

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



**ITEM: 3.25  
(ID # 27109)**

**MEETING DATE:**  
Tuesday, May 06, 2025

**FROM :** HOUSING AND WORKFORCE SOLUTIONS

**SUBJECT:** HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Form of the Grant Agreement for the Use of Housing and Homelessness Incentive Program (HHIP) Funds for Desert Marigold Apartments in the City of Cathedral City by and between the County of Riverside and Desert Marigold, L.P., a California Limited Partnership, and Approval of All Attachments Thereto, and Authorize the Director of HWS to Execute Forms of the Attached HHIP Grant Agreement and Covenant Agreement; District 4. [\$5,050,000 – 100% HHIP Funds]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve a grant in the amount of \$5,050,000 derived from HHIP funds to pay a portion of the of the development and construction costs of Desert Marigold Apartments that will provide affordable housing to individuals experiencing homelessness;
2. Approve the attached forms of Grant Agreement for the Use of HHIP Funds, including all attachments thereto (HHIP Grant Agreement), including the form of the HHIP Covenant Agreement;
3. Authorize the Director of the Housing and Workforce Solutions (HWS), or designee, to execute a HHIP Grant Agreement and a HHIP Covenant Agreement, each conforming in form and substance to the attached HHIP Grant Agreement and HHIP Covenant Agreement, subject to approval as to form by County Counsel; and
4. Authorize the Director of HWS, or designee, to take all necessary steps to implement the HHIP Grant Agreement and Covenant, including but not limited to, executing any and all subsequent and necessary documents, subject to approval as to form by County Counsel.

**ACTION:Policy**

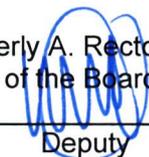
  
Heidi Marshall, Director 2/24/2025

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**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Medina, Spiegel, Washington, Perez and Gutierrez  
Nays: None  
Absent: None  
Date: May 6, 2025  
xc: HWS

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$5,050,000	\$ 0	\$5,050,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> Housing and Homelessness Incentive Program (HHIP) Funds (100%)			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 24/25	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

On January 10, 2023 (Minute Order 3.15), the Board of Supervisors of the County of Riverside accepted \$35,095,000 in Housing and Homelessness Incentive Program (HHIP) funds from the Inland Empire Health Plan (IEHP) and Molina Healthcare of California to help the County address homelessness and housing insecurity and social determinants of health. On October 3, 2023 (Minute Order 3.17), the Board approved the First Amended and Restated HHIP Agreement (HWSCoC-0004868) with IEHP to accept the Incentive Funding to increase the aggregate contract amount by \$12,000,000 from \$32,600,000 to \$44,600,000. The funding received from IEHP was funding made available by the California Department of Health Care Services (DHCS) initiative to transform and strengthen Medi-Cal, offering Californians a more equitable, coordinated, and person-centered approach to maximizing health and life trajectory. An allowable use of HHIP funds includes increasing housing for the County's homeless and at-risk of homelessness population.

The County of Riverside, through its Housing and Workforce Solutions (HWS) in partnership with Abode Communities, a California non-profit public benefit corporation, and affordable housing developer (Developer), jointly applied for \$23,000,000 in Homekey grant funds from the Department of Housing and Community Development for the acquisition of the Desert Extended Stay located at 69151 E. Palm Canyon Drive in Cathedral City for the purposes of converting it to 96 units of permanent supportive housing for individuals that are homeless or at risk of homelessness and impacted by COVID-19 ("Project"). On July 18, 2023 (Minute Order 3.11) the Board of Supervisors authorized the submittal of joint application through Resolution No. 2023-222 as well as authorizing the acceptance of funds by HWS and the approval of \$5,050,000 in HHIP as a local matching fund. A conditional award letter dated May 1, 2024 was received for standard agreement 23-HK-18299, conditionally awarding \$21,724,000 to Project.

With this award, the County has secured a total of five Homekey awards from the State, amounting to \$62,925,998. This funding has enabled the development of 384 permanent supportive housing units, enhancing the County's housing stock to help address homelessness in Riverside County. The County partnered with Abode Communities on another Homekey application in the City of Corona to acquire the Ayres Hotel, resulting in the creation of 52 supportive housing units. This project has significantly improved the surrounding community's

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ability to address homelessness, and the county is building on that successful relationship with this proposed project in Cathedral City.

The Proposed Project will provide 96 units of permanent supportive housing, and one additional unit set aside as a manager's unit. The hotel was built in 1985 and is in fair to good condition; rehabilitation of the units is minimal and is only expected to take 8-12 months, compared to the usual 3- to 5-year timeframe for new construction projects. The proposed project will feature wrap-around supportive services provided by Riverside University Health System-Behavioral Health that all residents of the proposed project will be eligible to receive so that residents may achieve self-sufficiency. The proposed project is currently comprised of 97 units total and will ultimately have 72 studio units, 12 one-bedroom units, 12 two-bedroom units, and 1 two-bedroom property manager unit. All of the units will come equipped with kitchenettes, including sinks, refrigerators, and cooking tops. Residents will have access to a community room, laundry room, supportive services offices, and an outdoor patio.

The total development cost for Project is estimated at \$26,774,000. In addition to HHIP, other sources of permanent financing include:

<b>Source</b>	<b>Amount</b>
HCD Homekey	\$21,724,000
County HHIP	\$5,050,000
<b>Total:</b>	<b>26,774,000</b>

The terms of the proposed HHIP Grant and obligations of Developer and the County are memorialized in the proposed form of the Grant Agreement for the Use of HHIP Funds, including all exhibits, attached hereto (HHIP Grant Agreement).

County Counsel has reviewed and approved as to form the attached form of the Grant Agreement for the Use of HHIP Funds and the form of the HHIP Covenant Agreement, attached as an exhibit to the Grant Agreement.

Staff recommends that the Board approve forms of the Grant Agreement for the Use of HHIP funds and HHIP Covenant Agreement.

**Impact on Citizens and Businesses**

The conversion of the Project will have a positive impact on residents and businesses as it will provide needed permanent supportive housing for individuals at risk of homelessness. The Project is also expected to create jobs in construction, property maintenance, and property management.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

No impact upon the County's General Fund; the County's contribution to the Project will be fully funded with State HHIP funds awarded to the County by IEHP.

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**Attachments:**

- Form of the Grant Agreement for the Use of HHIP Funds
- Form of the HHIP Covenant Agreement (attached as an exhibit to the Grant Agreement)

  
Brianna Lontajo, Principal Management Analyst 4/25/2025

  
Aaron Gettis, Chief of Deputy County Counsel 4/24/2025

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

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

6 RECORDING REQUESTED BY AND  
7 WHEN RECORDED MAIL TO:

8 County of Riverside  
9 Housing and Workforce Solutions  
10 3403 10<sup>th</sup> Street, Suite 300  
11 Riverside, CA 92501  
12 Attn: Nicole Sanchez

13 SPACE ABOVE THIS LINE FOR RECORDER'S USE

14 GRANT AGREEMENT FOR THE USE OF  
15 HOUSING AND HOMELESSNESS INCENTIVE PROGRAM (HHIP) FUNDS  
16 (Desert Marigold Apartments (69151 E. Palm Canyon Drive))

17 This GRANT AGREEMENT FOR THE USE OF HOUSING AND HOMELESSNESS  
18 INCENTIVE PROGRAM ("HHIP") FUNDS (Desert Marigold Apartments) ("AGREEMENT")  
19 is made and entered into effective the \_\_\_\_\_ day of \_\_\_\_\_, 2025, by and between  
20 the COUNTY OF RIVERSIDE, a political subdivision of the State of California, ("COUNTY")  
21 and Desert Marigold, L.P., a California limited partnership, ("GRANTEE"). COUNTY and  
22 GRANTEE are each individually referred to herein as a "Party" and collectively referred to  
23 herein as the "Parties."

24 RECITALS:

25 WHEREAS, the Inland Empire Health Plan ("IEHP") is participating in the Housing and  
26 Homelessness Incentive Program ("HHIP") implemented by the California Department of  
27 Health Care Services ("DHCS") in accordance with the Medi-Cal Home and Community-Based  
28 Services ("HCBS") Spending Plan;

WHEREAS, on November 15, 2022, IEHP announced that the COUNTY was allocated  
HHIP Investment Funds from IEHP, earned and awarded through DHCS, in the amount of  
\$32,600,000, for the following: (1) Rental assistance and rapid rehousing; (2) Operating  
subsidies in new and existing affordable or supportive housing units, emergency shelters, and

1 navigation centers; operating subsidies may include operating reserves; (3) Incentives to  
2 landlords, including, but not limited to, security deposits and holding fees; (4) Outreach and  
3 coordination, which may include access to job programs, to assist vulnerable populations in  
4 accessing permanent housing and to promote housing stability in supportive housing; (5)  
5 Systems support for activities necessary to create regional partnerships and maintain a homeless  
6 services and housing delivery system particularly for vulnerable populations including families  
7 and homeless youth; (6) Delivery of permanent housing and innovative housing solutions such  
8 as hotel and motel conversions; (7) Prevention and shelter diversion to permanent housing; and  
9 (8) New navigation centers and emergency shelters based on demonstrated need;

10 WHEREAS, on January 10, 2023, via Minute Order 3.15, the Board of Supervisors of the  
11 County of Riverside accepted the \$32,095,000 in HHIP funds from IEHP and approved the  
12 agreement between the COUNTY and IEHP for the use of HHIP program funds;

13 WHEREAS, on October 3, 2023, via Minute Order 3.17, the Board of Supervisors of the  
14 County of Riverside approved the First Amended and Restated HHIP Agreement (HWSCoC-  
15 0004868) with IEHP to accept Incentive Funding to increase the aggregate contract amount by  
16 \$12,000,000 from \$32,600,000 to \$44,600,000 in HHIP funds;

17 WHEREAS, GRANTEE is a California limited partnership and the owner of that certain  
18 real property known as 69151 E. Palm Canyon Drive, Cathedral City, California 92234, also  
19 identified as APN 674-500-028 and legally described in the Legal Description and depicted on  
20 the site map attached hereto and incorporated herein as **Exhibit A** (collectively, the “Property”);

21 WHEREAS, GRANTEE is proposing to utilize the HHIP funds to pay a portion of the  
22 acquisition and conversion of the Desert Extended Stay to Desert Marigold Apartments, a multi-  
23 family affordable rental housing project consisting of ninety six (96) affordable rental housing  
24 units and one (1) residential manager’s unit to be located on the Property and to provide  
25 permanent supportive housing and wrap around services to homeless or those at risk of  
26 homelessness, or experiencing housing insecurity (“Project”);

27 WHEREAS, the Project is an eligible use of HHIP funds;

1 WHEREAS, the purpose of this Agreement is, among other things, for COUNTY to  
2 provide for the grant of HHIP funds to GRANTEE in the maximum amount of Five Million Fifty  
3 Thousand (\$5,050,000) to fund a portion of the costs of the Project, as more fully described  
4 herein; and

5 WHEREAS, a total of ninety six (96) of the units will be reserved as HHIP-Assisted Units  
6 (as defined below), and will have a preference for those who are homeless or at risk of  
7 homelessness, or experiencing housing insecurity (the “HHIP-Assisted Units”).

8 NOW, THEREFORE, the COUNTY and GRANTEE hereby agree as follows:

9 1. PURPOSE. The aforementioned Recitals are true and correct and incorporated  
10 herein by this reference. COUNTY has agreed to lend a maximum total amount of FIVE  
11 MILLION FIFTY THOUSAND DOLLARS (\$5,050,000) in HHIP funds (“HHIP Grant” or  
12 “HHIP Funds”) to GRANTEE for costs to acquire and convert the Project upon the satisfaction  
13 of the terms and conditions set forth herein, including but not limited to the conditions precedent  
14 to distribution of the HHIP Grant set forth in **Section 11** below. Subject also to **Section 48**  
15 below, GRANTEE shall undertake and complete the HHIP activities required herein and as set  
16 forth in **Exhibits A and A-1**, and shall utilize the HHIP Grant, as required herein and pursuant  
17 to the Housing and Homelessness Incentive Program (“HHIP”) implemented by DHCS in  
18 accordance with HCBS Spending Plan.

19 2. GRANTEE’S OBLIGATIONS. Upon the commencement of the Effective Date  
20 (defined in **Section 55** below), GRANTEE hereby agrees to undertake and complete the  
21 following activities within the time period(s) set forth herein and in **Exhibit A-1**:

22 a. Satisfy the conditions precedent to distribution of the HHIP Grant set forth in  
23 **Section 11** below.

24 b. Develop and construct the Project in accordance with the timeline set forth in  
25 **Exhibit A and A-1**.

1 c. Operate the Project in such a manner so that it will remain available to  
2 Qualified Populations for the Affordability Period as defined in **Section 14**  
3 below.

4 d. Maintain the Project in compliance with applicable local, state, federal laws,  
5 codes and regulations as further described in **Section 17** below until the  
6 expiration of the Term of this Agreement set forth in **Section 6** below, and the  
7 Affordability Period set forth in **Section 14** below.

8 3. RESERVED.

9 4. HHIP GRANT. Subject to GRANTEE’s satisfaction of the conditions precedent  
10 to disbursement of the HHIP Grant set forth in **Section 11** below, COUNTY shall distribute the  
11 HHIP Grant to GRANTEE.

12 6. PRIOR COUNTY APPROVAL.

13 a. Except as otherwise expressly provided in this Agreement, approvals required  
14 of the COUNTY shall be deemed granted by the written approval of the  
15 Director of Housing and Workforce Solutions (“HWS”), or designee.  
16 Notwithstanding the foregoing, the Director may, in their sole discretion, refer  
17 to the governing body of the COUNTY any item requiring COUNTY  
18 approval; otherwise, “COUNTY approval” means and refers to approval by  
19 the Director of HWS, or designee.

20 b. The Director of HWS, or designee, shall have the right to make changes to the  
21 attachments to this Agreement in order to ensure that all such attachments are  
22 consistent with the terms and provisions of this Agreement.

23 7. TERM OF AGREEMENT. This Agreement shall become effective upon the  
24 Effective Date, as defined in **Section 55** below, and unless terminated earlier pursuant to the  
25 terms hereof, shall continue in full force and effect until the later to occur of (i) January 1, 2081  
26 or (ii) fifty-five (55) years from the recordation of the Notice of Completion in the Official  
27 Records (“Term of Agreement”).

1           8.     GRANTEE’S REPRESENTATIONS. GRANTEE represents and warrants to  
2 COUNTY as follows:

3           a.     Authority. GRANTEE has full right, power and lawful authority to enter into  
4 this Agreement and accept the HHIP Grant and undertake all obligations as  
5 provided herein. The execution, performance, and delivery of this Agreement  
6 by GRANTEE have been fully authorized by all requisite actions on the part  
7 of GRANTEE.

8           b.     No Conflict. To the best of GRANTEE’s knowledge, GRANTEE’s execution,  
9 delivery and performance of its obligations under this Agreement will not  
10 constitute a default or a breach under contract, agreement or order to which  
11 GRANTEE is a party or by which it is bound.

12           c.     No Bankruptcy. GRANTEE is not the subject of a bankruptcy proceeding.

13           d.     Prior to Closing. GRANTEE shall, upon learning of any fact or condition  
14 which would cause any of the warranties and representations in this **Section 7**  
15 not to be true as of close of escrow, immediately give written notice of such  
16 fact or condition to COUNTY. Such exception(s) to a representation shall not  
17 be deemed a breach by GRANTEE hereunder, but shall constitute an exception  
18 which COUNTY shall have the right to approve or disapprove if such  
19 exception would have an effect on the value and/or operation of the Project.

20           9.     COMPLETION SCHEDULE. GRANTEE shall proceed consistent with the  
21 Implementation Schedule set forth in **Exhibit A-1**, as such schedule may be amended pursuant  
22 to **Section 10**, and subject to Force Majeure Delays as defined in **Section 10**.

23           10.    FORCE MAJEURE DELAYS. “Force Majeure” means event(s) beyond the  
24 reasonable control of GRANTEE, and which could not have been reasonably anticipated, which  
25 prevent(s) GRANTEE from complying with any of its obligations under this Agreement,  
26 including, but not limited to: acts of God, acts of war, acts or threats of terrorism, civil disorders,  
27 strikes, labor disputes, pandemics such as COVID-19, flood, fire, explosion, earthquake, acts of  
28

1 the Federal Government, acts of the other party, quarantine restrictions, freight embargoes or  
2 other similar acts.

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

19 11. EXTENSION OF TIME. COUNTY may grant an extension to the  
20 Implementation Schedule set forth in **Exhibit A-1** for the purpose of completing GRANTEE's  
21 activities which cannot be completed as outlined in **Exhibit A-1**. GRANTEE shall request said  
22 extension in writing, stating the reasons therefore, which extension must be first approved in  
23 writing by the COUNTY in its reasonable discretion. The Director of HWS, or designee, on  
24 behalf of the COUNTY may extend all pending deadlines in the Implementation Schedule on  
25 two (2) or fewer occasions, so long as the aggregate duration of such administrative time  
26 extensions is no greater than ninety (90) days. Every term, condition, covenant, and requirement  
27 of this Agreement shall continue in full force and effect during the period of any such extension.  
28

1           12.     CONDITIONS PRECEDENT TO DISTRIBUTION OF HHIP GRANT FUNDS.

2 COUNTY, through HWS, shall: (1) make payments of the HHIP Grant funds to GRANTEE as  
3 designated in **Exhibit A** subject to GRANTEE’s satisfaction of the conditions precedent set forth  
4 below, and (2) monitor the Project to ensure compliance with applicable regulations and the  
5 terms of this Agreement. COUNTY shall not disburse any HHIP Grant funds pursuant to this  
6 Agreement until the following conditions precedent have been satisfied:

- 7           a. GRANTEE executes this Agreement and delivers to COUNTY for recordation  
8           in the Official Records;
- 9           b. GRANTEE provides COUNTY with evidence of insurance as required herein;
- 10          c. GRANTEE executes the Covenant Agreement, substantially conforming in  
11          form and substance to the Covenant Agreement attached hereto and  
12          incorporated herein as **Exhibit E**, in recordable form, and delivers to the  
13          County of Riverside for recordation in the Official Records;
- 14          d. GRANTEE provides, at its expense, an American Land Title Association  
15          (ALTA) lender’s policy in favor of COUNTY, insuring the Covenant  
16          Agreement as a first priority lien against the Property; and
- 17          e. GRANTEE is not in default under the terms of this Agreement or any other  
18          agreement related to the financing of the Project;
- 19          f. If Davis Bacon and/or prevailing wages are required to be paid, GRANTEE  
20          hires a qualified professional firm to review and monitor Davis Bacon and/or  
21          prevailing wage compliance for all submissions of contractors certified  
22          payrolls to COUNTY. In the event that the Project requires prevailing wages,  
23          GRANTEE shall comply with, and shall require its contractors and  
24          subcontractors performing work on the Project, to pay prevailing wages, use a  
25          skilled and trained workforce, and adhere to any applicable labor regulations  
26          and all State laws in connection with the construction of the Project, including  
27          but not limited to Chapter 1 (commencing with Section 1720) of Part 7 of  
28

1 Division 2 of the Labor Code, and Chapter 2.9 (commencing with Section  
2 2600) of Part 1 of Division 2 of the Public Contract Code. GRANTEE agrees  
3 and acknowledges that it is the responsibility of GRANTEE to obtain a legal  
4 determination, at GRANTEE's sole cost and expense, as to whether prevailing  
5 wages must be paid during the construction of the Project. If the Project is  
6 subject to prevailing wages, then GRANTEE shall be solely responsible to pay  
7 its contractors and subcontractors the required prevailing wage rates.  
8 GRANTEE agrees to indemnify, defend, and hold COUNTY harmless from  
9 and against any and all liability arising out of and related to GRANTEE's  
10 failure to comply with any and all applicable Davis Bacon and/or prevailing  
11 wage requirements;

12 g. GRANTEE agrees to take reasonable steps to verify that GRANTEE, and its  
13 principals, or any/all persons, contractors, consultants, businesses, etc.  
14 ("Developer Associates"), that GRANTEE is conducting business with respect  
15 to the Project, are not presently debarred, proposed for debarment, suspended,  
16 declared ineligible, or voluntarily excluded from participation or from  
17 receiving federal contracts or federally approved subcontracts or from certain  
18 types of federal financial and nonfinancial assistance and benefits with the  
19 Excluded Parties Listing System ("EPLS"). EPLS records are located at  
20 [www.sam.gov](http://www.sam.gov); and

21 h. GRANTEE shall search and provide a single comprehensive list of Developer  
22 Associates (individuals and firms) and print and maintain evidence of the  
23 search results of each Developer Associate as verification of compliance with  
24 this requirement, as provided in **Exhibit G**, "Contractor Debarment  
25 Certification Form", which is attached hereto and incorporated herein by this  
26 reference.

1 GRANTEE agrees to submit the following documentation to COUNTY, 180 days from  
2 the execution of this Agreement:

- 3 1) Resident Service Plan;
- 4 2) Management Plan; and
- 5 3) Funding commitments and sources and uses for the construction of the Project.

6 13. DISTRIBUTION OF FUNDS. COUNTY'S Board of Supervisors shall  
7 determine the final disbursement and distribution of all funds received by COUNTY under  
8 HHIP. Disbursement of HHIP funds shall occur upon the satisfaction of conditions set forth in  
9 **Section 12**. COUNTY shall pay GRANTEE in the form of funding draw requests with  
10 supporting documents which specifically state how such funds will be expended. COUNTY shall  
11 promptly review the funding draw request upon the satisfactory receipt of copies of paid invoices  
12 with the proceeds of the HHIP Grant. COUNTY may require additional information from  
13 GRANTEE as may be necessary and appropriate for COUNTY to make its determination as to  
14 allowable costs defined herein. COUNTY shall pay to GRANTEE the sum specified in **Section**  
15 **1** above on a "cost-as-incurred" basis for construction hard costs, site work, structures,  
16 architecture design and survey & engineering costs ("Allowable Costs") as follows:

- 17 i. Up to fifty percent (50%) of the HHIP Grant at the commencement of  
18 construction pursuant to satisfaction of conditions precedent to  
19 distribution of HHIP funds as set out in Section 12 of HHIP Grant  
20 Agreement.
- 21 ii. Up to ninety percent (90%) of the HHIP Grant upon fifty-one percent  
22 (51%) completion of Project, as certified and documented by the project  
23 architect.
- 24 iii. COUNTY shall release final draw down of ten percent (10%) of the HHIP  
25 Grant following compliance with conditions precedent listed in **Section**  
26 **12**.

27 14. TERMS OF AFFORDABILITY. The Project shall remain occupied and available  
28 to Qualified Populations, pursuant to **Section 18** below, **Exhibit A**, and the Covenant Agreement

1 attached hereto as **Exhibit E**, commencing upon lease up and continuing until the later of (i)  
2 fifty-five (55) years from the recordation of the Notice of Completion in the Official Records, or  
3 (ii) January 1, 2081 (“Affordability Period”).

4 15. INSURANCE. Without limiting or diminishing GRANTEE’S obligation to  
5 indemnify or hold COUNTY harmless, GRANTEE or its general contractor for the Project  
6 (“General Contractor”), shall procure and maintain or cause to be maintained, at its sole cost and  
7 expense, the following insurance coverages during the Term of this Agreement.

- 8 a. Builder’s All Risk (Course of Construction) Insurance. GRANTEE shall cause  
9 General Contractor to provide a policy of Builder’s All Risk (Course of  
10 Construction) insurance coverage including (if the work is located in an  
11 earthquake or flood zone or if required on financed or bond financing  
12 arrangements) coverage for earthquake and flood, covering the COUNTY,  
13 GRANTEE, General Contractor and every subcontractor, of every tier, for the  
14 entire Project, including property to be used in the construction of the work  
15 while such property is at off-site storage locations or while in transit or  
16 temporary off-site storage. Such policy shall include, but not be limited to,  
17 coverage for fire, collapse, faulty workmanship, debris removal, expediting  
18 expense, fire department service charges, valuable papers and records, trees,  
19 grass, shrubbery and plants. If scaffolding, false work and temporary buildings  
20 are insured separately by the General Contractor or others, evidence of such  
21 separate coverage shall be provided to COUNTY prior to the start of the work.  
22 Such policy shall be written on a completed value form. Such policy shall also  
23 provide coverage for temporary structures (on-site offices, etc.), fixtures,  
24 machinery and equipment being installed as part of the work. GRANTEE shall  
25 require that General Contractor shall be responsible for any and all deductibles  
26 under such policy. Upon request by COUNTY, GRANTEE , on behalf of  
27 General Contractor, shall declare all terms, conditions, coverages and limits  
28

1 of such policy. If the COUNTY so provides, in its sole discretion, the All Risk  
2 (Course of Construction) insurance for the Project, then GRANTEE shall  
3 cause the General Contractor to assume the cost of any and all applicable  
4 policy deductibles (currently, \$50,000 per occurrence) and shall insure its own  
5 machinery, equipment, tools, etc. from any loss of any nature whatsoever.

6 b. Workers' Compensation Insurance. If GRANTEE or General Contractor have  
7 employees as defined by the State of California, GRANTEE or General  
8 Contractor, as applicable, shall maintain statutory Workers' Compensation  
9 Insurance (Coverage A) as prescribed by the laws of the State of California.  
10 Policy shall include Employers' Liability (Coverage B) including  
11 Occupational Disease with limits not less than \$1,500,000 per person per  
12 accident. The policy shall be endorsed to waive subrogation in favor of The  
13 County of Riverside.

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

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

12 e. General Insurance Provisions – All Lines.

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

19 (ii) GRANTEE, or GRANTEE on behalf of General Contractor, must  
20 declare its insurance self-insured retentions. If such self-insured  
21 retentions exceed \$500,000 per occurrence such retentions shall have  
22 the prior written consent of COUNTY Risk Manager before the  
23 commencement of operations under this Agreement. Upon notification  
24 of self-insured retention unacceptable to COUNTY, and at the election  
25 of COUNTY's Risk Manager, GRANTEE's or General Contractor's,  
26 as applicable, carriers shall either: (a) reduce or eliminate such self-  
27 insured retention as respects this Agreement with COUNTY, or (b)  
28

1 procure a bond which guarantees payment of losses and related  
2 investigations, claims administration, and defense costs and expenses.

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

26 (iv) It is understood and agreed to by the parties hereto that GRANTEE's  
27 insurance shall be construed as primary insurance, and COUNTY's  
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1 insurance and/or deductibles and/or self-insured retentions or self-  
2 insured programs shall not be construed as contributory.

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

14 (vi) GRANTEE shall pass down the insurance obligations contained herein  
15 to all tiers of subcontractors working under this Agreement.

16 (vii) The insurance requirements contained in this Agreement may be  
17 met with a program(s) of self-insurance acceptable to COUNTY.

18 (viii) GRANTEE agrees to notify COUNTY of any claim by a third party  
19 or any incident or event that may give rise to a claim arising from the  
20 performance of this Agreement.

21 16. FINANCIAL AND PROJECT RECORDS. COUNTY reserves the right to perform  
22 or cause to be performed a financial audit. At COUNTY's request, the GRANTEE shall provide,  
23 at GRANTEE's own expense, a financial audit prepared by a certified public accountant. HHIP  
24 administrative funds may be used to fund this expense.

25 i) If a financial audit is required by COUNTY, the audit shall be performed  
26 by an independent certified public accountant.

- 1                   ii) The GRANTEE shall notify COUNTY of the auditor's name and address  
2                                   immediately after the selection has been made. The contract for the audit  
3                                   shall allow access by COUNTY to the independent auditor's working  
4                                   papers.  
5                   iii) The GRANTEE is responsible for the completion of audits and all costs of  
6                                   preparing audits.  
7                   iv) If there are audit findings, the GRANTEE must submit a detailed response  
8                                   acceptable to COUNTY for each finding within ninety (90) days from the  
9                                   date of the audit finding report.

10           17. COMPLIANCE WITH STATE AND FEDERAL LAWS, RULES,  
11 GUIDELINES, AND REGULATIONS. By executing this Agreement, GRANTEE hereby  
12 certifies that it will adhere to and comply with all federal, state and local laws, regulations and  
13 ordinances. GRANTEE shall comply with all regulations and guidelines of the Housing and  
14 Homeless Incentive Program, as may be amended from time to time. Additionally, GRANTEE  
15 shall comply with the following as they may be applicable to GRANTEE in connection with the  
16 HHIP Grant:

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

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

4 j. *Anti-Lobbying Certification (31 U.S.C.A. 1352)*: The language of the  
5 certification set forth below shall be required in all contracts or subcontracts  
6 entered into in connection with this loan activity and all GRANTEES shall  
7 certify and disclose accordingly. This certification is a material representation  
8 of fact upon which reliance was placed when this transaction was made or  
9 entered into. Submission of this certification is a prerequisite for making or  
10 entering into this transaction imposed by. Section 1352, Title 31, U.S. code.  
11 Any person who fails to file the required certification shall be subject to a civil  
12 penalty of not less than \$10,000 and no more than \$100,000 for such failure.

13 “The undersigned certifies, to the best of his or her knowledge or belief, that:  
14 No Federal appropriated funds have been paid or will be paid, by or on behalf  
15 of it, to any person for influencing or attempting to influence an officer or  
16 employee of any agency, a Member of Congress, an officer or employee of  
17 Congress, or an employee of a Member of Congress in connection with the  
18 awarding of any Federal contract, the making of any Federal grant, the making  
19 of any Federal loan, the entering into of any cooperative agreement, and the  
20 extension, continuation, renewal, amendment, or modification of any Federal  
21 contract, grant, loan, or cooperative agreement;

22 If any funds other than Federal appropriated funds have been paid or will be  
23 paid to any person for influencing or attempting to influence an officer or  
24 employee of any agency, a Member of Congress, an officer or employee of  
25 Congress, or an employee of a Member of Congress in connection with this  
26 Federal contract, grant loan or cooperative agreement, he/she will complete and  
27

1 submit Standard Form – LLL, “Disclosure Form to Report Lobbying,” in  
2 accordance with its instructions.”

3 k. *Debarment and Suspension (Executive Orders (E.O.) 12549 and 12689)*: No  
4 contract award shall be made to parties listed on the governmentwide exclusions  
5 in the System for Award Management (SAM), in accordance with OMB  
6 guidelines at 2 CFR 180 that implement Executive Orders (E.O.s) 12549 and  
7 12689, “Debarment and Suspension.” SAM Exclusions contains the names of  
8 parties debarred, suspended, or otherwise excluded by agencies, as well as  
9 parties declared ineligible under statutory or regulatory authority other than  
10 E.O. 12549. Contractors with awards that exceed the small purchase threshold  
11 shall provide the required certification regarding its exclusion status and that of  
12 its principal employees.

13 l. *Drug-Free Workplace Requirements*: The Anti-Drug Abuse Act of 1988 (41  
14 U.S.C.A. Section 8101-8103) requires grantees (including individuals) of  
15 federal agencies, as a prior condition of being awarded a grant, to certify that  
16 they will provide drug-free workplaces. Each potential recipient must certify  
17 that it will comply with drug-free workplace requirements in accordance with  
18 the Act and with HUD's rules at 2 CFR Part 2424.

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

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

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

15 p. *Procurement of Recovered Materials (2 CFR 200.322.)*: A non-Federal entity  
16 that is a state agency or agency of a political subdivision of a state and its  
17 contractors must comply with 42 U.S.C. Section 6002 of the Solid Waste  
18 Disposal Act, as amended by the Resource Conservation and Recovery Act.  
19 The requirements of Section 6002 include procuring only items designated in  
20 guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247  
21 that contain the highest percentage of recovered materials practicable,  
22 consistent with maintaining a satisfactory level of competition, where the  
23 purchase price of the item exceeds \$10,000 or the value of the quantity acquired  
24 by the preceding fiscal year exceeded \$10,000; procuring solid waste  
25 management services in a manner that maximizes energy and resource  
26 recovery; and establishing an affirmative procurement program for  
27 procurement of recovered materials identified in the EPA guidelines. The  
28

1 requirements of 2 CFR 200.322, as amended effective November 12, 2020, are  
2 hereby included in this Agreement as appropriate and to the extent consistent  
3 with law.

4 q. Other Federal requirements and nondiscrimination. As set forth in 24 CFR part  
5 5, sub part A, GRANTEE is required to include the following requirements:  
6 nondiscrimination and equal opportunity under Section 282 of the Act;  
7 disclosure; debarred, suspended, or ineligible contractors; and drug-free  
8 workplace.

9 r. Affirmative marketing and minority outreach program. GRANTEE must adopt  
10 affirmative marketing procedures and requirements. These must include:

11 (i) Methods for informing the public, owners, and potential tenants about  
12 Federal fair housing laws and the affirmative marketing policy (e.g.,  
13 the use of the Equal Housing Opportunity logotype or slogan in press  
14 releases and solicitations for owners, and written communication to fair  
15 housing and other groups).

16 (ii) Requirements and practices that GRANTEE must adhere to in order to  
17 carry out the affirmative marketing procedures and requirements (e.g.,  
18 use of commercial media, use of community contacts, use of the Equal  
19 Housing Opportunity logotype or slogan, and display of fair housing  
20 poster).

21 (iii) Procedures to be used by GRANTEE to inform and solicit applications  
22 from persons in the housing market area who are not likely to apply  
23 without special outreach (e.g., use of community organizations,  
24 employment centers, fair housing groups, or housing counseling  
25 agencies).

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

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

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

20 (1) Placing qualified small and minority businesses and women's  
21 business enterprises on solicitation lists.

22 (2) Assuring that small and minority businesses, and women's  
23 business enterprises are solicited whenever they are potential  
24 sources.

25 (3) Dividing total requirements, when economically feasible, into  
26 smaller tasks or quantities to permit maximum participation by  
27 small and minority business, and women's business enterprises.

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

4 (5) Using the services and assistance of the Small Business  
5 Administration, and the Minority Business Development  
6 Agency of the Department of Commerce.

7 (6) Requiring the prime contractor, if subcontracts are to be let, to  
8 take the affirmative steps listed in (1) through (5) above of this  
9 section.

10 s. Displacement, relocation, and acquisition. The relocation requirements of  
11 Title II and the acquisition requirements of Title III of the Uniform Relocation  
12 Assistance and Real Property Acquisition Policies Act of 1970, and the  
13 implementing regulations at 24 CFR Part 42. GRANTEE must ensure that it  
14 has taken all reasonable steps to minimize the displacement of persons as a  
15 result of this Project.

16 t. Lead-based paint. The HHIP-Assisted Units are subject to the lead-based paint  
17 requirements of 24 CFR Part 35 issued pursuant to the Lead-Based Paint  
18 Poisoning Prevention Act (42 U.S.C. 4821, et seq.). The lead-based paint  
19 provisions of 24 CFR 982.401 (j), except 24 CFR 982.401 (j)(1)(i), also apply,  
20 irrespective of the applicable property standard under §92.251.

21 u. Labor. Every contract for the construction of housing that includes twelve (12)  
22 or more units assisted with HHIP funds must contain a provision requiring the  
23 payment of not less than the wages prevailing in the locality, as predetermined  
24 by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-  
25 276a-5), to all laborers and mechanics employed in the development of any  
26 part of the housing. Such contracts must also be subject to the overtime  
27 provisions, as applicable, of the Contract Work Hours and Safety Standards  
28

1 Act (40 U.S.C. 327-332). GRANTEE must apply most current wage rate  
2 determination at the date of execution of this Agreement.

- 3 v. Model Energy Code published by the Council of American Building Officials.
- 4 w. Consultant Activities. No person providing consultant services in an employer-  
5 employee type relationship shall receive more than a reasonable rate of  
6 compensation for personal services paid with HHIP funds.
- 7 x. Uniform Administrative Requirements of 2 CFR Part 200 as now in effect and  
8 as may be amended from time to time as they relate to the acceptance and use  
9 of loaned federal funds under the federally assigned program. Federal awards  
10 expended as a recipient or a subrecipient, as defined therein, would be subject  
11 to single audit. The payments received for goods or services provided as a  
12 vendor would not be considered Federal awards.
- 13 y. GRANTEE shall include written agreements that include all provisions of  
14 **Section 17** if GRANTEE provides HHIP funds to for-profit owners or  
15 developers, non-profit owners or developers, sub-recipients, homeowners,  
16 homebuyers, tenants receiving tenant-based rental assistance, or contractors.
- 17 z. Immigration requirements of Federal Register, Vol. 62, No. 221, Department  
18 of Justice Interim Guidance on Verification of Citizenship, Qualified Alien  
19 Status and Eligibility Under Title IV of the Personal Responsibility and Work  
20 Opportunity Reconciliation Act of 1996 (“PRWORA”). Final Attorney  
21 General’s Order issued pursuant to PRWORA is specified under Federal  
22 Register Vol. 66, No. 10, Department of Justice Final Specification of  
23 Community Programs Necessary for Protection of Life or Safety Under Welfare  
24 Reform Legislation.
- 25 aa. GRANTEE shall comply with all applicable local, state and federal laws in  
26 addition to the above-mentioned laws.
- 27  
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1           18.    PROJECT REQUIREMENTS. GRANTEE shall make the HHIP-Assisted Units  
2 available to people that are experiencing homelessness, at risk of homelessness, or experiencing  
3 housing insecurity (“Qualified Population”).

4           If GRANTEE intends to use the HHIP-Assisted Units for a use other than to provide  
5 shelter and services to the Qualified Populations, GRANTEE shall utilize the Property for another  
6 HHIP-Eligible Activity. GRANTEE shall provide COUNTY with sixty (60) days notice of  
7 conversion for another HHIP-Eligible Activity. The approval of the alternate HHIP- Eligible  
8 Activity shall not be unreasonably withheld by COUNTY. If the HHIP-Assisted Units are not  
9 used to provide shelter and services to the Qualified Populations and GRANTEE does not intend  
10 to use the Property for another HHIP-Eligible Activity, then COUNTY and GRANTEE mutually  
11 agree that this Agreement will self-terminate and any HHIP Grant funds drawn shall be returned  
12 within thirty (30) calendar days. Upon such termination, this Agreement shall become null and  
13 void. COUNTY and GRANTEE shall be released and discharged respectively from their  
14 obligations under this Agreement. All cost incurred by each party on the Project will be assumed  
15 respectively.

16           19.    INTENTIONALLY OMITTED

17           20.    INTENTIONALLY OMITTED.

18           21.    FEDERAL REQUIREMENTS. GRANTEE shall comply with the provisions of  
19 the HHIP and any amendments thereto and all applicable federal regulations and guidelines now  
20 or hereafter enacted pursuant to HHIP in addition to the federal provisions attached hereto as  
21 **Exhibit H.**

22           22.    SALE, ASSIGNMENT OR OTHER TRANSFER OF THE PROJECT.  
23 GRANTEE hereby covenants and agrees not to sell, assign, transfer or otherwise dispose of the  
24 Project or any portion thereof, without obtaining the prior written consent of the COUNTY, which  
25 consent shall be conditioned upon receipt by the COUNTY of reasonable evidence satisfactory  
26 to the COUNTY in its reasonable discretion, that transferee has assumed in writing and in full,  
27 and is reasonably capable of performing and complying with the GRANTEE’s duties and  
28

1 obligations under this Agreement, provided, however GRANTEE shall be released of all  
2 obligations hereunder which accrue from and after the date of such sale.

3 INDEPENDENT CONTRACTOR. GRANTEE and its agents, servants and employees  
4 shall act at all times in an independent capacity during the term of this Agreement, and shall not  
5 act as, shall not be, nor shall they in any manner be construed to be agents, officers, or employees  
6 of COUNTY.

7 23. NONDISCRIMINATION. GRANTEE shall abide by 24 CFR 570.602 which  
8 requires that no person in the United States shall on the grounds of race, color, national origin,  
9 religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to  
10 discrimination under any program or activity receiving Federal financial assistance made  
11 available pursuant to the Act. Under the Act, Section 109 directs that the prohibitions against  
12 discrimination of the basis of age under the Age Discrimination Act and the prohibitions against  
13 discrimination of the basis of disability under Section 504 shall apply to programs or activities  
14 receiving Federal financial assistance under Title I programs. The policies and procedures  
15 necessary to ensure enforcement of Section 109 are codified in 24 CFR Part 6. In addition,  
16 GRANTEE shall not discriminate on the basis of race, gender, religion, national origin, ethnicity,  
17 sexual orientation, age or disability in the solicitation, selection, hiring or treatment of any  
18 contractors or consultants, to participate in subcontracting/subconsulting opportunities.  
19 GRANTEE understands and agrees that violation of this clause shall be considered a material  
20 breach of this Lease and may result in termination, debarment or other sanctions. This language  
21 shall be incorporated into all contracts between GRANTEE and any contractor, consultant,  
22 subcontractor, subconsultants, vendors and suppliers. GRANTEE shall comply with the  
23 provisions of the California Fair Employment and Housing Act (Government Code Sections  
24 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended, and all  
25 Administrative Rules and Regulations issued pursuant to said Acts and Orders with respect to its  
26 use of the Property.

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

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

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

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

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

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

7 24. PROHIBITION AGAINST CONFLICTS OF INTEREST:

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

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

3 25. INTENTIONALLY OMITTED.

4 26. PROJECT MONITORING AND EVALUATION.

5 a. Inspections. During the Affordability Period, COUNTY will perform on-site  
6 inspections of the Project upon 72 hours advance written notice to GRANTEE  
7 to determine compliance with the property standards and to verify the  
8 information submitted by the owners in accordance with requirements. The on-  
9 site inspections must occur within 12 months after Covenant Agreement and at  
10 least once every 3 years thereafter during the Affordability Period. If there are  
11 observed deficiencies for any of the inspectable items in the property standards  
12 established by COUNTY, a follow-up on-site inspection to verify that  
13 deficiencies are corrected must occur within 12 months. COUNTY may  
14 establish a list of non-hazardous deficiencies for which correction can be  
15 verified by third party documentation (e.g., paid invoice for work order) rather  
16 than re-inspection. Health and safety deficiencies must be corrected  
17 immediately. COUNTY must adopt a more frequent inspection schedule for  
18 properties that have been found to have health and safety deficiencies.

19 27. MONITORING FEE. GRANTEE shall not be required to pay an annual  
20 compliance monitoring fee to the COUNTY.

21 28. ACCESS TO PROJECT SITE. COUNTY, state and/or federal awarding agencies  
22 shall have the right to access the Project site during normal business hours and the Property at  
23 and upon completion of the Project upon 72 hours written notice to GRANTEE, to review the  
24 operation of the Project in accordance with this Agreement, subject to the rights of tenants.

25 29. EVENTS OF DEFAULT. The occurrence and continuance of any of the following  
26 events shall, after the expiration of any applicable notice and cure period, constitute an "Event  
27 of Default" under this Agreement:

- 1 a. Monetary Default. (1) GRANTEE's failure to pay when due any sums payable  
2 under this Agreement, the Covenant Agreement, or any advances made by  
3 COUNTY under this Agreement; (2) GRANTEE's or any agent of  
4 GRANTEE's use of HHIP funds for costs other than those costs permitted  
5 under this Agreement or for uses inconsistent with terms and restrictions set  
6 forth in this Agreement; (3) GRANTEE's or any agent of GRANTEE's failure  
7 to make any other payment of any assessment or tax due under this Agreement,  
8 and /or (4) default under the terms of any senior loan documents or any other  
9 instrument or document secured against the Property;
- 10 b. Non-Monetary Default. (1) Discrimination by GRANTEE or GRANTEE's  
11 agent(s) on the basis of characteristics prohibited by this Agreement or  
12 applicable law; (2) the imposition of any encumbrances or liens on the Project  
13 without COUNTY's prior written approval that are prohibited under this  
14 Agreement; (3) GRANTEE's failure to obtain and maintain the insurance  
15 coverage required under this Agreement; (4) any material default under this  
16 Agreement, Covenant Agreement, or any document executed by the County in  
17 connection with this Agreement, and /or (5) a default under the terms of any  
18 senior loan documents or any other instrument or document secured against the  
19 Property or the Project;
- 20 c. General Performance of Grant Obligations. Any substantial or continuous or  
21 repeated breach by GRANTEE or GRANTEE's agents of any material  
22 obligations of GRANTEE under this Agreement;
- 23 d. General Performance of Other Obligations. Any substantial or continuous or  
24 repeated breach by GRANTEE or GRANTEE's agents of any material  
25 obligations of GRANTEE related to the Project imposed by any other  
26 agreement with respect to the financing, development, or operation of the  
27 Project; whether or not COUNTY is a party to such agreement; but only  
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1 following any applicable notice and cure periods with respect to any such  
2 obligation;

3 e. Representations and Warranties. A determination by COUNTY that any of  
4 GRANTEE's representations or warranties made in this Agreement, any  
5 statements made to COUNTY by GRANTEE, or any certificates, documents,  
6 or schedules supplied to COUNTY by GRANTEE were false in any material  
7 respect when made, or that GRANTEE concealed or failed to disclose a material  
8 fact to COUNTY.

9 f. Damage to Project. In the event that the Project is materially damaged or  
10 destroyed by fire or other casualty, and GRANTEE receives an award or  
11 insurance proceeds sufficient for the repair or reconstruction of the Project, and  
12 GRANTEE does not use such award or proceeds to repair or reconstruct the  
13 Project.

14 g. Bankruptcy, Dissolution and Insolvency. GRANTEE's or general partner and  
15 co-general partner of GRANTEE's (1) filing for bankruptcy, dissolution, or  
16 reorganization, or failure to obtain a full dismissal of any such involuntary filing  
17 brought by another party before the earlier of final relief or ninety (90) days  
18 after such filing; (2) making a general assignment for the benefit of creditors;  
19 (3) applying for the appointment of a receiver, trustee, custodian, or liquidator,  
20 or failure to obtain a full dismissal of any such involuntary application brought  
21 by another party before the earlier of final relief or ninety (90) days after such  
22 filing; (4) insolvency; or (5) failure, inability or admission in writing of its  
23 inability to pay its debts as they become due.

24 30. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. Formal notices,  
25 demands and communications between the COUNTY and the GRANTEE shall be sufficiently  
26 given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to  
27 the principal offices of the COUNTY and the GRANTEE, as designated in **Paragraph 53**,

1 below. Such written notices, demands and communications may be sent in the same manner to  
2 such other addresses as either party may from time to time designate by mail as provided in this  
3 **Section 31.** Any notice that is transmitted by electronic facsimile transmission followed by  
4 delivery of a “hard” copy, shall be deemed delivered upon its transmission; any notice that is  
5 personally delivered (including by means of professional messenger service, courier service  
6 such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed  
7 received on the documented date of receipt by the recipient; and any notice that is sent by  
8 registered or certified mail, postage prepaid, return receipt required shall be deemed received  
9 on the date of delivery thereof.

10 a. Subject to the Force Majeure Delay, as provided in **Section 10**, failure or delay  
11 by GRANTEE to perform any term or provision of this Agreement constitutes  
12 a default under this Agreement, subject to the notice and cure periods set forth  
13 herein. GRANTEE must commence to cure, correct or remedy such failure or  
14 delay and shall complete such cure, correction or remedy with reasonable  
15 diligence as set forth herein.

16 b. COUNTY shall give written notice of default to GRANTEE, with a copy to  
17 GRANTEE’S limited partner at the address set forth below, specifying the  
18 default complained of by COUNTY. Failure or delay in giving such notice  
19 shall not constitute a waiver of any default, nor shall it change the time of  
20 default. Except as otherwise expressly provided in this Agreement, any failures  
21 or delays by COUNTY in asserting any of its rights and remedies as to any  
22 default shall not operate as a waiver of any default or of any such rights or  
23 remedies. Delays by COUNTY in asserting any of its rights and remedies shall  
24 not deprive COUNTY of its right to institute and maintain any actions or  
25 proceedings which it may deem necessary to protect, assert or enforce any such  
26 rights or remedies.

1 c. If a monetary event of default occurs, prior to exercising any remedies  
2 hereunder, COUNTY shall give GRANTEE written notice of such default.  
3 GRANTEE shall have a period of thirty (30) days after such notice is given  
4 within which to cure the default prior to exercise of remedies by COUNTY.

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

19 e. Any cure tendered by GRANTEE'S Affiliate and/or limited partner shall be  
20 accepted or rejected on the same basis as if tendered by GRANTEE.

21 31. COUNTY REMEDIES. Upon the occurrence of an Event of Default, after notice  
22 and opportunity to cure, COUNTY's obligation to disburse HHIP grant funds shall terminate,  
23 and COUNTY shall also have the right, but not the obligation to, in addition to other rights and  
24 remedies permitted by this Agreement or applicable law, proceed with any or all of the  
25 following remedies in any order or combination COUNTY may choose in its sole discretion:

26 a. Terminate this Agreement, in which event the entire HHIP Grant amount as  
27 well as any other monies advanced to GRANTEE by COUNTY under this  
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1 Agreement including administrative costs, shall immediately become due and  
2 payable to COUNTY at the option of COUNTY.

- 3 b. Bring an action in equitable relief (1) seeking the specific performance by  
4 GRANTEE of the terms and conditions of this Agreement, and/or (2)  
5 enjoining, abating, or preventing any violation of said terms and conditions,  
6 and/or (3) seeking declaratory relief.
- 7 c. Enter the Project and take any remedial actions necessary in its judgment with  
8 respect to hazardous materials that COUNTY deems necessary to comply with  
9 hazardous materials laws or to render the Project suitable for occupancy, which  
10 costs shall be due and payable by GRANTEE to COUNTY.
- 11 d. Pursue any other remedies allowed at law or in equity.

12 32. RESERVED.

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

23 34. GRANTEE'S CERTIFICATION. GRANTEE certifies, to the best of its  
24 knowledge and belief, that:

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

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

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

19 35. HOLD HARMLESS AND INDEMNIFICATION. GRANTEE shall indemnify  
20 and hold harmless the County of Riverside, its Agencies, Boards, Districts, Special Districts and  
21 Departments, their respective directors, officers, Board of Supervisors, elected and appointed  
22 officials, employees, agents and representatives (collectively the "Indemnified Parties") from any  
23 liability whatsoever, based or asserted upon any services of GRANTEE, its officers, employees,  
24 subcontractors, agents or representatives arising out of their performance under this Agreement,  
25 including but not limited to property damage, bodily injury, or death or any other element of any  
26 kind or nature whatsoever arising from the performance of GRANTEE, its officers, agents,  
27 employees, subcontractors, agents or representatives under this Agreement, except in the event  
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1 of the gross negligence or willful misconduct of the Indemnified Parties; provided, however, any  
2 gross negligence or willful misconduct of the Indemnified Parties will only affect the duty to  
3 indemnify for the specific act found to be gross negligence or willful misconduct, and will not  
4 preclude a duty to indemnify for any act or omission of GRANTEE. GRANTEE shall defend, at  
5 its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation,  
6 defense and settlements or awards, the County of Riverside, its Agencies, Districts, Special  
7 Districts and Departments, their respective directors, officers, Board of Supervisors, elected and  
8 appointed officials, employees, agents and representatives in any claim or action based upon such  
9 alleged acts or omissions.

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

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

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

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

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

1           36.    TERMINATION.

2           a.    GRANTEE. GRANTEE may terminate this Agreement prior to disbursement  
3           of any HHIP Grant funds by COUNTY in accordance with the applicable HHIP  
4           regulations.

5           b.    COUNTY. Notwithstanding the provisions of **Section 37(a)**, COUNTY may  
6           suspend or terminate this Agreement upon written notice to GRANTEE of the  
7           action being taken and the reason for such action in the event one of the  
8           following events occur:

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

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

15           c.    In the event the HHIP funding identified in **Section 1** above is terminated or  
16           otherwise becomes unavailable. In the event the HHIP funding identified in  
17           **Section 1** above is terminated or otherwise becomes unavailable. This  
18           Agreement may be terminated or funding suspended in whole or in part for  
19           cause. Cause shall be based on the failure of GRANTEE to materially comply  
20           with either the terms or conditions of this Agreement after the expiration of all  
21           applicable notice and cure provisions hereof. Upon suspension of funding,  
22           GRANTEE agrees not to incur any costs related thereto, or connected with, any  
23           area of conflict from which COUNTY has determined that suspension of funds  
24           is necessary.

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

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

14 a. Float-up: Notwithstanding anything to the covenant or this Agreement to the  
15 contrary, the Parties agree that the following shall apply to the HHIP-Assisted  
16 Units:

17 i. COUNTY agrees that, upon GRANTEE's request and COUNTY's written  
18 approval, which will not be unreasonable withheld, the maximum tenant  
19 household income and maximum annual rent for HHIP-Assisted Units  
20 may be increased to amounts necessary to make operation of the Project  
21 financially feasible as determined by the GRANTEE, including the  
22 payment of all required operating costs and debt service, but in no event  
23 may (a) the maximum tenant household income limitation exceed 60  
24 percent of AMI or, (b) the maximum annual rent limitation exceed 30  
25 percent of 60 percent of AMI.

26 ii. In the case of increases due to a foreclosure of any approved financing or  
27 deed in lieu thereof, the above increases may continue until such time, if  
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1 any, that the rental assistance or equivalent operating subsidy is restored.  
2 Notwithstanding anything to the contrary in this section, the GRANTEE  
3 may not displace tenant households and must use good faith efforts to  
4 reduce the effect of rent increases permitted to be imposed on existing  
5 tenant households by (a) the use of operating and transition reserves to  
6 the extent such funds exist and are available, and (b) the use of other  
7 subsidy sources available that would mitigate the rent increases.

8 iii.If Rent increases on the HHIP-Assisted Units are necessary, after  
9 exhausting all transition reserve funds such increases shall only be  
10 permitted to the minimum extent required for financial feasibility, as  
11 reasonably determined by GRANTEE and approved by COUNTY,  
12 which approval shall not, in any event, be increased to an amount in  
13 excess of 30 percent of 60 percent of AMI, adjusted by household size  
14 for the number of bedrooms. The COUNTY shall be notified at least  
15 eighteen (18) months in advance of any Rent increase on the HHIP-  
16 Assisted Units.

17 iv.In order to enact an increase in the maximum household income and rents  
18 for a HHIP-Assisted Unit for the Project, the GRANTEE must submit a  
19 written request to the COUNTY which shall outline a plan with an  
20 explanation of the fiscal necessity of adjusting the maximum household  
21 income and the rents charged for the HHIP-Assisted Units. The plan shall  
22 provide the following items along with any additional requirements from  
23 the COUNTY:

24 (i) An explanation of the efforts the Project Owner has  
25 made to secure other rental subsidies to sustain overall  
26 project operations;

27 (ii) An explanation of the fiscal necessity of adjusting the  
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1 maximum household income and the rents charged for  
2 the HHIP-Assisted Units;

3 (iii) A process for increasing the Project rent for all affected  
4 units (HHIP-Assisted Units and non-restricted units)  
5 and make reasonable efforts to continue to market and  
6 rent Project units to members of the target population  
7 originally contemplated, as well as ensuring that  
8 any increases to the household income limit are  
9 applied, as much as possible, only to vacant units as  
10 they become available. This portion of the plan shall  
11 discuss changes in both maximum household incomes  
12 and rents and;

13 (iv) The plan for continuing, throughout the term of this  
14 Agreement, to apply for other subsidies that will allow  
15 a return of all project units to members of the target  
16 population and rents originally contemplated.

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

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

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

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

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

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

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

25          46.     MINISTERIAL ACTS. COUNTY's Director of HWS, or designee, is authorized  
26 to take such ministerial actions as may be necessary or appropriate to implement the terms,  
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1 provisions, and conditions of this Agreement as it may be amended from time to time by both  
2 parties.

3 47. MODIFICATION OF AGREEMENT. COUNTY or GRANTEE may consider it  
4 in its best interest to change, modify or extend a term or condition of this Agreement, provided  
5 such change, modification or extension is agreed to in writing by the other party and approved in  
6 writing by the GRANTEE's limited partner. Any such change, extension or modification, which  
7 is mutually agreed upon by COUNTY and GRANTEE, and approved by the GRANTEE's limited  
8 partner shall be incorporated in written amendments to this Agreement. Such amendments shall  
9 not invalidate this Agreement, nor relieve or release COUNTY or GRANTEE from any  
10 obligations under this Agreement, except for those parts thereby amended. No amendment to this  
11 Agreement shall be effective and binding upon the parties, unless it expressly makes reference to  
12 this Agreement, is in writing, is signed and acknowledged by duly authorized representatives of  
13 all parties, and approved by the COUNTY.

14 48. CONDITIONAL COMMITMENT.

15 a. Construction. GRANTEE must demonstrate that it is working towards  
16 obtaining financing to construct the Project in accordance with the scheduled  
17 Completion of Project Deadline consistent with the Implementation Schedule  
18 set forth in **Exhibit A-1**. COUNTY acknowledges and agrees that as of the  
19 closing of the HHIP Grant, all required financing has been obtained.

20 b. Completion. GRANTEE shall proceed consistent with the Implementation  
21 Schedule set forth in **Exhibit A-1**. If GRANTEE is unable to meet the condition  
22 as required by this **Section 48** including Extension, subject to Force Majeure  
23 and notice and cure rights set forth herein, then COUNTY and GRANTEE  
24 mutually agree that this Agreement will self-terminate and any HHIP Grant  
25 funds disbursed to GRANTEE to date shall be returned to COUNTY within  
26 thirty (30) calendar days of such termination. Upon such termination, this  
27 Agreement shall become null and void. COUNTY and GRANTEE shall be  
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1 released and discharged respectively from their obligations under this  
2 Agreement, except for those provisions which by their terms survive  
3 termination. All costs incurred by each party on the Project will be assumed  
4 respectively.

5 49. INTENTIONALLY OMITTED.

6 50. INTENTIONALLY OMITTED.

7 51. EXHIBITS AND ATTACHMENTS. Each of the attachments and exhibits  
8 attached hereto is incorporated herein by this reference.

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

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

21 COUNTY  
22 Director HWS  
23 County of Riverside  
24 3403 10<sup>th</sup> Street, Suite 300  
25 Riverside, CA 92501

GRANTEE  
Desert Marigold, L.P.  
c/o Abode Communities  
1149 S. Hill Street, Suite 700  
Los Angeles, CA 90015  
Attention: CFO  
Email: rsaperstein@abodecommunities.org

26 With copies to:  
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4 54. COUNTERPARTS. This Agreement may be signed by the different parties hereto  
5 in counterparts, each of which shall be an original but all of which together shall constitute one  
6 and the same agreement.

7 55. EFFECTIVE DATE. The effective date of this Agreement is the date the parties  
8 execute the Agreement (“Effective Date”). If the parties execute the Agreement on more than one  
9 date, then the last date the Agreement is executed by a party shall be the Effective Date.

10 56. FURTHER ASSURANCES. GRANTEE shall execute any further documents  
11 consistent with the terms of this Agreement, including documents in recordable form, as the  
12 COUNTY may from time to time find necessary or appropriate to effectuate its purposes in  
13 entering into this Agreement.

14 57. NONLIABILITY OF COUNTY OFFICIALS AND EMPLOYEES. No member,  
15 official, employee or consultant of the COUNTY shall be personally liable to the GRANTEE, or  
16 any successor in interest, in the event of any default or breach by the COUNTY or for any amount  
17 which may become due to the GRANTEE or to its successor, or on any obligations under the  
18 terms of this Agreement.

19 58. CONSTRUCTION AND INTERPRETATION OF AGREEMENT.

- 20 a. The language in all parts of this Agreement shall in all cases be construed  
21 simply, as a whole and in accordance with its fair meaning and not strictly for  
22 or against any party. The parties hereto acknowledge and agree that this  
23 Agreement has been prepared jointly by the parties and has been the subject of  
24 arm’s length and careful negotiation over a considerable period of time, that  
25 each party has been given the opportunity to independently review this  
26 Agreement with legal counsel, and that each party has the requisite experience  
27 and sophistication to understand, interpret, and agree to the particular language

1 of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute  
2 regarding the interpretation of this Agreement, this Agreement shall not be  
3 interpreted or construed against the party preparing it, and instead other rules  
4 of interpretation and construction shall be utilized.

5 b. If any term or provision of this Agreement, the deletion of which would not  
6 adversely affect the receipt of any material benefit by any party hereunder, shall  
7 be held by a court of competent jurisdiction to be invalid or unenforceable, the  
8 remainder of this Agreement shall not be affected thereby and each other term  
9 and provision of this Agreement shall be valid and enforceable to the fullest  
10 extent permitted by law. It is the intention of the parties hereto that in lieu of  
11 each clause or provision of this Agreement that is illegal, invalid, or  
12 unenforceable, there be added as a part of this Agreement an enforceable clause  
13 or provision as similar in terms to such illegal, invalid, or unenforceable clause  
14 or provision as may be possible.

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

18 d. References in this instrument to this Agreement mean, refer to and include this  
19 instrument as well as any riders, exhibits, addenda and attachments hereto  
20 (which are hereby incorporated herein by this reference) or other documents  
21 expressly incorporated by reference in this instrument. Any references to any  
22 covenant, condition, obligation, and/or undertaking "herein," "hereunder," or  
23 "pursuant hereto" (or language of like import) means, refer to, and include the  
24 covenants, obligations, and undertakings existing pursuant to this instrument  
25 and any riders, exhibits, addenda, and attachments or other documents affixed  
26 to or expressly incorporated by reference in this instrument.

1 e. As used in this Agreement, and as the context may require, the singular includes  
2 the plural and vice versa, and the masculine gender includes the feminine and  
3 vice versa.

4 59. TIME OF ESSENCE. Time is of the essence with respect to the performance of  
5 each of the covenants and agreements contained in this Agreement.

6 60. BINDING EFFECT. This Agreement, and the terms, provisions, promises,  
7 covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the parties  
8 hereto and their respective heirs, legal representatives, successors and assigns.

9 61. NO THIRD PARTY BENEFICIARIES. The parties to this Agreement  
10 acknowledge and agree that the provisions of this Agreement are for the sole benefit of COUNTY  
11 and GRANTEE, and not for the benefit, directly or indirectly, of any other person or entity, except  
12 as otherwise expressly provided herein.

13 62. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.

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

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

21 c. All waivers of the provisions of this Agreement must be in writing and signed  
22 by the appropriate authorities of the COUNTY or the GRANTEE, and all  
23 amendments hereto must be in writing and signed by the appropriate authorities  
24 of the COUNTY and the GRANTEE. This Agreement and any provisions  
25 hereof may be amended by mutual written agreement by the GRANTEE and  
26 the COUNTY.

(SIGNATURES ON THE NEXT PAGE)

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

COUNTY:

GRANTEE:

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

**DESERT MARIGOLD, L.P.**,  
a California limited partnership

By: form - do not sign  
Heidi Marshall, Director HWS

By: Desert Marigold GP LLC,  
a California limited liability company,  
its managing general partner

By: Abode Communities, a California  
nonprofit public benefit corporation, its sole  
member

By form - do not sign  
Lara Regus, Senior Vice President,  
Development

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
MINH C. TRAN  
County Counsel

By:   
Amrit P. Dhillon  
Deputy County Counsel

(Above signatures need to be notarized)

**ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA**

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

STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 2024, before me, \_\_\_\_\_,  
personally appeared \_\_\_\_\_,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

**ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA**

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

STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 2024, before me, \_\_\_\_\_,  
personally appeared \_\_\_\_\_,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

# EXHIBIT “A-1”

**GRANTEE:** Desert Marigold, L.P.  
**Address:** 1149 S. Hill Street, Suite 700 Los Angeles, CA 90015  
**Project Title:** Desert Marigold Apartments  
**Location:** 69151 E. Palm Canyon Dr, Cathedral City, CA 92234 APN: 674-500-028

## **Project Description:**

Desert Marigold, L.P. shall acquire and convert former Desert Extended Stay hotel into Desert Marigold Apartments, a multi-family affordable rental housing project (Proposed project) consisting of ninety-six (96) affordable rental housing units and one (1) residential manager’s unit (the “Project”). The Project is situated on an approximately 1.89 acres of land located at 69151 E. Palm Canyon Dr., in the City of Cathedral City in the County of Riverside, as more particularly described in the legal description set forth below (“Property”).

A total of ninety-six (96) units shall be reserved as HHIP-Assisted Units, of which 96 units will be restricted to households whose incomes do not exceed 30% AMI of Riverside County, of which 96 units will have a preference when vacancies arise after initial occupancy for families who are homeless or at risk of homelessness.

## IMPLEMENTATION SCHEDULE

	<b>Milestone</b>	<b>Completion Date</b>
1.	Acquisition of Property	November 4, 2024
2.	Construction Start Deadline	January 3, 2024
3.	Completion of Project Deadline	December 31, 2025

## **EXHIBIT A**

### **Legal Description of Property:**

For APN/Parcel ID(s): 674-500-028

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

#### **PARCEL 1:**

PARCEL 1 OF PARCEL MAP NO. 19609, IN THE CITY OF CATHEDRAL CITY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 121, PAGES 7 AND 8 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

#### **PARCEL 2:**

AN EASEMENT FOR PURPOSES OF VEHICULAR AND PEDESTRIAN INGRESS AND EGRESS, DRAINAGE AND THE INSTALLATION AND MAINTENANCE OF UTILITIES PURSUANT TO THAT CERTAIN GRANT OF EASEMENT, RECORDED ON MARCH 19, 1984, AS INSTRUMENT NO. 1984-55554 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, COVERING THE PORTION DESCRIBED THEREIN ON PARCEL 2 OF PARCEL MAP NO. 19609, AS SHOWN BY MAP ON FILE IN BOOK 121, PAGES 7 AND 8 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 674-500-02

# EXHIBIT “D”

## Prohibition Against Conflicts of Interest

§ 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 HHIP 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 HHIP-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 HHIP 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 HHIP and the effective and efficient administration of COUNTY's program or project. An exception may be considered only after the recipient has provided the following:

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

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

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

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

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

(3) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

(4) Whether the interest or benefit was present before the affected person was in a position as described in **paragraph (c)** of this section;

(5) Whether undue hardship will result either to COUNTY or the person affected when weighed against the public interest served by avoiding the prohibited conflict;

(6) Any other relevant considerations.

#### Owners/Participants and Developers.

(1) No owner, developer, or sponsor of a project assisted with HHIP 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 HHIP-Assisted affordable housing unit in a project. This provision does not apply to an individual who receives HHIP 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 HHIP and the effective and efficient administration of the owner's or developer's HHIP-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 CODE  
RIVERSIDE COUNTY  
Housing & 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 grants 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

1 NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 6103

2 Order No.  
3 Escrow No.  
4 Loan No.

4 RECORDING REQUESTED BY AND  
5 WHEN RECORDED MAIL TO:

6 County of Riverside  
7 Housing and Workforce Solutions  
8 3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501  
Attn. Nicole Sanchez

9 SPACE ABOVE THIS LINE FOR RECORDERS USE

10 **COVENANT AGREEMENT**

11 This COVENANT AGREEMENT (“COVENANT AGREEMENT”) is made and entered  
12 into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2025 by and between the COUNTY OF RIVERSIDE, a  
13 political subdivision of the State of California, (“COUNTY”), and Desert Marigold, L.P., a  
14 California limited partnership, (“GRANTEE”). COUNTY and GRANTEE are individually  
15 referred to herein as a “Party” and collectively referred to herein as the “Parties.”

16 **RECITALS**

17 WHEREAS, the Inland Empire Health Plan (“IEHP”) is participating in the Housing and  
18 Homelessness Incentive Program (“HHIP”) implemented by the California Department of  
19 Health Care Services (“DHCS”) in accordance with the Medi-Cal Home and Community-Based  
20 Services (“HCBS”) Spending Plan;

21 WHEREAS, on November 15, 2022, IEHP announced that the COUNTY was allocated  
22 HHIP Investment Funds from IEHP, earned and awarded through DHCS, in the amount of  
23 \$32,600,000, for the following: (1) Rental assistance and rapid rehousing; (2) Operating  
24 subsidies in new and existing affordable or supportive housing units, emergency shelters, and  
25 navigation centers; operating subsidies may include operating reserves; (3) Incentives to  
26 landlords, including, but not limited to, security deposits and holding fees); (4) Outreach and  
27 coordination, which may include access to job programs, to assist vulnerable populations in  
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1 accessing permanent housing and to promote housing stability in supportive housing; (5)  
2 Systems support for activities necessary to create regional partnerships and maintain a homeless  
3 services and housing delivery system particularly for vulnerable populations including families  
4 and homeless youth; (6) Delivery of permanent housing and innovative housing solutions such  
5 as hotel and motel conversions; (7) Prevention and shelter diversion to permanent housing; and  
6 (8) New navigation centers and emergency shelters based on demonstrated need;

7 WHEREAS, on January 10, 2023, via Minute Order 3.15, the Board of Supervisors of the  
8 County of Riverside accepted the \$32,095,000 in HHIP funds from IEHP and approved the  
9 agreement between the COUNTY and IEHP for the use of HHIP program funds;

10 WHEREAS, on October 3, 2023, via Minute Order 3.17, the Board of Supervisors of the  
11 County of Riverside approved the First Amended and Restated HHIP Agreement (HWSCoC-  
12 0004868) with IEHP to accept Incentive Funding to increase the aggregate contract amount by  
13 \$12,000,000 from \$32,600,000 to \$44,600,000 in HHIP funds;

14 WHEREAS, GRANTEE has an interest in that certain real property known as 69151 E.  
15 Palm Canyon Drive, Cathedral City, CA 92234 and legally described in the Legal Description  
16 attached hereto and incorporated herein as Exhibit “A” (collectively, the “Property”);

17 WHEREAS, GRANTEE is proposing to utilize the HHIP funds to pay a portion of the  
18 development and construction of Desert Marigold Apartments, a multi-family affordable rental  
19 housing project consisting of ninety-six (96) affordable rental housing units and one (1)  
20 residential manager’s unit to be located on the Property and to provide permanent supportive  
21 housing and wrap around services to the homeless, or those at risk of homelessness, or those  
22 experiencing housing insecurity (“Project”).

23 WHEREAS, the Project is an eligible use of HHIP funds;

24 WHEREAS, the purpose of this Covenant Agreement is, among other things, for  
25 COUNTY to provide for the grant of HHIP funds to GRANTEE in the maximum amount of Five  
26 Million Fifty Thousand Dollars (\$5,050,000) to fund a portion of the development and  
27 construction costs of the Project, as more fully described herein; and  
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1           WHEREAS, a total of ninety-six (96) of the units will be reserved as HHIP-Assisted Units  
2 (as defined below), and will have a preference for those who are homeless or at risk of  
3 homelessness, or experiencing housing insecurity.

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

8           1)     RESTRICTIONS. The recitals set forth above are true and correct and incorporated  
9 herein. This Covenant Agreement shall continue in full force and effect for the later of (i) fifty-  
10 five (55) years from the recordation of the Notice of Completion , or (ii) January 1, 2081 (“Term”  
11 or “Affordability Period”). For the duration of the Term, the Property shall be held, sold and  
12 conveyed, subject to the following covenants, conditions, and restrictions:

13                 a)     96 units at the Project shall be restricted as HHIP-Assisted Units provided  
14 to homeless individuals or individuals at risk of homelessness whose incomes do not exceed 30%  
15 of the area median income for the County of Riverside, as published by HUD, at the time of initial  
16 occupancy;

17                 b)     OWNER shall comply with the terms of this Covenant and the HHIP Grant  
18 Agreement, and any other instrument secured against the Property.

19           2)     SENIOR PRIORITY. This Covenant shall be recorded in the Official Records for  
20 the County of Riverside in a first priority lien position, senior to the HHIP Grant Agreement.

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

25                 a)     Housing and Homelessness Incentive Program guidelines, as may be  
26 amended from time to time.

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

4 c) Affirmative marketing and minority outreach program. OWNER must  
5 adopt affirmative marketing procedures and requirements. These must include:

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

10 (2) Requirements and practices that OWNER must adhere to in order to  
11 carry out the affirmative marketing procedures and requirements (e.g., use of commercial media,  
12 use of community contacts, use of the Equal Housing Opportunity logotype or slogan, and display  
13 of fair housing poster).

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

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

20 (5) A description of how OWNER will annually assess the success of  
21 affirmative marketing actions and what corrective actions will be taken where affirmative  
22 marketing requirements are not met.

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

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

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

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

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

15 (v) Using the services and assistance of the Small Business  
16 Administration, and the Minority Business Development Agency of the Department of  
17 Commerce.

18 4) MAINTENANCE OF THE IMPROVEMENTS. OWNER, on behalf of itself and  
19 its successors, assigns, and each successor in interest to the Property and Project or any part thereof  
20 hereby covenants to and shall protect, maintain, and preserve the Property in compliance with all  
21 applicable federal and state law and regulations and local ordinances. In addition, OWNER, its  
22 successors and assigns, shall maintain the improvements on the Property in the same aesthetic and  
23 sound condition (or better) as the condition of the Property at the time of the completion of the  
24 Project, reasonable wear and tear excepted. This standard for the quality of maintenance of the  
25 Property shall be met whether or not a specific item of maintenance is listed below. However,  
26 representative items of maintenance shall include frequent and regular inspection for graffiti or  
27 damage or deterioration or failure, and immediate repainting or repair or replacement of all  
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1 surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash receptacles and removal  
2 of litter; sweeping of public sidewalks adjacent to the Property, on-site walks and paved areas and  
3 washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy  
4 and attractive condition, including trimming, fertilizing and replacing vegetation as necessary;  
5 cleaning windows on a regular basis; painting the buildings on a regular program and prior to the  
6 deterioration of the painted surfaces; conducting a roof inspection on a regular basis and  
7 maintaining the roof in a leak-free and weather-tight condition; maintaining security devices in  
8 good working order. In the event OWNER, its successors or assigns fails to maintain the Property  
9 in accordance with the standard for the quality of maintenance, the COUNTY or its designee shall  
10 have the right but not the obligation to enter the Property upon reasonable notice to OWNER,  
11 correct any violation, and hold OWNER, or such successors or assigns responsible for the cost  
12 thereof, and such cost, until paid, shall constitute a lien on the Property.

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

24         6)         OWNER herein covenants by and for itself, its successors and assigns, and all  
25 persons claiming under or through them, that this Covenant is made and accepted upon and subject  
26 to the following conditions: There shall be no discrimination against or segregation of any person  
27 or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the  
28

1 Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and  
2 paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code,  
3 in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall  
4 the transferee itself or any person claiming under or through him or her, establish or permit any  
5 such practice or practices of discrimination or segregation with reference to the selection, location,  
6 number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the Property.

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

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

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

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

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

23 8) INSURANCE. Without limiting or diminishing OWNER’s obligation to indemnify  
24 or hold COUNTY harmless, OWNER shall procure and maintain or cause to be maintained, at its  
25 sole cost and expense, the following insurance coverage’s during the term of this Covenant.

26 a) Worker’s Compensation Insurance. If OWNER has employees as defined  
27 by the State of California, OWNER shall maintain statutory Workers' Compensation Insurance  
28

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

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

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

24 d) General Insurance Provisions – All Lines.

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

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

9 (3) OWNER shall cause OWNER's insurance carrier(s) to furnish the  
10 County of Riverside with copies of the Certificate(s) of Insurance and Endorsements effecting  
11 coverage as required herein, and 2) if requested to do so orally or in writing by Risk Manager,  
12 provide copies of policies including all Endorsements and all attachments thereto, showing such  
13 insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall  
14 contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given  
15 to the County of Riverside prior to any material modification, cancellation, expiration or reduction  
16 in coverage of such insurance. OWNER shall not continue operations until COUNTY has been  
17 furnished Certificate(s) of Insurance and copies of endorsements and if requested, copies of  
18 policies of insurance including all endorsements and any and all other attachments as required  
19 herein. An individual authorized by the insurance carrier to do so, on its behalf, shall sign the  
20 original endorsements for each policy and the Certificate of Insurance.

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

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

4 (6) OWNER shall pass down the insurance obligations contained herein to  
5 all tiers of subcontractors.

6 (7) OWNER agrees to notify COUNTY in writing of any claim by a third  
7 party or any incident or event that may give rise to a claim arising from the performance of the  
8 Agreement.

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

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

16 COUNTY  
17 Director HWS  
18 County of Riverside  
19 3404 10<sup>th</sup> Street  
Riverside, CA 92501

GRANTEE  
Desert Marigold. L.P.  
c/o Abode Communities  
1149 S. Hill, Suite 700  
Los Angeles, CA 90015  
Attn: President

**With a copy to:** Bocarsly Emden Cowan  
Esmail & Arndt LLP  
633 West Fifth Street, Suite 5880  
Los Angeles, CA 90071  
Attention: Nicole Deddens

20  
21  
22  
23  
24  
25 11) REMEDIES. COUNTY shall have the right, in the event of any breach of any such  
26 agreement or covenant, to exercise all available rights and remedies, and to maintain any actions  
27 at law or suit in equity or other proper proceedings to enforce the curing of such breach of  
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1 agreement or covenant.

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

6 13) NOTICE AND CURE. Prior to exercising any remedies hereunder, the COUNTY  
7 shall give OWNER notice of such default pursuant to **Section 10** above. Any monetary default  
8 shall be cured within thirty (30) days of delivery of written notice. Except as otherwise set forth  
9 herein, if a non-monetary default is reasonably capable of being cured within thirty (30) days of  
10 delivery of such notice of default, OWNER shall have such period to effect a cure prior to exercise  
11 of remedies by COUNTY. If the non-monetary default is such that it is not reasonably capable of  
12 being cured within thirty (30) days of delivery of such notice of default, and OWNER (a) initiates  
13 corrective action within said period, and (b) diligently, continually, and in good faith works to  
14 effect a cure as soon as possible, then OWNER shall have such additional time as is reasonably  
15 necessary to cure the default prior to exercise of any remedies by the COUNTY; but in no event  
16 no later than one hundred twenty (120) days from delivery of such notice of default, subject to  
17 force majeure (including government restrictions, pandemics, and acts of God). COUNTY, upon  
18 providing OWNER with any notice of default under this Covenant, shall, within a reasonable time,  
19 provide a copy of such default notice to a Permitted Lender (as defined herein) who has given  
20 written notice to COUNTY of its interest in the Property and Project. From and after such notice  
21 has been delivered to a Permitted Lender and the Owner's limited partner, such Permitted Lender  
22 and limited partner shall have the same period for remedying the default complained of as the cure  
23 period provided to OWNER pursuant to this Section 18. COUNTY shall accept performance by  
24 a Permitted Lender or limited partner of Owner as if the same had been done by OWNER.

25 14) If a violation of any of the covenants or provisions of this Covenant remains  
26 uncured after the respective time period set forth herein, COUNTY and its successors and assigns,  
27 without regard to whether COUNTY or its successors and assigns is an owner of any land or  
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1 interest therein to which these covenants relate, may institute and prosecute any proceedings at  
2 law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel  
3 specific performance by OWNER of its obligations hereunder. No delay in enforcing the  
4 provisions hereof as to any breach or violation shall impair, damage or waive the right of any party  
5 entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation  
6 or repetition of such breach or violations or any similar breach or violation hereof at any later time.

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

9 16) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY.

10 Except as otherwise provided under the HHIP Grant Agreement, OWNER hereby covenants and  
11 agrees not to sell, transfer, assign or otherwise dispose of the Project, the Property or any portion  
12 thereof, without obtaining the prior written consent of COUNTY, in its sole discretion. Any sale,  
13 assignment, or transfer of the Project or Property, shall be memorialized in an assignment and  
14 assumption agreement the form and substance of which have been first approved in writing by the  
15 COUNTY in its sole discretion. Such assignment and assumption agreement shall, among other  
16 things, provide that the transferee has assumed in writing and in full, and is reasonably capable of  
17 performing and complying with OWNER's duties and obligations under the HHIP Grant  
18 Agreement and this Covenant, provided, however OWNER shall be released of all obligations  
19 under the HHIP Grant Agreement and this Covenant Agreement accruing from and after the date  
20 of such sale, assignment or transfer. Notwithstanding anything to the contrary contained herein,  
21 upon written notice to COUNTY, OWNER may (i) lease for occupancy of all or any of the HHIP  
22 Assisted Units in accordance with terms of this Covenant Agreement; (ii) grant easements or  
23 permits to facilitate the development of the Property in accordance with this Covenant Agreement;  
24 (iii) transfer and encumber the OWNER'S limited partnership interest in the GRANTEE and  
25 transfer any interests in the OWNER'S limited partner; (iv) remove and replace the OWNER'S  
26 general partner(s) for cause in accordance with OWNER'S amended and restated agreement of  
27 limited partnership; and (v) make transfers pursuant to that certain Purchase Option and Right of  
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1 First Refusal Agreement (collectively a “Permitted Transfer”)

2 17) AMENDMENTS OR MODIFICATIONS. This Covenant Agreement may be  
3 changed or modified only by a written amendment signed by authorized representatives of both  
4 parties.

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

12 19) BINDING EFFECT. The rights and obligations of this Covenant shall bind and  
13 inure to the benefit of the respective heirs, successors and assigns of the parties.

14 20) PERMITTED MORTGAGES. No violation or breach of the covenants, conditions,  
15 restrictions, provisions or limitations contained in this Covenant shall defeat or render invalid or  
16 in any way impair the lien or charge of any deed of trust or mortgage permitted by the HHIP Grant  
17 Agreement or the lien or charge of a deed of trust made by OWNER for the benefit of any lender  
18 first approved in writing by the COUNTY as evidenced in the HHIP Grant Documents or otherwise  
19 (each, a “Permitted Lender”) and nothing herein or in the HHIP Grant Agreement shall prohibit or  
20 otherwise limit the exercise of a Permitted Lender’s rights and remedies thereunder, including a  
21 foreclosure or deed-in-lieu of foreclosure and subsequent transfer thereafter.

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

26 22) PROJECT MONITORING AND EVALUATION.

27 a) Reserved.

1           b)     Inspections. During the Affordability Period, COUNTY must perform on-  
2 site inspections of HHIP-Assisted Units to determine compliance with the property standards.  
3 The on-site inspections shall occur within 12 months after the effective date of this Covenant and  
4 at least once every 3 years thereafter during the Affordability Period. If there are observed  
5 deficiencies for any of the inspectable items in the property standards established by COUNTY,  
6 a follow-up on-site inspection to verify that deficiencies are corrected must occur within 12  
7 months. COUNTY may establish a list of non-hazardous deficiencies for which correction can be  
8 verified by third party documentation (e.g., paid invoice for work order) rather than re-inspection.  
9 Health and safety deficiencies must be corrected immediately. COUNTY must adopt a more  
10 frequent inspection schedule for properties that have been found to have health and safety  
11 deficiencies. The property owner must annually certify to the COUNTY that each building and  
12 all HHIP Assisted-Units in the Project are suitable for occupancy, taking into account State and  
13 local health, safety, and other applicable codes, ordinances, and requirements, and the ongoing  
14 property standards established by the participating jurisdiction.

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

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

23           25)    RECITALS. The Recitals set forth above are true and correct and incorporated  
24 herein by this reference.

25           26)    This Covenant Agreement sets forth and contains the entire understanding and  
26 agreement of the parties hereto. There are no oral or written representations, understandings, or  
27 ancillary covenants, undertakings or agreements, which are not contained or expressly referred to  
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1 within this Covenant Agreement, including all amendments and modifications to this Covenant  
2 Agreement.

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5 [Remainder of Page Intentionally Blank]

6 [SIGNATURES ON THE NEXT PAGE]

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**ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA**

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

STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 2024, before me, \_\_\_\_\_,  
personally appeared \_\_\_\_\_,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

**ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA**

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

STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 2024, before me, \_\_\_\_\_,  
personally appeared \_\_\_\_\_,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

# **EXHIBIT "A"**

## LEGAL DESCRIPTION OF PROPERTY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

### PARCEL 1:

PARCEL 1 OF PARCEL MAP NO. 19609, IN THE CITY OF CATHEDRAL CITY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 121, PAGES 7 AND 8 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

### PARCEL 2:

AN EASEMENT FOR PURPOSES OF VEHICULAR AND PEDESTRIAN INGRESS AND EGRESS, DRAINAGE AND THE INSTALLATION AND MAINTENANCE OF UTILITIES PURSUANT TO THAT CERTAIN GRANT OF EASEMENT, RECORDED ON MARCH 19, 1984, AS INSTRUMENT NO. 1984-55554 OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, COVERING THE PORTION DESCRIBED THEREIN ON PARCEL 2 OF PARCEL MAP NO. 19609, AS SHOWN BY MAP ON FILE IN BOOK 121, PAGES 7 AND 8 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 674-500-02

# Exhibit “G”

## 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/>
- STEP 2: Under “Search”, 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 HHIP 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

# Exhibit “H”

1. **ORDERS OF LOCAL, STATE OR FEDERAL HEALTH OFFICIALS; EXECUTIVE ORDERS.** County and Contractor mutually acknowledge that local, state, or federal authorities may issue official orders related to the COVID-19 epidemic, or take other official actions, subsequent to the execution of this Agreement that Parties to this Agreement cannot presently predict. County and Contractor mutually acknowledge and agree that this Agreement shall be subject to the provisions of any such official action or order, particularly but not limited to Executive Orders of the Governor of the State of California and Orders of the County Public Health Officer, and the like (“Official Actions”), and if the provisions of any such Official Actions materially impact the terms of this Agreement, the provisions of those Official Actions shall govern.

a. In the event that such Official Actions make the services provided to the County under this Agreement illegal, unlawful, or contrary to public policy, County shall provide written notice to Contractor in the manner described herein, and County and Contractor mutually agree that this Agreement shall terminate as of the date of that Official Action, at no penalty to County. In such an event, County shall pay outstanding fees due to Contractor pro-rated from the date of the Official Action, along with all other remaining sums due to Contractor, within thirty (30) calendar days from the date of that Official Action.

b. The parties acknowledge that Contractor is providing the services for emergency purposes at the request of the County under the California Emergency Services Act (the “Act” (California Government Code §§ 8550 et seq.)). Pursuant to California Government Code §8655, the County and as such, is subject to certain immunities with respect thereto and shall not be liable for any claim based upon the exercise or performance, or the failure to exercise or perform, a discretionary function or duty on the part of the County or any employee of the County in carrying out the provisions of the Act.

c. CONTRACTOR acknowledges and agrees that this Agreement is subject to the federal Uniform Administrative Requirements, Cost principles and Audit Requirements for Federal Awards (**2 C.F.R. Part 200**), including the federal provisions attached hereto, and incorporated herein. Should there be any conflict between the provisions of this Agreement and Exhibit H, the terms and conditions in Exhibit H shall govern, unless the more restrictive provision herein is otherwise required to control as a condition of FEMA funding.

d. Should funding be allocated through American Rescue Plan Act (HHIP) (Title VI of the Social Security Act Section 602 et seq.), the COUNTY will administer and distribute those funds in accordance with HHIP. HHIP requires that payments from the Coronavirus Fiscal Recovery Fund be used to respond to the public health emergency or its negative economic impacts, to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay, provide government services to the extent the reduction of revenue due to COVID-19 public health emergency, and to make necessary investments in water, sewer or broadband infrastructure. It is effective beginning May 17, 2021 and ends on December 31, 2024.

2. **NON-DISCRIMINATION.** Contractor shall not be discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, religious creed, color, national origin,

ancestry, physical handicap, medical condition, marital status or sex in the performance of this Agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.) and all other applicable laws or regulations.

3. EQUAL EMPLOYMENT OPPORTUNITY/ FAIR EMPLOYMENT PRACTICES/ FEDERAL PROVISIONS. During the performance of this Agreement, the Contractor shall not deny benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. Contractor shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

- a. Contractor shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, Section 11000 et seq.), the provisions of Executive Order 11246 of Sept. 23, 1965 and of the rules, regulations, and relevant orders of the Secretary of Labor, the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.8), and of the rules, regulations or standards adopted by the County to implement such article.

- b. The Contractor shall comply with the provisions of the Copeland "Anti-Kickback" Act, 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this Agreement.

4. OTHER FEDERAL PROVISIONS. Contractor acknowledges and agrees that this Agreement is subject to the federal requirements for seeking FEMA reimbursements, including the federal provisions provided below.

#### 4.1 CLEAN AIR ACT.

The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. Section 7401 et seq.

The Contractor agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the California Governor's Office of Emergency Services, Federal Emergency Management Agency (FEMA), and the appropriate Environmental Protection Agency Regional Office.

The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

#### 4.2. FEDERAL WATER POLLUTION CONTROL ACT

The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. Sections 1251 et seq.

The Contractor agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency (FEMA), and the appropriate Environmental Protection Agency Regional Office.

The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

#### 4.3. DEBARMENT AND SUSPENSION CLAUSE

This Agreement is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the Contractor is required to verify that none of the Contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

This certification is a material representation of fact relied upon by the County. If it is later determined that the Contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the County, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

#### 4.4. BYRD ANTI- LOBBYING AMENDMENT, 31 U.S.C. § 1352 (AS AMENDED)

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the County.

#### APPENDIX A, 44 C.F.R. PART 18- CERTIFICATION REGARDING LOBBYING

The undersigned [Contractor] certifies, to the best of his or her knowledge, that:

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or

employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

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

C. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

CONTRACTOR

By \_\_\_\_\_  
Date \_\_\_\_\_

#### 4.5. PROCUREMENT OF RECOVERED MATERIALS

In the performance of this Agreement, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—

- i. Competitively within a timeframe providing for compliance with the contract performance schedule;
- ii. Meeting contract performance requirements; or
- iii. At a reasonable price.

Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>

The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

#### 4.6. ACCESS TO RECORDS

The following access to records requirements apply to this Agreement:

- i. The Contractor agrees to provide the County, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions.
- ii. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- iii. The Contractor agrees to provide the FEMA Administrator or his or her authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.
- iv. In compliance with the Disaster Recovery Act of 2018, the County and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

#### 4.7. DEPARTMENT OF HOMELAND SECURITY SEAL, LOGO, FLAGS

The Contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

#### 4.8. COMPLIANCE WITH FEDERAL LAW, REGULATIONS, AND EXECUTIVE ORDERS

This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The Contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

#### 4.9. NO OBLIGATION BY FEDERAL GOVERNMENT

The Federal Government is not a party to this Agreement and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

#### 4.10. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS

The Contractor acknowledges that 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this Agreement.

#### 4.11 FEDERAL PREVAILING WAGE

DAVIS-BACON ACT COMPLIANCE (applicable to construction contracts in excess of \$2,000 awarded by grantees and subgrantees when required by Federal grant program legislation)

To the extent required by any Federal grant programs applicable to expected funding or reimbursement expenses incurred in connection with the services provided under this Agreement, Contractor agrees to comply with the Davis-Bacon Act (40 U.S.C. §§ 3141-3144 and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5) as set forth below.

- A. The Contractor shall be bound to the provisions of the Davis-Bacon Act, and agrees to be bound by all the provisions of Labor Code section 1771 regarding prevailing wages. All labor on this project shall be paid neither less than the greater of the minimum wage rates established by the U.S. Secretary of Labor (Federal Wage Rates), or by the State of California Director of Department of Industrial Relations (State Wage Rates). Current DIR requirements may be found at <http://www.dir.ca.gov/lcp.asp>. Additionally, wages are required to be paid not less than once a week.
- B. The general prevailing wage rates may be accessed at the Department of Labor Home Page at [www.wdol.gov](http://www.wdol.gov). Under the Davis Bacon heading, click on "Selecting DBA WDs." In the drop down menu for State, select, "California." In the drop down menu for County, select "Riverside." In the drop down menu for Construction Type, make the appropriate selection. Then, click Search.

The Federal minimum wage rates for this project are predetermined by the United States Secretary of Labor. If there is a difference between the minimum wage rates predetermined by the Secretary of Labor and the general prevailing wage rates determined by the Director of the California DIR for similar classifications of labor, the Contractor and subcontractors shall pay not less than the higher wage rate. The County will not accept lower State wage rates not specifically included in the Federal minimum wage determinations. This includes "helper" (or other classifications based on hours of experience) or any other classification not appearing in the Federal wage determinations. Where Federal wage determinations do not contain the State wage rate determination otherwise available for use by the Contractor and subcontractors, the Contractor and subcontractors shall pay not less than the Federal minimum wage rate which most closely approximates the duties of the employees in question.

4.12. CONTRACT WORK HOURS AND SAFETY STANDARDS (applicable to all contracts in excess of \$100,000 that involve the employment of mechanics or laborers, but not to purchases of

supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence)

- A. Compliance: Contractor agrees that it shall comply with Sections 3702 and 3704 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701–3708) as supplemented by Department of Labor regulations (29 CFR Part 5), which are incorporated herein.
- B. Overtime: No contractor or subcontractor contracting for any part of the work under this Agreement which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- C. Violation; liability for unpaid wages; liquidated damages: In the event of any violation of the provisions of paragraph B of this section, the Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph B, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by paragraph B.
- D. Withholding for unpaid wages and liquidated damages: Contractor shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set for in paragraph C of this section.
- E. Subcontracts: The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs A through D of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs A through D of this section.

4.13. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT— Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by HUD.

414. RIGHTS TO DATA AND COPYRIGHTS – Contractors and consultants agree to comply with all applicable provisions pertaining to the use of data and copyrights pursuant to 48 CFR Part 27.4, Federal Acquisition Regulations (FAR).

#### 4.15. PROHIBITION ON CONTRACTING FOR COVERED TELECOMMUNICATIONS EQUIPMENT OR SERVICES

(a) Definitions. As used in this clause, the terms backhaul; covered foreign country; covered telecommunications equipment or services; interconnection arrangements; roaming; substantial or essential component; and telecommunications equipment or services have the meaning as defined in FEMA Policy, #405-143-1 Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services As used in this clause—

##### (b) Prohibitions.

(1) Section 889(b) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232, and 2 C.F.R. § 200.216 prohibit the head of an executive agency on or after Aug.13, 2020, from obligating or expending grant, cooperative agreement, loan, or loan guarantee funds on certain telecommunications products or from certain entities for national security reasons.

(2) Unless an exception in paragraph (c) of this clause applies, the contractor and its subcontractors may not use grant, cooperative agreement, loan, or loan guarantee funds from the Federal Emergency Management Agency to:

(i) Procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;

(ii) Enter into, extend, or renew a contract to procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;

(iii) Enter into, extend, or renew contracts with entities that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system; or (iv) Provide, as part of its performance of this contract, subcontract, or other contractual instrument, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. Page 9

##### (c) Exceptions.

(1) This clause does not prohibit contractors from providing—

a. A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

b. Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

- (2) By necessary implication and regulation, the prohibitions also do not apply to:
- a. Covered telecommunications equipment or services that:
    - i. Are not used as a substantial or essential component of any system;
    - and
    - ii. Are not used as critical technology of any system.
  - b. Other telecommunications equipment or services that are not considered covered telecommunications equipment or services.

(d) Reporting requirement.

(1) In the event the contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the contractor is notified of such by a subcontractor at any tier or by any other source, the contractor shall report the information in paragraph (d)(2) of this clause to the recipient or subrecipient, unless elsewhere in this contract are established procedures for reporting the information.

(2) The Contractor shall report the following information pursuant to paragraph (d)(1) of this clause:

(i) Within one business day from the date of such identification or notification: The contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: Any further available information about mitigation actions undertaken or recommended. In addition, the contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services. Page 10

(e) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (e), in all subcontracts and other contractual instruments.

#### 4.16 REPORTING OF MATTERS RELATED TO RECIPIENT INTEGRITY AND PERFORMANCE

##### 1. General Reporting Requirement

If the total value of your currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then you as the recipient during that period of

time must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under section 872 of [Public Law 110-417](#), as amended ([41 U.S.C. 2313](#)). As required by section 3010 of [Public Law 111-212](#), all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

## 2. Proceedings About Which You Must Report

Submit the information required about each proceeding that:

a. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;

b. Reached its final disposition during the most recent five-year period; and

c. Is one of the following:

(1) A criminal proceeding that resulted in a conviction, as defined in paragraph 5 of this award term and condition;

(2) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;

(3) An administrative proceeding, as defined in paragraph 5. of this award term and condition, that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000; or

(4) Any other criminal, civil, or administrative proceeding if:

(i) It could have led to an outcome described in paragraph 2.c.(1), (2), or (3) of this award term and condition;

(ii) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and

(iii) The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

## 3. Reporting Procedures

Enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph 2 of this award term and condition. You do not need to submit the information a second time under assistance awards that you received if you already provided the information through SAM because you were required to do so under Federal procurement contracts that you were awarded.

#### 4. Reporting Frequency

During any period of time when you are subject to the requirement in paragraph 1 of this award term and condition, you must report proceedings information through SAM for the most recent five year period, either to report new information about any proceeding(s) that you have not reported previously or affirm that there is no new information to report. Recipients that have Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than \$10,000,000 must disclose semiannually any information about the criminal, civil, and administrative proceedings.

#### 5. Definitions

For purposes of this award term and condition:

- a. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (*e.g.*, Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.
- b. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of *nolo contendere*.
- c. Total value of currently active grants, cooperative agreements, and procurement contracts includes -
  - (1) Only the Federal share of the funding under any Federal award with a recipient cost share or match; and
  - (2) The value of all expected funding increments under a Federal award and options, even if not yet exercised.