shall allow access by Agency to the independent auditor's working papers.
 3. The Contractor is responsible for the completion of audits and all costs of preparing audits.

**Standard Agreement
EXHIBIT C**

4. If there are audit findings, the Contractor must submit a detailed response acceptable to Agency for each audit finding within 90 days from the date of the audit finding report.

6. Retention and Inspection of Records

- A. The Contractor agrees that Agency or its designee shall have the right to review, obtain, and copy all records and supporting documentation pertaining to performance of this Agreement. The Contractor agrees to provide Agency or its designee, with any relevant information requested. The Contractor agrees to permit Agency or its designee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees who might reasonably have information related to such records and inspecting and copying such books, records, accounts, and other materials that may be relevant to a matter under investigation for the purpose of determining compliance with the Chapter 5 of Part 1 of Division 31 of the Health and Safety Code and all other applicable requirements established under SB 850, HEAP program guidance document published on the website, and this Agreement.
- B. The Contractor further agrees to retain all records described in Paragraph A for a minimum period of five (5) years after the termination of this Agreement.
 1. If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been commenced before the expiration of the required record retention period, all records must be retained until completion of the action and resolution of all issues which arise from it.

7. Breach and Remedies

- A. The following shall each constitute a breach of this Agreement:
 1. Contractor's failure to comply with the terms or conditions of this Agreement.
 2. Use of, or permitting the use of, HEAP funds provided under this Agreement for any ineligible activities.
 3. Any failure to comply with the deadlines set forth in this Agreement.
- B. In addition to any other remedies that may be available to Agency in law or equity for breach of this Agreement, Agency may:
 1. Bar the Contractor from applying for future HEAP funds;
 2. Revoke any other existing HEAP award(s) to the Contractor;
 3. Require the return of any unexpended HEAP funds disbursed under this Agreement;
 4. Require repayment of HEAP funds disbursed and expended under this Agreement;

**Standard Agreement
EXHIBIT C**

5. Require the immediate return to Agency of all funds derived from the use of HEAP funds including, but not limited to recaptured funds and returned funds;
6. Seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the technical assistance in accordance with HEAP requirements; and
7. Seek such other remedies as may be available under this Agreement or any law.

C. All remedies available to Agency are cumulative and not exclusive.

D. Agency may give written notice to the Contractor to cure the breach or violation within a period of not less than 15 days.

8. Waivers

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of Agency to enforce at any time the provisions of this Agreement, or to require at any time, performance by the Contractor of these provisions, shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of Agency to enforce these provisions.

9. Nondiscrimination

During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, gender identity, gender expression, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), genetic information, marital status, military and veteran status, and denial of medical and family care leave or pregnancy disability leave. Contractors and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor or subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

**Standard Agreement
EXHIBIT C**

10. Conflict of Interest

All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code section 1090 and Public Contract Code, sections 10410 and 10411, for State conflict of interest requirements.

- A. **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest, and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
- B. **Former State Employees:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
- C. **Employees of the Contractor:** Employees of the Contractor shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Government Code section 87100 et seq.

11. Drug-Free Workplace Certification

Certification of Compliance: By signing this Agreement, Contractor, and its subcontractors, hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

- A. Publish a statement notifying employees and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees,

**Standard Agreement
EXHIBIT C**

contractors, or subcontractors for violations, as required by Government Code section 8355(a)(1).

- B. Establish a Drug-Free Awareness Program, as required by Government Code section 8355(a)(2) to inform employees, contractors, or subcontractors about all of the following:
1. The dangers of drug abuse in the workplace;
 2. Contractor's policy of maintaining a drug-free workplace;
 3. Any available counseling, rehabilitation, and employee assistance programs; and,
 4. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- C. Provide, as required by Government Code section 8355(a)(3), that every employee and/or subcontractor who works under this Agreement:
1. Will receive a copy of Contractor's drug-free policy statement, and
 2. Will agree to abide by terms of Contractor's condition of employment or subcontract.

12. Child Support Compliance Act

For any Contract Agreement in excess of \$100,000, the Contractor acknowledges in accordance with Public Contract Code 7110, that:

- A. The Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- B. The Contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

13. Special Conditions – Contractors/Subcontractor

The Contractor agrees to comply with all conditions of this Agreement including the Special Conditions set forth in Exhibit D. These conditions shall be met to the satisfaction of Agency prior to disbursement of funds. The Contractor shall ensure that all Subcontractors are made aware of and agree to comply with all the conditions of this Agreement and the applicable State requirements governing the use of HEAP funds. Failure to comply with these conditions may result in termination of this Agreement.

**Standard Agreement
EXHIBIT C**

- A. The Agreement between the Contractor and any Subcontractor shall require the Contractor and its Subcontractors, if any, to:
1. Perform the work in accordance with Federal, State and Local housing and building codes, as applicable.
 2. Maintain at least the minimum State-required worker's compensation for those employees who will perform the work or any part of it.
 3. Maintain, as required by law, unemployment insurance, disability insurance, and liability insurance in an amount that is reasonable to compensate any person, firm or corporation who may be injured or damaged by the Contractor or any Subcontractor in performing the Work or any part of it.
 4. Agree to include all the terms of this Agreement in each subcontract.

14. Compliance with State and Federal Laws, Rules, Guidelines and Regulations

The Contractor agrees to comply with all State and Federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, environmental protection, equal opportunity, fair housing, and all other matters applicable and/or related to the HEAP program, the Contractor, its Subcontractors, and all eligible activities.

Contractor shall also be responsible for obtaining any and all permits, licenses, and approvals required for performing any activities under this Agreement, including those necessary to perform design, construction, or operation and maintenance of the activities. Contractor shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental protection, procurement, and safety laws, rules, regulations, and ordinances. Contractor shall provide copies of permits and approvals to Agency upon request.

15. Inspections

- A. Contractor shall inspect any work performed hereunder to ensure that the work is being and has been performed in accordance with the applicable Federal, State and/or local requirements, and this Agreement.
- B. Agency reserves the right to inspect any work performed hereunder to ensure that the work is being and has been performed in accordance with the applicable Federal, State and/or local requirements, and this Agreement.
- C. Contractor agrees to require that all work that is determined based on such inspections not to conform to the applicable requirements be corrected and to withhold payments to the subrecipient or Subcontractor until it is corrected.

**Standard Agreement
EXHIBIT C**

16. Litigation

- A. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole discretion of Agency, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect. Therefore, the provisions of this Agreement are and shall be deemed severable.
- B. The Contractor shall notify Agency immediately of any claim or action undertaken by or against it, which affects or may affect this Agreement or Agency, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of Agency.

**Standard Agreement
 Exhibit D**

SPECIAL TERMS AND CONDITIONS

Homeless Emergency Aid Program (HEAP)

1. All proceeds from any interest-bearing account established by the Contractor for the deposit of HEAP funds, along with any interest-bearing accounts opened by Subrecipients to the Contractor for the deposit of HEAP funds, must be used for HEAP-eligible activities. Consistent with Health and Safety Code Section 50214 (b), no more than five (5) percent of these proceeds may be used for general administrative purposes. At least five (5) percent of these proceeds must be allocated to establishing or expanding services for homeless youth, as defined in HEAP Program documents.
2. Any housing-related activities funded with HEAP funds, including but not limited to, emergency shelter, rapid-rehousing, rental assistance, transitional housing and permanent supportive housing must be in compliance or otherwise aligned with the Core Components of Housing First, pursuant to Welfare and Institution Code Section 8255(b).
3. The Contractor agrees to provide the Business, Consumer Services and Housing Agency access to Homeless Management Information System ("HMIS") data collected and entered into the Contractor's HMIS, upon request, and to participate in any statewide data initiative as directed by BCSH including but not limited to, a statewide data integration environment.
4. Pursuant to the information provided in the Contractor's application, the following jurisdictions have declared and have in effect a shelter crisis in accordance with Government Code Section 8698.2 at the time of this award, and are eligible to receive HEAP funds through the Contractor:

County of Riverside	City of Blythe	Cathedral City
City of Coachella	City of Desert Hot Springs	City of Hemet
City of Indian Wells	City of Indio	City of Jurupa Valley
City of Lake Elsinore	City of La Quinta	City of Palm Desert
City of Palm Springs	City of Perris	City of Rancho Mirage
City of Riverside	City of Wildomar	

The following jurisdictions have not declared a shelter crisis at the time of this award and are not eligible to directly receive HEAP funds through the Contractor:

City of Banning	City of Beaumont	City of Calimesa
City of Canyon Lake	City of Corona	City of Eastvale
City of Menifee	City of Moreno Valley	City of Murrieta
City of Norco	City of San Jacinto	City of Temecula

**County of Riverside Department of Public Social Services
Contracts Administration Unit
10281 Kidd Street
Riverside, CA 92503**

and

SUBRECIPIENT

Subrecipient Agreement for the 2018 Homeless Emergency Aid Program (HEAP)

Project Name

DPSS-XXXXX



TABLE OF CONTENTS

1. DEFINITIONS 3

2. DESCRIPTION OF SERVICES 4

3. PERIOD OF PERFORMANCE 5

4. COMPENSATION 5

5. AVAILABILITY OF FUNDS/NON-APPROPRIATION OF FUNDS 5

6. TERMINATION FOR CONVENIENCE 5

7. TERMINATION FOR CAUSE 6

8. REQUEST FOR WAIVER AND WAIVER OF BREACH 7

9. OWNERSHIP, PUBLICATION, REPRODUCTION, AND USE OF MATERIAL 7

10. CONDUCT OF SUBRECIPIENT/ CONFLICT OF INTEREST 7

11. RECORDS, INSPECTIONS, AND AUDITS 8

12. CONFIDENTIALITY 8

13. HOLD HARMLESS/INDEMNIFICATION 9

14. INSURANCE 9

15. WORKERS' COMPENSATION 11

16. VEHICLE LIABILITY 11

17. COMMERCIAL GENERAL LIABILITY 11

19. INDEPENDENT CONTRACTOR 12

20. USE BY OTHER POLITICAL ENTITIES 12

21. NO DEBARMENT OR SUSPENSION 12

22. COMPLIANCE WITH RULES, REGULATIONS, AND DIRECTIVES 12

23. INSPECTIONS 13

25. SERVICE AREAS 13

26. EMPLOYMENT PRACTICES 13

27. CHILD SUPPORT COMPLIANCE ACT 14

28. DRUG FREE WORKPLACE CERTIFICATION 15

29. PERSONNEL 15

30. SUBCONTRACTS 16

31. SUPPLANTATION 16

32. ASSIGNMENT 17

33. FORCE MAJEURE 17

34. GOVERNING LAW 17

35. DISPUTES 17

36. ADMINISTRATIVE/CONTRACT LIAISON 17

37. CIVIL RIGHTS COMPLIANCE 17

38. NOTICES 19

39. SIGNED IN COUNTERPARTS 19

40. MODIFICATION OF TERMS 19

41. ENTIRE AGREEMENT 20

List of Schedules

Schedule A – Payment Provisions

Schedule B – Scope of Services

List of Attachments

Attachment I – Assurance of Compliance

Attachment II – DPSS 2076A and 2076B

Attachment III – Supporting Documentation

Attachment IV – HEAP Time/Activity Report

Attachment V – RFP DPARC-564A

This Subrecipient Agreement for the Homeless Emergency Aid Program (herein referred to as "Agreement") is made and entered into this ____ day of _____, 2019, by and between SUBRECIPIENT (herein referred to as "SUBRECIPIENT") and the County of Riverside, a political subdivision of the State of California, on behalf of its Department of Public Social Services (herein referred to as "COUNTY").

WHEREAS, pursuant to Chapter 5 (commencing with Section 50210) of Part 1 of Division 31 of the Health and Safety Code, and all other relevant provisions established under SB 850 (Chapter 48, Statutes of 2018), the State of California has established the Homeless Emergency Aid Program (HEAP), administered by the California Homeless Coordinating and Financing Council in the Business, Consumer Services and Housing Agency (BCSH); and,

WHEREAS, HEAP provides one-time flexible block grant funds to Administrative Entities of Continuum of Care to address their immediate homelessness challenges; and,

WHEREAS, the COUNTY has been designated as the Administrative Entity to provide coordination and administration of the Continuum of Care for Riverside County (CoC); and,

WHEREAS, on March 4, 2019, the COUNTY entered into Standard Agreement Number 18-HEAP-00052 with the State of California to receive nine million seven hundred ninety-one thousand eight hundred five dollars and six cents (\$9,791,805.06) of HEAP funds; and,

WHEREAS, the COUNTY desires to contract with SUBRECIPIENT for eligible uses of HEAP funds that are consistent with Chapter 5 (commencing with section 50210) of Part 1 of Division 31 of the Health and Safety Code, and all other relevant provisions established under SB 850 (Chapter 48, Statutes of 2018), which include, but are not limited to, one or more of the following: services, rental assistance or subsidies, and homeless youth activities;

NOW THEREFORE, the parties agree as follows:

1. DEFINITIONS

- A. "Administrative Entity" means a unit of general purpose local government (city, county or a city that is also a county) or nonprofit organization that has previously administered federal Department of Housing and Urban Development Continuum of Care funds as the collaborative applicant pursuant to Section 578.3 of Title 24 of the Code of Federal Regulations that has been designated by the Continuum of Care to administer program funds.
- B. "BCSH" means to the State of California Business, Consumer Services and Housing Agency.
- C. "CES" means the Riverside County Coordinated Entry System that serves to prioritize Homeless individuals according to longest length of homelessness and greatest service needs.
- D. "CoC" means the Continuum of Care for Riverside County.
- E. "COUNTY" or "DPSS" means to the County of Riverside and its Department of Public Social Services, which has administrative responsibility for this Agreement. DPSS and COUNTY are used interchangeably in this Agreement.
- F. "Expended" means all HEAP funds Obligated under this Agreement or Subcontract have been fully paid and receipted, and no invoices remain outstanding. .

- G. "HEAP" or "Program" means to the Homeless Emergency Aid Program established pursuant to Chapter 5 of Part 1 of Division 31 of the Health and Safety Code. HEAP and Program are used interchangeably in this Agreement.
- H. "HMIS" means the Riverside County Homeless Management Information System.
- I. "Homeless" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on May 1, 2018.
- J. "Homeless Youth" means an unaccompanied Homeless individual who is not older than 24. Homeless individuals not older than 24 who are parents are included in this definition.
- K. "Instance of Service" means each encounter with a member of the Target Population where services are provided for each of the eligible grant activities. For example, one individual checks into a warming center operated by provider X on Tuesday. The same individual checks into the same warming center the next night. This counts as two (2) instances of service for this activity.
- L. "Obligate" means that the SUBRECIPIENT has placed orders, awarded contracts, received services, or entered into similar transactions that require payment from the HEAP funds allocated to SUBRECIPIENT pursuant to this Agreement.
- M. "Rental Assistance or Subsidies" means housing vouchers, rapid-rehousing programs, and eviction prevention strategies.
- N. "RFP" means a Riverside County Request for Proposal.
- O. "Shelter Crisis" means a situation in which a significant number of persons are without the ability to obtain shelter, resulting in a threat to their health and safety.
- P. "Subcontract" refers to any contract, purchase order, or other purchase agreement, including modifications and change orders to the foregoing, entered into by the SUBRECIPIENT with a subcontractor to furnish supplies, materials, equipment, and services for the performance of any of the terms and conditions contained in this Agreement.
- Q. "SUBRECIPIENT" means SUBRECIPIENT including its employees, agents, representatives, subcontractors and suppliers. SUBRECIPIENT and SUBRECIPIENT are used interchangeably in this Agreement.
- R. "Target Population" means any person who is Homeless as defined in this Agreement.

2. DESCRIPTION OF SERVICES

- A. SUBRECIPIENT shall provide all services at the prices stated in Schedule A, Payment Provisions, and as outlined and specified in Schedule B, Scope of Services.
- B. SUBRECIPIENT represents that it has the skills, experience, and knowledge necessary to perform under this Agreement and the COUNTY relies upon this representation. SUBRECIPIENT shall perform to the satisfaction of the COUNTY and in conformance to and consistent with the highest standards of firms/professionals in the same discipline in the State of California.

- C. SUBRECIPIENT affirms that it is fully apprised of all of the work to be performed under this Agreement and SUBRECIPIENT agrees it can properly perform this work at the prices stated in Schedule A. SUBRECIPIENT is not to perform services or provide products outside of this Agreement.
- D. Acceptance by COUNTY of the SUBRECIPIENT's performance under this Agreement does not operate as a release of SUBRECIPIENT's responsibility for full compliance with the terms of this Agreement.

3. PERIOD OF PERFORMANCE

This Agreement shall be effective upon signature of this Agreement by both parties ("Effective Date") and continues in effect through October 31, 2021, unless terminated earlier. SUBRECIPIENT shall commence performance upon the Effective Date and shall diligently and continuously perform thereafter. COUNTY and SUBRECIPIENT agree that all services provided to the Target Population shall be provided through June 30, 2021.

4. COMPENSATION

COUNTY shall pay SUBRECIPIENT for services performed, products provided, and expenses incurred in accordance with the terms of Schedule A, Payment Provisions. COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products. Unless otherwise specifically stated in Schedule A, COUNTY shall not be responsible for payment of any of SUBRECIPIENT's expenses related to this Agreement. One hundred percent (100%) of HEAP funds allocated to SUBRECIPIENT, pursuant to this Agreement, shall be Expended by June 30, 2021. Any HEAP funds paid to SUBRECIPIENT, but not Expended pursuant to this Agreement by June 30, 2021 shall be returned to COUNTY within five (5) business days to be returned to BCSH and revert to the General Fund. In the event this Agreement is terminated prior to June 30, 2021, any funds paid to SUBRECIPIENT, but not Expended prior to the date of termination, shall be returned to COUNTY within five (5) business days of the notice of termination.

5. AVAILABILITY OF FUNDS/NON-APPROPRIATION OF FUNDS

The obligation of COUNTY for payment of this Agreement is contingent upon and limited by the availability of funding from which payment can be made. This Agreement is valid and enforceable only if sufficient funds are made available to COUNTY by BCSH. There shall be no legal liability for payment on the part of COUNTY unless funds are made available for such payment by BCSH. In the event such funds are not forthcoming for any reason, COUNTY shall immediately notify SUBRECIPIENT in writing and this Agreement shall be deemed terminated having no further force or effect. In the event funding is reduced, COUNTY shall immediately notify SUBRECIPIENT in writing and it is mutually agreed that COUNTY has the option to immediately terminate this Agreement or to amend this Agreement to reflect the reduction of funds. COUNTY shall make all payments to SUBRECIPIENT that were properly earned prior to the unavailability or reduction of funding.

6. TERMINATION FOR CONVENIENCE

- A. COUNTY may terminate this Agreement without cause by giving thirty (30) days written notice served on SUBRECIPIENT stating the extent and effective date of termination.
- B. After receipt of the notice of termination, SUBRECIPIENT shall:
 - (1) Stop all work under this Agreement on the date specified in the notice of termination; and

- (2) Transfer to COUNTY and deliver in the manner directed by COUNTY any materials, reports or other products, which, if the Agreement had been completed or continued, would be required to be furnished to COUNTY.
 - C. After termination, COUNTY shall make payment only for SUBRECIPIENT's performance up to the date of termination in accordance with this Agreement.
 - D. In the event of such termination, COUNTY may proceed with the work in any manner deemed proper by COUNTY.
7. TERMINATION FOR CAUSE
- A. COUNTY may, at any time, upon five (5) days written notice, terminate this Agreement for cause, if SUBRECIPIENT refuses or fails to comply with the terms of this Agreement, or fails to make progress that may endanger performance and does not immediately cure such failure. Cause shall include, but is not limited to:
 - (1) SUBRECIPIENT's failure to comply with the terms or conditions of this Agreement;
 - (2) use of, or permitting the use of HEAP funds provided under this Agreement for any ineligible activities;
 - (3) any failure to comply with the deadlines set forth in this Agreement;
 - (4) violation of any federal or state laws or regulations; or
 - (5) withdrawal of BCSH's expenditure authority.
 - B. In addition to the other remedies that may be available to COUNTY in law or equity for breach of this Agreement, COUNTY may:
 - (1) Bar the SUBRECIPIENT from applying for future HEAP funds;
 - (2) Revoke any other existing HEAP award(s) to the SUBRECIPIENT;
 - (3) Require the return of any unexpended HEAP funds disbursed under this Agreement;
 - (4) Require repayment of HEAP funds disbursed and Expended under this Agreement;
 - (5) Require the immediate return to COUNTY of all funds derived from the use of HEAP funds including, but not limited to recaptured funds and returned funds;
 - (6) Seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the technical assistance in accordance with HEAP requirements; and,
 - (7) Seek such other remedies as may be available under this Agreement or any law.
 - C. After receipt of the notice of termination, SUBRECIPIENT shall:
 - (1) Stop all work under this Agreement on the date specified in the notice of termination; and

(2) Transfer to COUNTY and deliver in the manner directed by COUNTY any materials, reports or other products, which, if the Agreement had been completed or continued, would be required to be furnished to COUNTY.

D. In the event of such termination, COUNTY may proceed with the work in any manner deemed proper by COUNTY.

E. The rights and remedies of COUNTY provided in this section shall be cumulative not exclusive and are in addition to any other rights or remedies provided by law or this Agreement.

8. REQUEST FOR WAIVER AND WAIVER OF BREACH

Waiver of any provision of this Agreement must be in writing and signed by the authorized representatives of the parties. Any waiver by COUNTY of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term of this Agreement. Failure on the part of COUNTY to require exact, full, and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms or preventing COUNTY from enforcing the terms of this Agreement.

9. OWNERSHIP, PUBLICATION, REPRODUCTION, AND USE OF MATERIAL

SUBRECIPIENT agrees that all materials, reports, or products, in any form including electronic, created by SUBRECIPIENT for which SUBRECIPIENT has been compensated by COUNTY pursuant to this Agreement shall be the sole property of COUNTY. The material, reports or products may be used by the COUNTY for any purpose that COUNTY deems appropriate, including but not limited to, duplication and/or distribution within COUNTY or to third parties. SUBRECIPIENT agrees not to release or circulate, in whole or in part, such materials, reports, or products without prior written authorization of COUNTY.

10. CONDUCT OF SUBRECIPIENT/ CONFLICT OF INTEREST

A. SUBRECIPIENT covenants that it presently has no interest, including but not limited to, other projects or contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with SUBRECIPIENT's performance under this Agreement. SUBRECIPIENT further covenants that no person or subcontractor having any such interest shall be employed or retained by SUBRECIPIENT under this Agreement. SUBRECIPIENT agrees to inform the COUNTY of all SUBRECIPIENT's interest, if any, which are or may be perceived as incompatible with COUNTY's interests.

B. SUBRECIPIENT shall not, under circumstances which could be interpreted as an attempt to influence the recipient in the conduct of his/her duties, accept any gratuity or special favor from individuals or firms with whom SUBRECIPIENT is doing business or proposing to do business, in fulfilling this Agreement.

C. SUBRECIPIENT or its employees shall not offer gifts, gratuity, favors, and entertainment directly or indirectly to COUNTY employees.

D. SUBRECIPIENT and its employees shall comply with all applicable provisions of federal and state laws pertaining to conflict of interests, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Government Code section 87100 et seq., Government Code section 1090, and Public Contract Code sections 10410 and 10411.

11. RECORDS, INSPECTIONS, AND AUDITS

- A. All performance, including services, workmanship, materials, facilities or equipment utilized in the performance of this Agreement, shall be subject to inspection and test by COUNTY or any other regulatory agencies at all times. This may include, but is not limited to, monitoring or inspecting SUBRECIPIENT performance through any combination of on-site visits, inspections, evaluations, and SUBRECIPIENT self-monitoring. SUBRECIPIENT shall cooperate with any inspector or COUNTY representative reviewing compliance with this Agreement and permit access to all necessary locations, equipment, materials, or other requested items. SUBRECIPIENT shall establish sufficient procedures to self-monitor the quality of services/products under this Agreement and shall permit COUNTY or other inspector to assess and evaluate SUBRECIPIENT's performance at any time, upon reasonable notice to the SUBRECIPIENT.
- B. SUBRECIPIENT agrees that COUNTY, BCSH, or their designees, shall have the right to review, obtain, and copy all records and supporting documentation pertaining to performance of this Agreement. SUBRECIPIENT agrees to provide COUNTY, BCSH, or their designees, with any relevant information requested. SUBRECIPIENT agrees to permit COUNTY, BCSH, or their designees, access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees who might reasonably have information related to such records and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with Chapter 5 of Part 1 of Division 31 of the Health and Safety Code and all other applicable requirements established under SB 850, HEAP program guidance document published on the website, and this Agreement. SUBRECIPIENT further agrees to retain all records described in this paragraph for a minimum of five (5) years after the termination of this Agreement. If any litigation, claim negotiation, audit, monitoring, inspection or other action has been commenced before the expiration of the required record retention period, all records must be retained until completion of the action and resolution of all issues which arise from it.
- C. COUNTY reserves the right to perform or cause to be performed a financial audit. At COUNTY's request, the SUBRECIPIENT shall provide, at SUBRECIPIENT's own expense, a financial audit prepared by a certified public accountant. HEAP administrative funds may be used to fund this expense.
- (1) If a financial audit is required by COUNTY, the audit shall be performed by an independent certified public accountant.
 - (2) The SUBRECIPIENT shall notify COUNTY of the auditor's name and address immediately after the selection has been made. The contract for the audit shall allow access by COUNTY to the independent auditor's working papers.
 - (3) The SUBRECIPIENT is responsible for the completion of audits and all costs of preparing audits.
 - (4) If there are audit findings, the SUBRECIPIENT must submit a detailed response acceptable to COUNTY for each finding within ninety (90) days from the date of the audit finding report.

12. CONFIDENTIALITY

- A. SUBRECIPIENT shall maintain the privacy and confidentiality of all information and records, regardless of format, received pursuant to this Agreement ("confidential information"). Confidential information includes, but is not limited to, unpublished or sensitive technological or scientific information; medical, personnel, or security records; anticipated material requirements or pricing/purchasing actions; COUNTY information or data which is not subject

to public disclosure; COUNTY operational procedures; and knowledge of selection of contractors, subcontractors or suppliers in advance of official announcement.

- B. SUBRECIPIENT shall protect from unauthorized disclosure names and other identifying information concerning persons receiving services pursuant to this Agreement. SUBRECIPIENT shall ensure case records or personal information is kept confidential when it identifies an individual by name, address, or other specific information. SUBRECIPIENT shall not use such information for any purpose other than carrying out SUBRECIPIENT's obligations under this Agreement. SUBRECIPIENT shall comply with Welfare and Institutions Code Section (WIC) 10850.
- B. SUBRECIPIENT shall take special precautions, including but not limited to, sufficient training of SUBRECIPIENT's staff before they begin work, to protect such confidential information from loss or unauthorized use, access, disclosure, modification or destruction.
- C. SUBRECIPIENT shall promptly transmit to COUNTY all third party requests for disclosure of confidential information. SUBRECIPIENT shall not disclose such information to anyone other than COUNTY except when disclosure is specifically permitted by this Agreement or as authorized in writing in advance by COUNTY.

13. HOLD HARMLESS/INDEMNIFICATION

- A. SUBRECIPIENT shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability, action, claim or damage whatsoever, based or asserted upon any services of SUBRECIPIENT, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature. SUBRECIPIENT shall defend the Indemnitees at its sole expense including all costs and fees (including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards) in any claim or action based upon such acts, omissions or services.
- B. With respect to any action or claim subject to indemnification herein by SUBRECIPIENT, SUBRECIPIENT shall, at their sole cost, have the right to use counsel of their own choice, subject to the approval of COUNTY which shall not be unreasonably withheld, and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes SUBRECIPIENT indemnification to Indemnitees as set forth herein.
- C. SUBRECIPIENT's obligation hereunder shall be satisfied when SUBRECIPIENT has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.
- D. The specified insurance limits required in this Agreement shall in no way limit or circumscribe SUBRECIPIENT's obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

14. INSURANCE

- A. Without limiting or diminishing SUBRECIPIENT's obligation to indemnify or hold COUNTY harmless, SUBRECIPIENT shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Agreement. As respects to the insurance section only, COUNTY herein refers to the County of Riverside, its agencies, districts, special districts, and departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents, or representatives as Additional Insureds.
- B. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an AM BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the COUNTY Risk Manager. If the COUNTY's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.
- C. SUBRECIPIENT's must declare its insurance self-insured retentions for each coverage required herein. If any such self-insured retentions exceed \$500,000 per occurrence each such retentions shall have the prior written consent of the COUNTY Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to COUNTY, and at the election of the COUNTY's Risk Manager, SUBRECIPIENT's carriers shall either 1) reduce or eliminate such self-insured retention as respects to this Agreement with COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.
- D. SUBRECIPIENT shall cause SUBRECIPIENT's insurance carrier(s) to furnish the COUNTY with either 1) a properly executed original certificate(s) of insurance and certified original copies of endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the 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 thirty (30) calendar days written notice shall be given to the COUNTY prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the COUNTY receives, prior to such effective date, another properly executed original certificate of insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect. SUBRECIPIENT shall not commence operations until the COUNTY has been furnished original certificate(s) of insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this section. An individual authorized by the insurance carrier shall sign the original endorsements for each policy and the certificate of insurance.
- E. It is understood and agreed to by the parties hereto that SUBRECIPIENT's insurance shall be construed as primary insurance, and COUNTY's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.
- F. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services, or there is a material change in the equipment to be used in the performance of the scope of work, or the term of this Agreement, including any extensions thereof, exceeds five (5) years, the COUNTY reserves the right to adjust the types of

insurance required under this Agreement and the monetary limits of liability for the insurance coverages currently required herein if, in the COUNTY Risk Manager's reasonable judgment, the amount or type of insurance carried by the SUBRECIPIENT has become inadequate.

- G. SUBRECIPIENT shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.
- H. The insurance requirements contained in this Agreement may be met with a program of self-insurance acceptable to COUNTY.
- I. SUBRECIPIENT agrees to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

15. WORKERS' COMPENSATION

If SUBRECIPIENT has employees as defined by the State of California, SUBRECIPIENT shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside.

16. VEHICLE LIABILITY

If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then SUBRECIPIENT shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit. Policy shall name COUNTY as Additional Insured.

17. COMMERCIAL GENERAL LIABILITY

Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of SUBRECIPIENT's performance of its obligations hereunder. Policy shall name the COUNTY as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit.

18. PROFESSIONAL LIABILITY

If, at any time during the duration of this Agreement and any renewal or extension thereof, the SUBRECIPIENT, its employees, agents or subcontractors provide professional counseling for issues of medical diagnosis, medical treatment, mental health, dispute resolution or any other services for which it is the usual and customary practice to maintain Professional Liability Insurance, the SUBRECIPIENT shall maintain Professional Liability Insurance providing coverage for the SUBRECIPIENT's performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If SUBRECIPIENT's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and SUBRECIPIENT shall purchase at its sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or, 2) Prior Dates Coverage from a new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that SUBRECIPIENT has maintained continuous coverage with the

same or original insurer. Coverage provided under items 1), 2), or 3) will continue as long as the law allows.

19. INDEPENDENT CONTRACTOR

The SUBRECIPIENT is, for purposes relating to this Agreement, an independent contractor and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the SUBRECIPIENT (including its employees, agents, and subcontractors) shall in no event be entitled to any benefits to which COUNTY employees are entitled, including but not limited to, overtime, any retirement benefits, workers' compensation benefits, health benefits, and injury leave or other leave benefits. COUNTY shall not be required to make any deductions for SUBRECIPIENT's employees from the compensation payable to SUBRECIPIENT under this Agreement. There shall be no employer-employee relationship between the parties and SUBRECIPIENT shall hold COUNTY harmless from any and all claims that may be made against COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this Agreement. It is further understood and agreed by the parties that SUBRECIPIENT in the performance of this Agreement is subject to the control or direction of COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

20. USE BY OTHER POLITICAL ENTITIES

The SUBRECIPIENT agrees to extend the same pricing, terms and conditions as stated in this Agreement to each and every political entity, special district, and related non-profit entity in Riverside County. It is understood that other entities shall make purchases in their own name, make direct payment, and be liable directly to the SUBRECIPIENT; COUNTY shall in no way be responsible to SUBRECIPIENT for other entities' purchases.

21. NO DEBARMENT OR SUSPENSION

SUBRECIPIENT certifies that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a federal department or agency; has not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against it for the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction; violation of federal or state anti-trust status; commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; is not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state or local) with commission of any of the offenses enumerated herein; and has not within a three-year period preceding this Agreement had one or more public transactions (federal, state or local) terminated for cause or default.

22. COMPLIANCE WITH RULES, REGULATIONS, AND DIRECTIVES

SUBRECIPIENT agrees to comply with all state and federal laws, rules and regulations that pertain to construction, health and safety, labor, fair employment practices, environmental protection, equal opportunity, fair housing, and all other matters applicable and/or related to the HEAP program, the COUNTY, its subcontractors, and all eligible activities. SUBRECIPIENT will comply with all applicable COUNTY policies and procedures. In the event that there is a conflict between the various laws or regulations that may apply, the SUBRECIPIENT shall comply with the more restrictive law or regulation.

SUBRECIPIENT shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any activities under this Agreement, including those necessary to perform design, construction, or operation and maintenance of the activities. SUBRECIPIENT shall be

responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental protection, procurement, and safety laws, rules, regulations, and ordinances. SUBRECIPIENT shall provide copies of permits and approvals to the COUNTY and BCSH upon request.

23. **INSPECTIONS**

- A. The COUNTY shall inspect any work performed hereunder to ensure that the work is being and has been performed in accordance with the applicable federal, state and/or local requirements, and the COUNTY's agreement with BCSH.
- B. BCSH shall have the right to inspect any work performed hereunder to ensure that the work is being and has been performed in accordance with the applicable federal, state and/or local requirements, and the COUNTY's agreement with BCSH.
- C. SUBRECIPIENT shall correct all work that is determined based on such inspections not to conform to the applicable requirements and COUNTY shall withhold payments to the SUBRECIPIENT until it is corrected.

24. **CORE COMPONENTS OF HOUSING FIRST**

SUBRECIPIENT shall ensure that any housing-related activities funded with HEAP funds, including, but not limited to, emergency shelter, rapid re-housing, Rental Assistance, transitional housing and permanent supportive housing must be in compliance or otherwise aligned with the Core Components of Housing First, pursuant to Welfare and Institutions Code Section 8255(b).

25. **SERVICE AREAS**

SUBRECIPIENT shall only provide services in the unincorporated areas of the County of Riverside and in following incorporated cities:

County of Riverside	City of Blythe	Cathedral City
City of Coachella	City of Desert Hot Springs	City of Hemet
City of Indian Wells	City of Indio	City of Jurupa Valley
City of Lake Elsinore	City of La Quinta	City of Palm Desert
City of Palm Springs	City of Perris	City of Rancho Mirage
City of Riverside	City of Wildomar	

SUBRECIPIENT shall not provide services in the following incorporated cities:

City of Banning	City of Beaumont	City of Calimesa
City of Canyon Lake	City of Corona	City of Eastvale
City of Menifee	City of Moreno Valley	City of Murrieta
City of Norco	City of San Jacinto	City of Temecula

26. **EMPLOYMENT PRACTICES**

- A. SUBRECIPIENT and its subcontractors shall comply with all federal and state statutes and regulations in the hiring of its employees.
- B. During the performance of this Agreement, SUBRECIPIENT and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, gender identity, gender expression,

race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), genetic information, marital status, military and veteran status, and denial of medical and family care leave or pregnancy disability leave. SUBRECIPIENT and its subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. SUBRECIPIENT or its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. SUBRECIPIENT and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

- C. In the provision of benefits, SUBRECIPIENT and its subcontractors shall certify and comply with Public Contract Code 10295.3 and not discriminate between employees with spouses and employees with domestic partners, or discriminate between the domestic partners and spouses of those employees. For the purpose of this section, "domestic partner" means one of two persons who have filed a declaration of domestic partnership with the Secretary of State pursuant to Division 2.5 (commencing with Section 297) of the Family Code.
- D. By signing this Agreement or accepting funds under this Agreement, SUBRECIPIENT and its subcontractors shall comply with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Department of Labor regulations (41 CFR Chapter 60).

27. CHILD SUPPORT COMPLIANCE ACT

- A. The SUBRECIPIENT recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- B. The SUBRECIPIENT, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department (EDD).
- C. In order to comply with child support enforcement requirements of the State of California, the COUNTY may be required to submit a Report of Independent Contractor(s) form **DE 542** to the Employment Development Department. The SUBRECIPIENT agrees to furnish the required data and certifications to the COUNTY within ten (10) days when required by the EDD. This data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders. Failure of the SUBRECIPIENT to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignments Orders and Notices of Assignment shall constitute a material breach of this Agreement. If SUBRECIPIENT has any questions concerning this reporting requirement, please call (916) 657-0529. SUBRECIPIENT should also contact its local Employment Tax Customer Service Office listed in the telephone

directory in the State Government section under "Employment Development Department" or access their Internet site at www.edd.ca.gov.

28. DRUG FREE WORKPLACE CERTIFICATION

By signing this Agreement, SUBRECIPIENT, and its subcontractors, hereby certify, under penalty of perjury under the laws of the State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code 8350 et seq.) and have or will provide a drug-free workplace by taking the following actions:

- (1) Publish a statement notifying employees and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code section 8355 (a)(1).
- (2) Establish a Drug-Free Awareness Program, as required by Government Code section 8355(a)(2) to inform employees, contractors, or subcontractors about all of the following:
 - a. The dangers of drug abuse in the workplace;
 - b. SUBRECIPIENT's policy of maintaining a drug-free workplace;
 - c. Any available counseling, rehabilitation, and employee assistance programs; and,
 - d. Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- (3) Provide as required by Government Code section 8355(a)(3), that every employee and/or subcontractor who works under this Agreement:
 - a. Will receive a copy of SUBRECIPIENT'S drug-free policy statement; and,
 - b. Will agree to abide by terms of SUBRECIPIENT'S condition of employment or Subcontract.

29. PERSONNEL

- A. Upon request by COUNTY, SUBRECIPIENT agrees to make available to COUNTY a current list of personnel that are providing services under this Agreement who have contact with children or adult clients. The list shall include:
 - (1) All staff who work full or part-time positions by title, including volunteer positions;
 - (2) A brief description of the functions of each position and hours each position worked; and
 - (3) The professional degree, if applicable and experience required for each position.
- B. COUNTY has the sole discretion to approve or not approve any person on the SUBRECIPIENT's list that has been convicted of any crimes involving sex, drugs or violence, or who is known to have a substantiated report of child abuse, as defined in Penal Code Section 11165.12, who occupies positions with supervisory or disciplinary power over minors, or who occupies supervisory or teaching positions over adult clients. COUNTY shall notify SUBRECIPIENT in writing of any person not approved, but to protect client confidentiality, may not be able to disclose the reason(s) for non-approval. Upon notification, SUBRECIPIENT shall immediately remove that person from providing services under this Agreement.
- C. Background Checks
SUBRECIPIENT shall conduct criminal background records checks on all individuals providing services under this Agreement. Prior to these individuals providing services to clients, SUBRECIPIENT shall have received a criminal records clearance from the State of

California Department of Justice (DOJ). A signed certification of such clearance shall be retained in each individual's personnel file. The use of criminal records for the purposes of employment decisions must comply with the Office of Federal Contract Compliance Programs Directive 2013-02 "Complying with Nondiscrimination Provisions: Criminal Record Restrictions and Discrimination Based on Race and National Origin" and California Government Code § 12952.

30. SUBCONTRACTS

- A. No contract shall be made by the SUBRECIPIENT with any other party for furnishing any of the work or services under this Agreement without the prior written approval of the COUNTY; but this provision shall not require the approval of contracts of employment between the SUBRECIPIENT and personnel assigned under this Agreement, or for parties named in the proposal and agreed to under this Agreement.
- B. SUBRECIPIENT shall not enter into any Subcontract with any subcontractor who:
- (1) Is presently debarred, suspended, proposed for debarment or suspension, or declared ineligible or voluntarily excluded from covered transactions by a federal department or agency;
 - (2) Has within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for the commission of fraud; a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction; violation of federal or state anti-trust status; commission of embezzlement, theft, forgery, bribery; falsification or destruction of records; making false statements; or receiving stolen property;
 - (3) Is presently indicted or otherwise criminally or civilly charged by a government entity (federal, state or local) with commission of any of the offenses enumerated in the paragraph above; and
 - (4) Has within a three-year period preceding this Agreement had one or more public transactions (federal, state or local) terminated for cause or default.
- B. SUBRECIPIENT shall be fully responsible for the acts or omissions of its subcontractors and the subcontractors' employees.
- C. SUBRECIPIENT shall insert clauses in all Subcontracts to bind its subcontractors to the terms and conditions of this Agreement.
- D. Nothing contained in this Agreement shall create a contractual relationship between any subcontractor or supplier of SUBRECIPIENT and COUNTY.
- E. In the event that SUBRECIPIENT enters into Subcontracts with subcontractors, as provided herein, SUBRECIPIENT must contractually Obligate no less than fifty percent (50%) of the HEAP funds hereunder that will be allocated to subcontractors by January 1, 2020.

31. SUPPLANTATION

SUBRECIPIENT shall not supplant any federal, state or COUNTY funds intended for the purpose of this Agreement with any funds made available under any other agreement. SUBRECIPIENT shall not claim reimbursement from COUNTY for any sums which have been paid by another source of revenue. SUBRECIPIENT agrees that it will not use funds received pursuant to this

Agreement, either directly or indirectly, as a contribution or compensation for purposes of obtaining state funds under any state program or county funds under any county programs without prior approval of COUNTY.

32. **ASSIGNMENT**

SUBRECIPIENT shall not delegate or assign any interest in this Agreement, whether by operation of law or otherwise, without the prior written consent of COUNTY and a formal amendment to this Agreement to affect such delegation or assignment. Any attempt to delegate or assign any interest herein without the prior written consent of COUNTY shall be deemed void and of no force or effect.

33. **FORCE MAJEURE**

If either party is unable to comply with any provision of this Agreement due to causes beyond its reasonable control and which could not have been reasonably anticipated, such as acts of God, acts of war, civil disorders, or other similar acts, such party shall not be held liable for such failure to comply.

34. **GOVERNING LAW**

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

35. **DISPUTES**

A. The parties shall attempt to resolve any disputes amicably at the working level. If that is not successful, the dispute shall be referred to the senior management of the parties. Any dispute relating to this Agreement, which is not resolved by the parties, shall be decided by COUNTY's Compliance Contract Officer who shall furnish the decision in writing. The decision of COUNTY's Compliance Contract Officer shall be final and conclusive unless determined by a court to have been fraudulent, capricious, arbitrary, or so grossly erroneous as necessarily to imply bad faith. SUBRECIPIENT shall proceed diligently with the performance of this Agreement pending resolution of a dispute.

B. Prior to the filing of any legal action related to this Agreement, the parties shall be obligated to attend a mediation session in Riverside County before a neutral third party mediator. A second mediation session shall be required if the first session is not successful. The parties shall share the cost of the mediations.

36. **ADMINISTRATIVE/CONTRACT LIAISON**

Each party shall designate a liaison that will be the primary point of contact regarding this Agreement.

37. **CIVIL RIGHTS COMPLIANCE**

A. **Assurance of Compliance**

SUBRECIPIENT shall complete the "Assurance of Compliance with Riverside County Department of Public Social Services Non-Discrimination in State and Federally Assisted Programs," attached as Attachment I. SUBRECIPIENT shall sign and date Attachment I and

return it to COUNTY along with the executed Agreement. SUBRECIPIENT shall ensure that the administration of public assistance and social service programs are non-discriminatory. To the effect that no person shall because of ethnic group identification, age, sex, color, disability, medical condition, national origin, race, ancestry, marital status, religion, religious creed or political belief be excluded from participation in or be denied the benefits of, or be otherwise subject to discrimination under any program or activity receiving federal or state financial assistance.

B. Client Complaints

SUBRECIPIENT shall further establish and maintain written referral procedures under which any person, applying for or receiving services hereunder, may seek resolution from COUNTY of a complaint with respect to any alleged discrimination in the provision of services by SUBRECIPIENT's personnel. SUBRECIPIENT must distribute to social service clients that apply for and receive services, "Your Rights Under California Welfare Programs" brochure (Publication 13). For copies of this brochure, visit the following website at:

<http://www.cdss.ca.gov/inforesources/Civil-Rights/Your-Rights-Under-California-Welfare-Programs>

Civil Rights Complaints should be referred to:

Civil Rights Coordinator
Riverside County Department of Public Social Services
7894 Mission Grove Parkway, Suite 100
Riverside, CA 92508
(951) 358-6841

C. Services, Benefits and Facilities

SUBRECIPIENT shall not discriminate in the provision of services, the allocation of benefits, or in the accommodation in facilities on the basis of color, race, religion, national origin, sex, age, sexual preference, physical or mental handicap in accordance with Title VI of the Civil Rights Act of 1964, 42 U.S.C. Section 2000d and all other pertinent rules and regulations promulgated pursuant thereto, and as otherwise provided by State law and regulations, as all may now exist or be hereafter amended or changed. For the purpose of this Section, discrimination means denying a participant or potential participant any service, benefit, or accommodation that would be provided to another and includes, but is not limited to, the following:

- (1) Denying a participant any service or benefit or availability of a facility.
- (2) Providing any service or benefit to a participant which is different, or is provided in a different manner, or at a different time or place from that provided to other participants on the basis of race, color, creed or national origin.
- (3) Restricting a participant in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit. Treating a participant differently from others in satisfying any admission requirement or condition, or eligibility requirement or condition, which individuals must meet in order to be provided any service or benefit.

D. Cultural Competency

SUBRECIPIENT shall cause to be available bilingual professional staff or qualified interpreter to ensure adequate communication between clients and staff. Any individual with limited English language capability or other communicative barriers shall have equal access to services. For the purpose of this Section, a qualified interpreter is defined as someone who is fluent in English and in the necessary second language, can accurately speak, read and readily interpret the necessary second language and/or accurately sign and read sign language. A qualified interpreter must be able to translate in linguistically appropriate terminology necessary to convey information such as symptoms or instructions to the client in both languages.

38. NOTICES

All correspondence and notices required or contemplated by this Agreement shall be delivered to the respective parties at the addresses set forth below and are deemed submitted three (3) business days after their deposit in the United States mail, postage prepaid:

DPSS:

For Agreement Issues:

Department of Public Social Services
Contracts Administration Unit
P.O. Box 7789
Riverside, CA 92513

For Program Issues:

Department of Public Social Services – Adult Services Division
CoC-CORE (Coordination, Oversight, Reporting and Evaluation) Region
1111 Spruce Street
Riverside, CA 92507

Invoices and other financial documents:

Department of Public Social Services
Fiscal/Management Reporting Unit
4060 County Circle Drive
Riverside, CA 92503

SUBRECIPIENT:

SUBRECIPIENT'S ADDRESS

39. SIGNED IN COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all counterparts together shall constitute a single agreement.

40. MODIFICATION OF TERMS

This Agreement may be changed or modified only by a written amendment signed by authorized representatives of both parties.

41. ENTIRE AGREEMENT

This Agreement, including any schedules, attachments, or exhibits, constitutes the entire agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous agreements, representations, proposals, discussions, and communications, whether oral or in writing.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement.

Authorized Signature for SUBRECIPIENT:	Authorized Signature for COUNTY:
Printed Name of Person Signing:	Printed Name of Person Signing: Sarah Mack
Title:	Title: Director for DPSS
Date Signed:	Date Signed:

Schedule A
Payment Provisions

A.1 MAXIMUM REIMBURSABLE AMOUNT

SUBRECIPIENT shall be reimbursed by COUNTY, in an amount not to exceed \$X.XX. Said funds shall be spent according to the line item budget below:

BUDGET CATEGORY	TOTAL
SERVICES	\$X.XX
RENTAL ASSISTANCE OR SUBSIDIES	\$X.XX
HOMELESS YOUTH SET-ASIDE	\$X.XX
ADMINISTRATIVE COSTS (SUBRECIPIENT)	\$X.XX
TOTAL	\$X.XX

A.2 METHOD, TIME, AND CONDITIONS OF PAYMENT

- a. SUBRECIPIENT will be paid the actual amount of each approved monthly invoice. COUNTY may delay payment if the required supporting documentation, as set forth in Attachment III, attached hereto and incorporated herein by this reference, is not provided or other requirements are not met. SUBRECIPIENT shall also submit the following documents with each approved monthly invoice:
 - 1. DPSS Forms 2076A, 2076B (Attachment II)
 - 2. DPSS HEAP Time/Activity Report (Attachment IV)
- b. All completed claims must be submitted on a monthly basis no later than thirty (30) days after the end of each month in which the services were provided. Each payment claiming period shall consist of a calendar month. All complete claims submitted in a timely manner shall be processed within forty-five (45) calendar days.

A.3 INELIGIBLE COSTS

HEAP funds shall not be used for costs associated with activities in violation of any law or for any activities not consistent with the intent of the Program and the eligible uses as identified in Health and Safety Code section 50214.

The COUNTY reserves the right to request additional information and clarification to determine the reasonableness and eligibility of all costs to be paid with funds made available by this Agreement. COUNTY has the authority to withhold funds under this Agreement pending a final determination by COUNTY of questioned expenditures or indebtedness. If the SUBRECIPIENT or its funded subcontractors use HEAP funds to pay for ineligible activities, the SUBRECIPIENT shall be required to reimburse these funds to the COUNTY. Upon final determination by COUNTY of disallowed expenditures or indebtedness, COUNTY may deduct and retain the amount of the disallowed or indebtedness from the amount of the withheld funds.

- 1. An expenditure which is not authorized under this Agreement, or which cannot be adequately documented, shall be disallowed and must be reimbursed to the COUNTY.
- 2. Expenditures for activities not described above shall be deemed authorized if the activities are consistent with Health and Safety Code Section 50214 and such activities are approved in writing by COUNTY and BCSH, prior to the expenditure of funds for those activities.

3. BCSH, at its sole and reasonable discretion, shall make the final determination regarding the allowability of expenditures of HEAP funds.
4. HEAP funds shall not be used for overhead or planning activities, including Homeless Management Information System or Homelessness Plans.

A.4 ADMINISTRATIVE COSTS

The SUBRECIPIENT must comply with Health and Safety Code section 50214, which limits administrative costs related to the execution of eligible activities to no more than five percent (5%) of HEAP funds. For purpose of this Program, "administrative costs" does not include staff costs directly related to carrying out the eligible activities.

A.5 HOMELESS YOUTH SET-ASIDE

No less than five percent (5%) of HEAP funds shall be used to establish or expand services meeting the needs of Homeless Youth or youth at risk of homelessness.

A.6 EXPENDITURE OF FUNDS

One hundred percent (100%) of HEAP funds shall be Expended by June 30, 2021. Any HEAP funds paid to SUBRECIPIENT, but not Expended pursuant to this Agreement by June 30, 2021 shall be returned to COUNTY within five (5) business days to be returned to BCSH and revert to the General Fund.

A.7 ADVANCES

COUNTY may issue a one-time advance payment to SUBRECIPIENT in an amount not to exceed twenty-five percent (25%) of the maximum reimbursable amount upon written request by the SUBRECIPIENT. Such written request must be submitted on SUBRECIPIENT letterhead and SUBRECIPIENT shall complete the DPSS 2076A form (Attachment II). If an advance is issued, the advance will be recouped within the first six monthly claims that are submitted. Seventeen percent (17%) of the advance will be recouped from each of the first five (5) monthly claims submitted and fifteen percent (15%) of the advance will be recouped from the sixth monthly claim submitted. If there are not enough funds in a monthly claim to recoup the applicable percentage of the advance, the difference between the percentage of the advance that was recouped and the percentage of the advance that should have been recouped will be added to the percentage of the advance recouped in the subsequent claim. ***DPSS reserves the right, in its sole discretion, to approve or deny an advance request based on funding availability.***

SUBRECIPIENT shall place the advance in an interest-bearing account. All proceeds from the interest-bearing account established by the SUBRECIPIENT for the deposit of HEAP funds, along with any interest-bearing accounts opened by the subcontractors to the SUBRECIPIENT for the deposit of HEAP funds, must be used for HEAP-eligible activities. Consistent with Health and Safety Code section 50214(b), no more than five percent (5%) of these proceeds may be used for general administrative purposes. At least five percent (5%) of these proceeds must be allocated to establishing or expanding services for Homeless Youth.

A.8 BUDGET AMENDMENTS

SUBRECIPIENT shall make no changes to the budget without first obtaining written approval from the COUNTY. Any budget amendments must be requested by the SUBRECIPIENT in writing

through submission of a Change Request Form. Changes must also be approved in writing by BCSH.

A. 9 WITHHELD PAYMENTS

Payments to SUBRECIPIENT may be withheld by COUNTY if SUBRECIPIENT fails to comply with the provisions of this Agreement.

A.10 REPROGRAMMING OF HEAP FUNDS

BCSH allows for the COUNTY as the Administrative Entity for the CoC to reprogram funds under the HEAP program from one eligible activity and/or jurisdiction to another after the application is approved and funds are disbursed. The COUNTY with the advisement of the CoC Board of Governance and with the approval of BCSH reserves the right to reprogram funds as needed after awards are announced to ensure funding spending goals and Program compliance under Health and Safety Code Section 50215(b)(2).

A.11 FISCAL ACCOUNTABILITY

- a. SUBRECIPIENT agrees to manage funds received through COUNTY in accordance with sound accounting policies and incur and claim only eligible costs for reimbursement.
- b. SUBRECIPIENT must establish and maintain on a current basis an accrual accounting system in accordance with generally accepted accounting principles and standards. Further, SUBRECIPIENT must develop an accounting procedure manual. Said manual shall be made available to COUNTY upon request or during fiscal monitoring visits.

Schedule B
Scope of Services

B.1 APPLICATION

SUBRECIPIENT has submitted to CoC an RFP, RFP DPARC-564A, for HEAP funds ("Application") to provide urgently needed emergency assistance to Homeless people in the communities with a declared Shelter Crisis or applicable waiver as authorized by Health and Safety Code Section 50212(b). COUNTY is entering into this Agreement on the basis of, and in substantial reliance upon, SUBRECIPIENT's facts, information, assertions and representations contained in that Application, and in any subsequent modifications or additions thereto approved by CoC. The Application and any approved modifications and additions thereto are hereby attached to this agreement as Attachment V and incorporated herein by this reference.

SUBRECIPIENT warrants that all information, facts, assertions, and representations contained in the Application and approved modifications and additions thereto are true, correct, and complete to the best of SUBRECIPIENT's knowledge. In the event that any part of the Application and any approved modification and addition thereto is untrue, incorrect, incomplete, or misleading in such a manner that would substantially affect COUNTY's approval, disbursement, or monitoring of the funding and the grants or activities governed by this Agreement, then COUNTY may declare a breach hereof and take such action or pursue such remedies as are provided for a breach hereof. In the event that there is a conflict between the Application and this Agreement, this Agreement shall govern.

B.2 SCOPE OF SERVICES

A. SUBRECIPIENT shall:

- 1.

B.3 HOMELESS MANAGEMENT INFORMATION SYSTEM

A. SUBRECIPIENT agrees to participate in the Homeless Management Information System (HMIS).

1. Participation is defined by HMIS training attendance, complying with Riverside County HMIS security policies and procedures, data collection, and entering required client data on a regular and timely basis.
2. COUNTY retains the rights to the HMIS and case management software application used in the operations of this property. COUNTY will grant SUBRECIPIENT access to use the HMIS software for the term of this Agreement.
3. SUBRECIPIENT shall ensure that employees using HMIS for client intake capture all required data fields, as set forth in the County of Riverside Continuum of Care HMIS Policies and Procedures Manual, which is located on the DPSS website: <http://dpss.co.riverside.ca.us/files/pdf/hmis/policies/2017/county-of-riverside-coc-hmis-charter-rev-12-7-17-final.pdf>.
4. SUBRECIPIENT must maintain a valid HMIS End User Agreement on file with COUNTY, which is located on the DPSS website: <http://dpss.co.riverside.ca.us/files/pdf/hmis/policies/2017/county-of-riverside-coc-hmis-charter-rev-12-7-17-final.pdf>.

5. SUBRECIPIENT agrees to provide BCSH access to HMIS data collected and entered into the SUBRECIPIENT'S HMIS, upon request, and to participate in any statewide data initiative as directed by BCSH, including, but not limited to, a statewide data integration environment.

B.4 REPORTING REQUIREMENTS

- A. SUBRECIPIENT shall submit an annual report to COUNTY on forms provided by COUNTY, by June 30, 2020 and August 1, 2021. If the SUBRECIPIENT fails to provide such documentation, COUNTY may disencumber any portion of the amount authorized by this Agreement with a five (5) day written notification. SUBRECIPIENT shall also submit additional reports that may be requested by COUNTY and/or BCSH.
- B. The annual report shall contain a detailed report containing the following:
 1. Amounts awarded to subcontractors with activity(ies) identified.
 2. Contract expenditures
 3. Unduplicated number of Homeless persons or persons at imminent risk of homelessness served.
 4. Number of Instances of Service.
 5. Increases in capacity for new and existing programs.
 6. The number of unsheltered Homeless persons becoming sheltered.
 7. The number of Homeless persons entering permanent housing.
- C. Breakdowns will be expected for each activity (i.e. services, capital improvements, Rental Assistance, etc.) and program type (i.e. emergency shelter, rapid re-housing, outreach, etc.) for the supplemental reporting requirements listed above, when applicable. The same information will also be requested specifically for the following subpopulations, based on priorities identified by the U.S. Department of Housing and Urban Development (HUD):
 1. Chronically Homeless
 2. Homeless veterans
 3. Unaccompanied Homeless Youth
 4. Homeless persons in families with children
- D. SUBRECIPIENT will also be asked to comment on the following:
 1. Progress made toward local homelessness goals.
 2. The alignment between HEAP funding priorities and "Housing First" principles adopted by the Homeless Coordinating and Financing Council.
 3. Any other effects from HEAP funding that the CoC would like to share (optional).

ATTACHMENT I
Assurance of Compliance

**ASSURANCE OF COMPLIANCE WITH
THE RIVERSIDE COUNTY DEPARTMENT OF PUBLIC SOCIAL SERVICES
NONDISCRIMINATION IN STATE AND FEDERALLY ASSISTED PROGRAMS**

SUBRECIPIENT
NAME OF ORGANIZATION

HEREBY AGREES THAT it will comply with Title VI and VII of the Civil Rights Act of 1964 as amended; Section 504 of the Rehabilitation Act of 1973 as amended; the Age Discrimination Act of 1975 as amended; the Food Stamp Act of 1977, as amended and in particular section 272.6; Title II of the Americans with Disabilities Act of 1990; California Civil Code Section 51 et seq., as amended; California Government Code section 11135-11139.5, as amended; California Government Code section 12940 (c), (h) (1), (i), and (j); California Government Code section 4450; Title 22, California Code of Regulations section 98000 – 98413; Title 24 of the California Code of Regulations, Section 3105A(e); the Dymally-Alatorre Bilingual Services Act (California Government Code Section 7290-7299.8); Section 1808 of the Removal of Barriers to Interethnic Adoption Act of 1996; the Fair Employment and Housing Act (Government Code section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code Regulations, Title 2, section 7285 et seq.; the Fair Employment and Housing Commission regulations implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations; and other applicable federal and state laws, as well as their implementing regulations [including 45 Code of Federal Regulations (CFR) Parts 80, 84, and 91, 7 CFR Part 15, and 28 CFR Part 42], by ensuring that employment practices and the administration of public assistance and social services programs are nondiscriminatory, to the effect that no person shall because of ethnic group identification, age (over 40), sex (gender), sexual orientation, gender identity, gender expression, race, color, ancestry, pregnancy, disability (mental or physical including HIV and AIDS), medical condition (cancer/genetic characteristics), national origin (including language use restrictions), marital status, military and veteran status, religion, religious creed or political belief be excluded from participation in or be denied the benefits of, or be otherwise subject to discrimination under any program or activity receiving federal or state financial assistance; and HEREBY GIVE ASSURANCE THAT it will immediately take any measures necessary to effectuate this Agreement.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all federal and state assistance; and THE VENDOR/RECIPIENT HEREBY GIVES ASSURANCE THAT administrative methods/procedures which have the effect of subjecting individuals to discrimination or defeating the objectives of the California Department of Social Services (CDSS) Manual of Policies and Procedures (MPP) Chapter 21, will be prohibited.

BY ACCEPTING THIS ASSURANCE, the vendor/recipient agrees to compile data, maintain records and submit reports as required, to permit effective enforcement of the aforementioned laws, rules and regulations and permit authorized CDSS and/or federal government personnel, during normal working hours, to review such records, books and accounts as needed to ascertain compliance. If there are any violations of this assurance, CDSS shall have the right to invoke fiscal sanctions or other legal remedies in accordance with Welfare and Institutions Code section 10605, or Government Code section 11135-11139.5, or any other laws, or the issue may be referred to the appropriate federal agency for further compliance action and enforcement of this assurance.

THIS ASSURANCE is binding on the vendor/recipient directly or through contract, license, or other provider services, as long as it receives federal or state assistance.

Date

Director's Signature

Address of Vendor/Recipient
(08/13/01)

CR50-Vendor Assurance of Compliance

COUNTY OF RIVERSIDE
DEPARTMENT OF PUBLIC SOCIAL SERVICES

SUBRECIPIENT PAYMENT REQUEST

From: _____
Remit to Name _____
Address _____
Sub recipient Name _____
Sub recipient Number _____

Total amount requested _____ for the period of _____ 20 _____

Select Payment Type(s) Below:

Advance Payment \$ _____
(if allowed by Contract/MOU)

Actual Payment \$ _____
(Same amount as 2076B if needed)

Unit of Service Payment \$ _____

_____ # of Units) X _____ (\$) _____

_____ # of Units) X (\$) _____

_____ # of Units) X _____ (\$) _____

_____ # of Units) X (\$) _____

_____ # of Units) X _____ (\$) _____

Any questions regarding this request should be directed to: _____
Name Phone Number

I hereby certify under penalty of perjury that to the best of my knowledge the above is true and correct

Authorized Signature Title Date

FOR DPSS USE ONLY (DO NOT WRITE BELOW THIS LINE)

Business Unit (5) _____

Purchase Order # (10) _____

Invoice # _____

Account (6) _____

Amount Authorized _____

If amount authorized is different from amount request, please explain:

Fund (5) _____

Dept. ID (10) _____

Program (5) _____

Program (if applicable) _____

Date _____

Class (10) _____

Management Reporting Unit _____

Date _____

Project/Grant (15) _____

Contracts Administration Unit Date _____

DEPARTMENT OF PUBLIC SOCIAL SERVICES FORMS

Mailing Instructions: When completed, these forms will summarize all of your claims for payment. Your Claims Packet will include DPSS 2076A, 2076B (if required), invoices, payroll verification, and copies of canceled checks attached, receipts, bank statements, sign-in sheets, daily logs, mileage logs, and other back-up documentation needed to comply with Contract/MOU.

Mail Claims Packet to address shown on upper left corner of DPSS 2076A.
[see method, time, and schedule/condition of payments].
(Please type or print information on all DPSS Forms.)

DPSS 2076A
SUBRECIPIENT PAYMENT REQUEST

"Remit to Name"

The legal name of your agency.

"Address"

The remit to address used when this contract was established for your agency. All address changes must be submitted for processing prior to use.

"SUBRECIPIENT Name"

Business name, if different than legal name (if not leave blank).

"Contract Number"

Can be found on the first page of your contract.

"Amount Requested"

Fill in the total amount and billing period you are requesting payment for.

"Payment Type"

Check the box and enter the dollar amount for the type(s) of payment(s) you are requesting payment for.

"Any questions regarding..."

Fill in the name and phone number of the person to be contacted should any questions arise regarding your request for payment.

"Authorized Signature, Title, and Date (SUBRECIPIENT'S)"

Self-explanatory (required). Original Signature needed for payment.

EVERYTHING BELOW THE THICK SOLID LINE IS FOR DPSS USE ONLY AND SHOULD BE LEFT BLANK.

SUPPORTING DOCUMENTATION

The general rule for supporting documentation is that for any Program cost that is to be reimbursed, provide the invoice which documents that a cost was incurred and a receipt, or a copy of a check, a check stub, or copy of bank statement to substantiate the amount paid. Supporting documentation must be **legible, clear and organized**. DPSS must be able to tie your request to the amounts claimed. Costs can only be reimbursed if they have been included in the original application/budget.

Documentation for like line items should be identified with a summary sheet or label identifying the expense category. A spreadsheet itemizing the expenses, or at a minimum, an adding machine tape showing the expenses with a matching amount on the claim form is helpful. The clearer the information is that you provide, the quicker we will be able to process your claim.

The Fiscal Management Reporting Unit reviews each claim for expenses that are Allowable, Allocable and Reasonable.

CLAIM DOCUMENTATION REQUIRED BY DPSS

HOUSING
<ul style="list-style-type: none"> • Lease agreement (Must be submitted at time of client entry into the program and each time a lease expires or changes)
<ul style="list-style-type: none"> • Invoice or documentation of rent amount and due date
<ul style="list-style-type: none"> • Proof of payment (receipt, cancelled check or bank statement)
STAFF
<ul style="list-style-type: none"> • Time Sheet
<ul style="list-style-type: none"> • Time/Activity Report
<ul style="list-style-type: none"> • Pay Stub or Payroll Report
EXPENSES
<ul style="list-style-type: none"> • Invoice or receipt that is dated and has a detailed explanation of charges
<ul style="list-style-type: none"> • Proof of payment (receipt, cancelled check or bank statement)

DPSS-XXXXX

ATTACHMENT V
SUBRECIPIENT APPLICATION

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 Department of Public and Social Services
9 1111 Spruce Street
10 Riverside, CA 92507
11 Attn: Jennifer Claar

12 SPACE ABOVE THIS LINE FOR RECORDERS USE

13 AFFORDABLE HOUSING LOAN AGREEMENT
14 THE FARM HOUSE
15 (Homeless Emergency Aid Program)

16 This AFFORDABLE HOUSING LOAN AGREEMENT THE FARM HOUSE
17 (Homeless Emergency Aid Program) ("Agreement") is made and entered into this
18 _____ day of _____, 2019 by and between THE COUNTY OF RIVERSIDE
19 DEPARTMENT OF PUBLIC SOCIAL SERVICES, a political subdivision of the State of
20 California ("County") and SOCIAL WORK ACTION GROUP, a California nonprofit
21 corporation ("Borrower"). County and Borrower are collectively referred to herein as the
22 "Parties" and individually as a "Party."

23 RECITALS:

24 **WHEREAS**, pursuant to Chapter 5 (commencing with Section 50210) of Part 1
25 of Division 31 of the Health and Safety Code, and all other relevant provisions established under
26 Senate Bill 850 (Chapter 48, Statutes of 2018), the State of California established the Homeless
27 Emergency Aid Program ("HEAP");

28 **WHEREAS**, County applied for and received an allocation of HEAP funds from
the State to be used to address the immediate homelessness challenges in the County of
Riverside;

WHEREAS, Borrower is nonprofit corporation whose mission is to advocate,

1 educate and inspire marginalized individuals and families in the Inland Empire to achieve
2 sustainable independence through community support;

3 **WHEREAS**, consistent with Borrower’s mission, Borrower desires to obtain a
4 loan of HEAP funds from County to (i) acquire that certain real property located at 18183 Haines
5 Street, Perris, CA 92570, identified as Assessor’s Parcel Number 315-110-011 (“Property”)
6 pursuant to that certain Purchase and Sale Agreement (defined below), (ii) rehabilitate the
7 Property to contain 18 housing units to be rented to and occupied by extremely low income
8 chronically homeless persons, and (iii) provide supportive housing services to tenants residing
9 at the Property (collectively, the “Project”);

10 **WHEREAS**, County desires to provide to Borrower a loan in the maximum total
11 amount of One Million Seven Hundred Ninety Six Thousand Four Hundred and Eleven and No
12 Cents (\$1,796,411) (“County Loan”) derived from the HEAP grant to be used to pay the
13 acquisition and rehabilitation costs for the Project to maximize the affordability of the units;

14 **WHEREAS**, the County Loan shall be evidenced by a Promissory Note and
15 secured by, among other instruments, a Deed of Trust, Covenant Agreement, UCC-1 Fixture
16 Filing ; and

17 **WHEREAS**, in furtherance of the County’s goal to eradicate homelessness and
18 consistent with the terms of the HEATH grant, County desires to provide the County Loan to
19 Borrower to pay acquisition and Acquisition and Rehabilitation Costs for the Project, as more
20 specifically described herein.

21 NOW, THEREFORE, in consideration of the foregoing, and the promises and
22 mutual covenants and conditions hereinafter set forth, the County and Borrower hereby do agree
23 as follows:

24 **PART 1. SUBJECT OF AGREEMENT**

25 SECTION 101 PURPOSE OF AGREEMENT

26 The purpose of this Agreement is to effectuate the creation of additional permanent supportive
27 housing for chronically homeless people in the County of Riverside by providing financing for
28

1 the acquisition and rehabilitation of the Property creating 18 housing units to be rented to and
2 occupied by extremely low income chronically homeless persons, and the provision of permanent
3 supportive housing services. The acquisition, rehabilitation and use of the Property pursuant to
4 this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests
5 of the County of Riverside and the health, safety, morals and welfare of its residents, and in accord
6 with the public purposes and provisions of applicable federal, state and local laws and
7 requirements.

8 SECTION 102 DEFINITIONS

9 For purposes of this Agreement, the following capitalized terms shall have the following
10 meaning:

11 "Affordability Period" means no less than fifty-five (55) years from the issuance of the
12 last Notice of Completion for the Project without regard to the term of the County Promissory
13 Note.

14 "Affordable Rent" means rent, including a reasonable utility and parking allowance, that
15 does not exceed the following respective amounts:

16 a. for an Extremely Low Income household with an income not exceeding thirty
17 percent (30%) of the Area Median Income, the product of thirty percent (30%) times thirty percent
18 (30%) of the Area Median Income adjusted for family size appropriate for the unit;

19 "County Executive Director" or "Executive Director" means the Executive Director of the
20 County of Riverside Department of Public and Social Services or designee.

21 "County Loan Documents" means the County Loan Note, County Deed of Trust,
22 Covenants, Assignment of Rents, and UCC-1 Fixture Filing.

23 "Affordable Units" means 18 residential bedrooms to be constructed on the Property by
24 Borrower in accordance with this Agreement and the Scope of Development (Exhibit _____). The
25 Affordable Units shall be restricted by Borrower for rental to Extremely Low Income households
26 at an Affordable Rent, in accordance with the terms and conditions of this Agreement and the
27 Covenant Agreement (Exhibit _____).

1 “Area Median Income” means the median income of the Riverside-San Bernardino-
2 Standard Metropolitan Statistical Area, adjusted for family size by the United States Department of
3 Housing and Urban Development (“HUD”) pursuant to Section 8 of the United States Housing Act
4 of 1937, as determined by HUD and published from time to time by the California Department of
5 Housing and Community Development.

6 “Assignment of Rents” means an instrument substantially in the form of the Assignment of
7 Rents attached to this Agreement as Exhibit “_____” and incorporated herein by this reference.
8 The Assignment of Rents shall secure the County Promissory Note and be recorded against title to
9 the Property.

10 “County Deed of Trust” means the deed of trust to be recorded against title to the Property.
11 The County Loan Deed of Trust is attached hereto as Exhibit “_____” and incorporated herein by
12 this reference.

13 “County Loan” means a loan to be made by County to Borrower in the not to exceed amount
14 of \$1,796,411. The County Loan is subject to the State regulatory requirements and the HEAP
15 regulations. The County Loan shall be evidenced by the County Promissory Note (Exhibit _____)
16 and secured by, among other things, a County Deed of Trust (Exhibit “_____”), Assignment of Rents
17 (Exhibit “_____”), Covenant Agreement (Exhibit “_____”), and UCC-1 Fixture Filing.

18 “County Promissory Note” means the promissory note in favor of the County evidencing
19 the County Loan executed by Borrower in favor of the County. The County Promissory Note is
20 attached hereto as Exhibit “_____” and incorporated herein by this reference.

21 “Community” means the unincorporated community of Mead Valley.

22 “Closing” or “Close of Escrow” means the acquisition of the Property, finalization and
23 recording of all County Loan documents, and other necessary financing instruments and documents
24 for the financing of the rehabilitation of the Project as set forth herein.

25 “Closing Date” means the date on which the Closing has occurred.

26 “Completion” means the point in time at which all of the following have been satisfied: (a)
27 issuance of a certificate of occupancy by the County of Riverside for all buildings required to be
28

1 constructed pursuant to this Agreement, (b) recordation of a Notice of Completion pursuant to Civil
2 Code section 8182, (c) submission to the County, of unconditional lien releases or waivers obtained
3 by Borrower or Borrower's agent, (d) certification by the County of Riverside Inspector that
4 construction of the Improvements (with the exception of minor "punch list" items) has been
5 completed in a good and workmanlike manner and substantially in accordance with the approved
6 plans and specifications; (e) payment, settlement or other extinguishment, discharge, release,
7 waiver, bonding or insuring against any mechanic's liens that have been recorded or stop notices
8 that have been delivered; and (f) the Property has been rehabilitated in accordance with this
9 Agreement, the Scope of Development and plans approved by the County pursuant to this
10 Agreement.

11 "Covenant Agreement" or "Covenant" means the Covenant Agreement (Including Rental
12 Restrictions) to be recorded upon the occurrence of the Closing, substantially in the form attached
13 to this Agreement as Exhibit "___" and incorporated herein by this reference.

14 "Acquisition and Rehabilitation Costs" means the total cost of acquiring the Property
15 pursuant to the Purchase and Sale Agreement and rehabilitating the Property pursuant to this
16 Agreement and the Scope of Development (Exhibit ___), as set forth in the Project Budget
17 (Exhibit ___).

18 "Extremely Low Income" shall have the meaning set forth in California Health and Safety
19 Code Section 50106.

20 "Force Majeure" or "Force Majeure Event" means any of the following events, provided
21 that it actually delays and interferes with the timely performance of the matter to which it applies
22 and despite the exercise of diligence and good business practices is or would be beyond the
23 reasonable control of the party claiming such interference: war; insurrection; strikes; lock-outs;
24 riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics;
25 quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or
26 priority; litigation including litigation challenging the validity of this transaction or any element
27 thereof; unusually severe weather; inability to secure necessary labor, materials or tools; acts of the
28

1 other party; acts or failure to act of any Governmental County (except acts or failure to act of the
2 County shall not excuse performance by the County); or the imposition of any applicable
3 moratorium by a governmental County; or any other causes which despite the exercise of diligence
4 and good business practices are or would be beyond the reasonable control of the party claiming
5 such delay and interference. Notwithstanding the foregoing, none of the foregoing events shall
6 constitute a Force Majeure Event unless and until the party claiming such delay and interference
7 delivers to the other party written notice describing the event, its cause, when and how such party
8 obtained knowledge of the event, the date the event commenced, and the estimated delay resulting
9 therefrom. Any party claiming a Force Majeure Delay shall deliver such written notice within
10 fifteen (15) days after it obtains actual knowledge of the event.

11 “Force Majeure Delay” means any delay in taking any action required by this Agreement,
12 proximately caused by the occurrence of any Force Majeure Event.

13 “Governmental Approvals” means and include any and all general plan amendments, zoning
14 approvals or changes, required approvals and certifications under the California Environmental
15 Quality Act, variances, conditional use permits, demolition permits, excavation/foundation permits,
16 grading permits, building permits, inspection reports and approvals, certificates of occupancy, and
17 other approvals, permits, certificates, authorizations, consents, orders, entitlements, filings or
18 registrations, and actions of any nature whatsoever required from any Governmental Authority in
19 order to commence and complete the construction of the Project.

20 “Governmental Authority” means the United States, the State of California, the City,
21 County of Riverside or any other political subdivision in which the Property is located, and any
22 court or political subdivision, County or instrumentality having jurisdiction over the Property.

23 “Improvements” or “Project Improvements” means the improvements to be constructed on
24 the Property, as more particularly described in the Scope of Development (Exhibit ____ attached
25 hereto), including, more generally, that the project will consist of 18 bedrooms, and appropriate
26 landscaping, all in accordance with applicable County of Riverside requirements and codes. In
27 addition, the Improvements shall comply with the current California Building Code that includes
28

1 comprehensive accessibility and adaptability requirements for new construction development and
2 all Governmental Approvals.

3 “Project” refers to the construction of the Improvements on the Property.

4 “Project Budget” means the schedule of sources and uses attached to this Agreement as
5 Exhibit “____” and incorporated herein by this reference.

6 “Purchase and Sale Agreement” means that certain Purchase and Sale Agreement entered
7 into between Borrower, as buyer, and _____, as seller, setting forth the terms of the sale
8 of the Property for the purchase price of \$_____.

9 “Rental Housing Units” means the 18 affordable housing rental bedroom units to be
10 constructed on the Property pursuant to this Agreement, including, but not limited to the Scope of
11 Development and Governmental Approvals.

12 “Schedule of Performance” means the Schedule of Performance attached to this
13 Agreement as Exhibit “_____” and incorporated herein by this reference.

14 “Scope of Development” means the Scope of Development attached to this Agreement as
15 Exhibit “____” and incorporated herein by this reference.

16 “Title Company” means _____ Title Insurance Company or another title
17 insurance company mutually acceptable to the County Executive Director and Borrower.

18 “UCC-1” means a UCC-1 Fixture Filing financing statement, substantially in the form
19 attached to this Agreement as Exhibit “____” and incorporated herein by this reference.

20 SECTION 103 COUNTY

21 The COUNTY is a public entity, corporate and politic subdivision of the State of
22 California exercising governmental functions and powers pursuant to _____.

23 SECTION 104 BORROWER

24 Borrower is Social Work Action Group, a California nonprofit corporation. The
25 address of Borrower for purposes of receiving notices pursuant to this Agreement is as follows:

26 Social Work Action Group
27 28497 CA Hwy 74. #B
28 Lake Elsinore, CA 92532

1 Attn: Monica Sapien Petroff,
2 Executive Director

3 Whenever the term "Borrower" is used herein, such term means and include the Borrower
4 as of the date hereof, and any assignee of or successor to its rights, powers and responsibilities
5 permitted by this Agreement.

6 SECTION 105 Assignments and Transfers

7 a. Borrower shall not assign all or any part of this Agreement, or any interest herein,
8 or convey any part of the Property or any interest therein, without the prior written approval of
9 the County.

10 b. For the reasons cited above, Borrower represents and agrees for itself and any
11 successor in interest that prior to full reconveyance of the County Deed of Trust, without the prior
12 written approval of the County, there shall be no significant change in the ownership of Borrower
13 or in the relative proportions thereof, or with respect to the identity of the parties in control of
14 Borrower or the degree thereof, by any method or means.

15 c. Any assignment or transfer of this Agreement or any interest herein, any
16 conveyance of the Property or any interest therein, or any significant change in ownership of
17 Borrower, shall require the COUNTY's approval, which shall not be unreasonably withheld. To
18 the extent the COUNTY's approval of an assignment or transfer is required by this Agreement,
19 in granting or withholding its approval, the COUNTY shall base its decision upon the relevant
20 experience, financial capability and reputation of the proposed assignee or transferee and the
21 effect, if any, of such proposed transfer on the public purposes of this Agreement.

22 d. The restrictions of this Section 105 shall terminate upon full reconveyance of the
23 County Deed of Trust.

24 SECTION 106 Borrower's Representations and Warranties

25 As an inducement to the County to enter into this Agreement and consummate the
26 transactions described herein, Borrower hereby represents and warrants to the County, which
27 representations and warranties are true and correct as of the date of this Agreement and which
28

1 shall survive the Close of Escrow:

2 (1) Borrower has the legal power, right and authority to enter into this Agreement and
3 the instruments referenced herein, and to satisfy all obligations of the Borrower in this Agreement
4 or in any instrument or document referred to herein (referred to collectively as the "Borrower's
5 Obligations");

6 (2) This Agreement and all documents required hereby to be executed by Borrower
7 are, and shall be, valid, legally binding obligations of and enforceable against Borrower in
8 accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization,
9 moratorium laws or similar laws or equitable principles affecting or limiting the rights of
10 contracting parties generally;

11 (3) There is no charter, bylaw, or capital stock provision of Borrower, and no
12 provision of any indenture, instrument, or agreement, written or oral, to which Borrower is a party
13 or which governs the actions of Borrower or which is otherwise binding upon Borrower or
14 Borrower's property, nor is there any statute, rule or regulation, or any judgment, decree, or order
15 of any court or agency binding on Borrower or Borrower's property which would be contravened
16 by the execution, delivery or performance of any of Borrower's Obligations;

17 (4) There is no action, suit, or proceeding at law or in equity or by or before any
18 governmental instrumentality or other agency now pending, or, to the knowledge of Borrower,
19 threatened against or affecting Borrower, or any properties or rights of Borrower, which, if
20 adversely determined, would materially impair the right of Borrower to execute or perform any
21 of the Borrower's Obligations, or would materially adversely affect the financial condition of
22 Borrower;

23 (5) Neither the execution and delivery of this Agreement, including any attachments
24 hereto or documents related to this Agreement, nor the incurrence of the Borrower's Obligations,
25 nor the consummation of the transactions herein contemplated, nor compliance with the terms of
26 this Agreement and the documents referenced herein conflict with or result in the material breach
27 of any terms, conditions or provisions of, or constitute a default under, any bond, note or other
28

1 evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, or other
2 agreements or instruments to which Borrower is a party;

3 (6) No attachments, execution proceedings, assignments for the benefit of creditors,
4 insolvency, bankruptcy, reorganization or other proceedings are pending or threatened against
5 Borrower, nor are any of such proceedings contemplated by Borrower;

6 (7) All reports, documents, instruments, information and forms of evidence delivered
7 to the County concerning or required by this Agreement are accurate, correct and sufficiently
8 complete to give the County true and accurate knowledge of their subject matter, and do not
9 contain any misrepresentation or omission; and

10 (8) No representation, warranty or statement of Borrower in this Agreement contains
11 or will contain any untrue statement of a material fact or omits or will omit to state a material fact
12 necessary to make the statements or facts contained therein not misleading.

13 Borrower's representations and warranties made in this Section 106 shall be continuing
14 and shall be true and correct as of the date of the Close of Escrow with the same force and effect
15 as if remade in a separate certificate at that time. The truth and accuracy of the Borrower's
16 representations and warranties made herein shall constitute a condition for the benefit of the
17 County to the performance of the County's obligations hereunder.

18 Borrower shall upon learning of any fact or condition which would cause any
19 of the warranties and representations in this Section 106 not to be true as of Closing, immediately
20 give written notice of such fact or condition to COUNTY.

21 SECTION 107 Method of Financing

22 a. The Acquisition and Rehabilitation Costs for the Project shall be paid for by
23 Borrower from a loan in the amount of \$1,796,411 ("County Loan") derived from a portion of the
24 County's HEAP grant.

25 b. Except as otherwise provided in this Agreement, Borrower shall not refinance the
26 County Loan or place any additional financing on the Property without the advanced and express
27 written consent of the County Executive Director or designee.

1 SECTION 108 County Assistance

2 a. County Loan. In accordance with and subject to the terms and conditions of this
3 Agreement, the County agrees to lend to Borrower, and Borrower agrees to borrow from the County,
4 the County Loan, in an amount not to exceed ONE MILLION SEVEN HUNDRED NINETY SIX
5 THOUSAND FOUR HUNDRED AND ELEVEN DOLLARS (\$1,796,411.00). The County Loan
6 shall be evidenced by the County Loan Note (Exhibit “ _____ ”), and the County Loan Note shall
7 be secured by the County Deed of Trust (Exhibit “ _____ ”), Covenants (Exhibit “ _____ ”),
8 Assignment of Rents (Exhibit “ _____ ”), and UCC-1 (Exhibit “ _____ ”).

9 b. Terms of County Loan

10 i. Principal. The principal amount of the COUNTY Loan shall be
11 \$1,796,411.00 and evidenced by a promissory note substantially conforming in form and
12 Substance to the County Promissory Note attached hereto as Exhibit “ _____ ”, executed by
13 BORROWER in favor of COUNTY.

14 ii. Interest. The interest rate shall be 3.00% per annum.

15 iii. Maturity Date. The maturity date of the County Loan Note shall be the later
16 to occur of (1) July 1, 2074, and (2) fifty-five (55) years from the recordation of the Notice
17 of Completion for the last building for which construction is completed for the Project.

18 iv. Repayment. The County Promissory Note shall provide the following:

19 1. That the County Loan will accrue simple interest at a rate of three percent
20 (3.00%) per annum, except in the case of default as hereinafter provided. Payments
21 are to be deferred, if the Project remains in compliance with the County Covenant
22 Agreement during the 55 year Affordability Period and the County Loan shall be
23 forgiven at the 55 year anniversary date of the Affordability term;

24 v. Security. The County Loan shall be secured by, among other instruments, a
25 first priority deed of trust recorded against the Property conforming in form and substance to the
26 County Deed of Trust attached hereto as Exhibit “ _____ ”.

1 c. Prepayment. Prepayment of County Loan principal and/or interest may occur at any
2 time without penalty, provided however, such prepayment shall not release Borrower from
3 complying with the affordability and use restrictions set forth in the Covenants until the term of
4 the Covenants has expired, and/or Borrowers obligations to comply with all laws and regulations
5 relating to the operation of the Affordable Units.

6 d. Total County Assistance. The parties acknowledge that the maximum amount of
7 the County Loan shall not exceed ONE MILLION SEVEN HUNDRED NINETY-SIX
8 THOUSAND FOUR HUNDRED AND ELEVEN DOLLARS (\$1,796,411). If there are any
9 increases in Project's funding gap due to development cost increases, the additional gap shall be
10 funded solely by Borrower, or other non- COUNTY sources. If Borrower proposes to redesign
11 the Project or add new features to the Project which result in a cost savings, the County Loan shall
12 be reduced to reflect such changes.

13 Borrower understands and agrees that the Borrower's performance of the conditions
14 contained in this Agreement are a material inducement to the County's execution of this
15 Agreement and that in the event of any dispute between the parties, the Agreement shall be
16 interpreted in a manner that furthers the intent of the conditions for the benefit of the County.

17 e. Allocation of Costs. The proceeds of the County Loan shall be used exclusively to
18 pay acquisition costs of the Property and development of the Project, as identified in the Project
19 Budget (Attachment No. 7) and reasonably approved by the County Executive Director.

20 f. Disbursement of County Loan. Subject to Borrower's satisfaction of the conditions
21 precedent to the disbursement of the County Loan, and further provided Borrower is not in default
22 under this Agreement or any other County Loan Documents, the proceeds of the County Loan
23 shall be disbursed by County as follows:

24 1. County will pay Borrower for all eligible approved costs under the following
25 schedule:

26 (a) The maximum total amount of \$886,000 of the County Loan shall
27 be disbursed directly into an escrow account controlled by
28

1 Parkfield Escrow Inc. to pay the purchase price to acquire the
2 Property from _____ pursuant to the terms and provisions of the
3 Purchase and Sale Agreement.

4 (b) Disbursement of County Loan funds will be processed upon receipt
5 of invoices and County staff review of approved costs per this
6 Agreement.

7 (c) County will release final draw down of five percent (5%) of the
8 County Loan following receipt of all of the items listed in Section
9 108 e. 2. below.

10 2. County will retain five percent (5%) of the County Loan and release final
11 draw down of the County Loan upon receipt of all of the following:

12 1) Conditional lien release from general contractor;

13 2) Recordation of Notice of Completion;

14 3) Issuance of Certificate of Occupancy;

15 4) submission of a Project completion report including Tenant
16 Checklist as shown in Exhibit "_____" which is attached hereto and by this
17 reference incorporated herein;

18 5) Permanent Supportive Services Plan; and

19 6) Final accounting of actual Acquisition and Rehabilitation Costs.

20 g. Project Financing Contingency. This Agreement is expressly conditioned upon
21 Borrower's ability to purchase the Property. Either County or Borrower may elect to terminate
22 this Agreement with ten (10) days written notice to the other party if Borrower fails to acquire the
23 Property. Upon such termination, this Agreement shall be null and void.

24 i. If BORROWER elects to terminate this Agreement,
25 BORROWER shall be released and discharged by COUNTY from its obligations under
26 this Agreement, except as to those obligations which by their terms survive termination;
27 or
28

1 ii. If COUNTY elects to terminate this Agreement, COUNTY shall
2 be released and discharged by BORROWER from its obligations under this Agreement,
3 except as to those obligations which by their terms survive termination.

4 At that time all cost incurred by each party on the Project will be assumed
5 respectively.

6 h. Letter to Proceed. BORROWER shall not initiate nor incur expenses for COUNTY
7 funded activity covered under the terms of this Agreement prior to receiving written
8 authorization to proceed.

9 i. Reallocation of Funds. If Borrower fails to meet (1) the Construction Start Deadline
10 as set forth in the Schedule of Performance (Exhibit “_____”); (2) the Completion
11 Deadline as set forth in the Schedule of Performance (Exhibit “_____”); (3) the
12 Lease Deadline as set forth in the Schedule of Performance ; or (4) the Project
13 Financing Contingency, all of which are herein (collectively, the “Performance
14 Deadlines”), subject to the notice and cure periods set forth herein, then the County
15 Loan funds may be reallocated by COUNTY after at least thirty (30) days’ prior
16 written notice is given to Borrower if Borrower fails to cure prior to the expiration of
17 such deadlines. Upon such reallocation and repayment of funds, this Agreement shall
18 be terminated and be of no further force and effect and Borrower shall be released and
19 discharged from any obligations under this Agreement, except as to those obligations
20 which survive termination by their terms.

21
22 Section 109 INDEMNIFICATION

23 Borrower shall indemnify and hold harmless the County of Riverside, its Agencies,
24 Districts, Special Districts and Departments, their respective directors, officers, Board of
25 Supervisors, elected and appointed officials, employees, agents and representatives (the
26 “Indemnified Parties”) from any liability whatsoever, including but not limited to, property
27 damage, bodily injury, or death, based or asserted upon any services of Borrower, its
28

1 officers, employees, subcontractors, agents or representatives arising out of or in any way
2 relating to this Agreement and Borrower shall defend at its sole expense and pay all costs
3 and fees, including but not limited to, attorney fees, cost of investigation, defense and
4 settlements or awards, on behalf of the Indemnified Parties in any claim or action based
5 upon such liability.

6 With respect to any action or claim subject to indemnification herein by Borrower,
7 Borrower shall, at Borrower's sole cost, have the right to use counsel of their choice and
8 shall have the right to adjust, settle, or compromise any such action or claim without the
9 prior consent of County; provided, however, that any such adjustment, settlement or
10 compromise in no manner whatsoever limits or circumscribes Borrower's indemnification
11 to the Indemnified Parties as set forth herein.

12 Borrower's obligation hereunder shall be satisfied when Borrower has provided
13 County the appropriate form of dismissal relieving County from any liability for the action
14 or claim involved.

15 The specified insurance limits required in this Agreement shall in no way limit or
16 circumscribe Borrower's obligations to indemnify and hold harmless Indemnitees herein from third
17 party claims.

18 Except as specifically set forth herein, the foregoing defense and indemnification
19 obligations shall survive the termination of this Agreement and shall continue to remain in effect
20 after any or all of the following events: Closing, Completion and issuance of the Notice of
21 Completion for the Project and Certificate of Occupancy.

22 SECTION 110 Reserved.

23 **PART 2 CLOSING OF COUNTY LOAN**

24 SECTION 201 Escrow

25 a. COUNTY agrees to open an escrow in the County of Riverside with the
26 Escrow Agent no later than the applicable dates established in the Schedule of Performance.
27
28

1 Sections 201 through 207 (inclusive) of this Agreement shall constitute the joint escrow
2 instructions of COUNTY and Borrower with respect to the County Loan, and a duplicate original
3 of this Agreement shall be delivered to the Escrow Agent upon the opening of the escrow.

4 County and Borrower shall provide such additional escrow instructions as shall be
5 necessary to close the escrow with respect to the County Loan, and consistent with this Agreement.
6 The Escrow Agent hereby is empowered to act under such instructions, and upon indicating its
7 acceptance thereof in writing, delivered to COUNTY and to Borrower within five (5) days after
8 the opening of the escrow, shall carry out its duties as Escrow Agent hereunder.

9 Upon receipt by the Escrow Agent of all executed and acknowledged documents, the
10 Escrow Agent shall record all documents in accordance with Section 202 and Section 207. of this
11 Agreement when all of the conditions precedent to the close of the County Loan have been
12 satisfied, or waived by the County Executive Director in writing, in accordance with the terms and
13 provisions of this Agreement. The Escrow Agent shall buy, affix and cancel any transfer stamps
14 required by law. Any insurance policies governing the Property or any portion thereof are not to
15 be transferred.

16 b. Borrower shall pay in escrow to the Escrow Agent the following fees, charges and
17 costs promptly after the Escrow Agent has notified Borrower of the amount of such fees, charges
18 and costs, but not earlier than 3 days prior to the scheduled date for the Closing:

- 19 1. The escrow fee;
- 20 2. The premium for County's Title Policy, including any endorsements
21 required by the County Executive Director, as set forth in Section 207 of
22 this Agreement; and
- 23 3. Recording fees.

24 c. County shall pay in escrow to the Escrow Agent the following fees, charges and
25 costs promptly after the Escrow Agent has notified County of the amount of such fees, charges
26 and costs, but not earlier than 3 days prior to the scheduled date for the Closing:

- 27 1. Funds in the amount of \$885,131.26.

1 d. The Escrow Agent is authorized and directed to do all of the following:

- 2 1. Pay, and charge County and Borrower, respectively, for any fees, charges
3 and costs payable under this Section 201. Before such payments are made,
4 the Escrow Agent shall notify County and Borrower of the fees, charges and
5 costs necessary to clear title and close the escrow in the form of a closing
6 statement approved and executed by both Borrower and COUNTY (the
7 "Settlement Statement").
- 8 2. Disburse funds in accordance with the Settlement Statement and deliver the
9 County Note and other documents to the parties entitled thereto when the
10 conditions of this escrow have been fulfilled by COUNTY and Borrower or
11 waived by the party benefitting therefrom.
- 12 3. Record any instruments delivered through this escrow in accordance with
13 the terms and provisions of this Agreement.
- 14 4. Pay current all delinquent now payable property taxes. Pay current all
15 delinquent and/or now payable liens of supplemental taxes, assessments and
16 or/bonds. Pay any existing liens or encumbrances now or record. Remove
17 or case to be removed any notice of bankruptcy, right or asserted of
18 creditors, liens, notices and/or judgements.

19 e. All funds received in this escrow shall be deposited by the Escrow Agent in a fully
20 government insured general escrow account with any state or national bank doing business in the
21 State of California and reasonably approved by Borrower and County.

22 f. If this escrow is not in a condition to close on or before the scheduled Closing Date
23 set forth in the Schedule of Performance, then either party who then shall have fully performed the
24 acts to be performed before the Closing may, in writing, demand the return of its money, papers
25 or documents from the Escrow Agent. No demand for return shall be recognized until 10 days
26 after the Escrow Agent (or the party making such demand) shall have mailed copies of such
27 demand to the other party or parties at the address of its principal place of business. Objections,
28

1 if any, shall be raised by written notice to the Escrow Agent and to the other party within the 10-
2 day period, in which event the Escrow Agent is authorized to hold all money, papers and
3 documents with respect to the Property until instructed by a mutual agreement of the Parties or,
4 upon failure thereof, by a court of competent jurisdiction. If no such demands are made, then the
5 escrow shall be closed as soon as possible.

6 g. If objections are raised as above provided for, then the Escrow Agent shall not be
7 obligated to return any such money, papers or documents except upon the written instructions of
8 both COUNTY and Borrower, or until the party entitled thereto has been determined by a final
9 decision of a court of competent jurisdiction. If no such objections are made within said 10-day
10 period, then the Escrow Agent shall immediately return the demanded money, papers or
11 documents.

12 h. The Parties understand they may be required to execute additional standard form
13 escrow instructions required by the Escrow Agent ("General Instructions"). In the event of a
14 conflict between this Agreement and any such General Instructions, this Agreement shall control.
15 The Parties agree, however, that they would refuse to execute General Instructions which
16 (i) purport to relieve the Escrow Agent of liability for negligence or intentional wrong-doing,
17 (ii) excuse the Escrow Agent from strict compliance with each and all of the provisions of this
18 document and the General Instructions or (iii) purport to authorize the Escrow Agent to follow the
19 instructions or directive of any person not a direct signatory party to this Agreement. Any
20 amendment to the escrow instructions shall be in writing and executed by both COUNTY and
21 Borrower. At the time of any amendment, the Escrow Agent shall agree to carry out its duties as
22 Escrow Agent under such amendment.

23 i. COUNTY and Borrower shall each pay their legal and professional fees and fees
24 of other consultants incurred by COUNTY and Borrower in connection with the Closing,
25 respectively.

1 j. All communications from the Escrow Agent to COUNTY or Borrower shall be
 2 directed to the addresses set forth in Sections 103 and 104 of this Agreement, and in the manner
 3 set forth in Section 601 of this Agreement for notices between the Parties.

4 SECTION 202 Recordation of Documents

5 COUNTY and Borrower, respectively, agree to perform all acts necessary to achieve
 6 recordation and delivery of documents in sufficient time for escrow to be closed in accordance
 7 with the foregoing provisions.

8 a. The following documents shall be recorded in the following order (“Recorded
 9 Documents”) against the Property upon the Closing:

ORDER OF RECORDATION	DOCUMENT NAME
1	Covenant Agreement
2	County Deed of Trust, Assignment of Rents,, and UCC-1 Financing Statement

13
 14 c. All documents to be recorded shall be recorded in the Official Records.

15
 16 SECTION 203 Exceptions

17 a. Within 10 days after the execution of this Agreement by County, County shall cause
 18 the Title Company to deliver to County a preliminary report or pro forma title policy (the “Report”)
 19 with respect to title to the Property, together with copies of the documents underlying the
 20 exceptions (the “Exceptions”) set forth in the Report. County shall have the right to reasonably
 21 approve or disapprove the Exceptions; provided, however, that County hereby approves the
 22 following Exceptions:

23 1. The lien of any non-delinquent property taxes and assessments.

24 b. County shall have 30 days from the date of its receipt of the Report to give written
 25 notice to Borrower of County’s approval or disapproval of any of such Exceptions set forth in the
 26 Report. If County notifies Borrower of its disapproval of any Exceptions in the Report, then
 27 Borrower shall have the right, but not the obligation, within 30 days after receipt of such
 28

1 notification, to provide reasonably acceptable assurances to County that such Exception(s) will be
2 removed on or before the Close of Escrow. If Borrower does not provide such assurances to
3 County within such 30-day period, then County shall have 5 days after the first to occur of the
4 expiration of such 30-day period or receipt of election by Borrower to not provide such assurances,
5 to elect to terminate this Agreement by giving Borrower written notice of termination. If County
6 does not make such election within said 5-day period, then County shall be deemed to have elected
7 not to proceed with the transaction due to the disapproved Exception(s). The Exceptions to title
8 approved by County as provided herein together with those which are set forth in this Agreement,
9 and those which are otherwise consistent with this Agreement and which are acceptable to County,
10 shall hereinafter collectively be referred to as the "Approved Title Conditions." County shall have
11 the right to approve or disapprove any further Exceptions reported by the Title Company after
12 County has approved the Approved Title Conditions for the Property (which are not created by
13 County). Borrower shall not create and shall use its best efforts not to allow any new exceptions
14 to title following the Effective Date of this Agreement without the prior written approval of the
15 County.

16 SECTION 205 County's Title Policy

17 Concurrent with recordation of the County Deed of Trust, the Title Company shall provide
18 and deliver County's Title Policy to County. County shall be responsible for paying the title
19 insurance premiums for County's Title Policy, including any special coverage or endorsements
20 thereto reasonably required by the County Executive Director.

21
22 SECTION 206 Recordation of County Deed of Trust

23 Borrower shall execute and deposit the County Promissory Note with the Escrow Agent at
24 least 1 business day before the Close of Escrow. The Escrow Agent shall deliver the County
25 Promissory Note to County immediately following the delivery to County of County's Title Policy
26 or confirmation that the Title Company is irrevocably committed to issue County's Title Policy
27 and the recording of the County Deed of Trust in the Official Records.

1 SECTION 207 Conditions Precedent to Closing of County Loan

2 The Closing and the obligations of the County and Borrower hereunder are subject to the
3 satisfaction prior to the Closing (unless otherwise provided or waived in writing by the County
4 Executive Director), of the following conditions, and the obligations of the parties with respect to
5 such conditions are as follows:

- 6 a. Borrower executes this Agreement and delivers to County for recordation in Official
7 Records.
- 8 b. Borrower shall have delivered to County an appraisal report prepared by an independent
9 certified appraiser, in good standing with the American Institute of Real Estate Appraisers
10 and a Member of the Appraisal Institute (MAI), establishing that the purchase price for the
11 Property set forth in the Purchase and Sale Agreements is equal to or above the current fair
12 market value of the Property.
- 13 c. Title Company shall be irrevocably committed to issue the County's ALTA Title Policy in
14 the amount of the County Loan (\$1,796,411) insuring the County Loan Deed of Trust as
15 a second priority lien on the Property.
- 16 d. Borrower shall have complied with all environmental review required under the California
17 Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA)
18 in connection with the acquisition and rehabilitation of the Property contemplated herein.
- 19 e. Borrower shall have submitted, and County's Executive Director shall have approved,
20 Final Construction Drawings.
- 21 f. Borrower shall have delivered to the County, and County's Executive Director shall have
22 approved, a final Project Budget or any revisions to the Project Budget attached to this
23 Agreement as Exhibit "____", demonstrating to the satisfaction of the County's Executive
24 Director the availability of sufficient funds to pay all Acquisition and Rehabilitation Costs.
- 25 g. Construction Contract Borrower shall have delivered to the County's, and County's
26 Executive Director shall have approved, a general construction contract, covering all
27 construction required by this Agreement and the approved final construction drawings, in
28

1 an amount that is consistent with the final County's -approved Project Budget, together
2 with a construction schedule showing a detailed trade-by-trade breakdown of the estimated
3 periods of commencement and completion of construction and complete fixturization of
4 the development of the Property, demonstrating that construction will be completed within
5 the time provided in the Schedule of Performance, and such contract shall have been
6 executed by each of the parties thereto. Borrower shall also have delivered to County
7 documentation evidencing a Payment and Performance Bond or letter of credit to secure
8 performance under the construction contract for the Project issued by a bonding company
9 or financial institution reasonably approved by COUNTY. The bonds shall name County
10 of the County of Riverside as Co-Obligee.

- 11 h. Borrower shall have submitted to the County, and County Executive Director shall have
12 approved, evidence of the Insurance Policies required by this Agreement.
- 13 i. Borrower shall have submitted to County, and County's Executive Director shall have
14 approved each of the agreements described in Part 4 of this Agreement, and each of such
15 agreements shall have been executed by each of the parties thereto, as appropriate.
- 16 j. Borrower shall have delivered to County satisfactory evidence that it has secured any and
17 all land use entitlements, permits, approvals required for construction of the Improvements
18 and the Project pursuant to the applicable rules and regulations of, the County of the County
19 of Riverside, or any other governmental County affected by such construction work.
20 BORROWER shall, without limitation, secure all entitlement, change of zone, any and all
21 necessary studies required as applicable, and required, and pay all costs, charges and fees
22 associated therewith, all conditions precedent to the issuance of all permits necessary for
23 the construction of the development and all such permits are available for issuance, other
24 than payment of fees.
- 25 k. Prevailing Wages. If Davis Bacon and/or prevailing wages pursuant to the California
26 Labor Code are required to be paid, Borrower hires a qualified professional firm to review
27 and monitor Davis Bacon and/or prevailing wage compliance for all submissions of
28

1 contractors certified payrolls to COUNTY. In the event that the Project requires prevailing
2 wages, BORROWER shall comply with any applicable labor regulations and all other State
3 Laws in connection with the construction of the improvements which compromise the
4 Project, including if applicable, requirements relating to prevailing wages. Borrower agrees
5 and acknowledges that it is the responsibility of Borrower to obtain legal determination, at
6 BORROWER's sole cost and expense, as to whether prevailing wages must be paid during
7 the construction of the Project. If the Project is subject to prevailing wage, then
8 BORROWER shall be solely responsible to pay its contractors and subcontractors the
9 required prevailing wage rates. Borrower agrees to indemnify, defend, and hold County
10 harmless from and against any and all liability arising out of and related to Borrower's
11 failure to comply with any and all applicable Davis Bacon and/or prevailing wage
12 requirements.

13 1. County and Borrower shall have prepared such joint supplemental instructions for the
14 Escrow Agent as may be necessary to close the transaction contemplated herein.

15 m. Documents (benefits Borrower and County, as applicable). County, Borrower, and other
16 parties, as appropriate, shall have executed, in recordable form as necessary, and delivered
17 into escrow where appropriate, the following documents:

- 18 1. County Deed of Trust attached hereto as Exhibit "___", and in recordable form, and
19 delivers such document to the County for recordation in the Official Records.
- 20 2. The County Promissory Note attached hereto as Exhibit "_____" and delivers to the
21 County.
- 22 3. The Covenant Agreement, attached hereto as Exhibit "___" and incorporated
23 herein by this reference, in recordable form, and delivers to the County for
24 recordation in the Official Records.
- 25 4. The Assignment of Rents attached hereto as Exhibit "_____" and incorporated
26 herein by this reference, in recordable form, and delivers to the County for
27 recordation in the Official Records.

- n. Borrower shall have prepared and delivered to the County, and the County's Executive Director shall have approved, the property manager for the Affordable Units and the Management Plan as required by the Covenants.
- o. Borrower shall have duly performed each and every obligation to be performed by Borrower hereunder and Borrower's representations, warranties and covenants set forth in this Agreement shall be true and correct as of the date of the Closing.
- p. County shall have delivered the items and funds to be delivered by County, when and as required in this Agreement.
- q. The Escrow Agent shall have accepted such supplemental recording instructions as may have been prepared by the County.
- r. Borrower is not in default under the terms of this Agreement.

SECTION 208 Disbursements; Other Actions to be taken by the Escrow Agent

Upon the Closing, Escrow Agent shall promptly undertake all of the following in the manner herein below indicated:

- a. Deliver the County Promissory Note to County.
- b. Cause the County Deed of Trust and other recordable County Loan Documents, and any other documents which the Parties may mutually direct, to be recorded in the Official Records, and obtain conformed copies thereof for distribution to County and Borrower.
- c. Direct the Title Company to issue County's Title Policy to County.
- d. Prepare and distribute to Borrower and County each, copies of both parties' escrow closing statements and a complete copy of all documents handled by escrow.

Escrow Agent agrees that release of County Loan proceeds by County to Borrower shall irrevocably commit Escrow Agent, on behalf of Title Company, to issue the County's Title Policy in accordance with this Agreement.

1 SECTION 209 Failure of Conditions to Closing

2 a. In the event that any of the conditions precedent to the Close of Escrow are not
3 timely satisfied or waived, for a reason other than the default of County or Borrower, the following
4 shall apply:

- 5 1. Either party shall have the right to terminate this Agreement, the escrow and
6 the rights and obligations of County and Borrower hereunder to the extent
7 that such party is intended to be benefited by the applicable condition
8 precedent, except as otherwise provided herein;
- 9 2. If this Agreement is terminated as provided herein, then Escrow Agent is
10 hereby instructed to promptly return to Borrower and County all funds, if
11 any, and documents deposited by them, respectively, into escrow which are
12 held by Escrow Agent on the date of said termination (less, in the case of
13 the party otherwise entitled to such funds, however, the amount of any
14 cancellation charges required to be paid by such party under this Section
15 208); and
- 16 3. If this Agreement is terminated as provided herein, then neither party shall
17 have any further rights or obligations hereunder except those that survive
18 termination of this Agreement as expressly provided herein.

19 b. Cancellation Fees and Expenses. In the event that the escrow terminates in
20 accordance with this Section 209, the cancellation charges, if any, required to be paid by and to
21 Escrow Agent and the Title Company shall be borne by Borrower and all other charges shall be
22 borne by the party incurring same.

23 SECTION 210 Condition of the Property

24 SECTION 210.1 Hazardous Substances

25 a. "Hazardous Substance" as used in this Agreement means any substance, material
26 or waste which is or becomes regulated by the United States government, the State of California,
27 or any local or other governmental authority, including, without limitation, (i) any material,
28

1 substance or waste which is defined as “extremely hazardous substances”, “hazardous substances”,
2 “hazardous materials”, “hazardous waste” or “toxic substances” in the Comprehensive
3 Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C.
4 sections 9601, et seq., the Hazardous Materials Transportation Uniform Safety Act of 1990, as
5 amended, 49 U.S.C. sections 5101, et seq.; the Resource Conservation and Recovery Act of 1976,
6 as amended, 42 U.S.C. sections 6901, et seq.; and those substances defined as “hazardous waste”
7 in section 25117 of the California Health and Safety Code, as “infectious waste” in section 27054.4
8 of the California Health and Safety Code, or as “hazardous substances” in section 25316 of the
9 California Health and Safety Code, or “hazardous material” as defined in section 353 of the
10 California Vehicle Code, or “hazardous substance” as defined in Section 33459(c) of the California
11 Health and Safety Code; and in the regulations adopted and publications promulgated pursuant to
12 said laws; (ii) petroleum, asbestos or any polychlorinated biphenyl; and (iii) any other substance,
13 whether in the form of a solid, liquid, gas or any other form whatsoever, which by any
14 governmental requirements either requires special handling in its use, transportation, generation,
15 collection, storage, treatment or disposal, or is defined as “hazardous” or is harmful to the
16 environment or capable of posing a risk of injury to public health and safety. “Hazardous
17 Substances” do not include materials customarily used in the construction, development, operation
18 or maintenance of real estate, provided such substances are used in accordance with all applicable
19 laws and regulations.

20 b. Borrower hereby represents and warrants that the development, rehabilitation and
21 uses of the Property permitted under this Agreement (i) will comply with all applicable
22 environmental laws; and (ii) do not require the presence of any Hazardous Substance on the
23 Property.

24 Section 210.2 Environmental Indemnity

25 Borrower agrees to indemnify, protect, defend, save and hold harmless County, the County
26 of Riverside and their respective Agencies, Districts, Special Districts and Departments, their
27 respective directors, officers, Board of Supervisors, Board of Commissioners, elected and
28

1 appointed officials, employees, agents, representatives and attorneys, from and against any and all
2 debts, duties, obligations (including any remediation obligations or clean-up costs imposed by any
3 Governmental Restrictions), liabilities, suits, claims, demands, penalties, fines, causes of action,
4 damages, losses, costs and expenses, including, without limitation, attorneys' fees and expenses
5 (and including any allocable costs of any of the foregoing parties' in-house counsel) arising on or
6 accruing as a result of the presence, use, storage, handling, treatment, generation, release,
7 discharge, refining, manufacturing, dumping or disposal of any Hazardous Substances or other
8 kinds of contamination or pollutants of any kind into the air, soil, groundwater or surface water
9 on, under, in or about the Property (whether legal or illegal, accidental or intentional), that is caused
10 by Borrower or its representatives. The indemnity provided in this Section 210.2 shall survive the
11 Close of Escrow and termination of this Agreement.

12 PART 3 DEVELOPMENT OF PROPERTY

13 SECTION 301 Land Use Approvals

14 It is the responsibility of Borrower, without cost to County, to ensure that zoning of the Property and
15 all applicable County land use requirements will permit development of the Property and construction
16 of the Improvements and the use, operation and maintenance of such Improvements in accordance with
17 the provisions of this Agreement. Nothing contained herein shall be deemed to entitle Borrower to
18 any County of Riverside permit or other County of Riverside approval necessary for the development
19 of the Property, or waive any applicable County of Riverside requirements relating thereto. This
20 Agreement does not (a) grant any land use entitlement to Borrower, (b) supersede, nullify or amend
21 any condition which may be imposed by the County in connection with approval of the development
22 described herein, (c) guarantee to Borrower or any other party any profits from the development of the
23 Property, or (d) amend any City or County laws, codes or rules. This is not a Development Agreement
24 as provided in Government Code Section 65864.

25 Borrower shall provide County with copies of all County-approved plans for the Project
26 within fifteen (15) days following the written request of County.

27 SECTION 302 Scope of Development

28

1 Borrower shall design and construct the Project on the Property, at its own cost and
2 expense, in accordance with the Schedule of Performance attached hereto as Exhibit _____, the
3 Scope of Development attached hereto as Exhibit _____, and plans and specifications prepared
4 by Borrower and approved in writing by County and any CEQA and/or National Environmental
5 Policy Act (“ NEPA”) requirements. Certain State and local environmental requirements under
6 CEQA may be applicable to the proposed Project and Borrower shall comply with such
7 requirements as a condition precedent to County disbursement of any portion of the County Loan.

8 Borrower shall indemnify and hold harmless the County of Riverside, its Agencies,
9 Districts, Special Districts and Departments, their respective directors, officers, Board of
10 Supervisors, elected and appointed officials, employees, agents and representatives (individually
11 and collectively hereinafter referred to as “Indemnitees”) from any liability whatsoever, based or
12 asserted upon any CEQA challenge related to the Project. Borrower shall pay, at its sole expense,
13 all costs and fees including, but not limited, to attorneys’ fees, cost of investigation, defense and
14 settlements or awards, of the Indemnitees in any claim or action based upon such alleged acts or
15 omissions.

16
17 SECTION 303 Basic Concept and Schematic Drawings

18 a. Borrower shall prepare and submit basic concept and schematic drawings and related
19 documents for the development of the Property to the County for review and written approval within
20 the time established in the Schedule of Performance. Basic concept and schematic drawings shall
21 include a site plan, elevations and sections of the Improvements as they are to be developed and
22 constructed on the Property. Borrower shall consult with and seek the recommendations of property
23 management and community service providers with experience relating to similar developments before
24 submission of the basic concept and schematic drawings to the County.

25 b. The Property shall be developed as established in the basic concept and schematic
26 drawings and related documents except as changes may be mutually agreed upon between Borrower
27
28

1 and the Executive Director or designee. Any such changes shall be within the limitations of the Scope
2 of Development.

3 SECTION 304 Landscaping and Grading Plans

4 a. Borrower shall prepare and submit to the County for its approval preliminary and final
5 landscaping and preliminary and finish grading plans for the Property. These plans shall be prepared
6 and submitted within the times established in the Schedule of Performance.

7 b. The landscaping plans shall be prepared by a professional landscape architect and the
8 grading plans shall be prepared by a licensed civil engineer. Such landscape architect and/or civil
9 engineer may be the same firm as Borrower's architect. Within the times established in the Schedule
10 of Performance, Borrower shall submit to the County for approval the name and qualifications of its
11 architect, landscape architect and civil engineer.

12 SECTION 305 Construction Drawings and Related Documents

13 a. Borrower shall prepare and submit construction drawings and related documents
14 (collectively called the "Plans") to the County for review (including but not limited to architectural
15 review), and written approval in the times established in the Schedule of Performance. Such
16 construction drawings and related documents shall be submitted as 50% and Final Construction
17 Drawings. Final Construction Drawings are hereby defined as those in sufficient detail to obtain a
18 building permit.

19 b. Approval of progressively more detailed Plans will be promptly granted by the
20 Executive Director or designee if developed as a logical evolution of Plans theretofore approved. Any
21 items so submitted and approved by the Executive Director or designee shall not be subject to
22 subsequent disapproval.

23 c. During the preparation of all Plans, the Executive Director or designee and Borrower
24 shall hold regular progress meetings to coordinate the preparation of, submission to, and review of
25 Plans and related documents by the Executive Director or designee. The Executive Director or designee
26 and Borrower shall communicate and consult informally as frequently as is necessary to insure that the
27 formal submittal of any documents to the County can receive prompt and speedy consideration.

28

1 d. If any revisions or corrections of Plans approved by the County shall be required by
2 any government official, department, or bureau having jurisdiction over the development of the
3 Property, Borrower and the Executive Director or designee shall cooperate in efforts to obtain waiver
4 of such requirements or to develop a mutually acceptable alternative.

5 SECTION 306 County Approval of Plans

6 a. Subject to the terms of this Agreement, the County shall have the right to review
7 (including without limitation architectural review) and approve or disapprove all Plans and
8 submissions, including any proposed substantial changes to any such Plans or submissions approved
9 by County. Upon receipt of any disapproval, Borrower shall revise the Plans, and shall resubmit to the
10 Executive Director or designee as soon as possible after receipt of the notice of disapproval. The
11 County shall approve or disapprove the Plans referred to in this Agreement within the times established
12 in the Schedule of Performance. Any disapproval shall state in writing the reasons for disapproval and
13 the changes which the Executive Director or designee requests to be made. Such reasons and such
14 changes must be consistent with the Scope of Development and any items previously approved
15 hereunder. Borrower, upon receipt of a disapproval based upon powers reserved by the County
16 hereunder shall revise the Plans, and shall resubmit to the Executive Director or designee as soon as
17 possible after receipt of the notice of disapproval.

18 b. If Borrower desires to make any substantial change in the Final Construction Drawings
19 after their approval, such proposed change shall be submitted to the Executive Director or designee for
20 approval.

21 SECTION 307 Cost of Construction

22 The cost of demolishing any improvements on the Property and developing the Property and
23 constructing the Improvements, including any offsite or onsite improvements required by the County
24 in connection therewith, shall be the sole financial responsibility of Borrower, without any cost to
25 County, subject to the terms of this Agreement. Borrower shall also obtain performance, material and
26 labor, and payment bonds for the Project, in the amount required by any lenders to the Project and
27
28

1 determined by County and shall furnish County with copies thereof prior to the commencement of
2 such construction.

3 SECTION 308 Reserved.

4 SECTION 309 Reserved.

5 SECTION 310 Environmental Review. BORROWER must comply with the California
6 Environmental Quality Act (CEQA) and its implementation regulations.

7 SECTION 311 Schedule of Performance

8 a. Each party to this Agreement shall perform the obligations to be performed by such
9 party pursuant to this Agreement within the respective times provided in the Schedule of Performance,
10 and if no such time is provided, within a reasonable time. The Schedule of Performance shall be subject
11 to amendment from time to time upon the mutual agreement of the County and Borrower. County's
12 Executive Director, or designee, on behalf of County and without referring such matter to the County's
13 Board of Commissioners extend all pending deadlines in the Schedule of Performance on two (2) or
14 fewer occasions, so long as the aggregate duration of such administrative time extensions is no greater
15 than 120 days.

16 b. After the Effective Date, Borrower shall promptly begin and thereafter diligently
17 prosecute to completion the construction of the Improvements as provided herein and in the Scope of
18 Development.

19 c. During periods of construction, Borrower shall submit to the County a written report
20 of the progress of construction when and as reasonably requested by the County, but not more
21 frequently than once every quarter. The report shall be in such form and detail as may be reasonably
22 required by the County and shall include a reasonable number of construction photographs (if
23 requested) taken since the last report by Borrower.

24 d. Nondiscrimination.

25 Borrower shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual
26 orientation, age or disability in the solicitation, selection, hiring or treatment of any contractors or
27 consultants, to participate in subcontracting/subconsulting opportunities. Borrower understands and
28

1 agrees that violation of this clause shall be considered a material breach of this Agreement and may
2 result in termination, debarment or other sanctions. This language shall be incorporated into all
3 contracts between Borrower and any contractor, consultant, subcontractor, subconsultants, vendors
4 and suppliers. Borrower shall comply with the provisions of the California Fair Employment and
5 Housing Act (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L.
6 88-352), as amended, and all Administrative Rules and Regulations issued pursuant to said Acts and
7 Orders with respect to its use of the Property.

8 SECTION 312 Indemnification and Insurance

9 Without limiting any other Borrower indemnities set forth herein, Borrower shall indemnify
10 and hold harmless the County, County of Riverside, its Agencies, Boards, Districts, Special
11 Districts and Departments, their respective directors, officers, Board of Commissioners, elected and
12 appointed officials, employees, agents and representatives (individually and collectively hereinafter
13 referred to as Indemnitees) from any liability whatsoever, based or asserted upon any services of
14 Borrower, its officers, employees, subcontractors, agents or representatives arising out of or in any
15 way relating to this Agreement, including but not limited to property damage, bodily injury, or
16 death or any other element of any kind or nature whatsoever arising from the performance of
17 Borrower, its officers, employees, subcontractors, agents or representatives Indemnitors from this
18 Agreement. Borrower shall defend, at its sole expense, all costs and fees including, but not limited,
19 to attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any
20 claim or action based upon such alleged acts or omissions.

21 With respect to any action or claim subject to indemnification herein by Borrower, Borrower
22 shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to
23 adjust, settle, or compromise any such action or claim without the prior consent of County;
24 provided, however, that any such adjustment, settlement or compromise in no manner whatsoever
25 limits or circumscribes Borrower's indemnification to Indemnitees as set forth herein.

26 Borrower's obligation hereunder shall be satisfied when Borrower has provided to County
27 the appropriate form of dismissal relieving County and the other Indemnitees from any liability for
28

1 the action or claim involved.

2 The specified insurance limits required in this Agreement shall in no way limit or
3 circumscribe Borrower's obligations to indemnify and hold harmless Indemnitees herein from third
4 party claims.

5 In the event there is conflict between this clause and California Civil Code Section 2782,
6 this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve
7 Borrower from indemnifying County to the fullest extent allowed by law.

8 The foregoing indemnity shall continue to remain in effect after the Completion.

9 Without limiting or diminishing Borrower's obligation to indemnify or hold County
10 harmless, Borrower shall procure and maintain or cause to be maintained, at its sole cost and
11 expense, the following insurance coverage's during the term of this Agreement.

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

18 b) **Commercial General Liability Insurance.** Commercial General Liability
19 insurance coverage, including but not limited to, premises liability, contractual liability, products
20 and completed operations liability, personal and advertising injury, and cross liability coverage,
21 covering claims which may arise from or out of Borrower's performance of its obligations
22 hereunder. Policy shall name the County, County of Riverside, its Agencies, Districts, Special
23 Districts, and Departments, their respective directors, officers, Board of Commissioners,
24 employees, elected or appointed officials, agents or representatives as Additional Insured. Policy's
25 limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such
26 insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less
27 than two (2) times the occurrence limit.

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

10 d) **Property (Physical Damage).** Borrower shall provide a policy of all-risk property
11 insurance coverage for the full replacement value of all Borrower's equipment,
12 improvements/alterations, temporary structures, and systems, including without limitation, items
13 owned by others in the Borrower's care, custody or control, used on the Property or other Authority-
14 owned property, or used in any way connected with the performance of the work required pursuant
15 to this Agreement.

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

1 machinery and equipment being installed as part of the work. Borrower shall be responsible for
2 any and all deductibles under such policy. Upon request by County, Borrower shall declare all
3 terms, conditions, coverages and limits of such policy. If the County so provides, in its sole
4 discretion, the All Risk (Course of Construction) insurance for the Project, then Borrower shall
5 assume the cost of any and all applicable policy deductibles (currently, \$50,000 per occurrence)
6 and shall insure its own machinery, equipment, tools, etc. from any loss of any nature whatsoever.

7 **f) General Insurance Provisions – All Lines.**

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

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

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

1 the insurance carrier to do so, on its behalf, shall sign the original endorsements for each policy and
2 the Certificate of Insurance.

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

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

13 6. Borrower shall pass down the insurance obligations contained herein to all tiers
14 of subcontractors.

15 7. Borrower agrees to notify County of any claim by a third party or any incident
16 or event that may give rise to a claim arising from the performance of the Agreement.

17 SECTION 313 Notice of Job Availability

18 Borrower is required, and shall require Borrower's contractor, and cause Borrower's contractor to
19 notify any subcontractor, to notify the Riverside County Workforce Development Center and the
20 Riverside County Greater Avenues for Independence (GAIN) program of any and all job openings
21 related to the development and construction of the Project.

22 SECTION 314 Local, State and Federal Laws

23 The Borrower shall carry out development and construction (as defined by applicable law) of the
24 Improvements on the Property, including, without limitation, any and all public works, (as defined by
25 applicable law), if any, in conformity with all applicable local, state and federal laws, including,
26 without limitation, all applicable federal and state labor laws (including, without limitation, any
27 applicable requirement to pay state prevailing wages). Borrower hereby agrees that Borrower shall
28

1 have the obligation to provide any and all disclosures, representations, statements, rebidding, and/or
2 identifications which may be required by Labor Code Sections 1726 and 1781, as the same may be
3 enacted, adopted or amended from time to time, or any other provision of law. Borrower hereby agrees
4 that Borrower shall have the obligation to provide and maintain any and all bonds to secure the payment
5 of contractors (including the payment of wages to workers performing any public work) which may be
6 required by the Civil Code, Labor Code Section 1781, as the same may be enacted, adopted or amended
7 from time to time, or any other provision of law, to the extent required by law. Borrower shall
8 indemnify, protect, defend and hold harmless County, the County of Riverside and their respective
9 Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of
10 Supervisors, Board of Commissioners, elected and appointed officials, employees, agents,
11 representatives and attorneys, with counsel reasonably acceptable to County, from and against any and
12 all loss, liability, damage, claim, cost, expense, and/or "increased costs" (including labor costs,
13 penalties, reasonable attorneys' fees, court and litigation costs, and fees of expert witnesses) which, in
14 connection with the development and/or construction (as defined by applicable law) of the
15 Improvements, including, without limitation, any and all public works (if any) (as defined by
16 applicable law), results or arises in any way from any of the following: (1) the noncompliance by
17 Borrower of any applicable local, state and/or federal law, including, without limitation, any applicable
18 federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state
19 prevailing wages); (2) the implementation of Chapter 804, Statutes of 2003; (3) the implementation of
20 Sections 1726 and 1781 of the Labor Code, as the same may be enacted, adopted or amended from
21 time to time, or any other similar law; (4) failure by Borrower to provide any required disclosure
22 representation, statement, rebidding and/or identification which may be required by Labor Code
23 Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any
24 other provision of law; and/or (5) failure by Borrower to provide and maintain any and all bonds to
25 secure the payment of contractors (including the payment of wages to workers performing any public
26 work) which may be required by the Civil Code, Labor Code Section 1781, as the same may be enacted,
27 adopted or amended from time to time, or any other provision of law. Borrower hereby expressly
28

1 acknowledges and agrees that County has never previously affirmatively represented to the Borrower
2 or its contractor(s) for the Improvements in writing or otherwise, that the work to be covered by the
3 bid or contract is not a "public work," as defined in Section 1720 of the Labor Code. It is agreed by
4 the parties that, in connection with the development and construction (as defined by applicable law) of
5 the Improvements, including, without limitation, any public work (as defined by applicable law), if
6 any, Borrower shall bear all risks of payment or non-payment of state prevailing wages and/or the
7 implementation of Chapter 804, Statutes of 2003 and/or Labor Code Sections 1726 and 1781, as the
8 same may be enacted, adopted or amended from time to time, and/or any other provision of law.
9 "Increased costs" as used in this Section shall have the meaning ascribed to it in Labor Code Section
10 1781, as the same may be enacted, adopted or amended from time to time. The foregoing indemnity
11 shall survive termination of this Agreement and shall continue after Completion. Borrower shall
12 provide documentation of a Payment and Performance Bond or Letter of Credit to secure performance
13 under the construction contract issued by a bonding company or financial institution reasonably
14 approved by County. The bond shall name County as co-obligee.

15
16 Any borrower whose development plan involves "public works" as the term is defined in Chapter 1 of
17 Part 7 of Division 2 of the Labor Code, commencing with Section 1720, must pay prevailing wages in
18 accordance with the law. Labor Code section 1720.6 defines public works as any construction,
19 alteration, demolition, installation, or repair work done under private contract when the work is
20 performed on the property of the state or a political subdivision of the state.

21
22 Although prevailing wage laws apply only to "public works," the definition of a public works project
23 extends to otherwise private construction or development projects that are "paid in whole or in part out
24 of public funds." The statutory definition of "paid in whole or in part out of public funds" includes a
25 broad array of financial assistance, including: (1) public agency payments of money or its equivalent
26 to or on behalf of a contractor or developer, (2) public agency construction of a project, (3) the transfer
27 of property for less than "fair market value," (4) paid, reduced or waived fees, costs, rents, insurance
28

1 or bond premiums, loans, interest rates, or other obligations, (5) money to be paid on a contingent
2 basis, or (6) the forgiveness of or credits against outstanding loans.

3 Borrower shall require that any contractor working on the Project shall comply with prevailing
4 wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the
5 Labor Code which requires prevailing wages be paid to appropriate work classifications in all bid
6 specifications and subcontracts. Borrower shall require that the contractor shall furnish all
7 subcontractors/employees a copy of the Department of Industrial Relations prevailing wage rates to be
8 posted at the job site. All prevailing wages shall be obtained by the successful operator/contractor
9 from:

10 Department of Industrial Relations
11 Division of Labor Statistics and Research
12 455 Golden Gate Avenue, 8th Floor
13 San Francisco, CA 94102

14 SECTION 315 Notice of Non-Responsibility

15 County shall, at any and all times during the term of this Agreement, have the right to post and maintain
16 on the Property, and record against the Property, as required by law, any notice or notices of non-
17 responsibility provided for by the mechanics' lien laws of the State of California; provided, however,
18 upon the written request of the County, Borrower shall, on behalf of the County, post and maintain on
19 the Property, and record against the Property, all notices of non-responsibility provided for by the
20 mechanics' lien laws of the State of California.

21 SECTION 316 Permits

22 Before commencement of demolition, construction or development of any buildings, structures or other
23 work of improvement upon any portion of the Property, Borrower shall, at its own expense, secure or
24 cause to be secured, any and all permits which may be required by the County or any other
25 governmental County affected by such construction, development or work.

26 SECTION 317 Rights of Access

27 Commencing upon the Effective Date, representatives of the County shall have the reasonable right of
28 access to the Property, upon 24 hours' written notice to Borrower (except in the case of an emergency,
in which case County shall provide such notice as may be practical under the circumstances), without

1 charges or fees, at normal construction hours during the period of construction for the purposes of this
2 Agreement, including, but not limited to, the inspection of the work being performed in constructing
3 the Improvements. Such representatives of the County shall be those who are so identified in writing
4 by the Executive Director of the County.

5 SECTION 318 Disclaimer of Responsibility by County

6 The County neither undertakes nor assumes nor will have any responsibility or duty to Borrower or to
7 any third party to review, inspect, supervise, pass judgment upon or inform Borrower or any third party
8 of any matter in connection with the development or construction of the Improvements, whether
9 regarding the quality, adequacy or suitability of the plans, any labor, service, equipment or material
10 furnished to the Property, any person furnishing the same, or otherwise. Borrower and all third parties
11 shall rely upon its or their own judgment regarding such matters, and any review, inspection,
12 supervision, exercise of judgment or information supplied to Borrower or to any third party by the
13 County in connection with such matter is for the public purpose of redeveloping the Property, and
14 neither Borrower (except for the purposes set forth in this Agreement) nor any third party is entitled to
15 rely thereon. The County shall not be responsible for any of the work of construction, improvement or
16 development of the Property.

17 SECTION 319 Prohibition against Transfer

18 a. Prior to the full reconveyance of the County Deed of Trust, Borrower shall
19 not, except as permitted by this Agreement, assign or attempt to assign this Agreement or any right
20 herein, nor make any total or partial sale, transfer, conveyance or assignment of the whole or any
21 part of the Property, or the Improvements or Property thereon, without prior written approval of
22 the County. This prohibition shall not be deemed to prevent the granting of easements or permits
23 to facilitate the development or operation of the Property.

24 b. Except as permitted by Section 319, paragraph a. above, in the event Borrower does
25 assign this Agreement or any of the rights herein, or does sell, transfer, convey or assign the
26 Property or the buildings or structures thereon prior to Completion without the approval of the
27
28

1 County, subject to the notice and cure provisions of Section 501, the County shall have the right
2 to terminate this Agreement.

3 c. In the absence of a specific written agreement by the County, and except as
4 otherwise provided in this Agreement, no such sale, transfer, conveyance or assignment of this
5 Agreement or the Property (or any portion thereof), or approval by the County of any such sale,
6 transfer, conveyance or assignment, shall be deemed to relieve Borrower or any other party from
7 any obligations under this Agreement.

8 SECTION 320 Completion

9 Following completion of such facilities and any other improvements for the Project, Borrower
10 shall submit to County: a complete set of "As Built" drawings showing every detail, latent or
11 otherwise, of such improvements, alterations and fixtures, including, but not limited to, electrical
12 circuitry and plumbing for the Project.

13 SECTION 321 Lender Not Obligated to Construct Improvements

14 No lender shall be obligated by the provisions of this Agreement to construct or complete the
15 Improvements or to guarantee such construction or completion. Nothing in this Agreement shall
16 be deemed or construed to permit, or authorize any such lender to devote the Property to any uses,
17 or to construct any improvements thereon, other than those uses or improvements provided for or
18 authorized by this Agreement.

19 SECTION 322 Reserved

20 SECTION 323 Failure of Lender to Complete Improvements

21 In any case where, ninety (90) after default by Borrower, the holder of any mortgage, deed of trust
22 or other security interest creating a lien or encumbrance upon the Property (or portion thereof) has
23 not elected to completed construction of the Improvements, or, if it has elected to complete the
24 Improvements, it has not proceeded diligently with construction, the County shall have the right,
25 but not the obligation, to purchase the mortgage, deed of trust or other security interest by payment
26 to the holder of the full amount of the unpaid principal debt, plus any accrued and unpaid interest
27 secured by the mortgage instrument approved by the County.

1 SECTION 324 Reserved

2 SECTION 325 Right of the County to Satisfy Other Liens on the Property.

3 Prior to Completion and after Borrower has had a reasonable time to challenge, cure or
4 satisfy any liens or encumbrances on its interest in the Property, the County shall have the right to
5 satisfy any such liens or encumbrances; provided, however, that nothing in this Agreement shall
6 require Borrower to pay or make provisions for the payment of any tax, assessment, lien or charge
7 so long as Borrower in good faith shall contest the validity or amount thereof, and so long as such
8 delay in payment shall not subject the Property to forfeiture or sale. In such event, the County shall
9 be entitled to reimbursement from Borrower of all costs and expenses incurred by the County in
10 satisfying any such liens or encumbrances. The County shall also be entitled to a lien upon the
11 Property to the extent of such costs and expenses.

12 **PART 4. USE OF THE PROPERTY**

13 SECTION 401 Uses

14 a. Borrower covenants and agrees for itself, its successors, its assigns and every
15 successor in interest to the Property or any part thereof, for the duration of the Affordability Period
16 that Borrower, such successors and such assignees shall use the Property only for the uses specified
17 in the Redevelopment Plan, any development agreements entered into between the County and
18 Borrower, this Agreement (including without limitation the Scope of Development (Exhibit "A"),
19 the Covenants (Exhibit "D") and Governmental Approvals. No change in the use of the Property
20 shall be permitted without the prior written approval of County.

21 b. Notwithstanding the generality of Section 401(a), for the duration of the
22 Affordability Period Borrower, its successors and assigns, shall use the Property only for the uses
23 permitted in this Agreement, specifically including the following: (i) residential rental uses, with
24 respect to the Affordable Units, and (ii) as supportive housing requiring supportive services are
25 made available for all of the assisted families in the Project providing a range of services tailored
26 to the needs of the residents occupying the rental units located on the Property. Such services may
27 include (but are not limited to): meal service adequate to meet nutritional need; housekeeping aid;
28

1 personal assistance; transportation services; health-related services; case management; educational
2 and employment services; job training; counseling; or other services designed to help the recipient
3 live in the community as independently as possible. Borrower shall be solely responsible for
4 payment of all costs associated with the provision of the aforementioned supportive services
5 required herein without any cost to the County.

6 c. The Project shall remain in compliance with all applicable Federal, State and local
7 codes, laws, regulations and ordinances for the duration of this Agreement and the Affordability
8 Period.

9 d. Residential Uses. For a period consisting of fifty-five (55) years from the
10 recordation in the Official Records of the Notice of Completion for the last building for which
11 construction is completed for the Project, or (ii) July 1, 2074, whichever is later, without regard to
12 the term of the County Loan, repayment of the County Loan, or the transfer of ownership of the
13 Project, and Improvements, Borrower on behalf of itself and its successors, assigns, and each
14 successor in interest to Borrower's interest in the Property or any part thereof, hereby covenants
15 and agrees as follows:

16 (1) All of the Affordable Units shall be available to Extremely Low Income
17 households at an Affordable Rent in accordance with the Schedule of Affordable Rents attached
18 as exhibit _____ to the Covenants (Exhibit "_____"), and the rent limitations set forth
19 in California Health and Safety Code Sections 50053 b(1) and 50053 b(2), as may be amended
20 from time to time;

21 (2) BORROWER agrees that eighteen (18) of the bedroom units defined
22 herein as the Affordable Units, shall be rented to and occupied exclusively by extremely low
23 income households. All eighteen (18) Affordable Units shall be rented to and occupied by
24 households whose incomes do not exceed thirty percent (30%) of the median family income for
25 the County of Riverside, adjusted by family size at the time of occupancy.

26 (3) The maximum incomes of all tenants eligible to rent an Affordable Unit
27 shall be determined on the basis of the Area Median Income for County of Riverside.
28

1 (4) No officer, employee, agent, official or consultant of Borrower may occupy
2 any of the Affordable Units.

3 SECTION 402 Maintenance

4 In addition to the property maintenance requirements set forth in the Covenant Agreement,
5 Borrower covenants and agrees (for itself, its successors, its assigns, and every successor in interest
6 to the Property or any part thereof) that prior to the construction of the Improvements, Borrower
7 shall maintain and secure the Property in accordance with reasonable vacant property management
8 practices, and upon and after completion of construction of the Improvements, Borrower, its
9 successors and assigns, shall maintain the Property and any improvements thereon and the
10 landscaping on the Property in a manner consistent with community standards which will uphold
11 the value of the Property, in accordance with this Agreement, and the County of Riverside
12 Municipal Code (the "Codes"), and the following:

13 (a) Exterior Maintenance. All exterior, painted surfaces of any structures located on the
14 Property shall be maintained at all times in a clean and presentable manner. Any defacing marks
15 shall be cleaned or removed within a reasonable time.

16 (b) Front and Side Exteriors. Borrower shall, at all times, maintain the front exterior
17 and any visible side exteriors and yards, if any, in a clean, safe and presentable manner, free and
18 clear of trash and/or debris.

19 (c) Graffiti Removal. All graffiti, and defacement of any type, including marks, words
20 and pictures, must be removed from the Property and any necessary painting or repair completed
21 within a reasonable time, but in no event more than one (1) week after notice to a Purchaser from
22 County.

23 (d) Landscaping. All landscaping surrounding the Property shall be maintained in a
24 manner consistent with the Codes and any rules, regulations and standards adopted pursuant to the
25 Code. In addition, for example, the yard areas shall not contain the following: (i) lawns with grasses
26 in excess of nine (9) inches in height; (ii) trees, shrubbery, lawns or other plant life which are dying
27 from a lack of water or other necessary maintenance; (iii) trees and shrubbery grown uncontrolled
28

1 without proper pruning; (iv) vegetation so overgrown as to be likely to harbor rats or vermin; (v)
2 dead, decayed or diseased trees, weeds and other vegetation; and (vi) inoperative irrigation systems.

3 (e) Maintenance by Borrower. Borrower shall, at his, her or their sole cost and expense,
4 maintain and repair the Property and the improvements thereon, keeping the same in good condition
5 and making all repairs as may be required by this Agreement and the Code.

6 (f) Damage and Destruction Affecting Property -- Duty to Rebuild. If all or any portion
7 of the Property and the improvements thereon is damaged or destroyed by fire or other casualty, it
8 shall be the duty of Borrower to rebuild, repair or reconstruct the Property in a timely manner to
9 restore it to Code compliance condition or the condition required by the City.

10 (g) Variance in Exterior Appearance and Design. If the Property is damaged or
11 destroyed by casualty, Borrower may not, without the prior written consent of the County,
12 reconstruct, rebuild or repair the Property in a manner which will provide substantially different
13 exterior appearance and Property design from that which existed prior to the date of the casualty.

14 (h) Time Limitation. In the event of damage or destruction due to casualty, Borrower
15 shall be obligated to proceed with all due diligence to commence reconstruction within two (2)
16 months after the damage occurs and to complete reconstruction within a reasonable time after
17 damage occurs, unless prevented by causes beyond the reasonable control of Borrower as
18 reasonably determined by County.

19 (i) Inspection. In the event the County, in the sole discretion of the County Executive
20 Director, determines that the Borrower has failed to maintain the Property, the County, or its
21 designee, on two (2) weeks' prior written notice of any noted code violations and maintenance
22 deficiencies (collectively, the "Deficiencies"), shall have the right, but not the obligation, to enter
23 the Property, correct any Deficiency, and hold the Borrower responsible for the cost thereof. Any
24 cost incurred by the Borrower to cure any such Deficiency, until paid, shall constitute a lien on the
25 Property pursuant to Civil Code Section 2881.

26 SECTION 403 Obligation to Refrain from Discrimination
27
28

1 Borrower covenants and agrees for itself, its successors, its assigns and every successor in
2 interest to the Property or any part thereof, there shall be no discrimination against or segregation
3 of any person, or group of persons, on account of sex, sexual orientation, marital status, race, color,
4 creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy,
5 tenure or enjoyment of the Property nor shall the Borrower itself or any person claiming under or
6 through it establish or permit any such practice or practices of discrimination or segregation with
7 reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants,
8 sublessees or vendees of the Property. Borrower, specifically and more particularly, covenants by
9 and for itself, himself or herself, its, his or her heirs, executors, administrators, and assigns, and all
10 persons claiming under or through them, that there shall be no discrimination against or
11 segregation of, any person or group of persons on account of any basis listed in subdivision (a) or
12 (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926,
13 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section
14 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or
15 enjoyment of the Property, nor shall the Borrower or any person claiming under or through it, him
16 or her, establish or permit any practice or practices of discrimination or segregation with reference
17 to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or
18 vendees of the Property.

19 Notwithstanding the preceding paragraph, the provisions relating to discrimination on the
20 basis of familial status shall not be construed to apply to housing for older persons, as defined in
21 Section 12955.9 of the Government Code nor be construed to affect Sections 51.2, 51.3, 51.4,
22 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d)
23 of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section
24 12955 of the Government Code shall also apply to the preceding paragraph.

25 SECTION 404 Form of Nondiscrimination and Nonsegregation Clauses

26 Borrower covenants and agrees for itself, its successors, its assigns and every successor in
27 interest to the Property or any part thereof or interest therein, there shall be no discrimination
28

1 against or segregation of any person, or group of persons, on account of sex, sexual orientation,
2 marital status, race, color, creed, religion, ancestry or national origin in the sale, lease, sublease,
3 transfer, use, occupancy, tenure or enjoyment of the Property nor shall Borrower, itself or any
4 person claiming under or through it, establish or permit any such practice or practices of
5 discrimination or segregation with reference to the selection, location, number, use or occupancy
6 of tenants, lessees, subtenants, sublessees, or vendees of the Property. All deeds, leases or
7 contracts shall contain or be subject to substantially the following non-discrimination or non-
8 segregation clauses:

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

20 Notwithstanding the preceding paragraph, the provisions relating to discrimination on the
21 basis of familial status shall not be construed to apply to housing for older persons, as defined in
22 Section 12955.9 of the Government Code nor be construed to affect Sections 51.2, 51.3, 51.4,
23 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d)
24 of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section
25 12955 of the Government Code shall also apply to the preceding paragraph.

1 b. In leases: "The lessee herein covenants by and for himself or herself, his or her
2 heirs, executors, administrators, and assigns, and all persons claiming under or through him or her,
3 and this Agreement is made and accepted upon and subject to the following conditions:

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

14 Notwithstanding the preceding paragraph, the provisions relating to discrimination
15 on the basis of familial status shall not be construed to apply to housing for older persons,
16 as defined in Section 12955.9 of the Government Code nor be construed to affect Sections
17 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior
18 citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions
19 (n), (o), and (p) of Section 12955 of the Government Code shall also apply to the preceding
20 paragraph.

21 c. In contracts: "There shall be no discrimination against or segregation of any person
22 or group of persons, on account of any basis listed in subdivision (a) or (d) of
23 Section 12955 of the Government Code, as those bases are defined in Sections
24 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section
25 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease,
26 transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee
27 itself or any person claiming under or through him or her, establish or permit any
28

1 such practice or practices of discrimination or segregation with reference to the
2 selection, location, number, use, or occupancy, of tenants, lessees, sublessees,
3 subtenants, or vendees of the land.”

4 SECTION 405 Effect and Duration of Covenants

5 The covenants established in this Agreement shall run with the land, without regard to
6 technical classification and designation, and shall be for the benefit and in favor of and enforceable
7 against the original Borrower and successors in interest by the County. Unless set forth otherwise,
8 the covenants described in this Part 4 shall commence upon the Closing and shall be set forth in
9 the Covenants (Exhibit “_____”) and shall remain in effect during the periods specified
10 therein.

11 SECTION 406 Covenants

12 As a material part of the consideration for this Agreement, Borrower covenants and agrees
13 for itself, its successors, its assigns and every successor in interest to the Property or any part
14 thereof, that, as a condition precedent to the Closing, Borrower shall execute in recordable form
15 the Covenants in substantially the form appended to this Agreement as Exhibit “_____” and
16 incorporated herein by this reference. The Covenant (Exhibit “_____”) shall be recorded against
17 the Property in first priority position senior to all liens and encumbrances (including, without
18 limitation, any senior loan). As a condition precedent to the Closing, Borrower shall obtain and
19 cause to be recorded (as applicable), at Borrower’s sole cost and expense, any instruments
20 necessary and/or appropriate to subordinate to the Covenants (to the reasonable satisfaction of
21 County Executive Director) any deeds of trust, mortgages, security instruments, other liens, leases,
22 subleases, and/or other agreements affecting title to or possession of or providing a security interest
23 in Property which otherwise are or might be senior to the Covenants.

24 SECTION 407 Project Monitoring and Evaluation

25 Borrower shall submit a Tenant Checklist Form, as specifically identified in Exhibit”____”,
26 which is attached hereto and by this reference incorporated herein, to County, upon completion
27 of the construction, summarizing the number of extremely-low income households who are
28