

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



ITEM: 3.52
(ID # 14165)

MEETING DATE:

FROM : SUPERVISOR V. MANUEL PEREZ:

Tuesday, December 15, 2020

SUBJECT: SUPERVISOR V. MANUEL PEREZ: Reallocation of CARES Act Program Funding to Acquire Additional Mobile Homes At Mountain View Mobile Home Park; Approve the Form of Loan Agreements for the Use of CARES Act, Coronavirus Relief Funds, for Acquisition of Mobile Home Units at Mountain View Estates Phase III in the Community of Oasis; Terminate CARES Loan Agreement Dated December 8, 2020; District 4 [100% CARES Act, Coronavirus Relief Funds - \$4,250000] (Companion Item to MT Item #14166)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the Projects are exempt from California Environmental Quality Act (CEQA) pursuant to California Health and Safety Code Sections 50675.1.1 and 50675.1.2 and State CEQA Guidelines Section 15061 (b)(3);
2. Terminate that certain CARES Loan Agreement dated December 8, 2020 between the County and Riverside Community Housing Corp., a California nonprofit corporation and authorize the Director of the Department of Housing, Homelessness Prevention and Workforce Solutions, or designee, to execute any documents necessary to terminate and cancel this Loan Agreement;
3. Approve the reallocation of \$4,250,000 of CARES Act Funds received from the County of Riverside for the acquisition of additional mobile homes at Mountain View Estates; and

Continued on page 2

ACTION:

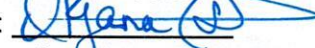

Supervisor V. Manuel Perez, Chairman

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Washington, 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: December 15, 2020
xc: Supvr. Perez, HHPWS, Record
(Companion Item 14.2)

Kecia R. Harper
Clerk of the Board

By: 
Deputy

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

RECOMMENDED MOTION: That the Board of Supervisors:

4. Authorize and allocate CARES Act funding to provide a loan to the RCHC, in an amount not to exceed \$4,250,000; Approve the attached form of the CARES Loan Agreement for the Use of CARES Act Funds, including all attachments thereto, (CARES Loan Agreement), with RCHC, providing a loan derived from the CARES Act funds in an amount not to exceed \$4,250,000 to purchase 67 new manufactured housing units to be rented to farmworkers living in substandard conditions in unpermitted parks that lack basic infrastructure such as potable water, safe electrical, paved streets, or proper sanitation systems, to be installed at Mountain View Estates in the community of Oasis under Project Mountain View Estates Phase III, as set forth in its application to the HCD for Project Homekey funding, and Authorize the Director of the HHPWS, or designee, to execute the CARES Loan Agreement No. 2 with RCHC, subject to approval as to form by County Counsel;

5. Authorize the Director of HHPWS, or designee, to take all necessary steps to implement the CARES Loan Agreements, including but not limited to, signing subsequent necessary and relevant documents, subject to approval as to form by County Counsel; and

6. Direct staff to file the Notice of Exemption within five days of approval by the Board.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$4,250,000	\$ 0	\$4,250,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% Coronavirus Aid, Relief, and Economic Security Act (CARES) Act Funding			Budget Adjustment: No	
			For Fiscal Year: 2020/21	

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

BACKGROUND:

Summary

On July 16, 2020, the Department of Housing and Community Development (HCD) published a Notice of Funding Availability (NOFA) for Homekey grant funds pursuant to Health and Safety Code section 50675.1.1 (Assembly Bill No. 83 (2019-2020 Reg. Sess.), § 21.). The Homekey Program is a statewide effort to rapidly sustain and expand housing for persons experiencing homelessness impacted by COVID-19. HCD has allocated \$600 million in Homekey funding, \$550 million is derived from the State's direct allocation of the federal Coronavirus Relief Fund (CRF) and \$50 million is derived from the State's General Fund. Projects receiving an award from the State's direct allocation of the federal CRF must expend the funds by December 30, 2020.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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Riverside Community Housing Corp. (RCHC) successfully applied for funding for two separate projects. Application 1 we received \$2,000,000 in Homekey funds to acquire 40 mobile homes for farmworkers living in substandard conditions in unpermitted parks that lack basic infrastructure such as potable water, safe electrical, paved streets, or proper sanitation systems, mobile homes to be installed at Mountain View Estates in the community of Oasis. Application 2 we received \$4,250,000 in Homekey funds to acquire the Ivy Palms Hotel (Property) located in the City of Palm Springs. As part of the Homekey applications submitted to the State the County committed to providing County CARES matching funds on both applications so that the applications were more competitive and eligible for additional funding. For application 1 the County committed to providing \$2,000,000; and for application 2 the County committed to providing \$4,250,000.

All 40 mobile homes have been acquired and in the process of being installed at the Mountain View Estates, RCHC expects to start moving in families this month. The owner of the Ivy Palms Hotel in good faith accepted RCHC's offer to buy the property for \$8,500,000, however the sale was subject to approval by the Bankruptcy Court. The Bankruptcy Court on December 8, 2020, rejected RCHC's offer to buy the property at the request of the lenders owed money by the Owner.

RCHC met with HCD and informed them of the Court's ruling and HCD has agreed to allow RCHC to reallocate the \$4,250,000 in Homekey funds towards buying an additional 67 mobile homes and funding an operation and capital reserve accounts for the project to insure that the homes remain in good habitable condition for the 55 year affordability period. HCD has also indicated that they would like to contribute an additional \$1,000,00 in Homekey funds for this project. Funds must be spent down by December 30, 2020 or else returned to the State.

The Projects have been evaluated and determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to California Health and Safety Code Sections 50675.1.1 and 50675.1.2 and State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption). Notwithstanding any other law, the California Environmental Quality Act ([Division 13 \(commencing with Section 21000\) of the Public Resources Code](#)) shall not apply to any project, including a phased project, funded pursuant to [Section 50675.1.1](#) if certain requirements described in Section 50675.1.2, if applicable, are satisfied. The proposed projects as described above are made pursuant to Health and Safety Code Section 50675.1.1 and any resulting agreements will be subject to the requirements of the Coronavirus Aid, Relief, and Economic Security Act. In addition, the projects are exempt pursuant to State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption) because it can be seen with certainty that that there is no possibility that the activity in question may have a significant effect on the environment. This Project includes the acquisition of mobile home units to be placed and renting spaces at an existing mobile home park. Therefore, the projects are statutorily exempt from CEQA and exempt under State CEQA Guidelines Section 15061 (b)(3).

Staff recommends that the Board approve reallocating the County CARES that were to be used to acquire the Ivy Palms Hotel to purchase an additional 67 mobile homes.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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Impact on Residents and Businesses

The Projects will allow the County to address a growing problem with housing our homeless population and providing housing to people impacted by COVID-19.

Additional Fiscal Information

No impact upon the County's General Fund; the County's contribution to the Projects will be fully funded with the County's direct allocation of Coronavirus Aid, Relief, and Economic Security Act.

ATTACHMENTS:

- Form of Loan Agreement for the Use of CARES funds, including all exhibits
- Form of CARES Loan Deed of Trust and Promissory Note
- Form of CARES Loan Covenant Agreement
- Notice of Exemption



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.

12/10/20

JR

Notice of Exemption

To: Office of Planning and Research <i>For U.S Mail:</i> P.O. Box 3044 Sacramento, CA 95812-3044	Street Address: 1400 Tenth St. Sacramento, CA 95814	From: Public Agency: County of Riverside Address: 5555 Arlington Avenue Riverside, CA 92504 Juan Garcia, Principal Development Specialist Contact: 951-343-5473 Phone: 951-343-5473
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<input checked="" type="checkbox"/> County Clerk County of: <u>Riverside</u> 2724 Gateway Drive P.O. Box 751 Address: Riverside, CA 92502-0751	Lead Agency (if different from above): Address: _____ Contact: _____ Phone: _____
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SUBJECT: Filing of Notice of Exemption in Compliance with California Health and Safety Code Sections 50675.1.1 and 50675.1.2 and State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption).

Project Title: 1) 67 Manufactured Units at Mountain View Estates

Project Location: 1) 68990 Harrison Street, Thermal, CA 92274, Assessor Parcel Number: 751-280-018

Project Description:

1) The County of Riverside is providing financing for the acquisition and rehabilitation for the following projects: 1) purchase of 67 new manufactured housing units to be installed at Mountain View Estates, a mobile home park with mobile home park spaces for rent at \$455 per month per space.

Project Sponsor: County of Riverside

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

Lead agency or Responsible Agency

December 10, 2020 and has made the following determinations regarding the above described project:
(tentative date)

Exempt Status: California Health and Safety Code Sections 50675.1.1 and 50675.1.2 and State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption).

Reasons Why Project is Exempt: The Projects have been evaluated and determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to California Health and Safety Code Sections 50675.1.1 and 50675.1.2 and State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption). Notwithstanding any other law, the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) shall not apply to any project, including a phased project, funded pursuant to Section 50675.1.1 if certain requirements described in Section 50675.1.2, if applicable, are satisfied. The proposed projects as described above are made pursuant to Health and Safety Code Section 50675.1.1 and any resulting agreements will be subject to the requirements of the County CARES Act funds and the aforementioned Health & Safety Code sections. In addition, the projects are exempt pursuant to State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption) because it can be seen with certainty that that there is no possibility that the activity in question may have a significant effect on the environment. Projects include the acquisition of mobile home units to be placed and renting spaces at an existing mobilehome park, and rehabilitation of existing facilities. Therefore, the projects are statutorily exempt from CEQA and exempt under State CEQA Guidelines Section 15061 (b)(3).

Signature: J Garcia Title: Juan Garcia, Principal Development Specialist

Date: 12/10/20 Date received for filing: _____

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LOAN AGREEMENT FOR THE USE OF
CARES ACT FUNDS

This LOAN AGREEMENT FOR THE USE OF CARES ACT FUNDS (“Agreement”) is made and entered into this _____ day of _____, 2020 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), and RIVERSIDE COMMUNITY HOUSING CORP., a California nonprofit public benefit corporation (“BORROWER”). The COUNTY and BORROWER may be individually referred to herein as a “Party” and collectively as the “Parties.” This Agreement, for the use of funding under the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Section 5001, Public Law 116-136), hereinafter “CARES Act,” related to the coronavirus disease 2019 (COVID-19) pandemic, is made and entered into as of the Effective Date (defined herein).

WITNESSETH:

WHEREAS, Coronavirus Relief Fund, Title V of the CARES Act, provides that CARES Act funds may be used to cover costs that are necessary expenditures incurred due to the public health emergency with respect to the COVID-19 pandemic; and

WHEREAS, on May 19, 2020, via Minute Order 3.3, the Board of Supervisors of the County of Riverside approved the acceptance of CARES Act funding from the federal government to address COVID-19 related expenses; and

WHEREAS, BORROWER has proposed to utilize CARES Act funds, in conjunction with other funding, to purchase sixty seven (67) mobile homes to install at Mountain View Estates located at 68990 Harrison Street, Thermal, CA 92274, as more specifically depicted on the site map attached hereto and incorporated herein as **Exhibit A**, to rent to qualified individuals and families who are homeless or at risk of homelessness (“Project”); and

WHEREAS, no more than 49% of the total units may be occupied by persons of low income as defined by and not exceeding the maximum income in Health & Safety Code §§ 37001.3, 50105, and 50079.5, for qualified individuals and families who are homeless or at risk of homelessness in the County of Riverside, as adjusted by family size at the time of occupancy

1 (“CARES-Assisted Units”); and

2 WHEREAS, the purpose of this Agreement is, among other things, for COUNTY to
3 provide financial assistance to BORROWER using CARES Act funds, to fund a portion of
4 BORROWER’s acquisition costs related to the Project, as more fully described herein; and

5 WHEREAS, the CARES-assisted activities described herein comply with the objectives
6 required under the CARES Act in that they are necessary expenditures incurred due to the
7 COVID-19 public health emergency, not accounted for in the most recently approved budget
8 except for COVID-related supplemental appropriations or budget adjustments, and are for
9 expenses incurred by December 30, 2020.

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

13 1. PURPOSE. The aforementioned Recitals are true and correct and
14 incorporated herein by this reference. COUNTY has agreed to lend no more than a maximum
15 total amount of FOUR MILLION TWO HUNDRED FIFTY DOLLARS (\$4,250,000.00) in
16 CARES Act funds (“CARES Loan”) to BORROWER upon the satisfaction of the terms and
17 conditions set forth herein, including but not limited to the conditions precedent to distribution
18 of the CARES Loan set forth in **Section 11** below. BORROWER shall undertake and complete
19 the CARES-assisted activities required herein and as set forth in **Exhibit A**, and shall utilize the
20 CARES Loan as required herein and pursuant to the CARES Act. No more than 49% of the total
21 units shall be reserved as CARES-Assisted Units during the Affordability Period (as defined in
22 **Section 14** below). Consistent with Health & Safety Code §§ 37001.3, 50105, and 50079.5, all
23 CARES-Assisted Units shall be rented to homeless households whose incomes do not exceed
24 50% of the area median income for the County of Riverside, adjusted by family size at the time
25 of occupancy, and such households shall occupy their respective unit within the Project as their
26 principal residence (“Qualified Households”).

27 2. BORROWER’S OBLIGATIONS. Upon commencement of the Effective
28 Date (defined in **Section 53** below), BORROWER hereby agrees to undertake and complete the

1 following activities within the time period(s) set forth herein and in **Exhibit A**:

- 2 a. Satisfy the conditions precedent to distribution of the CARES Loan set
3 forth in **Section 11** below.
- 4 b. Develop the Project in accordance with the timeline set forth in **Exhibit A**.
- 5 c. Operate the Project in such a manner so that it will remain affordable to
6 Qualified Households for the Affordability Period as defined in **Section 14**
7 below without regard to (i) the term of the promissory note or (ii) transfer
8 of ownership.
- 9 d. Maintain the Project in compliance with applicable local, state, federal
10 laws, codes and regulations as described in **Section 17** below, until the
11 expiration of the Term of this Agreement set forth in **Section 6** below, and
12 the Affordability Period set forth in **Section 14** below.
- 13 e. Cooperate with the Riverside County Workforce Development Center
14 (WDC) and post all jobs created, if any, as a result of this Project with the
15 WDC. Evidence of posted jobs, if any, shall be submitted to the COUNTY
16 prior to start of work.

17 3. RESERVED.

18 4. CARES ACT LOAN. Subject to BORROWER's satisfaction of the
19 conditions precedent to disbursement of the CARES Loan set forth in **Section 11** below,
20 COUNTY shall provide financing to BORROWER in the form of a loan in the amount of
21 \$4,250,000.00 ("CARES Loan"), pursuant to the following terms and conditions:

- 22 a. Term of CARES Loan. The maturity date of the CARES Loan shall be the
23 later to occur of (i) July 1, 2077 or (ii) fifty-five (55) years from the date a
24 Certificate of Occupancy has been issued for the last mobile home acquired
25 for the Project (the "CARES Loan Term").
- 26 b. Principal. The total amount of the CARES Loan shall not exceed
27 \$4,250,000.00, and shall be evidenced by a Promissory Note, substantially
28 conforming in form and substance to the Promissory Note attached hereto

1 and incorporated herein as **Exhibit C** (“CARES Note”), which note shall
2 be secured by a Deed of Trust, Security Agreement and Fixture Filing with
3 Assignment of Rents, substantially conforming in form and substance to
4 the Deed of Trust, Security Agreement and Fixture Filing with Assignment
5 of Rents attached hereto and incorporated herein as **Exhibit B** (“CARES
6 Deed of Trust”).

7 c. Interest. The interest rate shall be zero percent (0%) simple interest per
8 annum.

9 d. Repayment. The terms of the CARES Note shall be as follows:

10 1. That the CARES Loan will accrue simple interest at a rate of zero percent (0%) per
11 annum, as more specifically set forth in the CARES Note. Interest will begin to accrue
12 thirty (30) days from the recordation of the Notice of Completion in the Official
13 Records.

14 2. The CARES Note shall be deferred and forgiven at the end of the Term of the
15 Agreement if the BORROWER has complied with the terms of the CARES Loan.

16 3. Security. The CARES Deed of Trust and this Agreement shall be in a first priority lien
17 position for the benefit of COUNTY, securing a loan in the amount of \$1,900,000
18 (“CARES Loan”). BORROWER shall cause any COUNTY approved senior lender to
19 execute and record in the Official Records, a Subordination Agreement, substantially
20 in a form and of substance as approved by the COUNTY, which, among other things,
21 grants the COUNTY notice and opportunity to cure events of default under the senior
22 loan documents.

23
24 e. Prepayment. Prepayment of principal and/or interest under the CARES Note may occur at any
25 time without penalty; provided, however (i) the requirements of **Section 17**, “Compliance with
26 Laws and Regulations”, shall remain in full force and effect for the term of the Agreement
27 specified in **Section 6** below; and (ii) the affordability requirements set forth in the Covenant
28 Agreement, attached hereto as **Exhibit G**, shall remain in effect until the expiration of the

1 Affordability Period.

2 5. PRIOR COUNTY APPROVAL.

3 a. Except as otherwise expressly provided in this Agreement,
4 approvals required of the COUNTY shall be deemed granted by the written approval of the
5 Director of HHPWS, or designee. Notwithstanding the foregoing, the Director may, in his or
6 her sole discretion, refer to the governing body of the COUNTY any item requiring COUNTY
7 approval; otherwise, "COUNTY approval" means and refers to approval by the Director of
8 HHPWS, or designee.

9 b. The Director of HHPWS, or designee, shall have the right to make
10 changes to the attachments to this Agreement in order to ensure that all such attachments are
11 consistent with the terms and provisions of this Agreement.

12 6. TERM OF AGREEMENT. This Agreement shall become effective upon
13 the Effective Date, as defined in **Section 53** below, and unless terminated earlier pursuant to the
14 terms hereof, shall continue in full force and effect until the later to occur of (i) July 1, 2077 or
15 (ii) fifty-five (55) years from the date a Certificate of Occupancy has been issued for the last of
16 all mobile homes acquired for the Project ("Term of Agreement").

17 7. BORROWER'S REPRESENTATIONS. BORROWER represents and
18 warrants to COUNTY as follows:

19 a. Authority. BORROWER is a nonprofit public benefit corporation
20 in good standing under the laws of the State of California. The
21 copies of the documents evidencing the organization of
22 BORROWER, which have been delivered to COUNTY, are true
23 and complete copies of the originals, amended to the date of this
24 Agreement. BORROWER has full right, power and lawful
25 authority to enter into this Agreement and accept the CARES Loan
26 and undertake all obligations as provided herein. The execution,
27 performance and delivery of this Agreement by BORROWER have
28 been fully authorized by all requisite actions on the part of

1 BORROWER.

- 2 b. No Conflict. To the best of BORROWER's knowledge,
3 BORROWER's execution, delivery and performance of its
4 obligations under this Agreement will not constitute a default or a
5 breach under contract, agreement or order to which BORROWER
6 is a party or by which it is bound.
- 7 c. No Bankruptcy. BORROWER is not the subject of a bankruptcy
8 proceeding.
- 9 d. Prior to Closing. BORROWER shall, upon learning of any fact or
10 condition which would cause any of the warranties and
11 representations in this **Section 7** not to be true as of Closing,
12 immediately give written notice of such fact or condition to
13 COUNTY. Such exception(s) to a representation shall not be
14 deemed a breach by BORROWER hereunder, but shall constitute
15 an exception which COUNTY shall have the right to approve or
16 disapprove if such exception would have an effect on the value
17 and/or operation of the Project.

18 8. COMPLETION SCHEDULE. BORROWER shall proceed consistent
19 with the Implementation Schedule set forth in **Exhibit A**, as such schedule may be amended
20 pursuant to **Section 10**, and subject to Force Majeure Delays as defined in **Section 9**.

21 9. FORCE MAJEURE DELAYS. "Force Majeure" means event(s) beyond
22 the reasonable control of BORROWER, and which could not have been reasonably anticipated,
23 which prevent(s) BORROWER from complying with any of its obligations under this
24 Agreement, including, but not limited to: acts of God, acts of war, acts or threats of terrorism,
25 civil disorders, strikes, labor disputes, pandemics such as COVID-19, flood, fire, explosion,
26 earthquake or other similar acts.

27 "Force Majeure Delay" is delay due to Force Majeure that, in each case, (i)
28 materially adversely affects the performance by BORROWER of its obligations hereunder, (ii)

1 is not reasonably foreseeable and is beyond BORROWER's reasonable control, (iii) despite the
2 exercise of reasonable diligence, cannot be prevented, avoided or removed by BORROWER and
3 is not attributable to the negligence, willful misconduct or bad faith of BORROWER, and (iv) is
4 not the result of the failure of BORROWER to perform any of its obligations under this
5 Agreement. Notwithstanding the foregoing, a Force Majeure Delay shall not be deemed to have
6 occurred unless BORROWER has notified COUNTY in writing of such occurrence within
7 fifteen (15) days after such occurrence, and has provided COUNTY with the details of such
8 event and the length of the anticipated delay within an additional fifteen (15) days thereafter.
9 BORROWER shall diligently attempt to remove, resolve, or otherwise eliminate such event,
10 keep COUNTY advised with respect thereto, and shall commence performance of its obligations
11 hereunder immediately upon such removal, resolution or elimination. During the occurrence
12 and continuance of a Force Majeure Delay, BORROWER shall be excused from performance of
13 its obligations under this Agreement to the extent the Force Majeure prevents BORROWER
14 from performing such obligations.

15 10. EXTENSION OF TIME. COUNTY may grant an extension to the
16 Implementation Schedule set forth in **Exhibit A** for the purpose of completing BORROWER's
17 activities which cannot be completed as outlined in **Exhibit A**. BORROWER shall request said
18 extension in writing, stating the reasons therefore, which extension must be first approved in
19 writing by the COUNTY in its reasonable discretion. The Director of HHPWS, or designee,
20 may extend all pending deadlines in the Implementation Schedule on two (2) or fewer occasions,
21 so long as the aggregate duration of such administrative time extensions is no greater than ninety
22 (90) days. Every term, condition, covenant, and requirement of this Agreement shall continue
23 in full force and effect during the period of any such extension.

24 11. CONDITIONS PRECEDENT TO DISTRIBUTION OF CARES ACT
25 LOAN FUNDS. COUNTY, through its Department of HHPWS, shall: (1) make payments of
26 the CARES Loan funds to BORROWER, subject to BORROWER's satisfaction of the
27 conditions precedent set forth below; and (2) monitor the Project to ensure compliance with
28 applicable state and/or federal regulations and the terms of this Agreement. COUNTY shall not

1 disburse any CARES Loan funds pursuant to this Agreement until the following conditions
2 precedent have been satisfied:

- 3 a. BORROWER executes this Agreement and delivers to COUNTY
4 for recordation in the Official Records;
- 5 b. BORROWER submits written evidence to COUNTY that
6 BORROWER has obtained sufficient financing commitments
7 necessary to undertake the acquisition of the Project, including but
8 not limited to an executed Purchase and Sale Agreement, and opens
9 escrow;
- 10 c. BORROWER provides COUNTY with its Data Universal Number
11 assigned by the Date Universal Number System, as required by the
12 Federal Accountability and Transparency Act of 2006;
- 13 d. BORROWER provides COUNTY with evidence of insurance as
14 required herein;
- 15 e. BORROWER executes the CARES Deed of Trust, substantially
16 conforming in form and substance to the Deed of Trust and
17 Assignment of Rents attached hereto as **Exhibit B** and delivers to
18 COUNTY;
- 19 f. BORROWER executes the CARES Note, substantially conforming
20 in form and substance to the Promissory Note attached hereto as
21 **Exhibit C** and delivers to COUNTY;
- 22 g. BORROWER executes the Covenant Agreement, substantially
23 conforming in form and substance to the Covenant Agreement
24 attached hereto and incorporated herein as **Exhibit G** and delivers
25 to COUNTY;
- 26 h. COUNTY executes and records the “Request for Notices of
27 Default,” conforming in form and substance to **Exhibit H** attached
28 hereto;

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- i. BORROWER provides satisfactory evidence that it has all the financing, when combined with the CARES Loan, to pay for all the acquisition costs for the Project;
- j. BORROWER is not in default under the terms of this Agreement or any other agreement related to the financing of the Project;
- k. BORROWER submits evidence that all jobs created, if any, as a result of this project shall be posted with the Riverside County Workforce Development Center (WDC);
- l. BORROWER provides satisfactory evidence that it has secured any and all land use entitlements, permits, approvals which may be required for construction of the Project pursuant to the applicable rules and regulations of COUNTY, or any other governmental agency affected by such construction work. BORROWER shall, without limitation, secure all entitlement, change of zone, lot line adjustment, any and all necessary studies required including but not limited to archaeological, cultural, environmental, traffic studies and lead-based paint surveys, as applicable, and required, and pay all costs, charges and fees associated therewith, all conditions precedent to the issuance of all permits necessary for the construction of the Project and all such permits are available for issuance, other than payment of fees;
- m. BORROWER provides duly executed documents and instruments evidencing that BORROWER owns fee title to the Property;
- n. BORROWER provides satisfactory evidence that it has satisfied all conditions precedent to the issuance of all permits necessary for the construction of the development and all such permits are available for issuance, other than payment of fees;
- o. BORROWER consults and complies with concerned Native

American tribes;

p. If Davis Bacon and/or prevailing wages are required to be paid, BORROWER hires a qualified professional firm to review and monitor Davis Bacon and/or prevailing wage compliance for all submissions of contractors certified payrolls to COUNTY. In the event that the Project requires prevailing wages, BORROWER shall comply with, and shall require its contractors and subcontractors performing work on the Project, to pay prevailing wages, used a skilled and trained workforce, and adhere to any applicable labor regulations and all State laws in connection with the construction of the Project, including but not limited to Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code, and Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code. BORROWER agrees and acknowledges that it is the responsibility of BORROWER to obtain a legal determination, at BORROWER's sole cost and expense, as to whether prevailing wages must be paid during the construction of the Project. If the Project is subject to prevailing wages, then BORROWER shall be solely responsible to pay its contractors and subcontractors the required prevailing wage rates. BORROWER agrees to indemnify, defend, and hold COUNTY harmless from and against any and all liability arising out of and related to BORROWER's failure to comply with any and all applicable Davis Bacon and/or prevailing wage requirements;

q. BORROWER agrees to verify that BORROWER, and its principals, or any/all persons, contractors, consultants, businesses, etc. ("Developer Associates"), that BORROWER is conducting

1 business with, are not presently debarred, proposed for debarment,
2 suspended, declared ineligible, or voluntarily excluded from
3 participation or from receiving federal contracts or federally
4 approved subcontracts or from certain types of federal financial and
5 nonfinancial assistance and benefits with the Excluded Parties
6 Listing System (“EPLS”). EPLS records are located at
7 www.sam.gov; and

8 r. BORROWER shall search and provide a single comprehensive list
9 of Developer Associates (individuals and firms) and print and
10 maintain evidence of the search results of each Developer
11 Associate as verification of compliance with this requirement, as
12 provided in **Exhibit I**, “Contractor Debarment Certification Form”,
13 which is attached hereto and incorporated herein by this reference.

14 BORROWER agrees to submit the following documentation to COUNTY, within
15 one hundred twenty (120) days from close of escrow:

- 16 1) Certificate of Occupancy for all of the mobile homes;
- 17 2) Final Contract and Subcontract Activity report, Minority Business
18 Enterprise/Women Business Enterprise (“MBE/WBE”) report;
- 19 3) Submission of a Project completion report including, “Tenant Checklist,”
20 which is attached hereto and incorporated herein by this reference as
21 **Exhibit F**;
- 22 4) Tenant Selection Policy;
- 23 5) Management Plan;
- 24 6) Certified statement of final development costs; and
- 25 7) Certified statement of final sources and uses of funds for the Project.

26 12. REALLOCATION OF FUNDS. If Borrower fails to meet (1) the
27 Construction Start Deadline as set forth in **Exhibit A**, (2) the Completion Deadline as set forth
28 in **Section 46(c)**, (3) the Lease Deadline as set forth in **Section 19(b)**, or (4) the Project Financing

1 Contingency in **Section 47**, (collectively, the “Performance Deadlines”), all of which are subject
2 to the notice and cure periods set forth in **Section 31** herein, then the CARES Loan funds
3 allocated or reserved pursuant to this Agreement may be reallocated by COUNTY after at least
4 thirty (30) days’ prior written notice to BORROWER. Upon such reallocation and repayment
5 of funds, this Agreement shall be terminated and be of no further force and effect and
6 BORROWER shall be released and discharged from any obligations hereunder, except as to
7 those obligations which by their terms survive termination of this Agreement.

8 13. DISTRIBUTION OF FUNDS. COUNTY’S Board of Supervisors shall
9 determine the final disbursement and distribution of all funds received by COUNTY under the
10 CARES Act. Disbursement of CARES Act funds shall occur upon the satisfactory receipt of
11 copies of invoices and conditional (upon receipt of payment) lien releases for construction costs
12 to be paid with the proceeds of the CARES Loan. Any disbursement of funds is expressly
13 conditioned upon the satisfaction of conditions set forth in **Section 11**. COUNTY shall deposit
14 the sum specified in **Section 1** above upon receipt of escrow instructions and wire.

15 14. AFFORDABILITY PERIOD. The COUNTY CARES-Assisted Units
16 shall remain occupied and rented to Qualified Households for an affordable rent pursuant to
17 **Sections 18 and 19** below, **Exhibit A**, and the Covenant Agreement attached hereto as **Exhibit**
18 **G**, until the later of (i) fifty-five (55) years from the date a Certificate of Occupancy has been
19 issued for the last of all mobile homes acquired for the Project, or (ii) July 1, 2077 (“Affordability
20 Period”).

21 15. INSURANCE. Without limiting or diminishing BORROWER’S
22 obligation to indemnify or hold COUNTY harmless, BORROWER shall procure and maintain
23 or cause to be maintained, at its sole cost and expense, the following insurance coverages during
24 the Term of this Agreement.

- 25 a. Builder’s All Risk (Course of Construction) Insurance.
26 BORROWER shall provide a policy of Builder’s All Risk (Course
27 of Construction) insurance coverage including (if the work is
28 located in an earthquake or flood zone or if required on financed or

1 bond financing arrangements) coverage for earthquake and flood,
2 covering the COUNTY, BORROWER and every subcontractor, of
3 every tier, for the entire Project, including property to be used in
4 the construction of the work while such property is at off-site
5 storage locations or while in transit or temporary off-site storage.
6 Such policy shall include, but not be limited to, coverage for fire,
7 collapse, faulty workmanship, debris removal, expediting expense,
8 fire department service charges, valuable papers and records, trees,
9 grass, shrubbery and plants. If scaffolding, false work and
10 temporary buildings are insured separately by the BORROWER or
11 others, evidence of such separate coverage shall be provided to
12 COUNTY prior to the start of the work. Such policy shall be
13 written on a completed value form. Such policy shall also provide
14 coverage for temporary structures (on-site offices, etc.), fixtures,
15 machinery and equipment being installed as part of the work.
16 BORROWER shall be responsible for any and all deductibles
17 under such policy. Upon request by COUNTY, BORROWER
18 shall declare all terms, conditions, coverages and limits of such
19 policy. If the COUNTY so provides, in its sole discretion, the All
20 Risk (Course of Construction) insurance for the Project, then
21 BORROWER shall assume the cost of any and all applicable policy
22 deductibles (currently, \$50,000 per occurrence) and shall insure its
23 own machinery, equipment, tools, etc. from any loss of any nature
24 whatsoever.

25 b. Workers' Compensation Insurance.

26 If BORROWER has employees as defined by the State of
27 California, BORROWER shall maintain statutory Workers'
28 Compensation Insurance (Coverage A) as prescribed by the laws

1 of the State of California. Policy shall include Employers' Liability
2 (Coverage B) including Occupational Disease with limits not less
3 than \$1,500,000 per person per accident. The policy shall be
4 endorsed to waive subrogation in favor of The County of Riverside.

5 c. Commercial General Liability Insurance.

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

19 d. Vehicle Liability Insurance.

20 If vehicles or mobile equipment are used in the performance of the
21 obligations under this Agreement, then BORROWER shall
22 maintain liability insurance for all owned, non-owned or hired
23 vehicles so used in an amount not less than \$1,000,000 per
24 occurrence combined single limit. If such insurance contains a
25 general aggregate limit, it shall apply separately to this agreement
26 or be no less than two (2) times the occurrence limit. Policy shall
27 name the County of Riverside, its Agencies, Boards, Districts,
28 Special Districts, and Departments, their respective directors,

1 officers, Board of Supervisors, employees, elected or appointed
2 officials, agents or representatives as Additional Insured or provide
3 similar evidence of coverage approved by COUNTY's Risk
4 Manager.

5 e. General Insurance Provisions – All Lines.

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

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

25 3) BORROWER shall cause BORROWER's insurance
26 carrier(s) to furnish the County of Riverside with copies of the
27 Certificate(s) of Insurance and Endorsements effecting coverage as
28 required herein, and 2) if requested to do so orally or in writing by

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

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

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

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

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

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

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

18 16. FINANCIAL AND PROJECT RECORDS. BORROWER shall maintain
19 financial, programmatic, statistical, and other supporting records of its operations and financial
20 activities sufficient to establish compliance with subsection 601(d) of the Social Security Act, as
21 amended, (42 U.S.C. 801(d)), in accordance with the requirements of the CARES Act, and the
22 regulations as amended and promulgated thereunder, which records shall be open to inspection
23 and audit by authorized representatives of COUNTY, the California Department of Finance, and
24 the United States Department of the Treasury Office of Inspector General, during regular
25 working hours. COUNTY, state, and federal representatives have the right of access, with at
26 least forty-eight (48) hours prior notice, to any pertinent books, documents, papers, or other
27 records of BORROWER, in order to make audits, examinations, excerpts, and transcripts. Said
28 records shall be retained for such time as may be required by the CARES Act, but in no event

1 no less than five (5) years after the Project completion date as evidenced by recordation of the
2 Notice of Completion, or after final payment is made, whichever is later, to support reported
3 expenditures and to participate in COUNTY, state, and federal audits; except that records of
4 individual tenant income verifications, project rents, and project inspections must be retained for
5 the most recent five (5) year period, until five (5) years after the Affordability Period terminates.
6 If any litigation, claim, negotiation, audit, or other action has been started before the expiration
7 of the regular period specified, the records must be retained until completion of the action and
8 resolution of all issues which arise from it, or until the end of the regular period, whichever is
9 later.

10 17. COMPLIANCE WITH LAWS AND REGULATIONS. By executing this
11 Agreement, BORROWER hereby certifies that it will adhere to and comply with all federal, state
12 and local laws, regulations and ordinances. In particular, BORROWER shall comply with the
13 following as they may be applicable to BORROWER in connection with the CARES Loan:

- 14 a) Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal
15 Employment Opportunity", as amended by Executive Order 11375 of October 13, 1967,
16 and as supplemented in Department of Labor Regulations (41 CFR Part 60). The
17 BORROWER will not discriminate against any employee or applicant for employment
18 because of race, color, religion, sex, or national origin. BORROWER shall ensure that all
19 qualified applicants will receive consideration for employment without regard to race,
20 color, religion, sex or national origin. The BORROWER will take affirmative action to
21 ensure that applicants are employed and the employees are treated during employment,
22 without regard to their race color, religion, sex, or national origin. Such actions shall
23 include, but are not limited to, the following: employment, up-grading, demotion, or
24 transfer; recruitment or recruitment advertising; rates of pay or other forms of
25 compensation; and selection for training, including apprenticeship. The BORROWER
26 agrees to post in a conspicuous place, available to employees and applicants for
27 employment, notices to be provided by the County setting forth the provisions of this non-
28 discrimination clause;

- 1 b) Executive Order 11063, as amended by Executive Order 12259, and implementing
2 regulations at 24 CFR Part 107;
- 3 c) Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended, and
4 implementing regulations;
- 5 d) The Age Discrimination Act of 1975 (Pub. L. 94-135), as amended, and implementing
6 regulations;
- 7 e) The regulations, policies, guidelines and requirements of the Uniform Administrative
8 Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part
9 200) as they relate to the acceptance and use of federal funds under the federally-assigned
10 program;
- 11 f) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352) and implementing regulations
12 issued at 24 CFR Part 1;
- 13 g) Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284) as amended; and
- 14 h) *Rights to Data and Copyrights*: Contractors and consultants agree to comply with all
15 applicable provisions pertaining to the use of data and copyrights pursuant to 48 CFR Part
16 27.404-3, Federal Acquisition Regulations (FAR).
- 17 i) *Air Pollution Prevention and Control* (formally known as the *Clean Air Act*) (42 U.S.C.A.
18 7401 *et seq.*) and the *Federal Water Pollution Control Act* (33 U.S.C.A. Section 1251 *et*
19 *seq.*), as amended: Contracts and subgrants of amounts in excess of \$100,000 shall contain
20 a provision that requires the recipient to agree to comply with all applicable standards,
21 orders or regulations issued pursuant to the *Clean Air Act* (42 U.S.C.A. 7401 *et seq.*) and
22 the *Federal Water Pollution Control Act* as amended (33 U.S.C.A. Section 1251 *et seq.*).
23 Violations shall be reported to the Federal awarding agency and the Regional Office of the
24 Environmental Protection Agency (EPA).
- 25 j) *Anti-Lobbying Certification* (31 U.S.C.A. 1352): The language of the certification set forth
26 below shall be required in all contracts or subcontracts entered into in connection with this
27 grant activity and all BORROWERS shall certify and disclose accordingly. This
28 certification is a material representation of fact upon which reliance was placed when this

1 transaction was made or entered into. Submission of this certification is a prerequisite for
2 making or entering into this transaction imposed by. Section 1352, Title 31, U.S. code. Any
3 person who fails to file the required certification shall be subject to a civil penalty of not
4 less than \$10,000 and no more than \$100,000 for such failure.

5 “The undersigned certifies, to the best of his or her knowledge or belief, that:

6 No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any
7 person for influencing or attempting to influence an officer or employee of any agency, a
8 Member of Congress, an officer or employee of Congress, or an employee of a Member of
9 Congress in connection with the awarding of any Federal contract, the making of any
10 Federal grant, the making of any Federal loan, the entering into of any cooperative
11 agreement, and the extension, continuation, renewal, amendment, or modification of any
12 Federal contract, grant, loan, or cooperative agreement;

13 If any funds other than Federal appropriated funds have been paid or will be paid to any
14 person for influencing or attempting to influence an officer or employee of any agency, a
15 Member of Congress, an officer or employee of Congress, or an employee of a Member of
16 Congress in connection with this Federal contract, grant loan or cooperative agreement,
17 he/she will complete and submit Standard Form – LLL, “Disclosure Form to Report
18 Lobbying,” in accordance with its instructions.”

19 k) *Debarment and Suspension (Executive Orders (E.O.) 12549 and 12689)*: No contract
20 award shall be made to parties listed on the governmentwide exclusions in the System for
21 Award Management (SAM), in accordance with OMB guidelines at 2 CFR 180 that
22 implement Executive Orders (E.O.s) 12549 and 12689, “Debarment and Suspension.”
23 SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded
24 by agencies, as well as parties declared ineligible under statutory or regulatory authority
25 other than E.O. 12549. Contractors with awards that exceed the small purchase threshold
26 shall provide the required certification regarding its exclusion status and that of its principal
27 employees.

28 l) *Drug-Free Workplace Requirements*: The Anti-Drug Abuse Act of 1988 (41 U.S.C.A.

1 Section 8101-8103) requires grantees (including individuals) of federal agencies, as a prior
2 condition of being awarded a grant, to certify that they will provide drug-free workplaces.
3 Each potential recipient must certify that it will comply with drug-free workplace
4 requirements in accordance with the Act and with HUD's rules at 2 CFR Part 2424.

5 m) *Access to Records and Records Retention:* The BORROWER or Contractor, and any sub-
6 consultants or sub-contractors, shall allow all duly authorized Federal, State, and/or County
7 officials or authorized representatives access to the work area, as well as all books,
8 documents, materials, papers, and records of the BORROWER or Contractor, and any sub-
9 consultants or sub-contractors, that are directly pertinent to a specific program for the
10 purpose of making audits, examinations, excerpts, and transcriptions. The BORROWER
11 or Contractor, and any sub-consultants or sub-contractors, further agree to maintain and
12 keep such books, documents, materials, papers, and records, on a current basis, recording
13 all transactions pertaining to this agreement in a form in accordance with generally
14 acceptable accounting principles. All such books and records shall be retained for such
15 periods of time as required by law, provided, however, notwithstanding any shorter periods
16 of retention, all books, records, and supporting detail shall be retained for a period of at
17 least five (5) years after the expiration of the term of this Agreement, or final payment is
18 made, whichever is later.

19 n) *Federal Employee Benefit Clause:* No member of or delegate to the Congress of the United
20 States, and no Resident Commissioner shall be admitted to any share or part of this
21 agreement or to any benefit to arise from the same.

22 o) *Energy Efficiency:* Mandatory standards and policies relating to energy efficiency which
23 are contained in the State energy conservation plan issued in compliance with the Energy
24 Policy and Conservation Act (Pub. L. 94 - 163, Dec. 22, 1975; 42 U.S.C.A. Section 6201,
25 et. seq., 89 Stat.871).

26 p) *Procurement of Recovered Materials (2 CFR 200.322.):* A non-Federal entity that is a
27 state agency or agency of a political subdivision of a state and its contractors must comply
28 with 42 U.S.C. Section 6002 of the Solid Waste Disposal Act, as amended by the Resource

1 Conservation and Recovery Act. The requirements of Section 6002 include procuring only
2 items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR
3 Part 247 that contain the highest percentage of recovered materials practicable, consistent
4 with maintaining a satisfactory level of competition, where the purchase price of the item
5 exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded
6 \$10,000; procuring solid waste management services in a manner that maximizes energy
7 and resource recovery; and establishing an affirmative procurement program for
8 procurement of recovered materials identified in the EPA guidelines. The requirements of
9 2 CFR 200.322, as amended effective November 12, 2020, are hereby included in this
10 Agreement as appropriate and to the extent consistent with law.

11 a. The regulations created by the Office of the Assistant Secretary of
12 Community Planning and Development that pertain to Community
13 Development programs are contained within 24 CFR part 570 -
14 Community Development Block Grants. Section 92.350 Other
15 Federal requirements and nondiscrimination. As set forth in 24
16 CFR part 5, sub part A, BORROWER is required to include the
17 following requirements: nondiscrimination and equal opportunity
18 under Section 282 of the Act; disclosure; debarred, suspended, or
19 ineligible contractors; and drug-free workplace.

20 b. Section 92.351 Affirmative marketing and minority outreach
21 program. BORROWER must adopt affirmative marketing
22 procedures and requirements. These must include:

23 (1) Methods for informing the public, owners, and potential
24 tenants about Federal fair housing laws and the affirmative
25 marketing policy (e.g., the use of the Equal Housing
26 Opportunity logotype or slogan in press releases and
27 solicitations for owners, and written communication to fair
28 housing and other groups).

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- (2) Requirements and practices that BORROWER must adhere to in order to carry out the affirmative marketing procedures and requirements (e.g., use of commercial media, use of community contacts, use of the Equal Housing Opportunity logotype or slogan, and display of fair housing poster).
- (3) Procedures to be used by BORROWER to inform and solicit applications from persons in the housing market area who are not likely to apply without special outreach (e.g., use of community organizations, employment centers, fair housing groups, or housing counseling agencies).
- (4) Records that will be kept describing actions taken by BORROWER to affirmatively market units and records to assess the results of these actions.
- (5) A description of how BORROWER will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.
- (6) BORROWER must prescribe procedures to establish and oversee a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by BORROWER with such persons or entities, public and private, in order to facilitate the activities of COUNTY to provide affordable housing authorized under

1 this Act or any other Federal housing law. Section 24 CFR
2 85.36(e) provided affirmative steps to assure that minority
3 business enterprises and women business enterprises are
4 used when possible in the procurement of property and
5 services. The steps include:

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

8 (ii) Assuring that small and minority businesses, and
9 women's business enterprises are solicited
10 whenever they are potential sources.

11 (iii) Dividing total requirements, when economically
12 feasible, into smaller tasks or quantities to permit
13 maximum participation by small and minority
14 business, and women's business enterprises.

15 (iv) Establishing delivery schedules, where the
16 requirement permits, which encourage participation
17 by small and minority business, and women's
18 business enterprises.

19 (v) Using the services and assistance of the Small
20 Business Administration, and the Minority Business
21 Development Agency of the Department of
22 Commerce.

23 (vi) Requiring the prime contractor, if subcontracts are
24 to be let, to take the affirmative steps listed in (i)
25 through (v) above of this section.

26 c. Section 92.352 Environmental review. The environmental effects of
27 each activity must be assessed in accordance with the provisions of the
28 National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321)

1 and the related authorities listed in HUD's implementing regulations at
2 24 CFR Parts 50 and 58.

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

10 e. Section 92.354 Lead-based paint. As applicable, this agreement is
11 subject to the lead-based paint requirements of 24 CFR Part 35 issued
12 pursuant to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C.
13 4821, et seq.). The lead-based paint provisions of 24 CFR 982.401 (j),
14 except 24 CFR 982.401 (j)(1)(i), also apply, irrespective of the
15 applicable property standard under §92.251.

16 f. Section 92.356 Conflict of Interest. In the procurement of property and
17 services by BORROWER, the conflict of interest provisions in 24 CFR
18 85.36 and 24 CFR 85.42, respectively shall apply. Section 92.356 shall
19 cover all cases not governed by 24 CFR 85.36 and 24 CFR 84.42.

20 g. Section 504 of the Rehabilitation Act of 1973; Housing accessibility
21 requirement at 24 CFR Part 8, implementing Section 504 of the
22 Rehabilitation Act of 1973 (29 U.S.C. 794). The design and
23 construction of multi-family dwellings as defined at 24 CFR 100.201
24 must comply with the requirements set forth in 24 CFR 100.205
25 implementing the Fair Housing Act. Dwelling units must be designed
26 and constructed in accordance with the Uniform Federal Accessibility
27 Standards (UFAS) will be deemed to comply with the Section 504
28 regulation.

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(1) 24 CFR Part 8.22 New construction—housing facilities. For new construction of multi-family projects, 5 percent (5%) of the units (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent (2%) of the units (but not less than one unit) must be accessible to individuals with sensory impairments.

(2) 24 CFR Part 8.23 Alterations of existing housing facilities. If alterations are undertaken to a project that has 15 or more units and the cost of the alterations is 75 percent or more of the replacement cost of the completed facility, then the provisions of §8.22 shall apply. Alterations to dwelling units in a multifamily housing project shall, to the maximum extent feasible, be made to be readily accessible to and usable by individuals with handicaps. If alterations of single elements or spaces of a dwelling unit, when considered together, amount to an alteration of a dwelling unit, the entire dwelling unit shall be made accessible. Once 5 percent (5%) of the dwelling units in a project are readily accessible to and usable by individuals with mobility impairments, then no additional elements of dwelling units, or entire dwelling units, are required to be accessible under this paragraph. Alterations to common areas or parts of facilities that affect accessibility of existing housing facilities

1 shall, to the maximum extent feasible, be made to
2 be accessible to and usable by individuals with
3 handicaps. For purposes of this paragraph, the
4 phrase to the maximum extent feasible shall not be
5 interpreted as requiring that a recipient make a
6 dwelling unit, common area, facility or element
7 thereof accessible if doing so would impose undue
8 financial and administrative burdens on the
9 operation of the multifamily housing project.

- 10 h. Model Energy Code published by the Council of American Building
11 Officials.
- 12 i. Section 3 of the Housing and Urban Development Act of 1968. To the
13 greatest extent feasible, opportunities for training and employment will
14 be provided to low-income persons residing in the program service
15 area. To the greatest extent feasible, contracts for work to be performed
16 in connection with this Project will be awarded to business concerns
17 that are located in or owned by persons residing in the program service
18 area as outlined in the County of Riverside Section 3 Contract
19 Requirements attached hereto as **Exhibit D**. Contracts funded from
20 Section 3 covered funding sources must abide by the Section 3 Clause
21 prescribed at 24 CFR 135.38. All contracts subject to the requirements
22 of Section 3 must include the Section 3 Clause verbatim that is
23 contained at 24 CFR 135.38 attached hereto as **Exhibit D-2**, which is
24 attached hereto and by this reference incorporated herein.
- 25 j. Section 106 of the National Historic Preservation Act of 1966 (NHPA).
26 Consultation with concerned Native American tribes must continue
27 under HUD regulation 24 CFR Part 50 and 58, and Section 106 of the
28 National Historic Preservation Act and its implementing regulations 36

1 CFR Part 800 for possible impacts on historic properties. Historic
2 properties include archeological sites, burial grounds, sacred
3 landscapes or features, ceremonial areas, traditional cultural places and
4 landscapes, plant and animal communities, and buildings and
5 structures with significant tribal association.

6 k. Section 92.358 Consultant Activities. No person providing consultant
7 services in an employer-employee type relationship shall receive more
8 than a reasonable rate of compensation for personal services.

9 l. BORROWER shall carry out its activity pursuant to this Agreement in
10 compliance with all federal laws and regulations described in Subpart
11 E of Part 92 of the Code of Federal Regulations, except that:

12 1. BORROWER does not assume COUNTY'S environmental
13 responsibilities described at 24 CFR Part 92.352; and

14 2. BORROWER does not assume COUNTY's responsibility
15 for initiating the review process under the provisions of 24
16 CFR Part 92.352

17 m. Uniform Administrative Requirements of 24 CFR 92.505 and 24 CFR
18 Part 200 as now in effect and as may be amended from time to time.
19 Federal awards expended as a recipient or a subrecipient, as defined by
20 HUD, would be subject to single audit. The payments received for
21 goods or services provided as a vendor would not be considered
22 Federal awards.

23 n. BORROWER shall include written agreements that include all
24 provisions of **Section 17** if BORROWER provides funds paid under
25 this agreement to for-profit owners or developers, non-profit owners or
26 developers, sub-recipients, homeowners, homebuyers, tenants
27 receiving tenant-based rental assistance, or contractors.

28 o. Immigration requirements of Federal Register, Vol. 62, No. 221,

1 Department of Justice Interim Guidance on Verification of Citizenship,
2 Qualified Alien Status and Eligibility Under Title IV of the Personal
3 Responsibility and Work Opportunity Reconciliation Act of 1996
4 (“PRWORA”). Final Attorney General’s Order issued pursuant to
5 PRWORA is specified under Federal Register Vol. 66, No. 10,
6 Department of Justice Final Specification of Community Programs
7 Necessary for Protection of Life or Safety Under Welfare Reform
8 Legislation.

9 p. BORROWER shall comply with all applicable local, state and federal
10 laws in addition to the above mentioned laws.

11 18. INCOME TARGETING REQUIREMENTS. BORROWER shall set aside
12 not more than 49% of the units for restricted use for homeless households whose incomes do not
13 exceed 50% of the area median income for the County of Riverside, adjusted by family size at
14 the time of occupancy, as consistent with Health & Safety Code §§ 37001.3, 50105, and 50079.5.
15 Income limits are published by the United States Department of Housing and Urban
16 Development (HUD).

17 19. RENT LIMITATIONS. BORROWER shall comply with the rent
18 limitations set forth under 24 CFR 92.252. Effective 2020, HUD published Rent Limits for the
19 County of Riverside. The low rent limit for a one-bedroom unit is \$706, two-bedroom unit is
20 \$847, and three-bedroom unit is \$979. The high rent limit for a one-bedroom unit is \$899, two-
21 bedroom unit is \$1081, and three-bedroom unit is \$1239. Rent limits are more specifically set
22 forth herein and incorporated herein by this reference. In order to calculate net rent to be charged,
23 an applicable utility allowance must be subtracted from the gross rents listed.

24 a. Utility Allowance: Owners Owner will use the local Housing Authority’s Utility
25 Allowance.

26 b. Initial Occupancy of Vacant Units: All CARES-Assisted Units shall be occupied
27 by and rented to Qualified Households for an affordable rent within three (3) month from the
28 issuance of the Certificate of Occupancy (“Lease Deadline”). If a COUNTY CARES-Assisted

1 Unit remains unoccupied or not leased to an eligible tenant, BORROWER must provide to
2 COUNTY information about current marketing efforts and an enhanced plan for marketing the
3 unit so that it is leased promptly.

4 Within three (3) months from the Lease Deadline, if a CARES-Assisted Unit
5 remains unoccupied or not leased to an eligible tenant, then BORROWER agrees to repay
6 CARES funds for any CARES-Assisted Unit that is not rented to eligible tenants. BORROWER
7 may request an extension of the Lease Deadline if BORROWER can provide to COUNTY
8 evidence showing efforts of aggressive marketing efforts and proof that the circumstances that
9 led to the failure to lease the CARES-Assisted Unit(s) by the Lease Deadline were beyond the
10 BORROWER's control. The extension and time of extension is subject to COUNTY's approval
11 and not guaranteed. The Director HHPWS or designee, has the authority, at his or her discretion,
12 to consent to an extension of the Lease Deadline.

13 The amount of CARES funds to be repaid is based on the CARES Loan, defined
14 in **Section 1**, prorated by the number of COUNTY CARES-Assisted Units that are or are not
15 rented to eligible tenants. If all COUNTY CARES-Assisted Units are not rented to eligible
16 tenants upon the initial occupancy of those units, then COUNTY and BORROWER mutually
17 agree that this Agreement will self-terminate and any CARES Loan funds drawn shall be
18 returned within thirty (30) calendar days. Upon such termination, this Agreement shall become
19 null and void. COUNTY and BORROWER shall be released and discharged respectively from
20 their obligations under this Agreement. All cost incurred by each party on the Project will be
21 assumed respectively.

22 c. Approval: The BORROWER shall submit to the COUNTY for
23 review and written approval, all proposed rents for the CARES-Assisted Units prior to lease-up.
24 If during the recertification process a household income falls above 80% of the Area Median
25 Income then household shall pay the lesser of 30% of the adjusted income or Market rent.

26 20. TENANT PROTECTIONS. During the Affordability Period,
27 BORROWER shall adhere to the tenant protections and selection standard set forth in 24 CFR
28 92.253, as may be amended from time to time, and the following requirements:

1 a. Provide written lease agreement for not less than one year, unless by
2 mutual agreement between the tenant and BORROWER. COUNTY
3 shall review the initial form of the lease agreement prior to
4 BORROWER executing any leases and, provided that BORROWER
5 uses the approved lease form, BORROWER shall be permitted to enter
6 into residential leases without COUNTY's prior written consent.

7 b. Prohibited Lease Terms. The rental agreement/lease may not contain
8 any of the following provisions:

9 (1) Agreement to be sued. Agreement by the tenant to be sued,
10 to admit guilt or to a judgment in favor of BORROWER in
11 a lawsuit brought in connection with the lease.

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

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

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

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

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

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

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

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

16 (9) Mandatory supportive services. Agreement by the tenant
17 (other than a tenant in transitional housing) to accept
18 supportive services that are offered.

19 c. Violence Against Women Reauthorization Act of 2013. (Pub. L. 113–
20 4, 127 Stat. 54) (“VAWA 2013”). VAWA 2013 reauthorizes and
21 amends the Violence Against Women Act of 1994, as previously
22 amended, (title IV, sec. 40001–40703 of Pub. L. 103–322, 42 U.S.C.
23 13925 et seq.) VAWA 2013, among other things, bars eviction and
24 termination due to a tenant's status as a victim of domestic violence,
25 dating violence, or stalking, and requires landlords to maintain
26 survivor-tenant confidentiality. VAWA 2013 prohibits a tenant who is
27 a survivor of domestic violence, dating violence, sexual assault, and
28 stalking from being denied assistance, tenancy, or occupancy rights

1 based solely on criminal activity related to an act of violence
2 committed against them. It extends housing protections to survivors of
3 sexual assault, and adds “intimate partner” to the list of eligible
4 relationships in the domestic violence definition. Protections also now
5 cover an “affiliated individual,” which includes any lawful occupant
6 living in the survivor’s household, or related to the survivor by blood
7 or marriage including the survivor’s spouse, parent, brother, sister,
8 child, or any person to whom the survivor stands in loco parentis.
9 VAWA 2013 allows a lease bifurcation so a tenant or lawful occupant
10 who engages in criminal activity directly relating to domestic violence,
11 dating violence, sexual assault, or stalking against an affiliated
12 individual or other individual, or others may be evicted or removed
13 without evicting or removing or otherwise penalizing a victim who is
14 a tenant or lawful occupant. If victim cannot establish eligibility,
15 BORROWER must give a reasonable amount of time to find new
16 housing or establish eligibility under another covered housing
17 program. A Notice of Rights under VAWA 2013 for tenants must be
18 provided at the time a person applies for housing, when a person is
19 admitted as a tenant of a housing unit, and when a tenant is threatened
20 with eviction or termination of housing benefits. Tenants must request
21 an emergency transfer and reasonably believe that they are threatened
22 with imminent harm from further violence if the tenant remains in the
23 same unit. The provisions of VAWA 2013 that are applicable to HUD
24 programs are found in title VI of VAWA 2013, which is entitled “Safe
25 Homes for Victims of Domestic Violence, Dating Violence, Sexual
26 Assault, and Stalking.” Section 601 of VAWA 2013 amends subtitle N
27 of VAWA (42 U.S.C. 14043e et seq.) to add a new chapter entitled
28 “Housing Rights.”

1 21. FEDERAL REQUIREMENTS. BORROWER shall comply with the
2 provisions of the CARES Act and any amendments thereto and all applicable federal regulations
3 and guidelines now or hereafter enacted pursuant to the Act.

4 22. SALE, ASSIGNMENT OR OTHER TRANSFER OF THE PROJECT.
5 BORROWER hereby covenants and agrees not to sell, assign, transfer or otherwise dispose of
6 the Project or any portion thereof, without obtaining the prior written consent of the COUNTY,
7 which consent shall be conditioned upon receipt by the COUNTY of reasonable evidence
8 satisfactory to the COUNTY in its sole discretion, that transferee has assumed in writing and in
9 full, and is reasonably capable of performing and complying with the BORROWER's duties and
10 obligations under this Agreement; provided, however, BORROWER shall not be released of all
11 obligations hereunder which accrue from and after the date of such sale.

12 23. INDEPENDENT CONTRACTOR. BORROWER and its agents, servants
13 and employees shall act at all times in an independent capacity during the term of this Agreement,
14 and shall not act as, shall not be, nor shall they in any manner be construed to be agents, officers,
15 or employees of COUNTY.

16 24. NONDISCRIMINATION. BORROWER shall abide by 24 CFR 570.602
17 which requires that no person in the United States shall on the grounds of race, color, national
18 origin, religion, or sex be excluded from participation in, be denied the benefits of, or be
19 subjected to discrimination under any program or activity receiving Federal financial assistance
20 made available pursuant to the Act. Under the Act, Section 109 directs that the prohibitions
21 against discrimination on the basis of age under the Age Discrimination Act and the prohibitions
22 against discrimination on the basis of disability under Section 504 shall apply to programs or
23 activities receiving Federal financial assistance under Title I programs. The policies and
24 procedures necessary to ensure enforcement of Section 109 are codified in 24 CFR Part 6. In
25 addition, BORROWER shall not discriminate on the basis of race, gender, religion, national
26 origin, ethnicity, sexual orientation, age or disability in the solicitation, selection, hiring or
27 treatment of any contractors or consultants, to participate in subcontracting/subconsulting
28 opportunities. BORROWER understands and agrees that violation of this clause shall be

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

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

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

- 24 a) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs,
25 executors, administrators, and assigns, and all persons claiming under or through them, that
26 there shall be no discrimination against or segregation of, any person or group of persons
27 on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government
28 Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and

1 paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government
2 Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the
3 premises herein conveyed, nor shall the grantee or any person claiming under or through
4 him or her, establish or permit any practice or practices of discrimination or segregation
5 with reference to the selection, location, number, use or occupancy of tenants, lessees,
6 subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing
7 covenants shall run with the land.”

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

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

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

6 25. PROHIBITION AGAINST CONFLICTS OF INTEREST:

- 7 a. BORROWER and its assigns, employees, agents, consultants, officers
8 and elected and appointed officials shall become familiar with and shall
9 comply with the conflict of interest provisions in OMB Circular A-110,
10 24 CFR 85.36, 24 CFR 84.42, 24 CFR 92.356 and Policy Manual #A-
11 11, attached hereto as **Exhibit E** and by this reference incorporated
12 herein.
- 13 b. BORROWER understands and agrees that no waiver or exception can
14 be granted to the prohibition against conflict of interest except upon
15 written approval of HUD pursuant to 24 CFR 92.356(d). Any request
16 by BORROWER for an exception shall first be reviewed by COUNTY
17 to determine whether such request is appropriate for submission to
18 HUD. In determining whether such request is appropriate for
19 submission to HUD, COUNTY will consider the factors listed in 24
20 CFR 92.356(e).
- 21 c. Prior to any funding under this Agreement, BORROWER shall provide
22 COUNTY with a list of all employees, agents, consultants, officers and
23 elected and appointed officials who are in a position to participate in a
24 decision-making process, exercise any functions or responsibilities, or
25 gain inside information with respect to the CARES activities funded
26 under this Agreement. BORROWER shall also promptly disclose to
27 COUNTY any potential conflict, including even the appearance of
28 conflict that may arise with respect to the CARES activities funded

1 under this Agreement.

2 d. Any violation of this section shall be deemed a material breach of this
3 Agreement, and the Agreement shall be immediately terminated by
4 COUNTY.

5 26. SECURITY INTEREST. BORROWER hereby grants to COUNTY a
6 security interest under the applicable certificate of title law or Uniform Commercial Code in the
7 MANUFACTURED HOME and any property added or attached to it, to secure BORROWER's
8 obligations under this Agreement. BORROWER also grants to COUNTY a security interest in
9 any interest BORROWER may have in premium refunds or proceeds under any insurance
10 covering the CARES-Assisted Units. BORROWER further agrees to execute any application
11 for certificate of title or ownership, financing statement, or other document necessary to perfect
12 COUNTY's security interest in the CARES-Assisted Units. The security interest under this
13 NOTE secures payment of all of the BORROWER's indebtedness, including debts, obligations
14 or liabilities which now exist or are hereafter created, and whether they are absolute or
15 contingent, and includes future advances.

16 27. PROJECT MONITORING AND EVALUATION.

17 a. Tenant Checklist. BORROWER shall submit a Tenant Checklist
18 Form to COUNTY, as shown in **Exhibit F** which is attached hereto and by this reference is
19 incorporated herein and may be revised by COUNTY, summarizing the racial/ethnic
20 composition, number and percentage of very low-income and low-income households who are
21 tenants of the COUNTY CARES-Assisted Units. The Tenant Checklist Form shall be submitted
22 upon completion of the construction and thereafter, on a semi-annual basis on or before March
23 31st and September 30th. BORROWER shall maintain financial, programmatic, statistical and
24 other supporting records of its operations and financial activities in accordance with the
25 requirements of the CARES Act, including the submission of Tenant Checklist Form. Except as
26 otherwise provided for in this Agreement, BORROWER shall maintain and submit records to
27 COUNTY within ten (10) business days of COUNTY's request which clearly documents
28 BORROWER's performance under each requirement of the CARES Act. A list of document

1 submissions and timeline are shown in **Exhibit A** and such list may be amended from time to
2 time subject to COUNTY, state and/or federal reporting requirements.

3 b. Inspections. During the Affordability Period, COUNTY must
4 perform on-site inspections of COUNTY CARES-Assisted rental housing to determine
5 compliance with the property standards of §92.251 and to verify the information submitted by
6 the owners in accordance with the requirements of §92.252. The inspections must be in
7 accordance with the inspection procedures that the participating jurisdiction establishes to meet
8 the inspection requirements of §92.251. The on-site inspections must occur within twelve (12)
9 months after Notice of Completion and at least once every three (3) years thereafter during the
10 Affordability Period. If there are observed deficiencies for any of the inspectable items in the
11 property standards established by COUNTY, in accordance with the inspection requirements of
12 §92.251, a follow-up on-site inspection to verify that deficiencies are corrected must occur
13 within twelve (12) months. COUNTY may establish a list of non-hazardous deficiencies for
14 which correction can be verified by third party documentation (e.g., paid invoice for work order)
15 rather than re-inspection. Health and safety deficiencies must be corrected immediately, in
16 accordance with §92.251. COUNTY must adopt a more frequent inspection schedule for
17 properties that have been found to have health and safety deficiencies. The property owner must
18 annually certify to the COUNTY that each building and all CARES-assisted units in the project
19 are suitable for occupancy, taking into account State and local health, safety, and other applicable
20 codes, ordinances, and requirements, and the ongoing property standards established by the
21 participating jurisdiction to meet the requirements of §92.251. Inspections must be based on a
22 statistically valid sample of units appropriate for the size of the COUNTY CARES-Assisted
23 Project, as set forth by HUD through notice. For projects with one-to-four COUNTY CARES-
24 Assisted Units, COUNTY must inspect 100 percent of the COUNTY CARES-Assisted Units
25 and the inspectable items (site, building exterior, building systems, and common areas) for each
26 building housing COUNTY CARES-Assisted units.

27 c. Income Certification. The income of a tenant must be determined
28 initially and each sixth year of affordability in accordance with 24 CFR 92.203 (a)(1)(i). In

1 addition, annually between each sixth year of affordability BORROWER must re-examine each
2 tenants annual income under 24 CFR 92.203 (a) (1) (ii).

3 28. MONITORING FEE. BORROWER shall pay an annual compliance
4 monitoring fee to the COUNTY in the total annual amount of \$4,000 (“Monitoring Fee”). The
5 Monitoring Fee payment is due on July 1st of each year for the monitoring period of July 1st to
6 June 30th commencing July 1, 2022 and will continue until the expiration of the Affordability
7 Period. The Monitoring Fee is to be adjusted upwards annually, increased by an amount equal
8 to the increase in CPI for the Los Angeles-Riverside-Orange County, CA area. In the event of a
9 decrease in the applicable CPI, the Monitoring Fee currently in effect shall remain the same and
10 shall not decrease.

11 29. ACCESS TO PROJECT SITE. COUNTY, state and/or federal awarding
12 agencies shall have the right to access the Project site and the Property at all reasonable times,
13 and upon completion of the Project upon reasonable written notice to BORROWER, to review
14 the operation of the Project in accordance with this Agreement.

15 30. EVENTS OF DEFAULT. The occurrence of any of the following events
16 shall constitute an "Event of Default" under this Agreement:

17 a. Monetary Default. (1) BORROWER’s failure to pay when due any
18 sums payable under this Agreement, the Covenant Agreement, the CARES Note or any advances
19 made by COUNTY under this Agreement; (2) BORROWER’s or any agent of BORROWER’s
20 use of CARES Act funds for costs other than those costs permitted under this Agreement or for
21 uses inconsistent with terms and restrictions set forth in this Agreement; (3) BORROWER’s or
22 any agent of BORROWER’s failure to make any other payment of any assessment or tax due
23 under this Agreement, and /or (4) default under the terms of any Senior Loan documents or any
24 other instrument or document secured against the Property;

25 b. Non-Monetary Default. (1) Discrimination by BORROWER or
26 BORROWER's agent(s) on the basis of characteristics prohibited by this Agreement or
27 applicable law; (2) the imposition of any encumbrances or liens on the Project without
28 COUNTY’s prior written approval that are prohibited under this Agreement or that have the

1 effect of reducing the priority or invalidating the lien of the CARES Deed of Trust; (3)
2 BORROWER's failure to obtain and maintain the insurance coverage required under this
3 Agreement; (4) any material default under this Agreement, the CARES Loan Deed of Trust,
4 Covenant Agreement, CARES Note or any document executed by the County in connection with
5 this Agreement, and /or (5) a default under the terms of any Senior Loan documents or any other
6 instrument or document secured against the Property or the Project;

7 c. General Performance of Loan Obligations. Any substantial or
8 continuous or repeated breach by BORROWER or BORROWER's agents of any material
9 obligations of BORROWER under this Agreement;

10 d. General Performance of Other Obligations. Any substantial or
11 continuous or repeated breach by BORROWER or BORROWER's agents of any material
12 obligations of BORROWER related to the Project imposed by any other agreement with respect
13 to the financing, development, or operation of the Project; whether or not COUNTY is a party
14 to such agreement; but only following any applicable notice and cure periods with respect to any
15 such obligation;

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

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

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

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

5 31. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. Formal
6 notices, demands and communications between the COUNTY and the BORROWER shall be
7 sufficiently given if dispatched pursuant to **Section 51** below, to such addresses as either party
8 may from time to time designate by mail as provided for therein. Any notice that is transmitted
9 by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed
10 delivered upon its transmission; any notice that is personally delivered (including by means of
11 professional messenger service, courier service such as United Parcel Service or Federal
12 Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt
13 by the recipient; and any notice that is sent by registered or certified mail, postage prepaid,
14 return receipt required shall be deemed received on the date of delivery thereof.

15 a. Subject to a Force Majeure Delay, as provided in this **Section 9**, failure or
16 delay by BORROWER to perform any term or provision of this Agreement constitutes a default
17 under this Agreement. BORROWER must immediately commence to cure, correct or remedy
18 such failure or delay and shall complete such cure, correction or remedy with reasonable
19 diligence.

20 b. COUNTY shall give written notice of default to BORROWER, specifying
21 the default complained of by COUNTY. Failure or delay in giving such notice shall not
22 constitute a waiver of any default, nor shall it change the time of default. Except as otherwise
23 expressly provided in this Agreement, any failures or delays by COUNTY in asserting any of
24 its rights and remedies as to any default shall not operate as a waiver of any default or of any
25 such rights or remedies. Delays by COUNTY in asserting any of its rights and remedies shall
26 not deprive COUNTY of its right to institute and maintain any actions or proceedings which it
27 may deem necessary to protect, assert or enforce any such rights or remedies.

28 c. If a monetary event of default occurs, prior to exercising any remedies

1 hereunder, COUNTY shall give BORROWER written notice of such default. BORROWER
2 shall have a period of ten (10) days after such notice is given within which to cure the default
3 prior to exercise of remedies by COUNTY.

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

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

- 21 a. Terminate this Agreement, in which event the entire CARES Loan
22 amount as well as any other monies advanced to BORROWER by
23 COUNTY under this Agreement including administrative costs,
24 shall immediately become due and payable to COUNTY at the
25 option of COUNTY.
- 26 b. Bring an action in equitable relief (1) seeking the specific
27 performance by BORROWER of the terms and conditions of this
28 Agreement, and/or (2) enjoining, abating, or preventing any

1 violation of said terms and conditions, and/or (3) seeking
2 declaratory relief.

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

7 d. Enter the Project and take any remedial actions necessary in its
8 judgment with respect to hazardous materials that COUNTY deems
9 necessary to comply with hazardous materials laws or to render the
10 Project suitable for occupancy, which costs shall be due and payable
11 by BORROWER to COUNTY.

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

18 f. Pursue any other remedies allowed at law or in equity.

19 33. RESERVED.

20 34. BORROWER'S WARRANTIES. BORROWER represents and warrants

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

1 the transaction contemplated by this Agreement.

2 35. BORROWER'S CERTIFICATION. BORROWER certifies, to the best of
3 its knowledge and belief, that:

4 a. No federally appropriated funds have been paid or will be paid, by
5 or on behalf of the undersigned, to any person for influencing or attempting to influence an
6 officer or employee of any agency, a member of Congress, an officer or employee of Congress,
7 or an employee of a member of Congress in connection with the awarding of any federal contract,
8 the making of any federal grant, the making of any federal loan, the entering into of any
9 cooperative agreement, and the extension, continuation, review, amendment, or modification of
10 any federal contract, grant, loan, or cooperative agreement.

11 b. If any funds other than federally appropriated funds have been paid
12 or will be paid to any person for influencing or attempting to influence an officer or employee
13 of any agency, a member of Congress, an officer or employee of Congress, or an employee of a
14 member of Congress in connection with this federal contract, grant, loan, or cooperative
15 agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form
16 to Report Lobbying," in accordance with its instructions.

17 c. The undersigned shall require that the language of this certification
18 be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-
19 grants, and contracts under grants, loans, and cooperative agreements) and that BORROWER
20 shall certify and disclose accordingly. This certification is a material representation of fact upon
21 which reliance was placed when this transaction was made or entered into.

22 36. HOLD HARMLESS AND INDEMNIFICATION. BORROWER shall
23 indemnify and hold harmless the County of Riverside, its Agencies, Boards, Districts, Special
24 Districts and Departments, their respective directors, officers, Board of Supervisors, elected and
25 appointed officials, employees, agents and representatives (collectively the "Indemnified
26 Parties") from any liability whatsoever, based or asserted upon any services of BORROWER, its
27 officers, employees, subcontractors, agents or representatives arising out of their performance
28 under this Agreement, including but not limited to property damage, bodily injury, or death or

1 any other element of any kind or nature whatsoever arising from the performance of
2 BORROWER, its officers, agents, employees, subcontractors, agents or representatives under this
3 Agreement. BORROWER shall defend, at its sole expense, all costs and fees including, but not
4 limited, to attorney fees, cost of investigation, defense and settlements or awards, the County of
5 Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors,
6 officers, Board of Supervisors, elected and appointed officials, employees, agents and
7 representatives in any claim or action based upon such alleged acts or omissions.

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

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

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

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

23 BORROWER's obligations set forth in this **Section 36** shall survive the expiration or
24 earlier termination of this Agreement.

25 37. TERMINATION.

26 a. BORROWER. BORROWER may terminate this Agreement prior to
27 disbursement of any CARES Loan funds by COUNTY in accordance with the CARES Act.

28 b. COUNTY. Notwithstanding the provisions of **Section 37(a)**, COUNTY

1 may suspend or terminate this Agreement upon written notice to BORROWER of the action being
2 taken and the reason for such action in the event one of the following events occur:

3 1. For cause. This Agreement may be terminated or funding
4 suspended in whole or in part for cause, including, but not
5 limited to:

6 (i) In the event BORROWER fails to perform the covenants
7 herein contained at such times and in such manner as provided
8 in this Agreement after the applicable notice and cure provision
9 hereof; or

10 (ii) In the event there is a conflict with any federal, state or local
11 law, ordinance, regulation or rule rendering any material
12 provision, in the judgment of COUNTY of this Agreement
13 invalid or untenable; or

14 (iii) In the event the CARES Act funding is terminated or
15 otherwise becomes unavailable; or

16 (iv) In the event of a violation of conflict of interest
17 requirements (see Section 25 herein); or

18 (v) In accordance with the Uniform Administrative
19 Requirements, Cost Principles, and Audit Requirements for
20 Federal Awards (2 CFR Section 200.339).

21 2. For convenience. By written notice stating the extent and effective
22 date of the suspension or termination.

23 c. Cause shall be based on the failure of BORROWER to materially comply
24 with either the terms or conditions of this Agreement after the expiration of all applicable notice
25 and cure provisions hereof. Upon suspension of funding, BORROWER agrees not to incur any
26 costs related thereto, or connected with, any area of conflict from which COUNTY has determined
27 that suspension of funds is necessary. The rights and remedies of COUNTY provided herein shall
28 not be exclusive and are in addition to any other rights and remedies provided by law.

1 d. Upon expiration or earlier termination of this Agreement, BORROWER
2 shall transfer to COUNTY any unexpended CARES funds in its possession at the time of
3 expiration of the Agreement as well as any accounts receivable held by BORROWER which are
4 attributable to the use of CARES funds awarded pursuant to this Agreement.

5 38. AFFORDABILITY RESTRICTIONS. COUNTY and BORROWER, on
6 behalf of its successors and assigns, hereby declare their express intent that the restrictions set
7 forth in this Agreement shall continue in full force and effect for the duration of the Affordability
8 Period (as defined in **Section 14** above). Each and every contract, deed or other instrument
9 hereafter executed covering and conveying the Property or any portion thereof shall be held
10 conclusively to have been executed, delivered and accepted subject to such restrictions, regardless
11 of whether such restrictions are set forth in such contract, deed or other instrument. BORROWER
12 shall execute and record as a lien against the Property, a Covenant Agreement, substantially
13 conforming in form and substance to the Covenant Agreement attached hereto and incorporated
14 herein as **Exhibit G**, setting forth the affordability use and income restrictions required in this
15 Agreement.

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

23 40. WAIVER. Failure by a party to insist upon the strict performance of any
24 of the provisions of this Agreement by the other party, or the failure by a party to exercise its
25 rights upon the default of the other party, shall not constitute a waiver of such party's rights to
26 insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

27 41. INTERPRETATION AND GOVERNING LAW. This Agreement and any
28 dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the

1 State of California. This Agreement shall be construed as a whole according to its fair language
2 and common meaning to achieve the objectives and purposes of the Parties hereto, and the rule
3 of construction to the effect that ambiguities are to be resolved against the drafting party shall not
4 be employed in interpreting this Agreement, all Parties having been represented by counsel in the
5 negotiation and preparation hereof.

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

11 43. SEVERABILITY. Each paragraph and provision of this Agreement is
12 severable from each other provision, and if any provision or part thereof is declared invalid, the
13 remaining provisions shall nevertheless remain in full force and effect.

14 44. MINISTERIAL ACTS. COUNTY's Director of HHPWS or designee is
15 authorized to take such ministerial actions as may be necessary or appropriate to implement the
16 terms, provisions, and conditions of this Agreement as it may be amended from time to time by
17 both Parties.

18 45. MODIFICATION OF AGREEMENT. All changes, modifications or
19 extensions shall be mutually agreed upon by COUNTY and BORROWER and shall be
20 incorporated in written amendments to this Agreement. No amendment to this Agreement shall
21 be effective and binding upon the Parties, unless it expressly makes reference to this Agreement,
22 is in writing, is signed and acknowledged by duly authorized representatives of all
23 Parties, and approved by the COUNTY.



24 46. CONDITIONAL COMMITMENT.

25 a. Acquisition: BORROWER must demonstrate that the COUNTY
26 CARES-Assisted Units will be acquired by December 30, 2020.

27 b. Construction. BORROWER must demonstrate that they are
28 working towards obtaining financing to complete the Project in accordance with the

1 Implementation Schedule in Exhibit A.

2 c. Completion. The Project must be completed, and Certificates of
3 Occupancy shall be obtained for all the COUNTY CARES-Assisted Units no later than December
4 30, 2020 (the "Completion Deadline"). BORROWER may request a three (3) month extension of
5 the Completion Deadline from COUNTY ("Extension"), which may be granted in COUNTY's
6 sole and absolute discretion, if the BORROWER can provide proof that the circumstances that
7 led to the failure to complete the Project by the Completion Deadline were beyond the
8 BORROWER's control. Extension is subject to COUNTY's approval and not guaranteed. The
9 Director of HHPWS or designee, has the authority, at his or her discretion, to consent to such
10 Extension. If BORROWER is unable to meet the conditions required by this **Section 48**,
11 including Extension, then COUNTY and BORROWER mutually agree that this Agreement will
12 self-terminate and any CARES Loan funds disbursed to BORROWER to date shall be returned
13 to COUNTY within thirty (30) calendar days of such termination. Upon such termination, this
14 Agreement shall become null and void. COUNTY and BORROWER shall be released and
15 discharged respectively from their obligations under this Agreement, except for those provisions
16 which by their terms survive termination. All costs incurred by each party on the Project will be
17 assumed respectively.

18 d. Tenant Leases. BORROWER shall comply with the initial
19 occupancy requirements set forth in this Agreement.

20 47. PROJECT FINANCING CONTINGENCY. This Agreement is expressly
21 conditioned upon BORROWER's delivery to COUNTY, on or prior to **October 30, 2020** of (i)
22 written documentation of such binding loan commitments required to acquire the Project (less the
23 CARES Loan), on terms and conditions acceptable to BORROWER and COUNTY. Either
24 COUNTY or BORROWER may elect to terminate this Agreement with ten (10) days prior written
25 notice to the other party if BORROWER fails to acquire the Project financing required by this
26 **Section 47**. Upon such termination, this Agreement shall be null and void, and:

27 a. If BORROWER elects to terminate this Agreement,
28 BORROWER shall be released and discharged by COUNTY

1 from its obligations under this Agreement; or

2 b. If COUNTY elects to terminate this Agreement, COUNTY shall
3 be released and discharged by BORROWER from its obligations
4 under this Agreement.

5 At that time, all costs incurred by each party on the Project will be assumed
6 respectively, and each party shall be released from all liability under this Agreement, except those
7 obligations which by their terms survive termination.

8 48. RESERVED.

9 49. EXHIBITS AND ATTACHMENTS. Each of the attachments and exhibits
10 attached hereto is incorporated herein by this reference.

11 50. MEDIA RELEASES. BORROWER agrees to allow COUNTY to provide
12 input regarding all media releases regarding the Project. Any publicity generated by
13 BORROWER for the Project must make reference to the contribution of COUNTY in making the
14 Project possible. COUNTY's name shall be prominently displayed in all pieces of publicity
15 generated by BORROWER, including flyers, press releases, posters, signs, brochures, and public
16 service announcements. BORROWER agrees to cooperate with COUNTY in any COUNTY-
17 generated publicity or promotional activities with respect to the Project.

18 51. NOTICES. All notices, requests, demands and other communication
19 required or desired to be served by either party upon the other shall be addressed to the respective
20 Parties as set forth below or the such other addresses as from time to time shall be designated by
21 the respective Parties and shall be sufficient if sent by United States first class, certified mail,
22 postage prepaid, or express delivery service with a receipt showing the date of delivery.

23 COUNTY
24 Director HHPWS
25 County of Riverside
26 5555 Arlington Avenue
Riverside, CA 92504

BORROWER
Chief Operating Officer
RCHC
5555 Arlington Ave
Riverside, CA 92504

27 52. COUNTERPARTS. This Agreement may be signed by the different
28 Parties hereto in counterparts, each of which shall be an original but all of which together shall

1 constitute one and the same agreement.

2 53. EFFECTIVE DATE. The effective date of this Agreement is the date the
3 Parties execute the Agreement (“Effective Date”). If the Parties execute the Agreement on more
4 than one date, then the last date the Agreement is executed by a party shall be the Effective Date.

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

9 55. NONLIABILITY OF COUNTY OFFICIALS AND EMPLOYEES. No
10 member, official, employee or consultant of the COUNTY shall be personally liable to the
11 BORROWER, or any successor in interest, in the event of any default or breach by the COUNTY
12 or for any amount which may become due to the BORROWER or to its successor, or on any
13 obligations under the terms of this Agreement.

14 56. CONSTRUCTION AND INTERPRETATION OF AGREEMENT.

15 a. The language in all parts of this Agreement shall in all cases be
16 construed simply, as a whole and in accordance with its fair meaning and not strictly for or against
17 any party. The Parties hereto acknowledge and agree that this Agreement has been prepared
18 jointly by the Parties, and that each party has been given the opportunity to independently review
19 this Agreement with its respective legal counsel, and that each party has the requisite experience
20 and sophistication to understand, interpret, and agree to the particular language of the provisions
21 hereof. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of
22 this Agreement, this Agreement shall not be interpreted or construed against the party preparing
23 it, and instead other rules of interpretation and construction shall be utilized.

24 b. If any term or provision of this Agreement, the deletion of which
25 would not adversely affect the receipt of any material benefit by any party hereunder, shall be
26 held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this
27 Agreement shall not be affected thereby and each other term and provision of this Agreement
28 shall be valid and enforceable to the fullest extent permitted by law. It is the intention of the

1 Parties hereto that in lieu of each clause or provision of this Agreement that is illegal, invalid, or
2 unenforceable, there be added as a part of this Agreement an enforceable clause or provision as
3 similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible.

4 c. The captions of the articles, sections, and subsections herein are
5 inserted solely for convenience and under no circumstances are they or any of them to be treated
6 or construed as part of this instrument.

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

15 e. As used in this Agreement, and as the context may require, the
16 singular includes the plural and vice versa, and the masculine gender includes the feminine and
17 vice versa.

18 57. TIME OF ESSENCE. Time is of the essence with respect to the
19 performance of each of the covenants contained in this Agreement.

20 58. BINDING EFFECT. This Agreement, and the terms, provisions, promises,
21 covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the Parties
22 hereto and their respective heirs, legal representatives, successors and assigns.

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

27 60. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.

28 a. This Agreement shall be executed in three (3) duplicate originals, each of

1 which is deemed to be an original. This Agreement, including all attachments hereto and exhibits
2 appended to such attachments, shall constitute the entire understanding and agreement of the
3 Parties.

4 b. This Agreement integrates all of the terms and conditions mentioned herein
5 or incidental hereto, and supersedes all negotiations or previous agreements between the Parties
6 with respect to all or any part of the Property.

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

12 ///

13 ///

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15 //

16 ////

17 (SIGNATURES ON THE NEXT PAGE)

18 IN WITNESS WHEREOF, COUNTY and BORROWER have executed this Agreement
19 as of the dates written below.

20
21 COUNTY:

BORROWER:

22 COUNTY OF RIVERSIDE, a political
23 subdivision of the State of California

RIVERSIDE COMMUNITY HOUSING CORP.,
a non-profit public benefit corporation

24
25 By: _____
26 Heidi Marshall, Director HHPWS

By: _____
Carrie Harmon, Chief Operating Officer

27 Date: _____

Date: _____

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(Above signatures need to be notarized)

APPROVED AS TO FORM:
GREGORY P. PRIAMOS
County Counsel

APPROVED AS TO FORM:
GREGORY P. PRIAMOS
County Counsel

By: _____
Lisa Sanchez
Deputy County Counsel

By: _____
Synthia M. Gunzel,
Chief Deputy County Counsel

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT>

EXHIBIT "A"

Borrower: Riverside Community Housing Corp.
Address: 68990 Harrison Street, Thermal, CA 92274
Project Title: Mountain View Estates Mobile Home Park

Project Description:

BORROWER proposes to utilize \$4,250,000 in CARES Act funds, in conjunction with other funding, to acquire 40 mobile homes located at 68990 Harrison Street, Thermal, CA 92274.

BORROWER shall set aside 49% of the units to homeless households whose incomes do not exceed 50% of the area median income for the County of Riverside, adjusted by family size at the time of occupancy.

The CARES-Assisted Units shall be a "floating" designation on the Property such that the requirements of this Agreement will be satisfied so long as the total number of CARES-Assisted Units and bedroom size remains the same throughout the Affordability Period. COUNTY shall review and approve proposed rents to the extent required under this section. BORROWER shall ensure the CARES-Assisted Units are rented to Qualified Households at the rent levels required herein. The maximum monthly allowances for utilities and services (excluding telephone) shall not exceed the utility allowance as described below. The CARES-Assisted Units may overlap Project Based Vouchers units with the Housing Authority of the County of Riverside.

IMPLEMENTATION SCHEDULE

Milestone	Completion Date
1. Acquisition of Mobile Homes	October 30, 2020
2. Construction Start Deadline	September 30, 2022
3. Completion Deadline	December 30, 2020
4. Lease Deadline	December 30, 2020
5. Submission of Final project costs and Sources and Uses of Funds	March 30, 2021
6. Submission of income & ethnic characteristics report	March 30, 2021

Acquisition:

Sources:

HCD Homekey	\$4,250,000
County CARES Act	<u>\$4,250,000</u>
Total Sources	\$8,500,000

DOCUMENT SUBMISSION SCHEDULE

Documents	Due Date
1. Construction Activities Reporting	Monthly, due by the 5 th of each month
2. Liability and Certificate of Workers' Compensation Insurance for Borrower and General Contractor (GC)	BORROWER – At the execution of this Agreement. GC – Before start of construction. Copies of Certificates must be filed and up-to-date throughout the course of the Project with COUNTY additionally insured.
3. Minority & Women Business Enterprise Report – HUD form 2516, and Section 3 Reporting	Semi-Annually– March 1st & September 15th
4. Project Site Photos	Bimonthly, due by the 5 th of each month
5. The filing of the Notice of Completion	End of Construction
6. Certificate of Occupancy	End of Construction
7. Tenant Checklist Reporting	Close of Project; and Semi-Annually– Sept 30th & March 31st
8. Conditional/Unconditional Release for Final from GC, and if applicable, Sub-contractors	Close of Project
9. Project Completion Report	Close of Project
10. Final Development Cost - Sources and Uses	Close of Project
11. Final Cost Certification by CPA	Close of Project and Audits Completed
12. Final 15/30 Year Cash Flow Projection	Close of Project
13. Affirmative Fair Housing Marketing Plan, HUD form 935.2A	Marketing Stage
14. Management Plan	Marketing Stage
15. Tenant Selection Policy	Marketing Stage
16. Copy of Lease Agreement	Marketing Stage
17. Flyers, Community Contacts, Outreach, Press Releases, Grand Opening info	Marketing Stage
18. Project Operating Budget	Annual submission
19. Audited Yearly Income Expense Report for the Project	Annual submission

EXHIBIT "B"

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

This DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING, WITH ASSIGNMENT OF RENTS, is made this _____ day of _____, 2020 by Riverside Community Housing Corp., a California nonprofit public benefit corporation, (hereinafter referred to as "Trustor"), whose address, 5555 Arlington Ave, Riverside, CA 92504. The trustee and beneficiary is the County of Riverside, a political subdivision of the State of California, through its Housing, Homelessness Prevention and Workforce Solutions ("Trustee" and "Beneficiary"), whose address is 5555 Arlington Avenue, Riverside, CA 92504.

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

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

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

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

(D) All rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the Trustor's use, management, operation leasing or occupancy of the Trust Estate, including those past due and unpaid (the "Rents");

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

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

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

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

- i. due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:
 - (a) that certain Promissory Note in favor of the Beneficiary ("County" therein) executed by Trustor ("Borrower" therein) of even date herewith (the "Note") in the principal amount of \$4,250,000.
 - (b) that certain Loan Agreement for the Use of CARES Act Funds dated _____, 2020, between Trustor ("Borrower" therein) and Beneficiary ("County" therein) (the "CARES Loan Agreement"); and

- (c) that certain Covenant Agreement dated _____, 2020 between Trustor (“Borrower” therein) and Beneficiary (“County” therein) (“Covenant Agreement”).
- ii. payment of indebtedness of the Trustor to the Beneficiary not to exceed FOUR MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (the “CARES Loan”) according to the terms of the Note.

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

The CARES Loan evidenced by the Note and by this Deed of Trust is being made pursuant to the Coronavirus Aid, Relief, and Economic Security Act (Section 5001, Public Law 116-136) (the “CARES Act”). Pursuant to the CARES Loan Agreement, the maturity date of the CARES Loan shall be the later to occur of (i) July 1, 2077 or (ii) fifty five (55) years from the date a Certificate of Occupancy has been issued for the last of all forty (40) mobile homes acquired for the Project (as defined in the CARES Loan Agreement) (“CARES Loan Term”)

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

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

1. That Trustor shall pay the Note at the time and in the manner provided therein, and perform the obligations of the Trustor as set forth in the CARES Loan Agreement and Covenant Agreement at the time and in the manner respectively provided therein.
2. That Trustor shall not permit or suffer the use of any of the property for any purpose other than the use set forth in the CARES Loan Agreement and Covenant Agreement.
3. That the Secured Obligations are incorporated in and made a part of the Deed of Trust. Upon default of a Secured Obligation, and after the giving of notice and the expiration of any applicable cure period, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable.
4. That all rents, profits and income from the property covered by this Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor so long as no default exists hereunder after the giving of notice and the expiration of any applicable cure period, to collect such rents, profits and income

for use in accordance with the provisions of the CARES Loan Agreement and Covenant Agreement.

4a. That upon default hereunder or under any of the Secured Obligations and after giving notice and opportunity to cure, Beneficiary shall be entitled to the appointment of receiver by any court having jurisdiction, without notice, to take possession and protect the Property described herein and operate same and collect the rents, profits and income therefrom

5. **Payment of Principal and Interest; Prepayment and Late Charges.** Trustor shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any late charges due under the Note.

6. **Taxes and Insurance.** Trustor shall pay before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Deed of Trust, directly to the person owed payment. Trustor shall promptly furnish to Beneficiary receipts evidencing the payments.

a. Should Trustor fail to make any payment or to do any act herein provided, then Beneficiary or Trustee, but without obligation so to do and upon written notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

7. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Beneficiary under **Section 5** shall be applied: first, to interest due; second, to principal due; and last, to any late charges due under the Note.

8. **Prior Deeds of Trust; Charge; Liens.** Trustor shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Deed of Trust, and leasehold payments or ground rents, if any, subject to applicable cure periods directly to the person owed payment. Trustor shall pay these obligations in the manner provided in **Section 6**.

a. Except for the liens permitted in writing by the Beneficiary, Trustor shall promptly discharge any other lien which shall have attained priority over this Deed of Trust unless Trustor: (1) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Beneficiary; (2) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Beneficiary's opinion operate to prevent the enforcement of the lien; or (3) bond around the lien (4) secures from the holder of the lien an agreement satisfactory to Beneficiary subordinating the lien to this Deed of Trust. Except for the liens approved herein, if Beneficiary determines that any part of the Property is subject to a lien which may attain priority over this Deed of Trust, Beneficiary may give Trustor a notice identifying the lien. Trustor shall

satisfy such lien or take one or more of the actions set forth above within 30 days of the giving of notice.

9. **Reserved.**

10. **Hazard or Property Insurance.** Trustor shall keep the improvements now existing or hereafter erected on the Property insured against loss of fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Beneficiary requires insurance. This insurance shall be maintained in the amounts and for the periods as required in the CARES Loan Agreement. The insurance carrier providing the insurance shall be chosen by Trustor subject to Beneficiary's approval which shall not be unreasonably withheld. If Trustor fails to maintain coverage described above, Beneficiary may, at Beneficiary's option, obtain coverage to protect Beneficiary's rights in the Property in accordance with **Section 12.**

a. All insurance policies and renewals shall be acceptable to Beneficiary and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Trustor complies with the insurance requirements under this Deed of Trust and the CARES Loan Agreement. Trustor shall promptly give to Beneficiary certificates of insurance showing the coverage is in full force and effect and that Beneficiary is named as additional insured. In the event of loss, Trustor shall give prompt notice to the insurance carrier, the Senior Lien Holder, if any, and Beneficiary. Beneficiary may make proof of loss if not made promptly by the Senior Lien Holder, if any, or the Trustor.

b. Unless Beneficiary and Trustor otherwise agree in writing and subject to the rights of senior lenders, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Trustor determines that such restoration or repair is economically feasible and there is no default continuing beyond the expiration of all applicable cure periods. If Trustor determines that such restoration or repair is not economically feasible or if a default exists after expiration of all applicable cure periods, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Trustor. If the Property is abandoned by Trustor, or if Trustor fails to respond to Beneficiary within 30 days from the date notice is mailed by Beneficiary to Trustor that the insurance carrier offers to settle a claim for insurance benefits, Beneficiary is authorized to collect and apply the insurance proceeds at Beneficiary's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

c. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of Note. If under **Section 27** the Property is acquired by Beneficiary, Trustor's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Beneficiary to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

d. Notwithstanding the above, the Beneficiary's rights to collect and apply the insurance proceeds hereunder shall be subject and subordinate to the rights of a Senior Lien Holder, if any, to collect and apply such proceeds in accordance with a Senior Lien Holder Deed of Trust.

11. **Preservation, Maintenance and Protection of the Property; Trustor's Loan Application; Leaseholds.** Trustor shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property; normal wear and tear excepted. Trustor

shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Beneficiary's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or Beneficiary's security interest. Trustor may cure such a default and reinstate, as provided in **Section 23**, by causing the action or proceeding to be dismissed with a ruling that, in Beneficiary's good faith determination, precludes forfeiture of the Trustor's interest in the Property or other material impairment of the lien created by this Deed of Trust or Beneficiary's security interest. Trustor shall also be in default if Trustor, during the loan application process, gave materially false or inaccurate information or statements to Beneficiary (or failed to provide Beneficiary with any material information) in connection with the loan evidenced by the Note, including, but not limited to representations concerning Trustor's use of Property for affordable housing. If this Deed of Trust is on a leasehold, Trustor shall comply with all provisions of the lease. If Trustor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

a. The Trustor acknowledges that this Property is subject to certain use and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the Property is located), limiting the Property's use to "low-income housing" within the meaning of the CARES Act. The use and occupancy restrictions may limit the Trustor's ability to rent the Property. The violation of any use and occupancy restrictions may, if not prohibited by federal law, entitle the Beneficiary to the remedies provided in **Section 27** hereof.

12. **Protection of Beneficiary's Rights in the Property.** If Trustor fails to perform the covenants and agreements contained in this Deed of Trust, or there is a legal proceeding that may significantly affect Beneficiary's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then, subject to any applicable grace periods or cure periods, Beneficiary may do and pay for whatever is necessary to protect the value of the Property and Beneficiary's rights in the Property. Beneficiary's actions may include paying any sums secured by a lien which has priority over this Deed of Trust, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Beneficiary may take action under this **Section 12**, Beneficiary does not have to do so.

a. Any amounts disbursed by Beneficiary under this **Section 12** shall become additional debt of Trustor secured by this Deed of Trust. Unless Trustor and Beneficiary agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Beneficiary to Trustor requesting payment.

13. **Reserved.**

14. **Inspection.** Beneficiary or its agent may make reasonable entries upon and inspections of the Property. Beneficiary shall give Trustor at least forty-eight (48) hours advanced notice in connection with an inspection specifying reasonable cause for the inspection.

15. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary, subject to the terms of a Senior Lien Holder Deed of Trust, if any.

a. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Trustor. In the

event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Deed of Trust immediately before the taking, unless Trustor and Beneficiary otherwise agree in writing, the sums secured by this Deed of Trust shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Trustor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Trustor and Beneficiary otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Deed of Trust whether or not the sums are then due. Notwithstanding the foregoing, so long as the value of Beneficiary's lien is not impaired, any condemnation proceeds may be used by Trustor for repair and/or restoration of the project.

b. If the Property is abandoned by Trustor, or if, after notice by Beneficiary to Trustor that the condemner offers to make an award or settle a claim for damages, Trustor fails to respond to Beneficiary within 30 days after the date the notice is given, Beneficiary is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due.

c. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to in **Sections 5 and 6** or change the amount of such payments.

16. Trustor Not Released; Forbearance By Beneficiary Not a Waiver. Except in connection with any successor in interest approved by Beneficiary in writing, extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Beneficiary to any successor in interest of Trustor shall not operate to release the liability of the original Trustor or Trustor's successors in interest. Beneficiary shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Trustor or Trustor's successors in interest. Any forbearance by Beneficiary in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

17. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Deed of Trust shall bind and benefit the successors and assigns of Beneficiary and Trustor, subject to the provisions of **Section 22**. Trustor's covenants and agreements shall be joint and several.

18. Loan Charges. If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Trustor which exceeded permitted limits will be promptly refunded to Trustor. Beneficiary may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Trustor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

19. **Notices.** Any notice to Trustor provided for in this Deed of Trust shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Trustor's mailing address stated herein or any other address Trustor designates by notice to Beneficiary. Any notice to Beneficiary shall be given by first class mail to Beneficiary's address stated herein or any other address Beneficiary designates by notice to Trustor. Any notice required to be given to a Senior Lien Holder shall be given by first class mail to such other address the Senior Lien Holder designates by notice to the Trustor. Any notice provided for in this Deed of Trust shall be deemed to have been given to Trustor or Beneficiary when given as provided in this Section.

20. **Governing Law; Severability.** This Deed of Trust shall be governed by federal law and the laws of the State of California. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust and the Note are declared to be severable. Any action at law or in equity arising under this Deed of Trust 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 in the Superior Courts of Riverside County, State of California, and the Parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

21. **Trustor's Copy.** Trustor shall be given one conformed copy of the Note and of this Deed of Trust.

22. **Transfer of the Property or a Beneficial Interest in Trustor.** Except as otherwise allowed under the CARES Loan Agreement, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Trustor is sold or transferred and Trustor is not a natural person) without Beneficiary's prior written consent (including a transfer of all or any part of the Property to any person who, at initial occupancy of the Property, does not use the Property for "low-income housing" within the meaning of the CARES Act) Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the date of this Deed of Trust.

a. If Beneficiary exercises the aforementioned option, Beneficiary shall give Trustor and the Senior Lien Holder, prior written notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Trustor must pay all sums secured by this Deed of Trust. If Trustor fails to pay these sums prior to the expiration of this period, Beneficiary may invoke any remedies permitted by this Deed of Trust without further notice or demand on Trustor.

b. Notwithstanding anything to the contrary contained herein, upon written notice to Beneficiary, Trustor may (i) the lease for occupancy of all or any of the CARES-Assisted Units (as defined in the CARES Loan Agreement); and (ii) the granting of easements or permits to facilitate the development of the Property in accordance with the CARES Loan Agreement (collectively a "Permitted Transfer"). All Permitted Transfers shall be subject to reasonable review of documentation by the Beneficiary.

23. **Trustor's Right to Reinstate.** If Trustor meets certain conditions, Trustor shall have the right to have enforcement of this Deed of Trust discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Deed of Trust; or (b) entry of a judgment enforcing this Deed of Trust. Those conditions are that Trustor: (a) pays Beneficiary all sums which then would be due under this Deed of Trust and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unchanged. Upon reinstatement by Trustor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under **Section 22**.

24. **Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Deed of Trust) may be sold one or more times without prior notice to Trustor. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Deed of Trust. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Trustor will be given written notice of the change in accordance with **Section 19** above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

25. **No Assignment.** The Note and this Deed of Trust shall not be assigned by Trustor without the Beneficiary's prior written consent and the consent of the Senior Lender.

26. **Hazardous Substances.** Trustor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Trustor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses, construction, and to maintenance of the Property.

a. Trustor shall promptly give Beneficiary written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Trustor has actual knowledge. If Trustor learns, or is notified in writing by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Trustor shall promptly take all necessary remedial actions in accordance with Environmental Law.

b. As used in this **Section 26**, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials, excluding household products in normal quantities. As used in this **Section 26**, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

27. **Acceleration; Remedies.** Beneficiary shall give notice to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this Deed of Trust. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, which shall not be more than ten (10) calendar days from the date of the mailing of the notice for a monetary default, or a date, which shall not be more than thirty (30) calendar days from the mailing of the notice for a non-monetary default, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Trustor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Trustor to acceleration and sale. If the default is not cured by the Trustor on or before the date specified in the notice, and the Senior Lien Holder have not cured the default within that same period, subject to any non-recourse provisions set forth in Section 8 of the Note, then Beneficiary at its option may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Section 27**, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

a. If Beneficiary invokes the power of sale, Beneficiary or Trustee shall mail copies of a notice of sale in the manner prescribed by applicable law to Trustor, the Senior Lien Holder and to the other persons prescribed by applicable law. Trustee shall give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Trustee, without demand on Trustor, shall sell the Property at public auction to the highest bidder for cash at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property to any later time on the same date by public announcement at the time and place of any previously scheduled sale. Beneficiary or its designee may purchase the Property at any sale.

b. Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Deed of Trust; and (c) any excess to the person or persons legally entitled to it.

28. **Release.** Upon payment of all sums secured by this Deed of Trust, Beneficiary shall release this Deed of Trust without charge to Trustor. Trustor shall pay any recordation costs. The lien of the Covenant Agreement shall not be released or reconveyed until the expiration of the term set forth therein notwithstanding the payment of all sums secured by this Deed of Trust.

29. **Substitute Trustee.** Beneficiary, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the county in which this Deed of Trust is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

30. **Modifications of Senior Loan Documents.** Any agreement or arrangement, in which a Senior Lender waives, postpones, extends, reduces, or modifies any provisions of the

Senior Lien Holder Deed of Trust or any other Senior Lenders loan documents, including any provisions requiring the payment of money, shall require the prior written approval of Beneficiary.

31. **Prohibition against tenancy under foreclosure.** Notwithstanding anything to the contrary set forth in this Deed of Trust or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that, in no event will any action be taken which violates Section 42(h)(6)(E)(ii) of the U.S. Internal Revenue Code of 1986, as amended, regarding prohibitions against evicting, terminating tenancy or increasing rent of tenants for a period of three (3) years after acquisition of a building by foreclosure or deed-in-lieu of foreclosure.

32. **Reserved**

33. **Removal, Demolition or Alteration of Personal Property and Fixtures.** Except to the extent permitted by the following sentence, no personal property or fixtures shall be removed, demolished or materially altered without the prior written consent of the Beneficiary. Trustor may remove and dispose of, free from the lien of this Deed of Trust, such personal property and fixtures as from time to time become worn out or obsolete, providing that, (a) the same is done in the ordinary course of business, and (2) either (i) at the time of, or prior to, such removal, any such personal property or fixtures are replaced with other personal property or fixtures which are free from liens other than encumbrances permitted hereunder and which have a value at least equal to that of the replaced personal property and fixtures (and by such removal replacement Trustor shall be deemed to have subjected such replacement personal property and fixtures to the lien of this Deed of Trust), or (ii) such personal property and fixtures may not require replacement if functionally, economically or operationally obsolete and so long as the fair market value of and operational efficiency of the Project is not reduced or adversely effected thereby.

[Remainder of Page Blank]

[Signatures on Following Page]

BY SIGNING BELOW, TRUSTOR accepts and agrees to the terms and covenants contained in this Deed of Trust.

TRUSTOR:

RIVERSIDE COMMUNITY HOUSING CORP.,
A California non-profit public benefit corporation

By: _____
Carrie Harmon, Chief Operating Officer

Date: _____

(Signature needs to be notarized)

< CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT >

EXHIBIT "C"

PROMISSORY NOTE (CARES Loan)

\$4,250,000

[DATE], 2020
Riverside, CA

In installments as hereafter stated, for value received, RIVERSIDE COMMUNITY HOUSING CORP., a California nonprofit public benefit corporation (“**Borrower**”), having its principal office at 5555 Arlington Avenue, Riverside, CA 92504, hereby unconditionally promises to pay to the order of the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“**COUNTY**”), having an office at 5555 Arlington Avenue, Riverside, CA 92504, the principal sum of Four Million Two Hundred Fifty Thousand Dollars (U.S. \$4,250,000) (the “**CARES Loan**” or “**Note Amount**”), in lawful money of the United States, together with all accrued interest thereon as provided for herein, which at the time of payment is lawful for the payment of public and private debts.

This Promissory Note (“**Note**”) is given in accordance with that certain Loan Agreement for the Use of CARES Act funds executed by COUNTY and Borrower, dated as of _____, 2020 (the “**CARES Loan Agreement**”). Except to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings ascribed to such terms in the CARES Loan Agreement. The Note is secured by a Deed of Trust and Assignment of Rents executed by Borrower for the benefit of the COUNTY dated _____, 2020 (the “**CARES Deed of Trust**” of “**Deed of Trust**”). The rights and obligations of the Borrower and COUNTY under this Note shall be governed by the CARES Loan Agreement and the following terms:

- (1) Funding Source. The CARES Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to the Coronavirus Aid, Relief, and Economic Security Act (Section 5001, Public Law 116-136), hereinafter (the “**CARES Act**”). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on rent and occupancy set forth in the CARES Loan Agreement and that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Borrower and County.
- (2) Interest. That the CARES Loan will not accrue any interest per annum.
- (3) Payments. Payments shall be deferred if the Project is in compliance with the CARES Loan Agreement and forgiven in its entirety at the end of the Term of the CARES Loan Agreement.
- (4) The CARES Loan evidenced by this Note is secured by that certain CARES Deed of Trust and Assignment of Rents executed by Borrower for the benefit of the County, dated on or about the date hereof (“**Deed of Trust**”).
- (5) Prepayment. The Note Amount may be prepaid, in whole or in part, by the undersigned at any time without prepayment penalty or premium; provided, however, notwithstanding such prepayment, Borrower shall be required to adhere to the affordability restrictions contained in the Covenant Agreement until the expiration of the term contained therein.
- (6) Subject to the provisions and limitations of this Paragraph 8, the obligation to repay the Note Amount is a nonrecourse obligation of Borrower. Neither Borrower nor its partners

shall have any personal liability for repayment of the Note Amount, except as provided in this Paragraph 8. The sole recourse of the County shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the CARES Loan; provided, however, that the foregoing shall not (i) constitute a waiver of any other obligation evidenced by this Note or the Deed of Trust; (ii) limit the right of the COUNTY to name Borrower as a party defendant in any action or suit for judicial foreclosure and sale under this Note and the Deed of Trust or any action or proceeding hereunder so long as no judgment in the nature of a deficiency judgment shall be asked for or taken against Borrower; (iii) release or impair either this Note or the Deed of Trust; (iv) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, any other remedy against the mortgaged Property or any other instrument securing this Note or as prescribed by law or in equity in case of default; (v) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, its remedies in respect of any deposits, insurance proceeds, condemnation awards or other monies or other collateral or letters of credit securing this Note; or (vi) affect in any way the validity of any guarantee or indemnity from any person of all or any of the obligations evidenced and secured by this Note and the Deed of Trust. Notwithstanding the first sentence of this Section 8, the COUNTY may recover directly from Borrower or, unless otherwise prohibited by any applicable law, from any other party: (a) any damages, costs and expenses incurred by the COUNTY as a result of fraud, misrepresentation or any criminal act or acts of Borrower, shareholder, officer, director or employee of Borrower; (b) any damages, costs and expenses incurred by the COUNTY as a result of any misappropriation of funds provided to pay costs as described in the CARES Loan Agreement, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; (c) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the Deed of Trust; (d) the fair market value of any personal property or fixtures removed or disposed of by the Borrower other than in accordance with the Deed of Trust; (e) any and all amounts owing by Borrower pursuant to any indemnity set forth in the CARES Loan Agreement and/or Deed of Trust or the indemnification regarding Hazardous Substances pursuant to the CARES Loan Agreement and/or Deed of Trust, and (f) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

(7) Events of Default. The occurrence of any of the following events shall constitute an event of default ("**Event of Default**") under this Note, after notice and opportunity to cure, pursuant to the terms set forth in the CARES Loan Agreement:

a. Monetary Default. (1) Borrower's failure to pay when due, any sums payable under this Note or any advances made by COUNTY under this Agreement; and (2) Borrower's or any agent of Borrower's use of CARES Act funds for costs other than those permitted under the CARES Loan Agreement, or for uses inconsistent with terms and restrictions set forth in this Agreement;

b. Non-Monetary Default - Operation. (1) Discrimination by Borrower or Borrower's agent on the basis of characteristics prohibited by the CARES Loan Agreement or applicable law; (2) the imposition of any encumbrances or liens on

the Project without COUNTY's prior written approval that are prohibited under this agreement or that have the effect of reducing the priority or invalidating the lien of the CARES Deed of Trust; (3) Borrower's failure to obtain and maintain the insurance coverage required under the CARES Loan Agreement; (4) any material default under the CARES Loan Agreement, CARES Deed of Trust, Covenant Agreement, this Note, or any document executed by the COUNTY in connection with this Agreement; and/or (4) default past any applicable notice and cure period under the terms of the CARES Deed of Trust or any other instrument or document secured against the Property;

c. General Performance of Loan Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on Borrower imposed in the CARES Loan Agreement; and

d. General Performance of Other Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on the Project imposed by any other agreement with respect to the financing, development, or operation of the Project; whether or not COUNTY is a party to such agreement.

- (8) Notice of Default. COUNTY shall give written notice of default to Borrower, specifying the default complained of by the COUNTY. Borrower shall have ten (10) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.
- (9) No Waiver. No failure to exercise and no delay by COUNTY in asserting any of its rights, remedies, powers, or privileges hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. Delays by COUNTY in asserting any of its rights and remedies shall not deprive COUNTY of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies. No waiver by COUNTY of any of its rights or of any such breach, default, or failure of condition shall be effective, unless the waiver is expressly stated in a writing signed by COUNTY.
- (10) Severability. If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations shall be completely performed and paid. In the event that any provision or clause of this Note conflicts with applicable law, such conflict will not affect other provisions of this Note which can be given effect without the conflicting provision, and to this end the provisions of the Note are declared to be severable.
- (11) Waivers. Borrower hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this Note, and expressly agrees that, without in any way affecting the liability of Borrower hereunder, the COUNTY may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder and release any security now or hereafter securing this Note. Borrower further waives, to the full extent permitted by law, the right to plead any

and all statutes of limitations as a defense to any demand on this Note, or on any deed of trust, security agreement, guaranty or other agreement now or hereafter securing this Note.

- (12) Should default be made in payment of principal and interest when due and such default shall continue beyond the applicable notice and cure period provided in the CARES Loan Agreement, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.
- (13) Governing Law; Jurisdiction and Venue. This Note has been negotiated and entered in the State of California, and shall be governed by, construed and enforced in accordance with the internal laws of the State of California, applied to contracts made in California by California domiciliaries to be wholly performed in California. Any action at law or in equity arising under this Note or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Note shall be filed in the Superior Court of Riverside County, State of California, and the Parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.
- (14) Modifications. No modification, rescission, waiver, release or amendment of any provision of this Note shall be made except by a written agreement executed by Borrower and the duly authorized representative of the COUNTY.
- (15) Successors and Assigns.
 - 17.1 COUNTY. The COUNTY may, in its sole and absolute discretion, assign its rights under this Note and its right to receive repayment of the Note Amount without obtaining the consent of Borrower.
 - 17.2 Borrower. In no event shall Borrower assign or transfer any portion of this Note or any rights herein without the prior express written consent of the COUNTY, which consent the COUNTY may give or withhold in its sole and absolute discretion. In the absence of specific written agreement by the COUNTY, no unauthorized assignment or transfer, or approval thereof by the COUNTY, shall be deemed to relieve Borrower or any other party from any obligations under the CARES Loan Agreement or this Note. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.
- (16) Except as to the permitted deeds of trust identified herein, Borrower shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion.
- (17) The relationship of Borrower and the COUNTY pursuant to this Note is that of debtor and creditor and shall not be, or be construed to be, a joint venture, equity venture, partnership or other relationship.
- (18) Notices.

- (a) Formal notices, demands and communications between the County and Borrower shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the COUNTY and Borrower as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or "kick-out" sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.
- (b) The address of the COUNTY for purposes of receiving notices pursuant to this Note shall be 5555 Arlington Avenue, Riverside, California 92504, Attention: Director of HHPWS. The facsimile number for the COUNTY's receipt of notices is (951) 352-4852.
- (c) The address of Borrower for purposes of receiving notices pursuant to this Note is 5555 Arlington Avenue, Riverside, CA 92504, Attention: Chief Operating Officer.
- (19) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
- (20) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
- (21) This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.

IN WITNESS WHEREOF, Borrower has executed this Note as of the date first set forth above.

BORROWER:

RIVERSIDE COMMUNITY HOUSING CORP.,
a California non-profit public benefit corporation

By: _____
Carrie Harmon, Chief Operating Officer

Date: _____

EXHIBIT "D"

RIVERSIDE COUNTY

SECTION 3

24 CFR PART 135

**ECONOMIC OPPORTUNITIES FOR
LOW-AND VERY LOW-INCOME PERSONS**

CONTRACT REQUIREMENTS

RIVERSIDE COUNTY

I. Section 135.1 Purpose

The purpose of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

Section 135.30 Numerical Goals for Meeting the Greatest Extent Feasible Requirement

A. GENERAL

- (1) Recipients and covered contractors may demonstrate compliance with the "greatest extent feasible" requirement of Section 3 by meeting the numerical goals set forth in this Section for providing training, employment, and contracting opportunities to Section 3 residents and Section 3 Business Concerns.
- (2) The goals established in this section apply to the entire amount of the Section 3 covered assistance awarded to a recipient in any Federal Fiscal Year (FY) commencing with the first FY following the effective date of this rule - (October 1, 1994).
- (3) For Recipients that do not engage in training, or hiring, but award contracts to contractors that will engage in training, hiring and subcontracting, recipients must ensure that, to the greatest extent feasible, contractors will provide training, employment, and contracting opportunities to Section 3 residents and Section 3 Business Concerns.
- (4) The numerical goals established in this Section represent minimum numerical goals.

B. TRAINING AND EMPLOYMENT

The numerical goals set forth in this Section apply to new hires. The numerical goals reflect the aggregate hires. Efforts to employ Section 3 residents, to the greatest extent feasible, should be made at all levels.

Recipients of Section 3 covered community development assistance, and their contractors and subcontractors may demonstrate compliance with the requirements of this part by committing to employ Section 3 residents as:

- (i) 10 percent of the aggregate number of new hires for the one year period beginning in FY 1995 (October 1, 1994 to September 30, 1995),
- (ii) 20 percent of the aggregate number of the new hires for the one year period beginning in FY 1996 (October 1, 1995 to September 1996); and

- (iii) 30 percent of the aggregate number of new hires for the one year period beginning in FY 1997 and continuing thereafter (October 1, 1996 and thereafter).

C. CONTRACTS

Numerical goals set forth in this Section apply to contracts awarded in connection with all Section 3 covered project and Section 3 covered activities. Each recipient and contractor and subcontractor may demonstrate compliance with the requirements of this part by committing to award to Section 3 Business Concerns:

- (1) At least 10 percent to of the total dollar amount of all Section 3 covered contracts for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and
- (2) At least three (3) percent of the total dollar amount of all other Section 3 covered contracts.

D. SAFE HARBOR AND COMPLIANCE DETERMINATIONS

- (1) In the absence of evidence to the contrary, a recipient that meets the minimum numerical goals set forth in this section will be considered to have complied with the Section 3 preference requirements.
- (2) In evaluating compliance, a recipient that has not met the numerical goals set forth in this section has the burden of demonstrating why it was not feasible to meet the numerical goals set forth in this section. Such justification may include impediments encountered despite actions taken. A recipient or contractor also can indicate other economic opportunities, such as those listed in Sec. 135.40, which were provided in its efforts to comply with Section 3 and the requirement of this part.

III. SECTION 135.34 Preference for Section 3 Residents in Training and Employment Opportunities.

A. Order of providing preference. Recipients, contractors, and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 residents in the order of priority provided in this section.

- (1) Housing and community development programs. In housing and community development programs, priority consideration shall be given, where feasible, to:
 - (i) Section 3 residents residing in the Riverside or San Bernardino County (collectively, referred to as category 1 residents); and
 - (ii) Participants in HUD Youth build programs (category 2 residents).
 - (iii) Where the Section 3 project is assisted under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.), homeless persons residing in the Riverside or San Bernardino County shall be given the highest priority;

B. Eligibility for Preference: A Section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3

resident, as defined in Sec. 135.5 (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

- C. Eligibility for employment: Nothing in this part shall be construed to require the employment of a Section 3 resident who does not meet the qualifications of the position to be filled.

IV SECTION 135.36 Preference for Section 3 Business Concerns in Contracting Opportunities.

- A. Order of Providing Preference: Recipients, contractors and subcontractors shall direct their efforts to award Section 3 covered contract, to the greatest extent feasible, to Section 3 Business Concerns in the order of priority provided in this section.
 - (1) Housing and community development programs. In housing and community development programs, priority consideration shall be given, where feasible, to:
 - (i) Section 3 business concerns that provide economic opportunities for Section 3 residents in the Riverside or San Bernardino County (category 1 businesses); and
 - (ii) Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses);
 - (iii) Other Section 3 business concerns.
- B. Eligibility for Preference: A Business Concern seeking to qualify for a Section 3 contracting preference shall certify or submit evidence, if requested, that the Business Concern is a Section 3 Business Concern as defined in Section 135.5.
- C. Ability to Complete Contract: A Section 3 Business Concern seeking a contract or a subcontract shall submit evidence to the recipient, contractor, or subcontractor (as applicable), if requested, sufficient to demonstrate to the satisfaction of the party awarding the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. (The ability to perform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to the procurement standards of 24 CFR 85.36 (see 24 CFR 85.36 (b) (8)). This regulation requires consideration of, among other factors, the potential contractor's record in complying with public policy requirements. Section 3 compliance is a matter properly considered as part of this determination.

SECTION 135.38 Section 3 Clause.

All Section 3 covered contracts shall include the following clause (referred to as the Section 3 clause):

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance of HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low-and very low-income

persons, particularly persons who are recipients of HUD assistance for housing.

- B. The Parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the Parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate actions, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 35 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

VI. SECTION 135.40 Providing Other Economic Opportunities

- A. General. In accordance with the findings of the Congress, as stated in Section 3, that other economic opportunities offer an effective means of empowering low-income persons, a recipient is encouraged to undertake efforts to provide to low-income persons economic opportunities other than training, employment, and contract awards, in connection with Section 3 covered assistance.
- B. Other training and employment related opportunities. Other economic opportunities to train and employ Section 3 residents include, but need not

be limited to, use of "upward mobility", "bridge" and trainee positions to fill vacancies; hiring Section 3 residents in management and maintenance positions within other housing developments; and hiring Section 3 residents in part-time positions.

C. Other business related economic opportunities:

(1) A recipient or contractor may provide economic opportunities to establish stabilize or expand Section 3 Business Concerns, including micro-enterprises. Such opportunities include, but are not limited to the formation of Section 3 Joint Ventures, financial support for affiliating with franchise development, use of labor only contracts for building trades, purchase of supplies and materials from housing authority resident-owned businesses, purchase of materials and supplies from Public Housing Agency resident-owned businesses. A recipient or contractor may employ these methods directly or may provide incentives to non-Section 3 businesses to utilize such methods to provide other economics opportunities to low-income persons.

(2) A Section 3 Joint Venture means an association of Business Concerns, one of which qualifies as a Section 3 Business Concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the Business Concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the Section 3 Business Concern:

- (i) Is responsible for clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and
- (ii) Performs at least 25 percent of the work and is contractually entitled to compensation proportionate to its work.

VII. SECTION 135.5 Definitions.

As used in this part:

Applicant means any entity which makes an application for Section 3 covered assistance and includes, but is not limited to, any State, unit of local government, public housing agency, Indian housing authority, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, owner, developer, limited dividend sponsor, builder, property manager, community housing development organization (CHDO), resident management corporation, resident council, or cooperative association.

Assistant Secretary means the Assistant Secretary for Fair Housing and Equal Opportunity.

Business Concern means a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

Contract. See the definition of "Section 3 covered contract" in this section.

Contractor means any entity which contracts to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

Department or HUD means the Department of Housing and Urban Development, including its Field Offices to which authority has been delegated to perform functions under this part.

Employment opportunities generated by Section 3 covered assistance means (with respect to Section 3 covered housing and community development assistance), this term means all employment opportunities arising in connection with Section 3 covered projects (as described in Section 135.3(a) (2)), including management and administrative jobs connected with the Section 3 covered project. Management and administrative jobs, include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

Housing and community development assistance means any financial assistance provided or otherwise made available through a HUD housing or community development program through any grant, loan, loan guarantee, cooperative agreement, or contract, and includes community development funds in the form of community development block grants, and loans guaranteed under Section 108 of the Housing and Community Development Act of 1974, as amended. Housing and community development assistance does not include financial assistance provided through a contract of insurance or guaranty.

Housing development means low-income housing owned, developed, or operated by public housing agencies or Indian housing authorities in accordance with HUD's public and Indian housing program regulations codified in 24 CFR Chapter IX.

HUD Youth build Programs means programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low and very low-income families.

Low income person. See the definition of "Section 3 Resident" in this section.

New hires mean full-time employees for permanent, temporary, or seasonal employment opportunities.

Public Housing resident has the meaning given this term in 24 CFR Part 963.

Recipient means any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State, unit or local government, PHA, Indian Housing Authority, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, owner, PARTICIPANT, developer, limited dividend sponsor, builder, property manager, community development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee, or transferee

of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

Secretary means the Secretary of Housing and Urban Development.

Section 3 means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u)

Section 3 Business Concern means a business concern, as defined in this Section:

- (1) That is 51 percent or more owned by Section 3 residents; or
- (2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
- (3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in Sections (1) or (2) in this definition of "Section 3 Business Concern"

Section 3 Clause means the contract provisions set forth in Sec. 135.38.

Section 3 covered activity means any activity which is funded by Section 3 covered assistance public and Indian housing assistance.

Section 3 covered assistance means:

- (1) Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:
 - (i) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);
 - (ii) Housing construction; or
 - (iii) Other public construction project (which includes other buildings or improvements regardless of ownership).

Section 3 covered contract means a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project. "Section 3 covered contracts" do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). "Section 3 covered contracts" also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract. For example, a contract for the purchase and installation of a furnace would be a Section 3 covered contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by Section 3.

Section 3 covered project means the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

Section 3 resident means:

- (1) A public housing resident; or
- (2) An individual who resides in the San Bernardino or Riverside County, and who is:
 - (i) A low income person, is defined as families whose incomes do not exceed 80 percent of the median income for the Riverside and San Bernardino Counties, as determined by the Secretary, with adjustments for smaller and larger families.
 - (ii) A very low income person, is defined as families whose incomes do not exceed 50 percent of the median income for the Riverside and San Bernardino Counties, as determined by the Secretary, with adjustments for smaller and larger families.
 - (iii) A person seeking the training and employment preference provided by Section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.

Subcontractor means any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

Very low income person. See the definition of "Section 3 resident" in this section.

**RIVERSIDE COUNTY
CONTRACTOR CERTIFICATION**

REGARDING STATUS AS A SECTION 3 BUSINESS CONCERN

I, _____, hereby certify that the business
(print name and title)

known as _____
(print business name)

- _____ is not a Section 3 business. (Please complete the bottom section.)
- _____ is a Section 3 business **because** (check one of the following:)
- _____ *51 percent or more is owned by Section 3 residents; or*
- _____ *30 percent of the permanent full-time employees are currently Section 3 residents or were Section 3 residents when first hired (if within the past three years); or*
- _____ *The business commits in writing to subcontract over 25 percent of the total dollar amount of all subcontracts to be let to businesses that meet the requirements of Sections 1 and 2 of this definition;*

AND

The business was formed in accordance with state law and is licensed under state, county, or municipal law to engage in the business activity for which it was formed.

A Section 3 Resident is a person living in San Bernardino or Riverside County who is a Public Housing resident or who is low income.

Low-Income Persons mean families (including single persons) whose income does not exceed 80 percent of the median income, as adjusted by HUD, for Riverside and San Bernardino Counties.

Signature _____ Project _____

Date _____

Project _____ \$ _____

HUD Effective FY 2020 – Annual Low-Income Limit

Persons in Household	1	2	3	4	5	6	7	8
Low-Income Family (80% AMI)	\$42200	\$48200	\$54250	\$60250	\$65100	\$69900	\$74750	\$79550

A new hire is qualified as a Section 3 resident if he/she resides in Riverside or San Bernardino County and his/her total family income is less than the family income shown above for his/her household size.

EXHIBIT D-2

§ 135.38 Section 3 Clause

All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The Parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the Parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest

extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Prohibition Against Conflicts of Interest

EXHIBIT "E"

§ 92.356 Conflict of interest.

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

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

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

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

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

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

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

g. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;

h. Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

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

Owners/Participants and Developers.

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

TOPIC: CONFLICT OF INTEREST CODED

RIVERSIDE COUNTY

Housing, Homelessness Prevention & Workforce Solutions

DATE: MARCH 1999

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

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

EXHIBIT “G”

Covenant Agreement

1
2
3
4

**COVENANT AGREEMENT
MOUNTAIN VIEW ESTATES**

5 This Covenant Agreement (NAME OF PROPERTY) (“Covenant”) is made and entered
6 into as of the _____ day of _____, 2020 by and between the
7 COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), and
8 RIVERSIDE COMMUNITY HOUSING CORP., a California nonprofit public benefit corporation
9 (“OWNER”).

10
11

RECITALS

12 WHEREAS, OWNER owns forty (40) mobile homes located at 68990 Harrison St,
13 Thermal, CA 9227 in the County of Riverside, also more specifically described in **Exhibit A**
14 attached hereto and incorporated herein by this reference (the “Property”);

15 WHEREAS, on _____ COUNTY and OWNER entered into that certain
16 Loan Agreement for the Use of CARES Act Funds dated _____, 2020 and recorded
17 in the Official Records (“Official Records”) of the County of Riverside concurrently herewith (the
18 “CARES Loan Agreement” or “Agreement”) which provides for, among other things, the
19 acquisition of the Property, also known as “Mountain View Estates,” consisting of sixty seven
20 (67) mobile homes located at Mountain View Estates;

21 WHEREAS, 49% of the units will be reserved as CARES-Assisted Units (“CARES-
22 Assisted Units”) in which homeless households whose incomes do not exceed 50% of the area
23 median income for the County of Riverside, adjusted by family size at the time of occupancy
24 (collectively the “Project”). Capitalized terms not defined herein shall have the meaning ascribed
25 to them in the CARES Loan Agreement;

26 WHEREAS, the County has providing funding under the Coronavirus Aid, Relief, and
27 Economic Security Act (Section 5001, Public Law 116-136), herein after “CARES Act,” for the
28 purposes of providing decent, safe, sanitary, and affordable housing with primary attention to
Permanent Supportive Housing for extremely low-income homeless households; ;

WHEREAS, pursuant to the CARES Loan Agreement, COUNTY loaned to OWNER

1 \$4,250,000 derived from CARES funds (“CARES Loan”), to pay for a portion of the acquisition
2 of the Project, as more fully described in the CARES Loan Agreement. The CARES Loan is
3 evidenced by a Promissory Note executed by OWNER, in favor of the COUNTY dated on or about
4 the date hereof (“CARES Loan Note”) and secured by that certain Deed of Trust and Assignment
5 of Rents executed by OWNER, for the benefit of COUNTY concurrently herewith (“CARES
6 Loan Deed of Trust”); and

7 WHEREAS, pursuant to the CARES Loan Agreement, OWNER has agreed to acquire and
8 develop and construct the Project on the Property and ensure the CARES-Assisted Units are rented
9 to and occupied by Qualified Households consistent with the CARES Act requirements and as set
10 forth more specifically below.

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

15 1) RESTRICTIONS. The recitals set forth above are true and correct and incorporated
16 herein. This Covenant shall continue in full force and effect for the later of (i) fifty-five (55) years
17 from the date a Certificate of Occupancy has been issued for the last of all forty (40) mobile homes
18 acquired for the Project, or (ii) July 1, 2077 (“Term” or “Affordability Period”). For the duration
19 of the Term, the Property shall be held, sold and conveyed, subject to the following covenants,
20 conditions, and restrictions:

21 a) Forty Nine percent (49%) if the total units shall be restricted as CARES-
22 Assisted Unit for extremely low-income homeless households. The CARES-Assisted Units shall
23 be a “floating” designation on the Property such that the requirements of this Agreement will be
24 satisfied so long as the total number of CARES-Assisted Units remains the same throughout the
25 Affordability Period and the substituted CARES-Assisted Unit is comparable in terms of size,
26 features, and number of bedrooms to the originally designates CARES Assisted Unit;

27 b) OWNER shall comply with the rent limitations set forth under 24 CFR
28 92.252 of the HOME Investment Partnerships (“CARES”) program, which was enacted under

1 Title II of the Cranston-Gonzalez National Affordable Housing Act (the “Act”), as amended
2 (commencing at 42 U.S.C. 12701 et seq.), and the implementing regulations thereto (24 CFR Part
3 92) (collectively, the “CARES Act”). Effective 2020, HUD published HOME Rent Limits for the
4 County of Riverside. The Low HOME rent limit for a one-bedroom unit is \$706, two-bedroom
5 unit is \$847, and three-bedroom unit is \$979. The High HOME rent limit for a one-bedroom unit
6 is \$899, two-bedroom unit is \$1081, and three-bedroom unit is \$1239. In order to calculate net
7 rent to be charged, an applicable utility allowance must be subtracted from the gross rents listed.

8 b. Utility Allowance: Owner will use use the local Housing Authority’s Utility
9 Allowance.

10 2) Reserved

11 3) COMPLIANCE WITH LAWS AND REGULATIONS. During the Term of this
12 Covenant, OWNER, for itself and on behalf of its successors and assigns, shall adhere to and
13 comply with all federal, state and local laws, regulations and ordinances., including, but not limited
14 to the following:

15 a) The Coronavirus Aid, Relief, and Economic Security Act (Section 5001,
16 Public Law 116-136).

17 b) 24 CFR Section 92.350 Other Federal requirements and nondiscrimination.
18 As set forth in 24 CFR part 5, Subpart A, OWNER is required to include the following
19 requirements: nondiscrimination and equal opportunity under Section 282 of the Act; disclosure;
20 debarred, suspended, or ineligible contractors; and drug-free workplace.

21 c) 24 CFR Section 92.351 Affirmative marketing and minority outreach
22 program. OWNER must adopt affirmative marketing procedures and requirements. These must
23 include:

24 (4) Methods for informing the public, owners, and potential tenants about Federal fair
25 housing laws and the affirmative marketing policy (e.g., the use of the Equal Housing Opportunity
26 logotype or slogan in press releases and solicitations for owners, and written communication to
27 fair housing and other groups).

28 (5) Requirements and practices that OWNER must adhere to in order to carry out the

1 affirmative marketing procedures and requirements (e.g., use of commercial media, use of
2 community contacts, use of the Equal Housing Opportunity logotype or slogan, and display of
3 fair housing poster).

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

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

10 (8) A description of how OWNER will annually assess the success of affirmative
11 marketing actions and what corrective actions will be taken where affirmative marketing
12 requirements are not met.

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

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

25 (ii) Assuring that small and minority businesses, and women's
26 business enterprises are solicited whenever they are
27 potential sources.

28 (iii) Dividing total requirements, when economically feasible,

1 into smaller tasks or quantities to permit maximum
2 participation by small and minority business, and women's
3 business enterprises.

4 (iv) Establishing delivery schedules, where the requirement
5 permits, which encourage participation by small and
6 minority business, and women's business enterprises.

7 (v) Using the services and assistance of the Small Business
8 Administration, and the Minority Business Development
9 Agency of the Department of Commerce.

10 10) TENANT PROTECTIONS. OWNER shall provide protection to the tenants of the
11 COUNTY CARES Assisted Units in accordance with the requirements set forth at 24 CFR 92.253
12 and described as follows:

13 a) Provide written lease agreement for not less than one year, unless by
14 mutual agreement between the tenant and OWNER. COUNTY shall review the initial form of
15 the lease agreement prior to OWNER executing any leases and, provided that OWNER uses the
16 approved lease form, OWNER shall be permitted to enter into residential leases without
17 COUNTY's prior written consent.

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

20 (1) *Agreement to be sued*. Agreement by the tenant to be sued, to admit
21 guilt or to a judgment in favor of OWNER in a lawsuit brought in
22 connection with the lease.

23 (2) *Treatment of property*. Agreements by tenant that OWNER may
24 take, hold, or sell personal property of household members without
25 notice to the tenant and a court decision on the rights of the parties.
26 This prohibition, however, does not apply to an agreement by the
27 tenant concerning disposition of personal property remaining in the
28 housing unit after the tenant has moved out of the unit. OWNER

1 may dispose of this personal property in accordance with State law.

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

5 (4) *Waiver of notice.* Agreement of the tenant that OWNER may
6 institute a lawsuit without notice to the tenant.

7 (5) *Waiver of legal proceeding.* Agreement by the tenant that the
8 OWNER may evict the tenant or household members without
9 instituting a civil court proceeding in which the tenant has the
10 opportunity to present a defense, or before a court decision on the
11 rights of the parties.

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

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

17 (8) *Tenant chargeable with cost of legal actions regardless of outcome.*
18 Agreement by the tenant to pay attorneys' fees or other legal costs
19 even if the tenant wins in a court proceeding by OWNER against
20 the tenant. The tenant, however, may be obligated to pay costs if
21 the tenant loses.

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

25 c) Violence Against Women Reauthorization Act of 2013. (Pub. L. 113-4,
26 127 Stat. 54) ("VAWA 2013"). VAWA 2013 reauthorizes and amends the Violence Against
27 Women Act of 1994, as previously amended, (title IV, sec. 40001-40703 of Pub. L. 103-322, 42
28 U.S.C. 13925 et seq.) VAWA 2013, among other things, bars eviction and termination due to a

1 tenant's status as a victim of domestic violence, dating violence, or stalking, and requires
2 landlords to maintain survivor-tenant confidentiality. VAWA 2013 prohibits a tenant who is a
3 survivor of domestic violence, dating violence, sexual assault, and stalking from being denied
4 assistance, tenancy, or occupancy rights based solely on criminal activity related to an act of
5 violence committed against them. It extends housing protections to survivors of sexual assault,
6 and adds "intimate partner" to the list of eligible relationships in the domestic violence definition.
7 Protections also now cover an "affiliated individual," which includes any lawful occupant living
8 in the survivor's household, or related to the survivor by blood or marriage including the
9 survivor's spouse, parent, brother, sister, child, or any person to whom the survivor stands in loco
10 parentis. VAWA 2013 allows a lease bifurcation so a tenant or lawful occupant who engages in
11 criminal activity directly relating to domestic violence, dating violence, sexual assault, or
12 stalking against an affiliated individual or other individual, or others may be evicted or removed
13 without evicting or removing or otherwise penalizing a victim who is a tenant or lawful occupant.
14 If victim cannot establish eligibility, OWNER must give a reasonable amount of time to find
15 new housing or establish eligibility under another covered housing program. A Notice of Rights
16 under VAWA 2013 for tenants must be provided at the time a person applies for housing, when
17 a person is admitted as a tenant of a housing unit, and when a tenant is threatened with eviction
18 or termination of housing benefits. Tenants must request an emergency transfer and reasonably
19 believe that they are threatened with imminent harm from further violence if the tenant remains
20 in the same unit. The provisions of VAWA 2013 that are applicable to HUD programs are found
21 in title VI of VAWA 2013, which is entitled "Safe Homes for Victims of Domestic Violence,
22 Dating Violence, Sexual Assault, and Stalking." Section 601 of VAWA 2013 amends subtitle N
23 of VAWA (42 U.S.C. 14043e et seq.) to add a new chapter entitled "Housing Rights."

24 11) MAINTENANCE OF THE IMPROVEMENTS. OWNER, on behalf of itself and
25 its successors, assigns, and each successor in interest to the Property and Project or any part thereof
26 hereby covenants to and shall protect, maintain, and preserve the Property in compliance with all
27 applicable federal and state law and regulations and local ordinances. In addition, OWNER, its
28 successors and assigns, shall maintain the improvements on the Property in the same aesthetic and

1 sound condition (or better) as the condition of the Property at the time of the recordation of the
2 Notice of Completion for the Project, reasonable wear and tear excepted. This standard for the
3 quality of maintenance of the Property shall be met whether or not a specific item of maintenance
4 is listed below. However, representative items of maintenance shall include frequent and regular
5 inspection for graffiti or damage or deterioration or failure, and immediate repainting or repair or
6 replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash
7 receptacles and removal of litter; sweeping of public sidewalks adjacent to the Property, on-site
8 walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of
9 all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing
10 vegetation as necessary; cleaning windows on a regular basis; painting the buildings on a regular
11 program and prior to the deterioration of the painted surfaces; conducting a roof inspection on a
12 regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining
13 security devices in good working order. In the event OWNER, its successors or assigns fails to
14 maintain the Property in accordance with the standard for the quality of maintenance, the
15 COUNTY or its designee shall have the right but not the obligation to enter the Property upon
16 reasonable notice to OWNER, correct any violation, and hold OWNER, or such successors or
17 assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the
18 Property.

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

1 its use of the Property.

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

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

18 a) In deeds: "The grantee herein covenants by and for himself or herself, his
19 or her heirs, executors, administrators, and assigns, and all persons claiming under or
20 through them, that there shall be no discrimination against or segregation of, any person or
21 group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955
22 of the Government Code, as those bases are defined in Sections 12926, 12926.1,
23 subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2
24 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or
25 enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming
26 under or through him or her, establish or permit any practice or practices of discrimination
27 or segregation with reference to the selection, location, number, use or occupancy of
28

1 tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The
2 foregoing covenants shall run with the land.”

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

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

25 In addition to the obligations and duties of OWNER set forth herein, OWNER shall, upon
26 notice from COUNTY, promptly pay to COUNTY all fees and costs, including administrative and
27 attorneys’ fees, incurred by COUNTY in connection with responding to or defending any
28

1 discrimination claim brought by any third party and/or local, state or federal government entity,
2 arising out of or in connection with the Agreement or this Covenant.

3 13) INSURANCE. Without limiting or diminishing OWNER's obligation to indemnify
4 or hold COUNTY harmless, OWNER shall procure and maintain or cause to be maintained, at its
5 sole cost and expense, the following insurance coverage's during the term of this Covenant.

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

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

23 c) Vehicle Liability Insurance. If vehicles or mobile equipment are used in the performance
24 of the obligations under this Covenant, then OWNER shall maintain liability insurance for
25 all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per
26 occurrence combined single limit. If such insurance contains a general aggregate limit, it
27 shall apply separately to this agreement or be no less than two (2) times the occurrence
28 limit. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts,

1 and Departments, their respective directors, officers, Board of Supervisors, employees,
2 elected or appointed officials, agents or representatives as Additional Insured or provide
3 similar evidence of coverage approved by County's Risk Manager ("Risk Manager").

4 d) General Insurance Provisions – All Lines.

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

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

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

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

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

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

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

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

22 14) HOLD HARMLESS/INDEMNIFICATION. OWNER shall indemnify and hold
23 harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their
24 respective directors, officers, Board of Supervisors, elected and appointed officials, employees,
25 agents and representatives (individually and collectively hereinafter referred to as Indemnitees)
26 from any liability whatsoever, based or asserted upon any services of OWNER, its officers,
27 employees, subcontractors, agents or representatives arising out of or in any way relating to this
28 Agreement, including but not limited to property damage, bodily injury, or death or any other

1 element of any kind or nature whatsoever arising from the performance of OWNER, its officers,
2 employees, subcontractors, agents or representatives Indemnitors from this Agreement. OWNER
3 shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost
4 of investigation, defense and settlements or awards, the Indemnitees in any claim or action based
5 upon such alleged acts or omissions. With respect to any action or claim subject to
6 indemnification herein by OWNER shall, at their sole cost, have the right to use counsel of their
7 own choice and shall have the right to adjust, settle, or compromise any such action or claim
8 without the prior consent of COUNTY; provided, however, that any such adjustment, settlement
9 or compromise in no manner whatsoever limits or circumscribes OWNER's indemnification to
10 Indemnitees as set forth herein. OWNER's obligation hereunder shall be satisfied when OWNER
11 has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any
12 liability for the action or claim involved. The specified insurance limits required in this
13 Agreement shall in no way limit or circumscribe OWNER's obligations to indemnify and hold
14 harmless the Indemnitees herein from third party claims. In the event there is conflict between
15 this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with
16 Civil Code 2782. Such interpretation shall not relieve OWNER from indemnifying the
17 Indemnitees to the fullest extent allowed by law. The indemnification set forth in this paragraph
18 shall survive the expiration and earlier termination of this Covenant.

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

23
24 COUNTY
25 Director HHPWS
26 County of Riverside
27 5555 Arlington Avenue
28 Riverside, CA 92504

BORROWER
Chief Operating Officer
RCHC
5555 Arlington Ave
Riverside, CA 92504

16) REMEDIES. COUNTY shall have the right, in the event of any breach of any such

1 agreement or covenant, to exercise all available rights and remedies, and to maintain any actions
2 at law or suit in equity or other proper proceedings to enforce the curing of such breach of
3 agreement or covenant.

4 17) TERM. The non-discrimination covenants, conditions and restrictions contained in
5 Section 6 of this Covenant shall remain in effect in perpetuity. Every other covenant, condition
6 and restriction contained in this Covenant shall continue in full force and effect for the Term, as
7 defined in **Section 1** of this Covenant.

8 18) NOTICE AND CURE. Prior to exercising any remedies hereunder, the COUNTY
9 shall give OWNER notice of such default pursuant to section 9 above. Any monetary default shall
10 be cured within ten (10) days of delivery of written notice. Except as otherwise set forth herein,
11 if a non-monetary default is reasonably capable of being cured within thirty (30) days of delivery
12 of such notice of default, OWNER shall have such period to effect a cure prior to exercise of
13 remedies by COUNTY. If the non-monetary default is such that it is not reasonably capable of
14 being cured within thirty (30) days of delivery of such notice of default, and OWNER (a) initiates
15 corrective action within said period, and (b) diligently, continually, and in good faith works to
16 effect a cure as soon as possible, then OWNER shall have such additional time as is reasonably
17 necessary to cure the default prior to exercise of any remedies by the COUNTY; but in no event
18 no later than sixty (60) days from delivery of such notice of default. COUNTY, upon providing
19 OWNER with any notice of default under this Covenant, shall, within a reasonable time, provide
20 a copy of such default notice to a Permitted Lender who has given written notice to COUNTY of
21 its interest in the Property and Project. From and after such notice has been delivered to a Permitted
22 Lender such Permitted Lender shall have the same period for remedying the default complained
23 of as the cure period provided to OWNER pursuant to this Section 18.

24 If a violation of any of the covenants or provisions of this Covenant remains uncured after
25 the respective time period set forth in this **Section 18**, COUNTY and its successors and assigns,
26 without regard to whether COUNTY or its successors and assigns is an owner of any land or
27 interest therein to which these covenants relate, may institute and prosecute any proceedings at
28 law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel

1 specific performance by OWNER of its obligations hereunder. No delay in enforcing the
2 provisions hereof as to any breach or violation shall impair, damage or waive the right of any
3 party entitled to enforce the provisions hereof or to obtain relief against or recover for the
4 continuation or repetition of such breach or violations or any similar breach or violation hereof at
5 any later time.

6 Any cure tendered by Owner's limited partner shall be accepted or rejected on the same
7 basis as if tendered by OWNER.

8 19) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY.

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

18 20) AMENDMENTS OR MODIFICATIONS. This Covenant may be changed or
19 modified only by a written amendment signed by authorized representatives of both parties.

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

27 22) BINDING EFFECT. The rights and obligations of this Covenant shall bind and
28 inure to the benefit of the respective heirs, successors and assigns of the parties.

1 23) PERMITTED MORTGAGES. No violation or breach of the covenants, conditions,
2 restrictions, provisions or limitations contained in this Covenant shall defeat or render invalid or
3 in any way impair the lien or charge of any deed of trust or mortgage permitted by the CARES
4 Loan Agreement or the lien or charge of a deed of trust made by OWNER for the benefit of any
5 lender first approved in writing by the COUNTY (each, a “Permitted Lender”) and nothing herein
6 or in the CARES Loan Agreement shall prohibit or otherwise limit the exercise of a Permitted
7 Lender’s rights and remedies thereunder, including a foreclosure or deed-in-lieu of foreclosure and
8 subsequent transfer thereafter.

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

13 25) PROJECT MONITORING AND EVALUATION.

- 14 a) Tenant Checklist. OWNER shall submit a Tenant Checklist Form to COUNTY, as shown
15 in **Exhibit F** of the CARES Loan Agreement, and may be revised by COUNTY,
16 summarizing the racial/ethnic composition, number and percentage of very low-income
17 households who are tenants of the CARES-Assisted Units. The Tenant Checklist Form
18 shall be submitted upon completion of the construction and thereafter, on a semi-annual
19 basis on or before March 31 and September 30. OWNER shall maintain financial,
20 programmatic, statistical and other supporting records of its operations and financial
21 activities in accordance with the requirements of the CARES Act, including the
22 submission of Tenant Checklist Form. Except as otherwise provided for in this Covenant
23 and in the CARES Loan Agreement, OWNER shall maintain and submit records to
24 COUNTY within ten (10) business days of COUNTY’s request which clearly documents
25 OWNER’s performance under each requirement of the CARES Act.
- 26 b) Inspections. Pursuant to 24 CFR 92.504(d)(1)(ii), during the period of affordability,
27 COUNTY must perform on-site inspections of CARES-Assisted rental housing to
28 determine compliance with the property standards of §92.251 and to verify the

1 information submitted by the owners in accordance with the requirements of §92.252. The
2 inspections must be in accordance with the inspection procedures that the participating
3 jurisdiction establishes to meet the inspection requirements of §92.251. The on-site
4 inspections must occur at least once every 3 years thereafter during the period of
5 affordability. If there are observed deficiencies for any of the inspectable items in the
6 property standards established by COUNTY, in accordance with the inspection
7 requirements of §92.251, a follow-up on-site inspection to verify that deficiencies are
8 corrected must occur within 12 months. COUNTY may establish a list of non-hazardous
9 deficiencies for which correction can be verified by third party documentation (e.g., paid
10 invoice for work order) rather than re-inspection. Health and safety deficiencies must be
11 corrected immediately, in accordance with §92.251. COUNTY must adopt a more
12 frequent inspection schedule for properties that have been found to have health and safety
13 deficiencies. The property owner must annually certify to the COUNTY that each
14 building and all CARES-Assisted Units in the project are suitable for occupancy, taking
15 into account State and local health, safety, and other applicable codes, ordinances, and
16 requirements, and the ongoing property standards established by the participating
17 jurisdiction to meet the requirements of §92.251. Inspections must be based on a
18 statistically valid sample of units appropriate for the size of the CARES-Assisted project,
19 as set forth by HUD through notice. COUNTY will inspect 100 percent of the CARES-
20 Assisted Units and the inspectable items (site, building exterior, building systems, and
21 common areas) for each building housing CARES-Assisted Units.

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

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

1 the same agreement.

2 28) Recitals. The Recitals set forth above are true and correct and incorporated herein
3 by this reference.

4 29) This Covenant and the Agreement set forth and contain the entire understanding
5 and agreement of the parties hereto. There are no oral or written representations, understandings,
6 or ancillary covenants, undertakings or agreements, which are not contained or expressly referred
7 to within this Covenant, and the Agreement, including all amendments and modifications to the
8 Agreement.

9 ///

10 ///

11 /// [remainder of page intentionally blank]

12 [SIGNATURES ON THE NEXT PAGE]

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IN WITNESS WHEREOF, COUNTY and OWNER have executed this Covenant as of the dates written below.

COUNTY OF RIVERSIDE, a political
Subdivision of the State of California

RIVERSIDE COMMUNITY HOUSING CORP.,
a California non-profit public benefit corporation

By: _____
Heidi Marshall, Director HHPWS

By: _____
Carrie Harmon, Chief Operating Officer

Date: _____

Date: _____

(Above signatures need to be notarized)

APPROVED AS TO FORM:
GREGORY P. PRIAMOS, County Counsel

APPROVED AS TO FORM:
GREGORY P. PRIAMOS, County Counsel

By: _____

By: _____

Lisa Sanchez,
Deputy County Counsel

Synthia M. Gunzel,
Chief Deputy County Counsel

(COUNTY and OWNER signatures need to be notarized)

< CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT >

EXHIBIT “H”

Request for Notices

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
Housing, Homelessness Prevention and
Workforce Solutions
5555 Arlington Avenue
Riverside, CA 92504
Attn: Juan Garcia

SPACE ABOVE THIS LINE FOR RECORDERS USE

REQUEST for NOTICE UNDER SECTION 2924b CIVIL CODE

In accordance with Civil Code, Section 2924b, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust dated _____, 2020 and recorded concurrently herewith in the Official Records of the County of Riverside, California, executed by _____, a _____, as Trustor in which California Department of Housing and Community Development is named as Beneficiary, and First American Title Company as Trustee, and describing land referred to in this Report is situated in the County of Riverside, State of California, and is described as follows:

Real property in the Palm Springs, County of Riverside, State of California, described as follows:

All notices to be mailed to:

Attn: Director HHPWS
County of Riverside
Housing Division
5555 Arlington Avenue
Riverside, California 92504

Request is hereby made that a copy of any notice of default and a copy of any notice of sale under the deed of trust

NOTICE: A copy of any notice of default and of any notice of sale will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.

COUNTY OF RIVERSIDE DEPARTMENT OF HOUSING,
HOMELESS PREVENTION AND WORKFORCE
SOLUTIONS

Heidi Marshall, Director HHPWS

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
Housing, Homelessness Prevention and
Workforce Solutions
5555 Arlington Avenue
Riverside, CA 92504
Attn: Mervyn Manalo

SPACE ABOVE THIS LINE FOR RECORDERS USE

REQUEST for NOTICE UNDER SECTION 2924b CIVIL CODE

In accordance with Civil Code, Section 2924b, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust dated _____, 2020 and recorded concurrently herewith in the Official Records of the County of Riverside, California, executed by _____, a _____, as Trustor in which City of _____ is named as Beneficiary, and First American Title Company as Trustee, and describing land referred to in this Report is situated in the County of Riverside, City of Palm Springs, State of California, and is described as follows:

Real property in the City of Palm Springs, County of Riverside, State of California, described as follows:

All notices to be mailed to:

Attn: Director HHPWS
County of Riverside
Housing Division
5555 Arlington Avenue
Riverside, California 92504

Request is hereby made that a copy of any notice of default and a copy of any notice of sale under the deed of trust

NOTICE: A copy of any notice of default and of any notice of sale will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.

COUNTY OF RIVERSIDE DEPARTMENT OF HOUSING,
HOMELESS PREVENTION AND WORKFORCE
SOLUTIONS

Heidi Marshall, Director HHPWS

Exhibit I

Sample

Contractor Debarment Certification Form

Excluded Parties Lists System (EPLS)

The purpose of EPLS is to provide a single comprehensive list of individuals and firms excluded by Federal government agencies from receiving federal contracts or federally approved subcontracts and from certain types of federal financial and nonfinancial assistance and benefits.

The EPLS was established to ensure that agencies solicit offers from, award contracts, grants, or financial or non-financial assistance and benefits to, and consent to subcontracts with responsible contractors/vendors only and not allow a party to participate in any affected program if any Executive department or agency has debarred, suspended, or otherwise excluded (to the extent specified in the exclusion action) that party from participation in an affected program.

In July 2012, all records from CCR/FedReg, ORCA, and EPLS, active or expired, were moved to the System for Award Management (SAM). SAM is a Federal Government owned and operated free web site that consolidates the capabilities in CCR/FedReg, ORCA, and EPLS.

The County of Riverside requires that each contractor/vendor hold the required federal/state/local license for the service provided.

Please complete the following verification process for each contractor/vendor:

- STEP 1: Visit <https://www.sam.gov/portal/public/SAM/>
- STEP 2: Under "Search Records", enter the company name and press enter.
- STEP 3: Click "Print" on the Search Results page.
- STEP 4: Repeat steps 2 & 3 for variations of the name of contractor/vendor (individual last name or firm).
- STEP 5: Attach print out of search results to this certification as supporting documentation.
- STEP 6: Attach to this certification as supporting documentation a copy of contractor/vendor license for the service provided.

By signing below CARES Recipient, developer name, has verified the contractor/vendor known as, name of contractor/vendor, was not listed in the Excluded Parties Lists System and has the required contractor/vendor license as of date of verification.

DEVELOPER SIGNATURE