

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



ITEM: 3.14
(ID # 12305)

MEETING DATE:
Tuesday, May 05, 2020

FROM: HOUSING, HOMELESSNESS PREVENTION AND WORKFORCE SOLUTIONS:

SUBJECT: HOUSING, HOMELESSNESS PREVENTION AND WORKFORCE SOLUTIONS:
Approval of the Subrecipient Agreement and Covenant Agreement Template for the 2018 Homeless Emergency Aid Program (HEAP) Capital Improvement Projects for use with certain awarded non-profit organizations: Valley Restart Shelter, Path of Life Ministries and Operation Safe House, Inc. as well as with the City of Riverside, funded by the State of California Business, Consumer Services and Housing Agency (BCSH), Districts: 1 and 3. [Total Cost \$1,084,122 - 100% State]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Subrecipient Agreement and Covenant Agreement Template for the 2018 HEAP Capital Improvement Projects to be entered into with certain awarded non-profit organizations: Valley Restart Shelter, Path of Life Ministries and Operation Safe House, Inc. as well as with the City of Riverside, substantially to form and subject to approval as to form by County Counsel, attached hereto (Template);

ACTION: Policy


Heidi Marshall, Director 4/29/2020

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Spiegel 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 5, 2020
xc: Housing

Kecia R. Harper
Clerk of the Board

By: 
Deputy

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2. Authorize the Director of the Department of Housing, Homelessness Prevention and Workforce Solutions, or designee, now designated and charged with the responsibility of administering and implementing the agreements and the HEAP program, to finalize the agreements in a manner to be consistent with the intent of the HEAP program and to execute the respective 2018 Subrecipient Agreements and Covenant Agreements, substantially conforming in form and substance to the Template and as approved by County Counsel, with the four above-mentioned subrecipients, for the capital improvement projects, effective upon execution and terminating on the dates provided in the agreements, in an amount not to exceed the funding amount, covering the Supervisorial Districts, as set forth in the table below (2018 Subrecipient Agreements); and

3. Authorize the Director of the Department of Housing, Homelessness Prevention and Workforce Solutions, or designee, now designated and charged with the responsibility of administering and implementing the agreements and HEAP program, based on the availability of funding and as approved by County Counsel to sign amendments that make modifications to the scope of work that stay within the intent of the agreements.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$542,061	\$542,061	\$1,084,122	\$
NET COUNTY COST	\$	\$	\$	\$
SOURCE OF FUNDS: 100% State Funding (HEAP)			Budget Adjustment: No	
			For Fiscal Year: 19/20 – 20/21	

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

Prev. Agn. Ref: 05/21/2019, Item 3.40

BACKGROUND:

Summary

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

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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.

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 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 total HEAP allocation to the County of Riverside is \$9,791,805; no County matching 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. The new program parameters and the complexity of each of the capital projects proposed resulted in a lengthier contract negotiation period that culminated with the number of projects proposed herein.

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 direct housing and service programs funded by the 2018 HEAP grant.

Contract History and Price Reasonableness

On November 16, 2018, the CoC released a Request for Proposal (RFP), #DPARC 564A for the HEAP Program. The RFP was posted on the DPSS website and the Public Purchase website. An e-mail containing a Notification to Bid and a link to apply for the RFP was sent to all CoC and community partners. The bid closed on December 21, 2018, and a total of 42 applications were received. The applications received a threshold review and 36 applications moved forward to the Independent Review Panel for scoring.

An Independent Review Panel of 16 evaluators reviewed the applications. The submittals were ranked in priority order and the panel provided funding recommendations to the CoC Board of Governance (BOG). The BOG approved the panel's recommendations at meetings held on February 7, 2019 and March 4, 2019.

Below is a list of funding amounts for the capital improvement projects approved by the BOG:

Subrecipient	Type	Project Description	Funding Amount	Supervisor District
City of Riverside	Capital Improvement	2881 Hulen Bridge Housing Conversion	\$606,575.00	1

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Valley Restart Shelter	Capital Improvement	Rehab of Mass Shelter	\$100,220.00	3
Path of Life Ministries	Capital Improvement	Rehab of Community Center	\$215,013.00	1
Operation SafeHouse	Capital Improvement	Roof Repair/Solar Panel Installation	\$162,314.00	1
Total:			\$1,084,122	

The Subrecipient Agreement and Covenant Agreement Template for the 2018 HEAP Capital Improvement Projects (Attachment A) will be executed with each subrecipient for each capital improvement project.

ATTACHMENTS:

- ATTACHMENT A: SUBRECIPIENT AGREEMENT AND COVENANT AGREEMENT TEMPLATE FOR THE 2018 HOMELESS EMERGENCY AID PROGRAM CAPITAL IMPROVEMENT PROJECTS



 Marcus Maltese 4/29/2020



 Gregory F. Priamos, Director County Counsel 4/29/2020

**SUBRECIPIENT AGREEMENT
FOR THE 2018 HOMELESS EMERGENCY AID PROGRAM
CAPITAL IMPROVEMENT PROJECTS**

This SUBRECIPIENT AGREEMENT FOR THE 2018 HOMELESS EMERGENCY AID PROGRAM CAPITAL IMPROVEMENT PROJECTS (“AGREEMENT”) is made and entered into as of this _____ day of _____, 20____ by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (“COUNTY”) and SUBRECIPIENT (“SUBRECIPIENT”). COUNTY and SUBRECIPIENT are individually referred to herein as a “Party” and collectively referred to herein as the “Parties.”

RECITALS

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, the HEAP provides one-time flexible block grant funds to Administrative Entities of Continuums 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, Continuums of Care, cities, counties, and nonprofit organizations may use HEAP funds for capital improvement projects within a jurisdiction that has declared a shelter crisis in accordance with Government Code section 8698.2; and

WHEREAS, SUBRECIPIENT is a city or a nonprofit organization and the owner of real property more commonly known as [INSERT PROPERTY ADDRESS] located in a jurisdiction that has declared a shelter crisis in accordance with Government Code section 8698.2 (“PROPERTY”); and

WHEREAS, SUBRECIPIENT has submitted a proposal to the COUNTY for capital improvements to the PROPERTY and will enter into an agreement with a contractor(s) (“Contractor(s)”) to make such capital improvements to the PROPERTY; and

WHEREAS, the capital improvements to the PROPERTY will assist the COUNTY in addressing the immediate emergency needs of homeless individuals and individuals at imminent risk of homelessness in the service area of the CoC; and

WHEREAS, SUBRECIPIENT wishes to receive HEAP funds to pay for the capital improvements to the PROPERTY; and

WHEREAS, the Parties desire to enter in this AGREEMENT to provide for the grant of HEAP funds by COUNTY to SUBRECIPIENT for the capital improvements to the PROPERTY as more specifically set forth below;

NOW THEREFORE, in consideration of the foregoing, and the promises and mutual covenants and conditions herein after set forth, the SUBRECIPIENT and COUNTY hereby agree as follows:

- 1) **INCORPORATION OF RECITALS.** COUNTY and SUBRECIPIENT acknowledge and agree that the above recitals are true and correct and are hereby made part of this AGREEMENT.
- 2) **PURPOSE OF AGREEMENT.** The purpose of this AGREEMENT is to set forth the terms and conditions by which COUNTY will grant up to \$X.XX in HEAP funds (“HEAP GRANT”) for capital improvements to the PROPERTY upon the terms and conditions set forth herein and in the Scope of Work and Schedule of Performance attached hereto as Exhibit “B” and incorporated herein by this reference (“WORK”).
- 3) **TERM OF AGREEMENT.** The term of this AGREEMENT shall commence on the Effective Date (defined below) and shall terminate on October 31, 2021, unless terminated earlier as provided herein.

- 4) **SCOPE OF WORK AND SCHEDULE OF PERFORMANCE.** SUBRECIPIENT shall cause the WORK to be performed pursuant to this AGREEMENT at the PROPERTY.
- a) Both COUNTY and SUBRECIPIENT have reviewed and approved the WORK to be performed to the PROPERTY pursuant to this AGREEMENT (Exhibit “B”); and
 - b) The PROPERTY shall be improved in accordance with and within the limitations established in the WORK (Exhibit “B”) and subsequent plans and specifications approved by the COUNTY pursuant to this AGREEMENT, and any and all permits issued by the COUNTY and/or any other governmental entity with jurisdiction over the WORK.
- 5) **HEAP GRANT TERMS.** The HEAP GRANT from the COUNTY to the SUBRECIPIENT shall be used to pay for costs associated with the WORK.
- a) Expenditure of HEAP GRANT. SUBRECIPIENT agrees that one hundred percent (100%) of the HEAP GRANT must be expended by June 30, 2021. “Expended” means that all HEAP funds that have been obligated have been fully paid and receipted, and no invoices remain outstanding. Any part of the HEAP GRANT paid to SUBRECIPIENT, but not expended by that date shall be returned to COUNTY within ten (10) calendar days to be returned to BCSH.
 - b) HEAP GRANT Amount. The amount of the HEAP GRANT shall not exceed the maximum total amount of \$X.XX, including all expenses. SUBRECIPIENT agrees and acknowledges that the HEAP GRANT amount is intended to cover the total costs of the WORK. However, in the event the total cost of the WORK exceeds the HEAP GRANT amount, SUBRECIPIENT shall be responsible for payment of any such amounts in excess of the HEAP GRANT amount for the WORK. COUNTY shall not be responsible for any amounts greater than the HEAP GRANT amount.
 - c) Disbursement of HEAP GRANT. The HEAP GRANT shall be disbursed to the SUBRECIPIENT pursuant to the process set out in section 9 below.

- d) Administrative Costs. No more than five percent (5%) of the total HEAP GRANT may be used for administrative costs related to the execution of the WORK. For purposes of this AGREEMENT, “administrative costs” does not include staff costs directly related to carrying out the WORK.
- e) Advances. COUNTY may issue a one-time advance payment to SUBRECIPIENT in an amount not to exceed twenty-five percent (25%) of the HEAP GRANT upon written request by the SUBRECIPIENT. Such written request must be submitted on SUBRECIPIENT letterhead and SUBRECIPIENT shall complete the 2076A form (Exhibit “D”). If an advance is issued, the advance will be recouped within the first six claims for disbursement that are submitted and approved for payment. Seventeen percent (17%) of the advance will be recouped from each of the first five (5) claims submitted and fifteen percent (15%) of the advance will be recouped from the sixth claim submitted. If there are not enough funds in a 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. ***COUNTY reserves the right, in its sole discretion, to approve or deny an advance request based on funding availability.***

SUBRECIPIENT shall maintain a separate interest-bearing account for the advance. 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 SUBRECIPIENT’s Contractor(s), including subcontractors, 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 by SUBRECIPIENT for general administrative purposes. At least five percent (5%) of these proceeds must be returned to COUNTY to establish or expand services for Homeless Youth.

f) Sufficiency of Funds. The obligation of COUNTY for payment of the HEAP GRANT under 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 and be of no further force or effect. In the event the 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.

g) Covenant Agreement. In consideration for the HEAP GRANT, SUBRECIPIENT agrees to be bound by the covenants, conditions, and restrictions set forth in the covenant agreement, attached hereto as Exhibit "E" and incorporated herein by this reference ("COVENANT AGREEMENT"). As a condition precedent to the COUNTY's disbursement of the HEAP GRANT, SUBRECIPIENT shall execute and record in the Official Records, the COVENANT AGREEMENT. The COVENANT AGREEMENT sets forth, among other things, use restrictions, transfer restrictions, maintenance obligations, and non-discrimination covenants. The COVENANT AGREEMENT shall run with the land in favor of the COUNTY and shall remain in effect for the term set forth in the COVENANT AGREEMENT. A breach of the COVENANT AGREEMENT shall be a material breach of this AGREEMENT. This provision shall survive the termination and expiration of this AGREEMENT.

6) **NOTICE TO PROCEED.** SUBRECIPIENT shall not initiate or incur expenses for

the WORK covered under the terms of this AGREEMENT including, but not limited to, executing a contract with the Contractor(s), prior to receiving written authorization from COUNTY to proceed (“Notice to Proceed”).

7) CONTRACT WITH CONTRACTOR(S).

- a) After receiving the Notice to Proceed, SUBRECIPIENT shall promptly enter into a contract with the Contractor(s).
- b) SUBRECIPIENT shall ensure that the Contractor(s) are skilled in the professional calling necessary to perform the WORK and have the requisite experience and knowledge necessary to perform the WORK. SUBRECIPIENT shall ensure that the Contractor(s) perform the WORK in conformance to and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. SUBRECIPIENT shall verify that Contractor(s) possesses current and valid licenses and certifications in compliance with any local, State, and Federal laws and regulations relative to the WORK to be performed and that the WORK will be performed by properly trained and licensed staff.
- c) SUBRECIPIENT shall require the WORK to be carried out in compliance with all applicable laws, including, but not limited to, 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, the SUBRECIPIENT, the SUBRECIPIENT’s Contractor(s), including subcontractors, and the WORK. In the event that there is a conflict between the various laws or regulations that may apply, the SUBRECIPIENT shall ensure that the Contractor(s) complies with the more restrictive law or regulation.
- d) SUBRECIPIENT shall ensure that Contractor(s) will complete the WORK in accordance with the expenditure deadlines set forth in this AGREEMENT.

- 8) PRE-CONSTRUCTION CONFERENCE.** After entering into a contract with the Contractor(s), SUBRECIPIENT shall coordinate a pre-construction conference between

COUNTY, SUBRECIPIENT and the Contractor(s) to review the finalized labor and materials needed for the WORK. Any changes to the finalized WORK shall be in writing and mutually agreed upon by COUNTY and SUBRECIPIENT.

9) DISBURSEMENT OF FUNDS.

- a) The COUNTY shall pay to the SUBRECIPIENT the HEAP GRANT amount on a reimbursable basis for all COUNTY-approved costs in accordance with the line item budget attached hereto as Exhibit "A" and incorporated herein by this reference. The SUBRECIPIENT shall submit to COUNTY, not more often than monthly, a certified statement setting forth in detail the expenditures made for which it is asking reimbursement along with pertinent supporting documentation. The COUNTY shall promptly review the monthly expenditure statement and reimburse the SUBRECIPIENT for the COUNTY-approved costs in accordance with its usual accounting procedures. The COUNTY may require from SUBRECIPIENT such supporting documentation as may be necessary and appropriate for the COUNTY to make its determination as to allowable costs. Each disbursement of the HEAP GRANT shall be made within forty-five (45) days after SUBRECIPIENT has submitted to the COUNTY a complete and written approved statement of expenditures. COUNTY has the authority to withhold disbursements of the HEAP GRANT under this AGREEMENT pending a final determination by COUNTY of questioned expenditures. In the event BCSH or the COUNTY determines any expenditures claimed by SUBRECIPIENT and paid by COUNTY were ineligible for HEAP funding, the SUBRECIPIENT shall reimburse the COUNTY the amount of the expenditures reimbursed and so disallowed and/or COUNTY may deduct and retain the amount of the expenditures reimbursed and so disallowed from any amount owed to SUBRECIPIENT. For this AGREEMENT, SUBRECIPIENT shall send the expenditure statements to:

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- b) COUNTY shall retain five percent (5%) of the HEAP GRANT amount until completion of the WORK as determined by COUNTY. The term "completion" shall mean the point in time when all of the following shall have occurred: (1) the PROPERTY has been improved in accordance with this AGREEMENT, including the Scope of Work, and (2) COUNTY and SUBRECIPIENT have inspected and accepted the WORK as completed by the Contractor(s) in accordance with section 10 below.
- c) SUBRECIPIENT may, with the prior written approval of COUNTY, move funds from one line item in the budget to another line item in the budget set forth in Exhibit "A", so long as said change does not increase the total HEAP GRANT amount.

10) INSPECTION OF COMPLETED WORK. Without limiting COUNTY's disclaimer of responsibility for the WORK, upon completion of the WORK, COUNTY and SUBRECIPIENT shall inspect the WORK completed by the Contractor(s). Upon inspection and acceptance of the completed WORK by SUBRECIPIENT and COUNTY, COUNTY shall make final payment to SUBRECIPIENT in accordance with section 9 above.

11) WARRANTY FOR CAPITAL IMPROVEMENTS. SUBRECIPIENT acknowledges and agrees that its Contractor(s) shall be required to provide a minimum of one (1) year warranty and guarantee for all labor and a minimum manufacturer's warranty and guarantee for all material installed.

12) CONTRACTOR(S) IS RESPONSIBLE FOR ALL WORK. Notwithstanding anything to the contrary contained herein, the COUNTY neither undertakes nor assumes nor has any responsibility or duty to SUBRECIPIENT or to any third party to review, inspect, supervise, pass judgment upon or inform SUBRECIPIENT or any third party of any matter in connection with the WORK, whether regarding the quality, adequacy or suitability of the plans, any labor, service, equipment or material furnished to the

PROPERTY, any person furnishing the same, or otherwise. SUBRECIPIENT and all third parties shall rely upon its or their own judgment regarding such matters, and any review, inspection, supervision, exercise of judgment or information supplied to SUBRECIPIENT or to any third party by the COUNTY in connection with such matter is for the public purpose of improving the PROPERTY, and neither SUBRECIPIENT nor any third party is entitled to rely thereon. The COUNTY shall not be responsible for any of the WORK of construction, or improvement of the PROPERTY. In the event some part of the WORK completed fails to give SUBRECIPIENT satisfaction, SUBRECIPIENT acknowledges and agrees that the Contractor(s) is the party responsible for all warranty repairs, not the COUNTY. SUBRECIPIENT shall contact the Contractor(s) for any assistance in connection with the aforementioned matters. SUBRECIPIENT acknowledges and agrees to make every effort to notify the Contractor(s) in the event SUBRECIPIENT is not satisfied with the WORK and give the Contractor(s) a reasonable opportunity to correct the problem. Should the Contractor(s) be unresponsive, SUBRECIPIENT shall have the right to pursue corrective action through the State of California, Contractor's License Board, among other remedies.

13) RIGHTS OF ACCESS. Commencing upon the Effective Date, representatives of the COUNTY shall have the reasonable right of access to the PROPERTY, upon 24 hours' written notice to SUBRECIPIENT (except in the case of an emergency, in which case COUNTY shall provide such notice as may be practical under the circumstances), without charges or fees, during normal construction hours during the period of construction for the purposes of, including, but not limited to, the general inspection of the WORK being performed related to this AGREEMENT.

14) SUBRECIPIENT CERTIFICATIONS: The SUBRECIPIENT certifies the following:

- a) SUBRECIPIENT provided true and accurate information on proposals to COUNTY and has not misrepresented SUBRECIPIENT's eligibility for the HEAP GRANT;
- b) SUBRECIPIENT has notified its insurance company about the WORK to be performed pursuant to this AGREEMENT; and

- c) SUBRECIPIENT hereby represents and warrants that neither the execution and delivery of this AGREEMENT, including any attachments hereto or documents related to this AGREEMENT nor the incurrence of the SUBRECIPIENT's obligations herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this AGREEMENT and the documents referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, lease or other agreements or instruments to which SUBRECIPIENT is a party.

15) SUBRECIPIENT DUTIES. In addition to the SUBRECIPIENT obligations set forth in this AGREEMENT, SUBRECIPIENT shall adhere to the following:

- a) SUBRECIPIENT, at all times, shall cooperate with COUNTY and Contractor(s);
and
- b) SUBRECIPIENT shall not change or amend the WORK without written consent of the COUNTY.

16) TERMINATION.

- a) COUNTY may, at any time, terminate this AGREEMENT, in whole or in part, without cause upon giving thirty (30) calendar days written notice served on SUBRECIPIENT stating the extent and effective date of termination.
- b) COUNTY may, at any time, upon five (5) calendar 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:
 - i) SUBRECIPIENT's violation of any terms or conditions of this AGREEMENT or the COVENANT AGREEMENT;

- ii) SUBRECIPIENT's use of, or SUBRECIPIENT permitting the use of HEAP funds provided under this AGREEMENT for any ineligible activities;
 - iii) SUBRECIPIENT's failure to comply with the deadlines set forth in this AGREEMENT; or
 - iv) SUBRECIPIENT's violation of any federal or state laws or regulations.
- c) After receipt of the notice of termination, SUBRECIPIENT shall stop or cause to be stopped all WORK under this AGREEMENT on the date specified in the notice of termination and, within ten (10) calendar days of the notice of termination, return all unexpended HEAP funds received by SUBRECIPIENT to COUNTY.
- d) After termination, COUNTY shall make payment only for the WORK properly performed up to the date of termination in accordance with this AGREEMENT.
- e) In addition to the other remedies that may be available to COUNTY in law or equity for breach of this AGREEMENT, COUNTY may:
- i) Bar the SUBRECIPIENT from applying for future HEAP funds;
 - ii) Revoke any other existing HEAP award(s) to the SUBRECIPIENT;
 - iii) Require repayment of HEAP funds disbursed and expended under this AGREEMENT;
 - iv) 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;
 - v) 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

- vi) Seek such other remedies as may be available under this AGREEMENT or any law.
- f) SUBRECIPIENT's rights under this AGREEMENT shall terminate (except for fees accrued prior to the date of termination) upon dishonesty or willful and material breach of this AGREEMENT by SUBRECIPIENT; or in the event of SUBRECIPIENT's unwillingness or inability, for any reason whatsoever, to perform the terms of this AGREEMENT. In such an event SUBRECIPIENT shall not be entitled to any further compensation under this AGREEMENT.
- g) 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.
- h) SUBRECIPIENT may terminate this AGREEMENT for cause upon thirty (30) calendar days written notice if COUNTY 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. SUBRECIPIENT shall state in writing the extent and effective date of termination.

17) HOLD HARMLESS AND INDEMNIFICATION.

- a) SUBRECIPIENT shall indemnify and hold harmless the COUNTY and its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability, action, claim, or damage whatsoever, based or asserted upon any services provided or actions caused by SUBRECIPIENT, its officers, employees, subcontractors, agents, or representatives, or Contractor(s), their 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, death or any other element of any kind or nature whatsoever resulting from any service related to the WORK provided by SUBRECIPIENT or Contractor(s), their officers, employees, subcontractors, agents, or representatives;

SUBRECIPIENT shall defend, at its sole expense, including all costs and fees (including but not limited to attorney fees, cost of investigation, defense and settlements or awards) the COUNTY and its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives in any claim or action based upon such alleged acts, omissions, or services.

- b) With respect to any action or claim subject to indemnification herein by SUBRECIPIENT, SUBRECIPIENT shall, at its sole cost, have the right to use counsel of its own choice 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's indemnification to COUNTY 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 COUNTY herein from third party claims. The hold harmless and indemnification obligations set forth herein shall survive the termination and expiration of this AGREEMENT.

18) INSURANCE. Without limiting or diminishing the SUBRECIPIENT'S obligation to indemnify or hold the 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, the 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.

a) Property Insurance:

SUBRECIPIENT shall maintain property insurance and flood insurance on the PROPERTY, listing the COUNTY as Additional Insured for the term of this AGREEMENT. SUBRECIPIENT shall keep the improvements now existing or hereafter erected on the PROPERTY insured against loss by fire, hazards included within the term "extended coverage," and such other hazards, including floods or flooding. This insurance shall be maintained in the amount of the replacement value of the PROPERTY.

b) Workers' Compensation:

If the SUBRECIPIENT has employees as defined by the State of California, the 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.

c) 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.

d) 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 the COUNTY as Additional Insured.

e) All Risk Builder's Insurance:

SUBRECIPIENT shall cause its Contractor(s) to procure all risk builder's insurance for the duration of the WORK to be performed to the PROPERTY. Contractor(s) shall provide a policy of builder's all risk (course of construction) insurance coverage including (if the WORK is located in an earthquake or flood zone or if required on financed or bond financing arrangements) coverage for earthquake and flood, covering the SUBRECIPIENT, Contractor and every subcontractor, of every tier, for the duration of the WORK to be performed to the PROPERTY, including property to be used in the construction of the WORK while such property is at off-site storage locations or while in transit or temporary off-site storage. Such policy shall include, but not be limited to, coverage for fire, collapse, faulty workmanship, debris removal, expediting expense, fire department service charges, valuable papers and records, trees, grass, shrubbery and plants. If scaffolding, falsework and temporary buildings are insured separately by the Contractor(s) or others, evidence of such separate coverage shall be provided to SUBRECIPIENT prior to the start of the WORK. Such policy shall be written on a completed value form. Such policy shall also provide coverage for temporary structures (on-site offices, etc.), fixtures, machinery and equipment being installed as part of the WORK. Contractor(s) shall be responsible for any and all deductibles under such policy. Upon request by COUNTY, SUBRECIPIENT shall cause its Contractor(s) to declare all terms, conditions, coverages and limits of such policy.

f) Professional Liability:

If applicable, SUBRECIPIENT shall cause its Contractor(s) to procure and

maintain Professional Liability Insurance providing coverage for the Contractor'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 Contractor'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 cause Contractor(s) to purchase at its sole expense either 1) an Extended Reporting Endorsement (also, known as Tail Coverage); or 2) Prior Dates Coverage from 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 Contractor(s) has maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2), or 3) shall continue as long as the law allows.

g) General Insurance Provisions - All lines:

- i) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M 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 Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.
- ii) The SUBRECIPIENT must declare its insurance self-insured retentions for each coverage required herein. If such self-insured retentions exceed \$500,000 per occurrence each such retention 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 the COUNTY, and at the election of the COUNTY Risk Manager, SUBRECIPIENT's carriers shall either; 1) reduce or eliminate such self-insured retention as respects this AGREEMENT with the COUNTY, or 2) procure a bond which

guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

- iii) 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.
- iv) 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 coverage's 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 to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.*
- v) It is understood and agreed to by the Parties hereto that the SUBRECIPIENT's insurance shall be construed as primary insurance,

and the COUNTY's insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

- vi) If, during the term of this AGREEMENT or any extension thereof, there is a material change in the WORK; or, there is a material change in the equipment to be used in the performance of the 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, if in the COUNTY Risk Manager's reasonable judgment, the amount or type of insurance carried by the SUBRECIPIENT has become inadequate.
- vii) SUBRECIPIENT shall pass down the insurance obligations contained herein to all tiers of subcontractors, including Contractor(s), working under this AGREEMENT.
- viii) The insurance requirements contained in this AGREEMENT may be met with a program(s) of self-insurance acceptable to the COUNTY.
- ix) 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.

19) INDEPENDENT CAPACITY. SUBRECIPIENT shall act at all times in an independent capacity during the term of this AGREEMENT, and shall not act as, shall not be, nor shall in any manner be construed or deemed to be agents, officers, or employees of COUNTY. It is expressly understood and agreed that the SUBRECIPIENT (including its employees, agents and subcontractor's, including Contractor(s)) shall in no event be entitled to any benefits to which COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the Parties; the SUBRECIPIENT shall hold the COUNTY harmless from any and all claims that may be made against the

COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this AGREEMENT. Nothing contained in this AGREEMENT shall be deemed or construed to create a lending partnership, other partnership, joint venture, or any other relationship between the Parties hereto, or cause COUNTY to be responsible in any way for the debts or obligations of SUBRECIPIENT, or any other party. It is further understood and agreed by the Parties that the SUBRECIPIENT in the performance of this AGREEMENT is subject to the control or direction of the COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

20) NOTICES. Each notice, request, demand, consent, approval or other communication (hereinafter in this section referred to collectively as “notices” and referred to singly as a “notice”) which the COUNTY or SUBRECIPIENT is required or permitted to give to the other Party pursuant to this AGREEMENT shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating early morning delivery (any notice so delivered shall be deemed to have been received on the next business day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two days after mailing in the United States), addressed to the respective Parties as follows (or at such other address as COUNTY may designate in writing to SUBRECIPIENT and SUBRECIPIENT may designate in writing to COUNTY pursuant to this section):

COUNTY

SUBRECIPIENT

_____	_____
_____	_____
_____	_____
_____	_____

21) 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 the SUBRECIPIENT's and/or the Contractor's(s') performance through any combination of on-site visits, inspections, evaluations, and SUBRECIPIENT and/or Contractor 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 WORK under this AGREEMENT and shall permit COUNTY or other inspector to assess and evaluate SUBRECIPIENT's and/or Contractor's(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.
 - i) If a financial audit is required by COUNTY, the audit shall be performed by an independent certified public accountant.
 - ii) 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.
 - iii) The SUBRECIPIENT is responsible for the completion of audits and all costs of preparing audits.
 - iv) 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.

22) HOMELESS MANAGEMENT INFORMATION SYSTEM. SUBRECIPIENT agrees to provide COUNTY and BCSH access to Homeless Management Information System (HMIS) data collected and entered into SUBRECIPIENT's HMIS, in the event that such data is collected by SUBRECIPIENT, upon request, and to participate in any statewide data initiative as directed by BCSH, including, but not limited to, a statewide data integration environment.

23) REPORTING REQUIREMENTS.

- a) SUBRECIPIENT shall submit an annual report to COUNTY on forms provided by COUNTY, sixty (60) days prior to the reporting date deadlines of January 1,

2020, January 1, 2021, and September 30, 2021. If the SUBRECIPIENT fails to provide such documentation, COUNTY may disencumber any portion of the HEAP GRANT 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, as applicable:
 - i) Amounts awarded to subcontractors, including Contractor(s), with activity(ies) identified.
 - ii) Contract expenditures.
 - iii) Unduplicated number of homeless persons or persons at imminent risk of homelessness served.
 - iv) Number of instances of service (defined in September 5, 2018 HEAP Notice of Funding Availability).
 - v) Increases in capacity for new and existing programs.
 - vi) The number of unsheltered homeless persons becoming sheltered.
 - vii) 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):
 - i) Chronically Homeless
 - ii) Homeless veterans
 - iii) Unaccompanied Homeless Youth
 - iv) Homeless persons in families with children
- d) SUBRECIPIENT will also be asked to comment on the following:
 - i) Progress made toward local homelessness goals.

- ii) The alignment between HEAP funding priorities and “Housing First” principles adopted by the Homeless Coordinating and Financing Council.
- iii) Any other effects from HEAP funding that the SUBRECIPIENT would like to share (optional).

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) COMPLIANCE WITH STATE AND FEDERAL LAWS, RULES, GUIDELINES, AND REGULATIONS.

- a) By executing this AGREEMENT, SUBRECIPIENT agrees to comply with all applicable 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, the COUNTY, the SUBRECIPIENT, the SUBRECIPIENT’s subcontractors, including Contractor(s), and the WORK. SUBRECIPIENT shall 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.
- b) SUBRECIPIENT shall also be responsible for obtaining any and all permits, licenses, and approvals required for the WORK under this AGREEMENT, including those necessary to perform design, construction, or operation and maintenance of the WORK. It is the responsibility of SUBRECIPIENT, without cost to COUNTY, to ensure that all applicable local jurisdiction land use requirements will permit the WORK to the PROPERTY and the use, operation,

and maintenance of such improvements in accordance with the provisions of this AGREEMENT. Nothing contained herein shall be deemed to entitle SUBRECIPIENT to any local jurisdiction or COUNTY permit or other local jurisdiction or COUNTY approval necessary for the WORK to the PROPERTY, or waive any applicable local jurisdiction or COUNTY requirements relating thereto. This AGREEMENT does not (a) grant any land use entitlement to SUBRECIPIENT, (b) supersede, nullify, or amend any condition which may be imposed by the local jurisdiction in connection with approval of the WORK described herein, (c) guarantee to SUBRECIPIENT or any other party any profits from the WORK to the PROPERTY, or (d) amend any local jurisdiction or COUNTY laws, codes, or rules. SUBRECIPIENT shall provide copies of permits and approvals to the COUNTY and BCSH upon request.

26) PUBLICITY. SUBRECIPIENT shall receive prior consent from COUNTY for any publicity generated by SUBRECIPIENT for the WORK pursuant to this AGREEMENT, during the term of this AGREEMENT.

27) PROHIBITION AGAINST CONFLICTS 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, including Contractor(s), 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 Contractor, including, their officers, employees, subcontractors, agents, or representatives shall comply with all applicable provisions of Federal and State laws pertaining to conflict 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., Government Code section 1090, and Public Contract Code sections 10410 and 10411.
- e) No employee, officer or agent of the SUBRECIPIENT shall participate in the selection, or in the award, or administration of, a contract supported by HEAP funds if a conflict of interest, real or apparent, would be involved.
- f) No covered persons who exercise or have exercised any functions or responsibilities with respect to HEAP funded activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the HEAP funded activity, or with respect to the proceeds from the HEAP funded activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the COUNTY, the SUBRECIPIENT, or any designated public agency.
- g) Prior to any funding under this AGREEMENT, SUBRECIPIENT shall provide COUNTY with a list of all employees, agents, consultants, officers and elected and appointed officials who are in a position to participate in a decision-making process, exercise any functions or responsibilities, or gain inside information with respect to the HEAP funded activities under this AGREEMENT. SUBRECIPIENT shall also promptly disclose to COUNTY any potential

conflict, including even the appearance of conflict, that may arise with respect to the HEAP funded activities under this AGREEMENT.

- h) Any violation of this section shall be deemed a material breach of this AGREEMENT, and the AGREEMENT shall be immediately terminated by the COUNTY.

28) DRUG FREE WORKPLACE CERTIFICATION. By signing this AGREEMENT, SUBRECIPIENT, and its subcontractors, including Contractor(s), 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:

- 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, 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:
 - i) The dangers of drug abuse in the workplace;
 - ii) SUBRECIPIENT's policy of maintaining a drug-free workplace;
 - iii) Any available counseling, rehabilitation, and employee assistance programs; and,
 - iv) 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:
 - i) Will receive a copy of SUBRECIPIENT's drug-free policy statement; and,
 - ii) Will agree to abide by terms of SUBRECIPIENT'S condition of

employment or subcontract.

- d) SUBRECIPIENT shall include this provision in its contract with all Contractor(s) and subcontractors.

29) CHILD SUPPORT COMPLIANCE ACT.

- a) By signing this AGREEMENT, the SUBRECIPIENT acknowledges 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.
- b) By signing this AGREEMENT, the SUBRECIPIENT certifies, to the best of its knowledge, it 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.

- d) SUBRECIPIENT shall include this provision in its contract with all Contractor(s) and subcontractors.

30) EMPLOYMENT PRACTICES.

- a) SUBRECIPIENT and its subcontractors, including Contractor(s), shall comply with all federal and state statutes and regulations in the hiring of its employees.
- b) SUBRECIPIENT agrees to abide by and include in any contracts to perform the WORK under this AGREEMENT with its Contractor(s), the following clause:
“During the performance of this AGREEMENT, SUBRECIPIENT and its Contractor(s) 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 Contractor(s) shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. SUBRECIPIENT or its Contractor(s) 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 Contractor(s) 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, including Contractor(s), 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, including Contractor(s), 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).

31) CIVIL RIGHTS COMPLIANCE.

- a) Assurance of Compliance

SUBRECIPIENT shall complete the “Assurance of Compliance with the Riverside County Housing, Homelessness Prevention and Workforce Solutions Non-Discrimination in State and Federally Assisted Programs,” attached as Exhibit “C.” SUBRECIPIENT will sign and date Exhibit “C” and return it to COUNTY along with the executed AGREEMENT. SUBRECIPIENT shall ensure that any services or performance by SUBRECIPIENT or its Contractor(s) 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 Housing, Homelessness Prevention and Workforce Solutions

3403 10th Street, Ste. 300

Riverside, CA 92501

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:

- i) Denying a participant any service or benefit or availability of a facility.
- ii) 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.

iii) 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.

32) DISPUTES. 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 COUNTY and SUBRECIPIENT. The SUBRECIPIENT shall proceed diligently with the performance of this AGREEMENT pending resolution of a dispute. 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 session shall be required if the first session is not successful. The Parties shall share the cost of the mediations.

33) INTERPRETATION; GOVERNING LAW; JURISDICTION AND VENUE. This AGREEMENT and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. This AGREEMENT shall be construed as a whole according to its fair language and common meaning to achieve the

objectives and purposes of the Parties hereto. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this AGREEMENT; all Parties have been represented by counsel in the negotiation and preparation hereof. The Parties agree that any action at law or in equity arising under this AGREEMENT or brought by a Party hereto for the purpose of enforcing, construing or determining the validity of any provision of this AGREEMENT shall be filed only in the Superior Court of the State of California, located in Riverside, California, and the Parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

34) **WAIVER.** 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. Any forbearance by COUNTY in exercising any right or remedy herein, or otherwise afforded by applicable law, shall not be a waiver or preclude the exercise of any such right or remedy.

35) **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.

36) **BINDING EFFECT.** This AGREEMENT, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors and assigns. All covenants and agreements of SUBRECIPIENT shall be joint and several.

37) **NO THIRD-PARTY BENEFICIARIES.** The Parties to this AGREEMENT

acknowledge and agree that the provisions of this AGREEMENT are for the sole benefit of COUNTY and SUBRECIPIENT, and not for the benefit, directly or indirectly, of any other person or entity, except as otherwise expressly provided herein.

- 38) **FURTHER ASSURANCES.** The SUBRECIPIENT shall execute any further documents consistent with the terms of this AGREEMENT, including documents in recordable form, as the COUNTY may from time to time find necessary or appropriate to effectuate its purposes in entering into this AGREEMENT.
- 39) **MINISTERIAL ACTS.** The COUNTY officer charged with the responsibility of administering and implementing the HEAP agreements, is authorized to take such ministerial actions as may be necessary or appropriate to implement the terms, provisions, and conditions of this AGREEMENT as it may be amended from time to time by COUNTY.
- 40) **ENTIRE AGREEMENT.** It is expressly agreed that this AGREEMENT, including any attachments or exhibits hereto, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. No oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto. Each of the attachments and exhibits attached hereto is incorporated herein by this reference.
- 41) **SEVERABILITY.** Each paragraph and provision of this AGREEMENT is severable from each other provision, and in the event any provision in this AGREEMENT, or part thereof, is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.
- 42) **MODIFICATIONS OR AMENDMENTS.** This AGREEMENT shall be modified or amended only by a written amendment signed by the duly authorized and empowered representatives of both the COUNTY and SUBRECIPIENT.
- 43) **EFFECTIVE DATE.** The effective date of this AGREEMENT is the date the Parties execute the AGREEMENT. If the Parties execute the AGREEMENT on more than one

date, then the last date the AGREEMENT is executed by a Party shall be the effective date.

44) **AUTHORITY TO EXECUTE.** The persons executing this AGREEMENT on behalf of the Parties to this AGREEMENT hereby warrant and represent that they have the authority to execute this AGREEMENT and that they have the authority to bind the respective Parties to this AGREEMENT.

45) **COUNTERPARTS.** This AGREEMENT may be signed by the Parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, SUBRECIPIENT and COUNTY have executed this AGREEMENT as of the dates set forth below.

COUNTY

SUBRECIPIENT

By: _____

[Name]

[Title]

By: _____

[Name]

[Title]

Date: _____

Date: _____

APPROVED AS TO FORM:

Gregory Priamos

County Counsel

By: _____

Name: _____

Title: _____

Date: _____

EXHIBITS

- EXHIBIT "A" LINE ITEM BUDGET
- EXHIBIT "B" SCOPE OF WORK AND SCHEDULE OF PERFORMANCE
- EXHIBIT "C" ASSURANCE OF COMPLIANCE
- EXHIBIT "D" SUBRECIPIENT PAYMENT REQUEST- FORM 2076A
- EXHIBIT "E" COVENANT AGREEMENT

EXHIBIT "A"
LINE ITEM BUDGET

Line Item	Description	Amount
BUILDING RENOVATION		\$X.XX
SITE IMPROVEMENTS		\$X.XX
MECHANICAL/PLUMBING		\$X.XX
CONSTRUCTION CONTINGENCY		\$X.XX
SOFT COSTS		\$X.XX
ADMINISTRATIVE COST (if applicable)		\$X.XX
	HEAP GRANT amount	\$X.XX

EXHIBIT "B"

SCOPE OF WORK AND SCHEDULE OF PERFORMANCE

SUBRECIPIENT shall (input description of capital improvement project).

Activity	Completion Dates
BUILDING RENOVATIONS	
	No later than _____
	No later than _____
	No later than _____
SITE IMPROVEMENTS	
	No later than _____
	No later than _____
MECHANICAL/PLUMBING	
	No later than _____
	No later than _____

EXHIBIT "C"

ASSURANCE OF COMPLIANCE

**ASSURANCE OF COMPLIANCE WITH
THE RIVERSIDE COUNTY HOUSING, HOMELESSNESS PREVENTION AND WORKFORCE
SOLUTIONS
NONDISCRIMINATION IN STATE AND FEDERALLY ASSISTED PROGRAMS**

NAME OF SUBRECIPIENT

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; 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, 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; 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 SUBRECIPIENT 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 SUBRECIPIENT 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 SUBRECIPIENT directly or through contract, license, or other provider services, as long as it receives federal or state assistance.

Date

SUBRECIPIENT's Authorized Signature

EXHIBIT "D"
2076A
SUBRECIPIENT PAYMENT REQUEST
 COUNTY OF RIVERSIDE
 HOUSING, HOMELESSNESS PREVENTION AND WORKFORCE SOLUTIONS

To: Riverside County
 Housing Homelessness Prevention
 and Workforce Solutions
 3403 10th Street, Ste. 300
 Riverside, CA 92501

From: _____
 Remit to Name _____
 Address _____
 SUBRECIPIENT Name _____
 Contract Number _____

Total amount requested _____ for the period of _____ 20 _____

Select Payment Type(s) Below:

- | | |
|---|--|
| <input type="checkbox"/> Advance Payment \$ _____
(if allowed by Contract/MOU) | <input type="checkbox"/> Actual Payment \$ _____
(Same amount as 2076B if needed) |
| <input type="checkbox"/> Unit of Service Payment \$ _____
_____ # of Units) X (\$) _____
_____ # of Units) X (\$) _____
_____ # of Units) X (\$) _____ | _____ # of Units) X (\$) _____
_____ # of Units) X (\$) _____
_____ # of Units) X (\$) _____ |

Any questions regarding this request should be directed to: _____

Number	Name	Phone
--------	------	-------

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 HHPWS USE ONLY (DO NOT WRITE BELOW THIS LINE)

Business Unit (5) _____	Purchase Order # (10) _____	Invoice # _____
Account (6) _____	Amount Authorized _____	
Fund (5) _____	If amount authorized is different from amount request, please explain: _____	
Dept ID (10) _____	Program (if applicable) _____	Date _____
Program (5) _____	Management Reporting Unit _____	Date _____
Class (10) _____	Contracts Administration Unit _____	Date _____
Project/Grant (15) _____	General Accounting Section _____	Date _____
Vendor Code (10) _____		

EXHIBIT "E"
COVENANT AGREEMENT

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside

Attn: _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE

COVENANT AGREEMENT

This COVENANT AGREEMENT ("COVENANT AGREEMENT") is made and entered into as of this ____ day of _____, 2020 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California, ("COUNTY") and SUBRECIPIENT ("SUBRECIPIENT") on behalf of itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof. COUNTY and SUBRECIPIENT, and its successors and assigns, are individually referred to herein as a "Party" and collectively referred to herein as the "Parties."

RECITALS

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, the HEAP provides one-time flexible block grant funds to Administrative Entities of Continuums 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, Continuums of Care, cities, counties, and nonprofit organizations may use HEAP funds for capital improvement projects within a jurisdiction that has declared a shelter crisis in accordance with Government Code section 8698.2; and

WHEREAS, SUBRECIPIENT is a city or a nonprofit organizations and the owner of real property more commonly known as [INSERT PROPERTY ADDRESS] located in a jurisdiction that has declared a shelter crisis in accordance with Government Code section 8698.2, and as legally described in the Legal Description attached hereto as Exhibit “A” and incorporated herein by this reference (“PROPERTY”); and

WHEREAS, COUNTY and SUBRECIPIENT entered into that certain Subrecipient Agreement for the 2018 Homeless Emergency Aid Program Capital Improvement Projects (“SUBRECIPIENT AGREEMENT”) on _____, 2020, wherein, COUNTY granted SUBRECIPIENT up to \$X.XX in HEAP funds (“HEAP GRANT”) to be used to pay for capital improvements to the PROPERTY as more fully described in the SUBRECIPIENT AGREEMENT; and

WHEREAS, the capital improvements to the PROPERTY will assist the COUNTY in addressing the immediate emergency needs of homeless individuals and individuals at imminent risk of homelessness in the service area of the CoC; and

WHEREAS, pursuant to the SUBRECIPIENT AGREEMENT, in consideration for the HEAP GRANT, SUBRECIPIENT agreed to be bound by the covenants, conditions, and restrictions set forth in this COVENANT AGREEMENT; and

WHEREAS, this COVENANT AGREEMENT memorializes SUBRECIPIENT's obligation, among other things, to make the capital improvements to the PROPERTY, retain title to the PROPERTY, use the PROPERTY, maintain the PROPERTY, pay all taxes, assessments, encumbrances, charges, and liens on the PROPERTY, not discriminate, insure the PROPERTY, and indemnify the COUNTY as more fully described in this COVENANT AGREEMENT, as set forth below; and

WHEREAS, capitalized terms not defined here in this COVENANT AGREEMENT shall have the meanings ascribed to them in the SUBRECIPIENT AGREEMENT;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in this COVENANT AGREEMENT, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SUBRECIPIENT, on behalf of itself and its successors, assigns, and each successor in interest to the PROPERTY or any part thereof, hereby declares, covenants, agrees, and restricts the PROPERTY as follows:

1. INCORPORATION OF RECITALS. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that the above recitals are true and correct and are hereby made part of this COVENANT AGREEMENT.

2. PROPERTY IMPROVEMENTS. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns, if needed, shall improve the PROPERTY in accordance with the provisions of the SUBRECIPIENT AGREEMENT, including, but not limited to, the Scope of Work and Schedule of Performance contained in Exhibit "B" of the SUBRECIPIENT AGREEMENT ("WORK").

3. USE OF THE PROPERTY. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns, shall use the PROPERTY exclusively for the purpose of providing housing and services to

homeless individuals. No change in the use of the PROPERTY shall be permitted without the prior written approval of the COUNTY in its sole discretion. Should SUBRECIPIENT, or its successors and assigns, use the PROPERTY for a use other than exclusively for the purpose of providing housing and services to homeless individuals, then SUBRECIPIENT, and its successors and assigns, shall be required to pay to the COUNTY an amount equal to the current market value of the PROPERTY less any portion of the value attributable to expenditures of non-HEAP funds for the acquisition of, or improvement to, the PROPERTY.

4. TRANSFER OF THE PROPERTY. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns, shall retain title to the PROPERTY and not Transfer the PROPERTY or any portion thereof, without the written approval of COUNTY, in its sole discretion. The term "Transfer" used herein shall mean the sale, assignment, conveyance, lease or transfer, voluntary or involuntary, of any interest in the PROPERTY, including the financing or refinancing of the PROPERTY. Any Transfer of the PROPERTY shall be memorialized in an assignment and assumption agreement the form and substance of which have been first approved in writing by the COUNTY in its sole discretion. Such assignment and assumption agreement shall, among other things, provide that the transferee has assumed in writing and in full, and is reasonably capable of performing and complying with SUBRECIPIENT's duties and obligations under the SUBRECIPIENT AGREEMENT and this COVENANT AGREEMENT, provided, however, unless otherwise agreed to by the COUNTY in writing, SUBRECIPIENT shall not be released of its obligations under the SUBRECIPIENT AGREEMENT and this COVENANT AGREEMENT. Should SUBRECIPIENT, or its successors and assigns, Transfer the PROPERTY or any portion thereof, without the written approval of COUNTY, in its sole discretion, then SUBRECIPIENT, and its successors and assigns, shall be required to pay to the COUNTY an amount equal to the current market value of the PROPERTY less any portion of the value attributable to expenditures of non-HEAP funds for the acquisition of, or improvement to, the PROPERTY.

5. MAINTENANCE OF THE PROPERTY. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns,

shall protect, maintain, and preserve the PROPERTY in compliance with all applicable federal and state law and regulations and local ordinances. In addition, SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns, shall maintain the PROPERTY, at its sole cost and expense, including, but not limited to improvements, both interior and exterior, and landscaping on the PROPERTY in a first class, clean, safe, sanitary and presentable condition consistent with community standards free from any accumulation of debris and waste, and in a manner which will uphold the value of the PROPERTY. This standard for the quality of maintenance of the PROPERTY shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and immediate repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash receptacles and removal of litter; sweeping of public sidewalks adjacent to the PROPERTY, on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as necessary; cleaning windows on a regular basis; painting the buildings prior to the deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices in good working order. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns, in the event SUBRECIPIENT, or its successors and assigns, fails to maintain the PROPERTY in accordance with the standard for the quality of maintenance, the COUNTY or its designee shall have the right but not the obligation to enter the PROPERTY upon reasonable notice to SUBRECIPIENT (and the successor or assign that is then the owner of the PROPERTY), correct any violation, and hold SUBRECIPIENT, or such successors or assigns responsible for the cost thereof, and such cost, if unpaid after fifteen (15) days, shall be assessed as a lien against the PROPERTY with interest at the highest rate permitted by law.

6. TAXES, ASSESSMENTS, ENCUMBRANCES, CHARGES, AND LIENS.

SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns, shall pay before delinquency all taxes and assessments affecting said PROPERTY, when due, and all encumbrances, charges and liens, with interest, on said PROPERTY or any part thereof. Should SUBRECIPIENT, and its successors and assigns, fail to make any payment or to do any act herein provided, then the COUNTY or its designee shall have the right but not the obligation to do so and upon written notice to or demand upon SUBRECIPIENT, and its successors and assigns, and without releasing SUBRECIPIENT, and its successors and assigns, from any obligation hereof, make or do the same in such manner and to such extent as COUNTY may deem necessary to satisfy such delinquency. The cost borne by the COUNTY from such payment, shall become a charge, which SUBRECIPIENT, and its successors and assigns, shall promptly pay upon demand and, if unpaid after fifteen (15) days, shall be assessed as a lien against the PROPERTY with interest at the highest rate permitted by law.

7. NONDISCRIMINATION. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns, shall not discriminate in the provision of services, allocation of benefits, accommodation in facilities, employment of personnel, or solicitation, selection, hiring or treatment of any contractors or consultants to participate in subcontracting/subconsulting opportunities on the basis of ethnic group identification, race, gender, religious creed, color, national origin, ethnicity, ancestry, age, disability, medical condition, marital status or sexual orientation; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Government Code Sections 12900 et seq.), California Fair Employment Practices Act (commencing with Section 1410 of the Labor Code), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.) and all other applicable laws or regulations. This language shall be incorporated into all contracts between SUBRECIPIENT, and its successors and assigns, and any contractor, consultant, subcontractor, subconsultants, vendors and suppliers.

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

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

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

b) In leases: "The lessee¹ herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

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

In addition to the obligations and duties of SUBRECIPIENT, and its successors and assigns, set forth herein, SUBRECIPIENT, and its successors and assigns, shall, upon notice from COUNTY, promptly pay to COUNTY all fees and costs, including administrative and attorneys' fees, incurred by COUNTY in connection with responding to or defending any discrimination claim brought by any third party and/or local, state or federal government

¹ For purposes of this COVENANT AGREEMENT, "lessee" shall include tenants, residents or occupants.

entity, arising out of or in connection with the SUBRECIPIENT AGREEMENT or this COVENANT AGREEMENT.

8. INSURANCE. Without limiting or diminishing SUBRECIPIENT's, its successors', assigns', and each successor in interest to the PROPERTY's or any part thereof, obligation to indemnify or hold COUNTY harmless, SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns, shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the Term of this COVENANT AGREEMENT.

a) Property Insurance: SUBRECIPIENT, and its successors and assigns, shall maintain property insurance and flood insurance on the PROPERTY, listing the COUNTY as Additional Insured for the Term of this COVENANT AGREEMENT. SUBRECIPIENT, and its successors and assigns, shall keep the improvements now existing or hereafter erected on the PROPERTY insured against loss by fire, hazards included within the term "extended coverage," and such other hazards, including floods or flooding. This insurance shall be maintained in the amount of the replacement value of the PROPERTY.

b) Worker's Compensation Insurance. If SUBRECIPIENT, or its successors and assigns, have employees as defined by the State of California, SUBRECIPIENT and its successors and assigns 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.

c) Commercial General Liability Insurance. 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 COVENANT AGREEMENT or be no less than two (2) times the occurrence limit.

d) Vehicle Liability Insurance. If vehicles or mobile equipment are used in the performance of the obligations under the SUBRECIPIENT AGREEMENT or this COVENANT AGREEMENT, then SUBRECIPIENT, and its successors and assigns, 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 COVENANT AGREEMENT or be no less than two (2) times the occurrence limit. Policy shall name the COUNTY as Additional Insured.

e) All Risk Builder's Insurance: SUBRECIPIENT, and its successors and assigns, shall cause its Contractor(s) to procure all risk builder's insurance for the duration of the WORK to be performed to the PROPERTY. Contractor(s) shall provide a policy of builder's all risk (course of construction) insurance coverage including (if the WORK is located in an earthquake or flood zone or if required on financed or bond financing arrangements) coverage for earthquake and flood, covering the SUBRECIPIENT, Contractor and every subcontractor, of every tier, for the duration of the WORK to be performed to the PROPERTY, including property to be used in the construction of the WORK while such property is at off-site storage locations or while in transit or temporary off-site storage. Such policy shall include, but not be limited to, coverage for fire, collapse, faulty workmanship, debris removal, expediting expense, fire department service charges, valuable papers and records, trees, grass, shrubbery and plants. If scaffolding, falsework and temporary buildings are insured separately by the Contractor(s) or others, evidence of such separate coverage shall be provided to SUBRECIPIENT, and its successors and assigns, prior to the start of the WORK. Such policy shall be written on a completed value form. Such policy shall also provide coverage for temporary structures (on-site offices, etc.), fixtures, machinery and equipment being installed as part of the WORK. Contractor(s) shall be responsible for any and all deductibles under such policy. Upon request by COUNTY, SUBRECIPIENT, and its successors and assigns, shall cause its Contractor(s) to declare all terms, conditions, coverages and limits of such

policy.

f) Professional Liability: If applicable, SUBRECIPIENT, and its successors and assigns, shall cause its Contractor(s) to procure and maintain Professional Liability Insurance providing coverage for the Contractor's performance of WORK included within the SUBRECIPIENT AGREEMENT, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If Contractor'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 COVENANT AGREEMENT and SUBRECIPIENT shall cause Contractor(s) to purchase at its sole expense either 1) an Extended Reporting Endorsement (also, known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this COVENANT AGREEMENT; or 3) demonstrate through Certificates of Insurance that Contractor has maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2), or 3) shall continue as long as the law allows.

g) General Insurance Provisions – All Lines.

- i) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M 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 Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.
- ii) The SUBRECIPIENT, and its successors and assigns, must declare its insurance self-insured retentions for each coverage required herein. If such self-insured retentions exceed \$500,000 per occurrence each such retention shall have the prior written consent of the COUNTY Risk Manager. Upon notification of self-insured retention unacceptable to COUNTY, and at the election of the COUNTY Risk Manager, SUBRECIPIENT's carriers shall either: (a) reduce or eliminate such self-insured retention, or (b) procure a bond which guarantees payment

of losses and related investigations, claims administration, and defense costs and expenses.

- iii) SUBRECIPIENT, and its successors and assigns, shall cause its 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.
- iv) It is understood and agreed to by the Parties hereto that SUBRECIPIENT's, its successors' and assigns', insurance shall be construed as primary insurance, and COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.
- v) If, during the Term of this COVENANT AGREEMENT or any extension thereof, there is a material change in the WORK; or, there is a material change in the equipment to be used in the performance of the WORK; or, the Term of this COVENANT AGREEMENT, including any extensions thereof, exceeds five (5) years, the COUNTY reserves the right to adjust the types of insurance required under this COVENANT AGREEMENT, if in the COUNTY Risk Manager's reasonable judgment, the amount or type of insurance carried by the SUBRECIPIENT, and its successors and assigns, has become inadequate.

- vi) SUBRECIPIENT, and its successors and assigns, shall pass down the insurance obligations contained herein to all tiers of subcontractors, including Contractor(s), working under the SUBRECIPIENT AGREEMENT or on the PROPERTY.
- vii) The insurance requirements contained in this COVENANT AGREEMENT may be met with a program(s) of self-insurance acceptable to the COUNTY.
- viii) SUBRECIPIENT, and its successors and assigns, agree to notify COUNTY in writing of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of the COVENANT AGREEMENT.

9. HOLD HARMLESS AND INDEMNIFICATION. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT'S interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns, shall indemnify and hold harmless the COUNTY and 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 acts, omissions and/or services of SUBRECIPIENT (or its successors and assigns), its officers, employees, subcontractors, agents, or representatives arising out of or in any way relating to the SUBRECIPIENT AGREEMENT or this COVENANT AGREEMENT, including but not limited to property damage, bodily injury, or death, or any other element of any kind or nature. SUBRECIPIENT, and its successors and assigns, shall defend, at its sole expense, including all costs and fees (including, but not limited to, attorney fees, cost of investigation, defense and settlements or awards), the Indemnitees in any claim or action based upon such alleged acts, omissions, or services. With respect to any action or claim subject to indemnification herein by SUBRECIPIENT, and its successors and assigns, SUBRECIPIENT, and its successors and assigns, shall, its sole cost, have the right to use counsel of its own choice 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's, its successors' and assigns', indemnification to Indemnitees as set forth herein. SUBRECIPIENT's, its successors' and assigns', obligation hereunder shall be satisfied when SUBRECIPIENT, and its successors and assigns, have provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved. The specified insurance limits required in this COVENANT AGREEMENT shall in no way limit or circumscribe SUBRECIPIENT's, its successors' and assigns' obligations to indemnify and hold harmless the Indemnitees herein from third party claims. The indemnification and hold harmless obligations set forth herein shall survive the termination and expiration of this COVENANT AGREEMENT.

10. NOTICES. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that each notice, request, demand, consent, approval or other communication (hereinafter in this section referred to collectively as "notices" and referred to singly as a "notice") which the COUNTY or SUBRECIPIENT, or its successors and assigns, is required or permitted to give to the other Party pursuant to this COVENANT AGREEMENT shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating early morning delivery (any notice so delivered shall be deemed to have been received on the next business day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two days after mailing in the United States), addressed to the respective Parties as follows (or at such other address as COUNTY may designate in writing to SUBRECIPIENT, and its successors and assigns, and SUBRECIPIENT, and its successors and assigns, may designate in writing to COUNTY pursuant to this section):

COUNTY

SUBRECIPIENT

11. REMEDIES. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that subject to the provisions of Section 13 relating to notice and cure, COUNTY shall have the right, in the event of any breach of any agreement or covenant set forth in this COVENANT AGREEMENT, to exercise all available rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant. The remedies provided for any breach of any agreement or covenant set forth in this COVENANT AGREEMENT shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

12. TERM. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that the non-discrimination covenants, conditions and restrictions contained in Section 7 of this COVENANT AGREEMENT shall remain in effect in perpetuity; every other covenant, condition and restriction contained in this COVENANT AGREEMENT shall continue in full force and effect for the term of the SUBRECIPIENT AGREEMENT and for a period of fifteen (15) years thereafter ("Term").

13. NOTICE AND CURE. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that prior to exercising any remedies hereunder, the COUNTY shall give SUBRECIPIENT, and its successors and assigns, notice of such default pursuant to section 10 above. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that any monetary default shall be cured within ten (10) days of delivery of written notice. Except as otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within thirty (30) days of delivery of written notice, SUBRECIPIENT, and its successors and assigns, shall have such period to effect a cure prior to exercise of remedies by COUNTY. If the non-monetary default is such that it is not reasonably capable of being

cured within thirty (30) days of delivery of written notice, and SUBRECIPIENT, and its successors and assigns, (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then SUBRECIPIENT, and its successors and assigns, shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the COUNTY; but in no event no later than ninety (90) days from delivery of such written notice.

If a violation of any of the covenants or provisions of this COVENANT AGREEMENT remains uncured after the respective time period set forth in this section, COUNTY and its successors and assigns, without regard to whether COUNTY or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by SUBRECIPIENT, and its successors and assigns, of its obligations hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of the COUNTY to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time. SUBRECIPIENT, on behalf of itself and its successors and assigns, hereby waives and releases any statute of limitations defense in connection with any COUNTY action or proceeding to protect, assert, or enforce any right or remedy contained herein.

14. SENIOR POSITION OF COVENANT AGREEMENT. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that this COVENANT AGREEMENT shall be recorded in the first position senior to all liens and encumbrances against the PROPERTY, other than those expressly agreed to by COUNTY.

15. MODIFICATIONS OR AMENDMENTS. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that this COVENANT AGREEMENT shall be modified or amended only by a written amendment signed by the duly authorized and empowered representatives of both the COUNTY and SUBRECIPIENT, and its successors and assigns.

16. GOVERNING LAW; VENUE; SEVERABILITY. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that this COVENANT AGREEMENT shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this COVENANT 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 COVENANT 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

17. BINDING EFFECT. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that the rights and obligations of this COVENANT AGREEMENT shall bind and inure to the benefit of the respective heirs, successors and assigns of the Parties.

18. ACCESS TO PROPERTY. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that representatives of the COUNTY shall have the right of access to the PROPERTY, upon 24 hours' written notice to SUBRECIPIENT, and its successors and assigns, (except in the case of an emergency, in which COUNTY shall provide such notice as may be practical under the circumstances), without charges or fees, during normal business hours to inspect the PROPERTY and confirm SUBRECIPIENT, and its successors and assigns, are complying with their obligations in accordance with the SUBRECIPIENT AGREEMENT and this COVENANT AGREEMENT.

19. MONITORING. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that SUBRECIPIENT, and its successors and assigns, shall annually report to the COUNTY, in writing, confirming that they continue to retain title to the PROPERTY, have not Transferred the PROPERTY, providing evidence of insurance,

providing evidence of the payment of taxes, and any and all other information reasonably requested by the COUNTY to ensure compliance with the terms of the SUBRECIPIENT AGREEMENT and this COVENANT AGREEMENT. Within fifteen (15) days of a written request from the COUNTY, SUBRECIPIENT, and its successors and assigns, shall respond with all information requested to allow the COUNTY to complete its monitoring responsibilities under the terms of this COVENANT AGREEMENT. Failure to completely and timely comply with requests shall be deemed a material default under the terms of this COVENANT AGREEMENT.

20. COUNTERPARTS. This COVENANT AGREEMENT may be signed by the different Parties hereto in counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement.

21. COVENANT RUNS WITH LAND. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that all conditions, covenants and restrictions contained in this COVENANT AGREEMENT shall be covenants running with the land for the Term of this COVENANT AGREEMENT, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by COUNTY, its successors and assigns, against SUBRECIPIENT, and its successors and assigns, to or of SUBRECIPIENT's interest in the PROPERTY, or any portion thereof or any interest therein, and any party in possession or occupancy of said PROPERTY or portion thereof. Each and every contract, deed, or other instrument hereafter executed covering or conveying the PROPERTY or any portion thereof shall be held conclusively to have been executed, delivered, and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed, or other instrument. COUNTY shall be deemed the beneficiary of the covenants, conditions and restrictions of this COVENANT AGREEMENT both for and in its own right and for the purposes of protecting the interests of the community. The covenants, conditions, and restrictions shall run in favor of the COUNTY, without regard to whether the COUNTY has been, remains, or is an owner of any interest in the PROPERTY. Except as provided in the preceding sentence, the covenants, conditions and restrictions contained in this

COVENANT AGREEMENT shall not benefit nor be enforceable by any other owner of real PROPERTY except the COUNTY.

22. NON-LIABILITY OF THE COUNTY. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that in no event shall the COUNTY become in any way liable or obligated to the SUBRECIPIENT, or its successors and assigns, by reason of its rights set forth in this COVENANT AGREEMENT for the COUNTY's failure to exercise any such rights set forth herein.

23. ENTIRE AGREEMENT. SUBRECIPIENT covenants and agrees for itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, that this COVENANT AGREEMENT and the SUBRECIPIENT AGREEMENT sets forth and contains the entire understanding and agreement of the Parties hereto. There are no oral or written representations, understandings, or ancillary covenants, undertakings or agreements, which are not contained or expressly referred to within this COVENANT AGREEMENT, and the SUBRECIPIENT AGREEMENT, including all amendments and modifications to the SUBRECIPIENT AGREEMENT.

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(SIGNATURES ON THE NEXT PAGE)

IN WITNESS WHEREOF, COUNTY and SUBRECIPIENT, on behalf of itself, its successors and assigns and every successor in SUBRECIPIENT's interest in the PROPERTY or any part thereof, have executed this COVENANT AGREEMENT as of the dates written below.

COUNTY

SUBRECIPIENT

By: _____

Name

Title

By: _____

Name

Title

Date: _____

Date: _____

APPROVED AS TO FORM:

Gregory Priamos

County Counsel

By: _____

Name: _____

Title: _____

Date: _____

(Signatures on this page must be notarized)

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY