

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



ITEM: 3.11  
(ID # 18343)

**MEETING DATE:**  
Tuesday, March 08, 2022

**FROM :** HOUSING AND WORKFORCE SOLUTIONS:

**SUBJECT:** HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Form of Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds for the March Veterans Village (MVV) Building #1 in the March Air Reserve Base and Authorize the Director of HWS to Execute a Form of the ARPA Loan Agreement, Covenant Agreement and Subsequent Subordination Agreement; District 5. [\$1,900,000 – 100% Federal ARPA Funds](4/5 Vote Required)

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

1. Find, in its independent judgment and analysis as a Responsible Agency under California Environmental Quality Act (CEQA) in issuing certain limited approvals, after it reviewed and considered the information in the previously adopted United States Vets Transitional Housing Specific Plan (SP-6), Addendum to the March LifeCare Campus Specific Plan Final Environmental Impact Report (SCH#2008071021) and associated documents by the March Joint Powers Authority, as lead agency, filed on November 16, 2011 for the March Veterans Village Building #1 (Project), that as to those potential environmental impacts within the County's powers and authorities as responsible agency concerning the American Rescue Plan Act (ARPA) funding for the Project and certification associated therewith, any potentially significant environmental effects have been adequately analyzed and nothing further is required under CEQA;

Continued on page 2

**ACTION:Policy, 4/5 Vote Required**

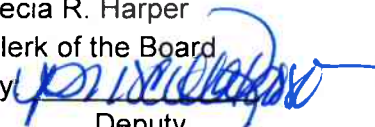
  
Heidi Marshall, Director 2/16/2022

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**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: March 8, 2022  
xc: HWS

Kecia R. Harper  
Clerk of the Board  
By   
Deputy

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

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

2. Approve the attached form of Loan Agreement for the Use of ARPA Funds, including all attachments thereto (ARPA Loan Agreement), between the County of Riverside and U.S. Vets – MVV Building 1, LLC, a California limited liability company and affiliate of U.S. Vets Housing Corporation, a California nonprofit public benefit corporation, providing a loan derived from the ARPA Allocation in the amount of \$1,900,000 (ARPA Loan), to be used to pay a portion of the construction costs for an affordable housing project for homeless and at-risk veterans in the unincorporated area of the County of Riverside;
3. Approve the attached forms of ARPA Loan Leasehold Deed of Trust and Assignment of Rents, ARPA Loan Promissory Note and ARPA Covenant Agreement;
4. Authorize the Director of the Housing and Workforce Solutions (HWS), or designee, to execute the ARPA Loan Agreement and ARPA Covenant Agreement conforming in form and substance to the attached ARPA Loan Agreement and ARPA Covenant Agreement, subject to approval as to form by County Counsel;
5. Authorize the Director of the HWS, or designee, to take all necessary steps to implement the ARPA Loan Agreement and Subordination Agreements, including but not limited to, signing subsequent necessary and relevant documents, subject to approval as to form by County Counsel; and
6. Approve and direct the Auditor-Controller to make the budget adjustment as detailed in the attached Schedule A.

<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>	\$1,900,000	\$ 0	\$1,900,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> American Rescue Plan Act (ARPA) Funds (100%)			<b>Budget Adjustment:</b>	Yes
			<b>For Fiscal Year:</b>	2021/22

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

**BACKGROUND:**

**Summary**

U.S.VETS Housing Corporation, a California nonprofit public benefit corporation (U.S.VETS), has a mission to successfully transition military veterans and their families through the provision of housing, counseling, career development and comprehensive support.

U.S.VETS - through its affiliate U.S.VETS – MVV Building 1, LLC, a California limited liability company - is proposing to utilize \$1,900,000 in American Rescue Plan Act (ARPA) funds allocated from California's direct allocation of federal ARPA funds (ARPA Loan) as part of the American Rescue Plan Act of 2021 (H.R. 1319) to provide housing and services to qualified homeless veteran individuals at risk of homelessness, or experiencing housing insecurity at March Veterans Village Building #1 located at 15301 6th Street, March Air Reserve Base, CA 92518, also identified as Assessor's Parcel Number (APN) 909-619-699 in the County of Riverside. If approved, the ARPA Loan will be evidenced by a Promissory Note in favor of the County (ARPA Loan Note), which would be secured by a Leasehold Deed of Trust with

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Assignment of Rents for the benefit of the County (ARPA Loan Leasehold Deed of Trust). The proposed ARPA Loan Leasehold Deed of Trust and ARPA Loan Note are exhibits to the Loan Agreement attached hereto. The County ARPA funds will be provided in the form of a deferred loan, no payments will be made, and the loan will be forgiven after 55 years if U.S.VETS remains in compliance with the County ARPA Loan and Covenant Agreement.

On October 19, 2021, the Board of Supervisors allocated \$50,000,000 for the purpose of addressing homelessness through development of affordable housing and providing shelter. The \$50,000,000 allocated by the Board will be further divided into five \$10,000,000 investments to each Supervisorial District. The funding allocated by the Board was funding the County expects to receive as part of the American Rescue Plan Act of 2021 (Pub. L 117-2). These funds are to focus on projects and/or programs that serve as a pathway to transition into permanent housing with the necessary supporting infrastructure. The allowable uses of ARPA funds include increasing transitional housing.

The proposed project will provide permanent supportive housing for Veterans. The development will consist of 15 2-bedroom units or 30 SRO (single room occupancy) units with individual leases and one 1-bedroom unit for an on-site manager (Proposed Project). A total 15 SRO units will be restricted as ARPA-assisted units for occupancy and rent by individuals whose incomes are at or below 50% of the area median income for the County of Riverside. A total 7 SRO units will be restricted as ARPA-assisted units for occupancy and rent by individuals whose incomes are at or below 80% of the area median income for the County of Riverside. The remaining four 2-bedroom units or 8 SRO units will be reserved under contract with the Veterans Administration (VA) for 16 transitional housing beds for homeless veterans whose incomes are at or below 50% of the area median income for the County of Riverside. The use and occupancy of the ARPA-assisted units will be restricted until the later to occur of (i) July 1, 2078, or (ii) 55 years from the recordation of the Covenant Agreement. The aforementioned use and occupancy restrictions will be set forth in a recorded ARPA Covenant Agreement (see attached).

All units will have individual bathrooms and kitchens. Each kitchen will include a sink, refrigerator, storage, and range/oven combination. Other features include a resident lounge, computer room, patio, as well as on-site offices for residential staff and case managers. On-site services include case management, crisis intervention, career development, job training, emergency food, clothing, life skills related workshops, mainstream benefits acquisition, legal assistance, child support resolution, financial management assistance, peer mentoring, medical and mental health care coordination including substance abuse treatment, counseling, and overall comprehensive support.

The total development cost for the Proposed Project is estimated to be \$10,555,960 which will be funded in part by the ARPA Loan, \$300,000 grant from Home Depot and a \$8,317,425 grant from March Joint Powers Authority (JPA). U.S.VETS has a 75-year lease with the JPA for the project site and the County Covenant Agreement will be recorded on the leasehold to preserve

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affordability of the Proposed Project for 55 years. The terms of the proposed ARPA Loan and obligations of U.S.VETS and the County are memorialized in the proposed Loan Agreement for the Use of ARPA Funds, including all exhibits, attached hereto (ARPA Loan Agreement).

Staff recommends approval of ARPA funds for the Project to pay construction costs for the Project.

Any potential significant environmental effects within the County's powers and authorities as Responsible Agency concerning the American Rescue Plan Act (ARPA) funding for the Proposed Project have been adequately analyzed and addressed by the March Joint Powers Authority, as Lead Agency filed on November 16, 2011. An Addendum to the March LifeCare Campus Specific Plan Final Environmental Impact Report (SCH#2008071021) was approved pursuant to State CEQA Guidelines sections 15162 and 15164(a), including the approval of the United States Vets Transitional Housing Specific Plan (SP-6) found consistent with, and analyzed in, the 2009 March LifeCare Campus Specific Plan Final Environmental Impact Report (SCH#2008071021). Pursuant to State CEQA Guidelines Section 15162 nothing further is required under CEQA.

County Counsel has reviewed and approved as to form the attached form of the Loan Agreement for the Use of ARPA Funds, form of the ARPA Loan Leasehold Deed of Trust, form of the ARPA Loan Promissory Note, and form of the ARPA Covenant Agreement. Staff recommends that the Board approve forms of the Loan Agreement for the Use of ARPA funds, ARPA Loan Leasehold Deed of Trust, ARPA Loan Promissory Note, and ARPA Covenant Agreement.

**Impact on Citizens and Businesses**

The construction of the property at 15301 6th Street, March Air Reserve Base will have a positive impact on residents and businesses as it will provide needed affordable housing and mitigate health and safety issues affecting the property making it a decent and safe place for veterans to live. 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 American Rescue Plan Act (ARPA) funds allocated from California's direct allocation of federal ARPA funds.

Attachments:



**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
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- Form of the Loan Agreement for the Use of ARPA Funds, including all exhibits Forms of the ARPA Loan Leasehold Deed of Trust, ARPA Loan Promissory Note and ARPA Covenant Agreement
- Schedule A

  
\_\_\_\_\_  
Heydee Koury, Sr Accountant - Auditor 3/2/2022

  
\_\_\_\_\_  
Erianna Lontajo, Principal Management Analyst 3/2/2022

  
\_\_\_\_\_  
Gregory V. Priamos, Director County Counsel 2/24/2022

SCHEDULE A  
Housing and Workforce Solutions  
Budget Adjustment  
Fiscal Year 2021/2022  
County of Riverside ARPA Loan

Increase Appropriations:

21735-5501000000-536200	Contrib. To Non-County Agency	\$	1,900,000
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Increase Estimated Revenues:

21735-5501000000-763520	Fed-American Rescue Plan Act	\$	1,900,000
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**Form of the Loan Agreement for  
the Use of ARPA Funds, including  
all exhibits Forms of the ARPA  
Loan Leasehold Deed of Trust,  
ARPA Loan Promissory Note and  
ARPA Covenant Agreement**

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: Juan Garcia

13 **SPACE ABOVE THIS LINE FOR RECORDER'S USE**

14 **LOAN AGREEMENT FOR THE USE OF**  
15 **AMERICAN RESCUE PLAN ACT (ARPA) FUNDS**

16 This LOAN AGREEMENT FOR THE USE OF AMERICAN RESCUE PLAN ACT FUNDS  
17 (“Agreement”) is made and entered into this \_\_\_\_\_ day of February, 2022 by and between  
18 the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”)  
19 and U.S.VETS - MVV BUILDING 1, LLC, a California limited liability company  
20 (“BORROWER”). COUNTY and BORROWER may be individually referred to herein as a  
21 “Party” and collectively as the “Parties.” This Agreement, for the use of funding under the  
22 American Rescue Plan Act of 2021 (Title VI of the Social Security Act Section 602 et seq.),  
23 hereinafter “ARPA,” or “Act” is made and entered into as of the Effective Date (defined herein).

24 WITNESSETH:

25 WHEREAS, ARPA provides that ARPA funds may be used to cover costs that are  
26 necessary expenditures incurred due to the public health emergency with respect to the COVID-  
27 19 pandemic; and

28 WHEREAS, on October 19, 2021, via Minute Order 3.5, the Board of Supervisors of the  
County of Riverside approved allocating \$50,000,000 in ARPA funds to increase shelter  
capacity, permanent supportive housing units and affordable housing to help address  
homelessness; and

1           WHEREAS, BORROWER is proposing to utilize ARPA funds for the development of a  
2 third building of BORROWER's March Veterans Village in the County of Riverside. ARPA  
3 funds will be used for the purpose of financing construction of thirty (30) Single Room  
4 Occupancy ("SRO") units; a total of fifteen (15) SRO units will be restricted as ARPA-assisted  
5 units for occupancy and rent by individuals whose incomes are at or below 50% of the area  
6 median income for the County of Riverside and a total of seven (7) SRO units will also be  
7 restricted as ARPA-assisted units for occupancy and rent by individuals whose incomes are at  
8 or below 80% of the area median income for the County of Riverside (the "Project"). The  
9 Project will be located at 15301 6th Street, Riverside, CA 92518, also identified as Assessor's  
10 Parcel Number ("APN") 909-619-699 and as further set forth in the legal description attached  
11 hereto and incorporated as herein as Exhibit A (the "Property"). It is anticipated that the  
12 remaining SRO units will provide beds for transitional housing for homeless veterans under  
13 contract with the Veterans Administration ("VA") who are at or below 50% of the area median  
14 income of the County of Riverside. The Project will provide permanent supportive housing for  
15 veterans, including a full suite of support services designed to end individual's homelessness and  
16 build foundation skills needed to ensure self-sufficiency; and

17           WHEREAS, the purpose of this Agreement is, among other things, for COUNTY to  
18 provide financial assistance to BORROWER in the maximum amount of One Million Nine  
19 Hundred Thousand Dollars (\$1,900,000.00) consisting of ARPA funds, to fund the Project as  
20 more fully described herein; and

21           WHEREAS, the ARPA-assisted activities described herein comply with the objectives  
22 required under the ARPA in that they are necessary to assist populations experiencing food and  
23 housing insecurity as result of impacts due do to the COVID-19 public health emergency.

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

- 27           1.     PURPOSE. The aforementioned Recitals are true and correct and incorporated

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1 herein by this reference. COUNTY has agreed to lend up to a maximum total amount of One  
2 Million Nine Hundred Thousand Dollars (\$1,900,000.00) in ARPA funds (the “ARPA Loan”)  
3 to BORROWER upon the satisfaction of the terms and conditions set forth herein, including but  
4 not limited to the conditions precedent to distribution of the ARPA Loan set forth in **Section 11**  
5 below. Subject also to **Sections 48** and **49** below, BORROWER shall undertake and complete  
6 the ARPA activities required herein and as set forth in **Exhibits A and A-1**, and shall utilize the  
7 ARPA Loan, as required herein and pursuant to the ARPA Final Rule that become effective  
8 April 1, 2022. March Veterans Village will serve veterans that are experiencing homelessness,  
9 at risk of homelessness, or experiencing housing insecurity (“**Qualified Population(s)**”).

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

- 13 a. Satisfy the conditions precedent to distribution of the ARPA Loan set forth in  
14 **Section 11** below.
- 15 b. Fund the Project in accordance with the timeline set forth in **Exhibit A and A-**  
16 **1.**
- 17 c. Operate the Project in such a manner so that it will remain available to  
18 **Qualified Populations** for the Affordability Period as defined in **Section 14**  
19 below without regard to (i) the term of the promissory note or (ii) transfer of  
20 ownership.
- 21 d. Maintain the Project in compliance with applicable local, state, federal laws,  
22 codes and regulations as further described in **Section 17** below until the  
23 expiration of the Term of this Agreement set forth in **Section 6** below, and the  
24 Affordability Period set forth in **Section 14** below.

25 3. **RESERVED.**

26 4. **ARPA LOAN.** Subject to BORROWER’s satisfaction of the conditions precedent  
27 to disbursement of the ARPA Loan set forth in **Section 11** below, COUNTY shall provide  
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1 financing to BORROWER in the form of a loan in the amount of \$1,900,000.00 (“ARPA  
2 Loan”), pursuant to the following terms and conditions:

3 a. Term of ARPA Loan. The maturity date of the ARPA Loan shall be the later  
4 to occur of (i) July 1, 2077 or (ii) fifty-five (55) years from the recordation of  
5 the Covenant Agreement in the Official Records for the Project (the “ARPA  
6 Loan Term”). The term, “Official Records” used herein shall mean the  
7 Official Records of the Recorder’s Office of the County of Riverside.

8 b. Principal. The total amount of the ARPA Loan shall not exceed  
9 \$1,900,000.00, and shall be evidenced by a Promissory Note, substantially  
10 conforming in form and substance to the Promissory Note attached hereto and  
11 incorporated herein as Exhibit C (the “ARPA Note”), which note shall be  
12 secured by a Leasehold Deed of Trust, Security Agreement and Fixture Filing  
13 (with Assignment of Rents), substantially conforming in form and substance  
14 to the Leasehold Deed of Trust, Security Agreement and Fixture Filing (with  
15 Assignment of Rents) attached hereto and incorporated herein as Exhibit B  
16 (the “ARPA Deed of Trust”).

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

18 d. Repayment. The terms of the ARPA Note shall be as follows:

19 i. That the ARPA Loan will accrue simple interest at a rate of zero  
20 percent (0%) per annum, as more specifically set forth in the ARPA  
21 Note.

22 ii. The ARPA Note shall be deferred and forgiven at the end of the Term  
23 of the Agreement if BORROWER has complied with the terms of the  
24 ARPA Loan.

25 iii. Security. The Covenant Agreement, ARPA Deed of Trust and this  
26 Agreement shall be respectively in a first, second and third lien priority  
27 position for the benefit of COUNTY, securing a loan in the amount of  
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\$1,900,000.00 (the “ARPA Loan”).

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

5. PRIOR COUNTY APPROVAL.

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

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

6. TERM OF AGREEMENT. This Agreement shall become effective upon the Effective Date, as defined in **Section 55** below, and unless terminated earlier pursuant to the terms hereof, shall continue in full force and effect until the later to occur of (i) [ ] 1, 2077 or (ii) fifty-five (55) years from recordation of the Covenant Agreement in the Official Records for the Project (the “Term of Agreement”).

7. BORROWER’S REPRESENTATIONS. BORROWER represents and warrants to COUNTY as follows:

a. Authority. BORROWER has full right, power and lawful authority to enter

1 into this Agreement and accept the ARPA Loan and undertake all obligations  
2 as provided herein. The execution, performance, and delivery of this  
3 Agreement by BORROWER have been fully authorized by all requisite  
4 actions on the part of BORROWER.

5 b. No Conflict. To the best of BORROWER's knowledge, BORROWER's  
6 execution, delivery and performance of its obligations under this Agreement  
7 will not constitute a default or a breach under contract, agreement or order to  
8 which BORROWER is a party or by which it is bound.

9 c. No Bankruptcy. BORROWER is not the subject of a bankruptcy proceeding.

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

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

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

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

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

25 11. CONDITIONS PRECEDENT TO DISTRIBUTION OF ARPA LOAN FUNDS.  
26 COUNTY, through its Department of HWS, shall: (1) Disburse ARPA Loan funds directly into  
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1 escrow for the Project purposes. COUNTY shall not disburse any ARPA Loan funds pursuant  
2 to this Agreement until the following conditions precedent have been satisfied:

- 3 a. BORROWER executes this Agreement and delivers to COUNTY for  
4 recordation in the Official Records;
- 5 b. BORROWER provides COUNTY with evidence of insurance as required  
6 herein;
- 7 c. BORROWER executes the ARPA Deed of Trust, substantially conforming in  
8 form and substance to the Leasehold Deed of Trust, Security Agreement and  
9 Fixture Filing (with Assignment of Rents) attached hereto as **Exhibit B**, in  
10 recordable form, and delivers such document to the County of Riverside for  
11 recordation in the Official Records;
- 12 d. BORROWER executes the ARPA Note, substantially conforming in form and  
13 substance to the Promissory Note attached hereto as **Exhibit C** and delivers to  
14 COUNTY;
- 15 e. BORROWER executes the Covenant Agreement, substantially conforming in  
16 form and substance to the Covenant Agreement attached hereto and  
17 incorporated herein as **Exhibit F**, in recordable form, and delivers to the  
18 County of Riverside for recordation in the Official Records;
- 19 f. COUNTY executes and records the Requests for Notice of Default,  
20 conforming in form and substance to **Exhibit G** attached hereto;
- 21 g. BORROWER provides, at its expense, an American Land Title Association  
22 (ALTA) lender's policy in favor of COUNTY, insuring the Covenant  
23 Agreement as a first priority lien against the property and the ARPA Deed of  
24 Trust as a second priority leasehold lien against the Property, junior only to  
25 any later senior liens on the Property, with the exception of the Covenant  
26 Agreement;
- 27 h. BORROWER is not in default under the terms of this Agreement or any other  
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1 agreement related to the financing of the Project;

2 i. If Davis Bacon and/or prevailing wages are required to be paid, BORROWER  
3 hires a qualified professional firm to review and monitor Davis Bacon and/or  
4 prevailing wage compliance for all submissions of contractors certified  
5 payrolls to COUNTY. In the event that the Project requires prevailing wages,  
6 BORROWER shall comply with, and shall require its contractors and  
7 subcontractors performing work on the Project, to pay prevailing wages, use a  
8 skilled and trained workforce, and adhere to any applicable labor regulations  
9 and all State laws in connection with the construction of the Project, including  
10 but not limited to Chapter 1 (commencing with Section 1720) of Part 7 of  
11 Division 2 of the Labor Code, and Chapter 2.9 (commencing with Section  
12 2600) of Part 1 of Division 2 of the Public Contract Code. BORROWER  
13 agrees and acknowledges that it is the responsibility of BORROWER to obtain  
14 a legal determination, at BORROWER's sole cost and expense, as to whether  
15 prevailing wages must be paid during the construction of the Project. If the  
16 Project is subject to prevailing wages, then BORROWER shall be solely  
17 responsible to pay its contractors and subcontractors the required prevailing  
18 wage rates. BORROWER agrees to indemnify, defend, and hold COUNTY  
19 harmless from and against any and all liability arising out of and related to  
20 BORROWER's failure to comply with any and all applicable Davis Bacon  
21 and/or prevailing wage requirements;

22 j. BORROWER agrees to verify that BORROWER, and its principals, or any/all  
23 persons, contractors, consultants, businesses, etc. ("Developer Associates"),  
24 that BORROWER is conducting business with, are not presently debarred,  
25 proposed for debarment, suspended, declared ineligible, or voluntarily  
26 excluded from participation or from receiving federal contracts or federally  
27 approved subcontracts or from certain types of federal financial and  
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1 nonfinancial assistance and benefits with the Excluded Parties Listing System  
2 (“EPLS”). EPLS records are located at www.sam.gov; and

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

9 BORROWER agrees to submit the following documentation to COUNTY, 180 days from  
10 close of escrow:

- 11 1) Service Plan;
- 12 2) Management Plan; and
- 13 3) Funding commitments and sources and uses for the proposed modifications to  
14 the existing buildings for the proposed intended use.

15 12. REALLOCATION OF FUNDS. If BORROWER fails to utilize the Project funds  
16 by [\_\_\_\_\_ 1, 2022], then escrow shall be instructed to return the ARPA Loan funds back to  
17 the COUNTY after at least ten (10) days’ prior written notice to BORROWER. Upon such  
18 reallocation and repayment of funds, this Agreement shall be terminated and be of no further  
19 force and effect and BORROWER shall be released and discharged from any obligations  
20 hereunder, except as to those obligations which by their terms survive termination of this  
21 Agreement.

22 13. DISTRIBUTION OF FUNDS. COUNTY’S Board of Supervisors shall determine  
23 the final disbursement and distribution of all funds received by COUNTY under the ARPA.  
24 Disbursement of ARPA funds shall occur upon the satisfaction of conditions set forth in **Section**  
25 **11**. COUNTY shall deposit the sum specified in **Section 1** into escrow upon receipt of escrow  
instructions and wire.

26 14. TERMS OF AFFORDABILITY. The COUNTY ARPA-Assisted Units shall  
27 remain occupied and available to Qualified Populations, pursuant to **Section 18** below, **Exhibit**  
28

1 A, and the Covenant Agreement attached hereto as **Exhibit F**, until the later of (i) fifty-five (55)  
2 years from the recordation of the Covenant Agreement in the Official Records, or (ii)  
3 [ ] 1, 2077 (“**Affordability Period**”).

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

8 a. **Builder’s All Risk (Course of Construction) Insurance**. BORROWER shall  
9 cause 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 BORROWER, General Contractor and every subcontractor, of every tier, for  
14 the 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. BORROWER  
25 shall require that General Contractor shall be responsible for any and all  
26 deductibles under such policy. Upon request by COUNTY, BORROWER, on  
27 behalf of General Contractor, shall declare all terms, conditions, coverages and  
28

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

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

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

1 d. Vehicle Liability Insurance. If vehicles or mobile equipment are used in the  
2 performance of the obligations under this Agreement, then BORROWER 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) BORROWER, or Borrower 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, BORROWER's or General  
26 Contractor's, as applicable, carriers shall either: (a) reduce or eliminate  
27 such self-insured retention as respects this Agreement with COUNTY,  
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1 or (b) procure a bond which guarantees payment of losses and related  
2 investigations, claims administration, and defense costs and expenses.

3 (iii) BORROWER shall cause BORROWER'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. BORROWER shall not commence  
20 operations until COUNTY has been furnished Certificate(s) of  
21 Insurance and copies of endorsements and if requested, copies of  
22 policies of insurance including all endorsements and any and all other  
23 attachments as required in this Section. An individual authorized by  
24 the insurance carrier on its behalf shall sign the original endorsements  
25 for each policy and the Certificate of Insurance.

26 (iv) It is understood and agreed to by the parties hereto that BORROWER'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 BORROWER has become  
13 inadequate.

14 (vi) BORROWER shall pass down the insurance obligations contained  
15 herein 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) BORROWER agrees to notify COUNTY of any claim by a third  
19 party or any incident or event that may give rise to a claim arising from  
20 the performance of this Agreement.

21 16. FINANCIAL AND PROJECT RECORDS. BORROWER shall maintain financial,  
22 programmatic, statistical, and other supporting records of its operations and financial activities  
23 sufficient to establish compliance with subsection 601(d) of the Social Security Act, as amended,  
24 (42 U.S.C. 801(d)), in accordance with the requirements of the ARPA, and the regulations as  
25 amended and promulgated thereunder, which records shall be open to inspection and audit by  
26 authorized representatives of COUNTY, the California Department of Finance, and the United  
27 States Department of the Treasury Office of Inspector General, during regular working hours.  
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1 COUNTY, state, and federal representatives have the right of access, with at least forty-eight (48)  
2 hours prior notice, to any pertinent books, documents, papers, or other records of BORROWER,  
3 in order to make audits, examinations, excerpts, and transcripts. Said records shall be retained  
4 for such time as may be required by the ARPA, but in no event no less than five (5) years after  
5 the Project completion date as evidenced by recordation of the Notice of Completion, or after  
6 final payment is made, whichever is later, to support reported expenditures and to participate in  
7 COUNTY, state, and federal audits; except that records of individual income verifications, project  
8 rents, and project inspections must be retained for the most recent five (5) year period, until five  
9 (5) years after the Affordability Period terminates. If any litigation, claim, negotiation, audit, or  
10 other action has been started before the expiration of the regular period specified, the records must  
11 be retained until completion of the action and resolution of all issues which arise from it, or until  
12 the end of the regular period, whichever is later.

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

- 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). BORROWER will not discriminate against any employee or  
21 applicant for employment because of race, color, religion, sex, or national  
22 origin. BORROWER shall ensure that all qualified applicants will receive  
23 consideration for employment without regard to race, color, religion, sex or  
24 national origin. BORROWER 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. BORROWER 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 grant activity and all BORROWERS 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  
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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.

19 m. *Access to Records and Records Retention*: BORROWER 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  
23 BORROWER or Contractor, and any sub-consultants or sub-contractors, that  
24 are directly pertinent to a specific program for the purpose of making audits,  
25 examinations, excerpts, and transcriptions. BORROWER 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, BORROWER 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. BORROWER must  
10 adopt 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 BORROWER must adhere to in order  
17 to carry out the affirmative marketing procedures and requirements  
18 (e.g., use of commercial media, use of community contacts, use of the  
19 Equal Housing Opportunity logotype or slogan, and display of fair  
20 housing poster).

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



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

4 (v) A description of how BORROWER 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) BORROWER 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  
14 BORROWER with such persons or entities, public and private, in order  
15 to facilitate the activities of COUNTY to provide affordable housing  
16 authorized under this Act or any other Federal housing law. Section 24  
17 CFR 85.36(e) provided affirmative steps to assure that minority  
18 business enterprises and women business enterprises are used when  
19 possible in the procurement of property and services. The steps  
20 include:

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

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

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

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

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

10 (6) Requiring the prime contractor, if subcontracts are to be let, to  
11 take the affirmative steps listed in (1) through (5) above of this  
12 Section.

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

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

24 u. Labor. Every contract for the construction of housing that includes twelve (12)  
25 or more units assisted with ARPA funds must contain a provision requiring the  
26 payment of not less than the wages prevailing in the locality, as predetermined  
27 by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-  
28

1 276a-5), to all laborers and mechanics employed in the development of any  
2 part of the housing. Such contracts must also be subject to the overtime  
3 provisions, as applicable, of the Contract Work Hours and Safety Standards  
4 Act (40 U.S.C. 327-332). BORROWER must apply most current wage rate  
5 determination at the date of execution of this Agreement.

6 v. Model Energy Code published by the Council of American Building Officials.

7 w. Consultant Activities. No person providing consultant services in an employer-  
8 employee type relationship shall receive more than a reasonable rate of  
9 compensation for personal services paid with ARPA funds.

10 x. Uniform Administrative Requirements of 2 CFR Part 200 as now in effect and  
11 as may be amended from time to time. Federal awards expended as a recipient  
12 or a subrecipient, as defined therein, would be subject to single audit. The  
13 payments received for goods or services provided as a vendor would not be  
14 considered Federal awards.

15 y. BORROWER shall include written agreements that include all provisions of  
16 **Section 17** if BORROWER provides ARPA funds to for-profit owners or  
17 developers, non-profit owners or developers, sub-recipients, homeowners,  
18 homebuyers, tenants receiving tenant-based rental assistance, or contractors.

19 z. Immigration requirements of Federal Register, Vol. 62, No. 221, Department  
20 of Justice Interim Guidance on Verification of Citizenship, Qualified Alien  
21 Status and Eligibility Under Title IV of the Personal Responsibility and Work  
22 Opportunity Reconciliation Act of 1996 ("PRWORA"). Final Attorney  
23 General's Order issued pursuant to PRWORA is specified under Federal  
24 Register Vol. 66, No. 10, Department of Justice Final Specification of  
25 Community Programs Necessary for Protection of Life or Safety Under Welfare  
26 Reform Legislation.

1 aa. BORROWER shall comply with all applicable local, state and federal laws in  
2 addition to the above-mentioned laws.

3 18. PROJECT TARGETING REQUIREMENTS. BORROWER shall make the  
4 Project available to homeless veteran individuals at risk of homelessness, or experiencing housing  
5 insecurity (“**Qualified Populations**”). If the Project is not used to provide shelter and services to  
6 the Qualified Populations, then COUNTY and BORROWER mutually agree that this Agreement  
7 will self-terminate and any ARPA Loan funds drawn shall be returned within thirty (30) calendar  
8 days. Upon such termination, this Agreement shall become null and void. COUNTY and  
9 BORROWER shall be released and discharged respectively from their obligations under this  
10 Agreement. All cost incurred by each party on the Project will be assumed respectively.

11 If BORROWER intends to use the Project for a use other than to provide shelter and  
12 services to the Qualified Populations, BORROWER shall utilize the Property for another ARPA-  
13 Eligible Activity. BORROWER shall provide COUNTY with sixty (60) days’ notice of  
14 conversion for another ARPA-Eligible Activity. The approval of the alternate ARPA- Eligible  
15 Activity shall not be unreasonably withheld by COUNTY. If the Project is not used to provide  
16 shelter and services to the Qualified Populations and BORROWER does not intend to use the  
17 Property for another ARPA-Eligible Activity, then COUNTY and BORROWER mutually agree  
18 that this Agreement will self-terminate and any ARPA Loan funds drawn shall be returned within  
19 thirty (30) calendar days. Upon such termination, this Agreement shall become null and void.  
20 COUNTY and BORROWER shall be released and discharged respectively from their obligations  
21 under this Agreement. All cost incurred by each party on the Project will be assumed respectively.

22 19. INTENTIONALLY OMITTED

23 20. INTENTIONALLY OMITTED.

24 21. FEDERAL REQUIREMENTS. BORROWER shall comply with the provisions of  
25 the ARPA and any amendments thereto and all applicable federal regulations and guidelines now  
26 or hereafter enacted pursuant to the Act in addition to the federal provisions attached hereto as  
27 **Exhibit I.**

1           22.    SALE, ASSIGNMENT OR OTHER TRANSFER OF THE PROJECT.

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

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

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

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

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

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

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

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

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

11 25. PROHIBITION AGAINST CONFLICTS OF INTEREST:

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

5 d. Any violation of this Section shall be deemed a material breach of this  
6 Agreement, and the Agreement shall be immediately terminated by COUNTY.

7 26. INTENTIONALLY OMITTED.

8 27. PROJECT MONITORING AND EVALUATION.

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

23 28. MONITORING FEE. BORROWER shall not be required to pay an annual  
24 compliance monitoring fee to the COUNTY.

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

2 30. EVENTS OF DEFAULT. The occurrence of any of the following events, after  
3 the expiration of any applicable notice and cure periods, shall constitute an “**Event of Default**”  
4 under this Agreement:

5 a. Monetary Default. (1) BORROWER’s failure to pay when due any sums  
6 payable under this Agreement, the Covenant Agreement, the ARPA Note or  
7 any advances made by COUNTY under this Agreement; (2) BORROWER’s or  
8 any agent of BORROWER’s use of ARPA funds for costs other than those costs  
9 permitted under this Agreement or for uses inconsistent with terms and  
10 restrictions set forth in this Agreement; (3) BORROWER’s or any agent of  
11 BORROWER’s failure to make any other payment of any assessment or tax  
12 due under this Agreement, and /or (4) default under the terms of any senior  
13 loan documents or any other instrument or document secured against the  
14 Property;

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

- 1 c. General Performance of Loan Obligations. Any substantial or continuous or  
2 repeated breach by BORROWER or BORROWER's agents of any material  
3 obligations of BORROWER under this Agreement;
- 4 d. General Performance of Other Obligations. Any substantial or continuous or  
5 repeated breach by BORROWER or BORROWER's agents of any material  
6 obligations of BORROWER related to the Project imposed by any other  
7 agreement with respect to the financing, development, or operation of the  
8 Project; whether or not COUNTY is a party to such agreement; but only  
9 following any applicable notice and cure periods with respect to any such  
10 obligation;
- 11 e. Representations and Warranties. A determination by COUNTY that any of  
12 BORROWER's representations or warranties made in this Agreement, any  
13 statements made to COUNTY by BORROWER, or any certificates, documents,  
14 or schedules supplied to COUNTY by BORROWER were false in any material  
15 respect when made, or that BORROWER concealed or failed to disclose a  
16 material fact to COUNTY.
- 17 f. Damage to Project. In the event that the Project is materially damaged or  
18 destroyed by fire or other casualty, and BORROWER receives an award or  
19 insurance proceeds sufficient for the repair or reconstruction of the Project, and  
20 BORROWER does not use such award or proceeds to repair or reconstruct the  
21 Project.
- 22 g. Bankruptcy, Dissolution and Insolvency. BORROWER's or general partner  
23 and co-general partner of BORROWER's (1) filing for bankruptcy, dissolution,  
24 or reorganization, or failure to obtain a full dismissal of any such involuntary  
25 filing brought by another party before the earlier of final relief or ninety (90)  
26 days after such filing; (2) making a general assignment for the benefit of  
27 creditors; (3) applying for the appointment of a receiver, trustee, custodian, or  
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1 liquidator, or failure to obtain a full dismissal of any such involuntary  
2 application brought by another party before the earlier of final relief or ninety  
3 (90) days after such filing; (4) insolvency; or (5) failure, inability or admission  
4 in writing of its inability to pay its debts as they become due.

5 31. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. Formal notices,  
6 demands and communications between the COUNTY and BORROWER shall be sufficiently  
7 given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to  
8 the principal offices of the COUNTY and BORROWER, as designated in **Section 53**, below.  
9 Such written notices, demands and communications may be sent in the same manner to such  
10 other addresses as either party may from time to time designate by mail as provided in this  
11 **Section 31**. Any notice that is transmitted by electronic facsimile transmission followed by  
12 delivery of a “hard” copy, shall be deemed delivered upon its transmission; any notice that is  
13 personally delivered (including by means of professional messenger service, courier service  
14 such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed  
15 received on the documented date of receipt by the recipient; and any notice that is sent by  
16 registered or certified mail, postage prepaid, return receipt required shall be deemed received  
17 on the date of delivery thereof.

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

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

6 c. If a monetary event of default occurs, prior to exercising any remedies  
7 hereunder, COUNTY shall give BORROWER written notice of such default.  
8 BORROWER shall have a period of ten (10) days after such notice is given  
9 within which to cure the default prior to exercise of remedies by COUNTY.

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

24 e. Any cure tendered by BORROWER'S Affiliate shall be accepted or rejected on  
25 the same basis as if tendered by BORROWER.

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

- 4 a. Terminate this Agreement, in which event the entire ARPA Loan amount as  
5 well as any other monies advanced to BORROWER by COUNTY under this  
6 Agreement including administrative costs, shall immediately become due and  
7 payable to COUNTY at the option of COUNTY.
- 8 b. Bring an action in equitable relief (1) seeking the specific performance by  
9 BORROWER of the terms and conditions of this Agreement, and/or (2)  
10 enjoining, abating, or preventing any violation of said terms and conditions,  
11 and/or (3) seeking declaratory relief.
- 12 c. Accelerate the ARPA Loan and demand immediate full payment of the  
13 principal payment outstanding and all accrued interest under the ARPA Note,  
14 as well as any other monies advanced to BORROWER by COUNTY under this  
15 Agreement.
- 16 d. Enter the Project and take any remedial actions necessary in its judgment with  
17 respect to hazardous materials that COUNTY deems necessary to comply with  
18 hazardous materials laws or to render the Project suitable for occupancy, which  
19 costs shall be due and payable by BORROWER to COUNTY.
- 20 e. Enter upon, take possession of, and manage the Project, either in person, by  
21 agent, or by a receiver appointed by a court, and collect rents and other amounts  
22 specified in the assignment of rents in the ARPA Deed of Trust and apply them  
23 to operate the Project or to pay off the ARPA Loan or any advances made under  
24 this Agreement, as provided for by the ARPA Deed of Trust.
- 25 f. Pursue any other remedies allowed at law or in equity.

26 33. RESERVED.

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

11           35. **BORROWER'S CERTIFICATION.** BORROWER certifies, to the best of its  
12 knowledge and belief, that:

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

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

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

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

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

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

9 BORROWER's obligations set forth in this **Section 35** shall survive the expiration or  
10 earlier termination of this Agreement.

11 37. TERMINATION.

12 a. BORROWER. BORROWER may terminate this Agreement prior to  
13 disbursement of any ARPA Loan funds by COUNTY in accordance with the  
14 applicable ARPA regulations.

15 b. COUNTY. Notwithstanding the provisions of **Section 36(a)**, COUNTY may  
16 suspend or terminate this Agreement upon written notice to BORROWER of  
17 the action being taken and the reason for such action in the event one of the  
18 following events occur:

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

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

25 (iii) In the event the ARPA funding identified in **Section 1** above is  
26 terminated or otherwise becomes unavailable.

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

8 d. Upon expiration or earlier termination of this Agreement, BORROWER shall  
9 transfer to COUNTY any unexpended ARPA funds in its possession at the time  
10 of expiration of the Agreement as well as any accounts receivable held by  
11 BORROWER which are attributable to the use of ARPA funds awarded  
12 pursuant to this Agreement.

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

24 39. MECHANICS LIENS AND STOP NOTICES. If any claim of mechanics lien is  
25 filed against the Project or a stop notice affecting the ARPA Loan is served on COUNTY,  
26 BORROWER must, within twenty (20) calendar days of such filing or notification of service,  
27 either pay and fully discharge the lien or stop notice, obtain a release of the lien or stop notice by  
28

1 delivering to COUNTY a surety bond in sufficient form and amount, or provide COUNTY with  
2 other assurance reasonably satisfactory to COUNTY that the lien or stop notice will be paid or  
3 discharged.

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

8 41. AUTHORITY TO EXECUTE. The persons executing this Agreement or exhibits  
9 attached hereto on behalf of the parties to this Agreement hereby warrant and represent that they  
10 have the authority to execute this Agreement and warrant and represent that they have the  
11 authority to bind the respective parties to this Agreement to the performance of its obligations  
12 hereunder.

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

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

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

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

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

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

20 48. CONDITIONAL COMMITMENT.

21 a. Loan Closing. BORROWER must close the ARPA Loan by [\_\_\_\_\_] 1], 2022.

22 b. Completion. BORROWER must demonstrate that it is performing in  
23 accordance with the scheduled Completion Deadline.

24 c. Lease-Up. The Project must be ninety percent (90%) leased-up no later than  
25 [one (1)] year from the Effective Date of this Agreement (the "**Completion**  
26 **Deadline**"). If BORROWER is unable to meet the condition as required by this  
27 **Section 48** including Extension, then COUNTY and BORROWER mutually  
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1 agree that this Agreement will self-terminate and any ARPA Loan funds  
2 disbursed to BORROWER to date shall be returned to COUNTY within thirty  
3 (30) calendar days of such termination. Upon such termination, this Agreement  
4 shall become null and void. COUNTY and BORROWER shall be released and  
5 discharged respectively from their obligations under this Agreement, except for  
6 those provisions which by their terms survive termination. All costs incurred by  
7 each party on the Project will be assumed respectively.

8 49. INTENTIONALLY OMITTED.

9 50. INTENTIONALLY OMITTED.

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

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

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

24 COUNTY  
25 Director HWS  
26 County of Riverside  
27 3403 10<sup>th</sup> Street, Suite 300  
28 Riverside, CA 92501

BORROWER  
U.S.VETS – MVV BUILDING 1, LLC  
c/o U.S.VETS Housing Corporation  
800 W. 6<sup>th</sup> Street, Suite 1505  
Los Angeles CA 90017



1           54.    COUNTERPARTS. This Agreement may be signed by the different parties hereto  
2 in counterparts, each of which shall be an original but all of which together shall constitute one  
3 and the same agreement.

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

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

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

16          58.    CONSTRUCTION AND INTERPRETATION OF AGREEMENT.

17           a. The language in all parts of this Agreement shall in all cases be construed  
18 simply, as a whole and in accordance with its fair meaning and not strictly for  
19 or against any party. The parties hereto acknowledge and agree that this  
20 Agreement has been prepared jointly by the parties and has been the subject of  
21 **arm’s length and careful negotiation over a considerable period** of time, that  
22 each party has been given the opportunity to independently review this  
23 Agreement with legal counsel, and that each party has the requisite experience  
24 and sophistication to understand, interpret, and agree to the particular language  
25 of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute  
26 regarding the interpretation of this Agreement, this Agreement shall not be  
27 interpreted or construed against the party preparing it, and instead other rules  
28

1 of interpretation and construction shall be utilized.

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

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

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

24 e. As used in this Agreement, and as the context may require, the singular includes  
25 the plural and vice versa, and the masculine gender includes the feminine and  
26 vice versa.



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

COUNTY:

BORROWER:

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

U.S.VETS – MVV BUILDING 1, a California  
limited liability company

U.S.VETS HOUSING CORPORATION,  
a California nonprofit public benefit corporation,  
its sole member

By: \_\_\_\_\_  
Heidi Marshall, Director HWS

By: \_\_\_\_\_  
Name: Lori Allgood  
Title: Chief Financial Officer

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

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

**(Above signatures need to be notarized)**

APPROVED AS TO FORM:  
GREGORY P. PRIAMOS  
County Counsel

By: APD  
Amrit P. Dhillon  
Deputy County Counsel

**<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT>**

# EXHIBIT “A”

**Borrower:** U.S.VETS – MVV BUILDING 1, LLC (“BORROWER”)  
**Address:** c/o U.S.VETS Housing Corporation, 800 W. 6<sup>th</sup> Street, Suite 1505,  
Los Angeles CA 90017  
**Project Title:** March Veterans Village  
**Location:** 15301 6<sup>th</sup> Street, Riverside, CA 92518, APN 909-619-699

**Project Description:** BORROWER proposes to utilize \$1,900,000.00 in ARPA funds to pay for construction funds (the “Project”) for the property located at 15301 6<sup>th</sup> Street, Riverside County, CA 92518 (“Property”). BORROWER proposes to fund the Project to provide housing and services to homeless veteran individuals at risk of homelessness, or experiencing housing insecurity (“Qualified Populations”). ARPA funds will be used for the purpose of financing construction of thirty (30) Single Room Occupancy (“SRO”) units; a total of fifteen (15) SRO units will be restricted as ARPA-assisted units for occupancy and rent by individuals whose incomes are at or below 50% of the area median income for the County or Riverside and a total of seven (7) SRO units will also be restricted as ARPA-assisted units for occupancy and rent by individuals whose incomes are at or below 80% of the area median income for the County of Riverside. The remaining eight (8) SRO units will provide beds for transitional housing for homeless veterans at or below 50% of the area median income.

## **Legal Description of Property:**

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



**PARCEL 1**

THAT CERTAIN PARCEL OF LAND SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING A PORTION OF PARCEL 1 OF PARCEL MAP NO. 37056 AS SHOWN ON A MAP FILED IN BOOK 240 PAGES 7 THROUGH 11, INCLUSIVE, OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL 1**

**THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID PARCEL 1 SOUTH 88°31'38" WEST 331.54 FEET;**

**THENCE LEAVING SAID SOUTHERLY LINE NORTH 89°38'15" WEST 23.15 FEET TO A SOUTHERLY LINE OF THE AREA SHOWN AS "LEASEHOLD AREA" ON SAID PARCEL MAP NO. 37056, ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 133.50 FEET, A RADIAL LINE FROM SAID BEGINNING BEARS NORTH 19°40'24" EAST;**

**THENCE THE FOLLOWING (4) COURSES ALONG SOUTHERLY LINES OF SAID LEASEHOLD AREA:**

- 1. EASTERLY ALONG SAID CURVE, 149.84 FEET, THROUGH A CENTRAL ANGLE OF 64°18'33";**
- 2. NORTH 45°21'51" EAST 70.31 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 153.50 FEET;**
- 3. NORTHEASTERLY ALONG SAID CURVE 95.45 FEET, THROUGH A CENTRAL ANGLE OF 35°37'36";**
- 4. LEAVING SAID CURVE SOUTH 89°38'09" EAST 100.52 FEET TO THE EASTERLY LINE OF SAID PARCEL 1;**

**THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF PARCEL 1 SOUTH 00°28'21" WEST 177.31 FEET TO THE POINT OF BEGINNING.**

**CONTAINS 0.695 ACRES MORE OR LESS.**



# Exhibit "A-1"

## IMPLEMENTATION SCHEDULE

Milestone	Completion Date
1. County Approval	March 1, 2022
2. ARPA Loan Close	_____ 1, 2022
3. Project Lease Up (90%)	_____ 1, 2023

*Draft*

**EXHIBIT “B”**

ARPA Deed of Trust

*draft*

EXEMPT RECORDING FEE CODE 6103

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

County of Riverside  
Housing and Workforce Solutions  
3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501  
Attn. Juan Garcia

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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

This LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING (WITH ASSIGNMENT OF RENTS) (this "Deed of Trust") is made this \_\_ day of [February], 2022 by U.S.VETS – MVV BUILDING 1, LLC, a California limited liability company (hereinafter referred to as "Trustor"), whose address is 800 W. 6<sup>th</sup> Street, Ste 1505, Los Angeles, CA 90017, Attention: \_\_\_\_\_. The trustee is Housing and Workforce Solutions ("Trustee"). The beneficiary is the County of Riverside, a political subdivision of the State of California (hereinafter called "Beneficiary"), whose address is 4303 10<sup>th</sup> Street, Suite 300 Riverside, CA 92501.

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

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

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

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

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

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

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

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



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

- i. due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:
  - (a) that certain Promissory Note in favor of the Beneficiary ("County" therein) executed by Trustor ("Borrower" therein) of even date herewith (the "ARPA Note") in the principal amount of \$1,900,000.00.
  - (b) that certain Loan Agreement for the Use of ARPA Funds dated [February \_\_], 2022 and recorded in the Official Records ("Official Records") of the County of Riverside concurrently herewith, between Trustor ("Borrower" therein) and Beneficiary ("County" therein) (the "ARPA Loan Agreement"); and
  - (c) that certain Covenant Agreement dated [February \_\_], 2022 and recorded concurrently herewith in the Official Records, between Trustor ("Borrower" therein) and Beneficiary ("County" therein) ("Covenant Agreement").
- ii. payment of indebtedness of the Trustor to the Beneficiary not to exceed ONE MILLION NINE HUNDRED THOUSAND DOLLARS (the "ARPA Loan") according to the terms of the ARPA Note.

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

The ARPA Loan evidenced by the ARPA Note and secured by this Deed of Trust is being made pursuant to the Coronavirus Aid, Relief, and Economic Security Act (Section 5001, Public Law 116-136) (the "ARPA"). Pursuant to the ARPA Loan Agreement, the maturity date of the ARPA Loan shall be the later to occur of (i) [\_\_\_\_\_] 1, 2077 or (ii) fifty-five (55) years from recordation of the Covenant Agreement in the Official Records for the Project (as defined in the ARPA Loan Agreement) ("ARPA Loan Term").

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

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

1. That Trustor shall pay the ARPA Note at the time and in the manner provided therein, and perform the obligations of the Trustor as set forth in the ARPA Loan Agreement and Covenant Agreement at the time and in the manner respectively provided therein.

2. That Trustor shall not permit or suffer the use of any of the property for any purpose other than the use set forth in the ARPA Loan Agreement and Covenant Agreement.

3. That the Secured Obligations are incorporated in and made a part of the Deed of Trust. Upon default of a Secured Obligation, and after the giving of notice and the expiration of any applicable cure period, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable.

4. That all rents, profits and income from the property covered by this Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor so long as no default exists hereunder after the giving of notice and the expiration of any applicable cure period, to collect such rents, profits and income for use in accordance with the provisions of the ARPA Loan Agreement and Covenant Agreement.

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

5. **Payment of Principal and Interest; Prepayment and Late Charges.** Trustor shall promptly pay when due the principal of and interest on the debt evidenced by the ARPA Note and any late charges due under the ARPA Note. Payments on the ARPA Note shall be deferred annually and forgiven at the end of the Term of the Agreement if Trustor has complied with the terms of the ARPA Loan.

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

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

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

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

a. Except for the liens permitted in writing by the Beneficiary, Trustor shall promptly discharge any other lien which shall have attained priority over this Deed of Trust unless Trustor: (1) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Beneficiary; (2) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Beneficiary's opinion operate to prevent the enforcement of the lien; or (3) bond around the lien (4) secures from the holder of the lien an agreement satisfactory to Beneficiary subordinating the lien to this Deed of Trust. Except for the liens approved herein, if Beneficiary determines that any part of the Property is subject to a lien which may attain priority over this Deed of Trust, Beneficiary may give Trustor a notice identifying the lien. Trustor shall satisfy such lien or take one or more of the actions set forth above within thirty (30) days of the giving of notice.

9. **Priority of ARPA Deed of Trust.** The ARPA Deed of Trust shall be in a second priority lien position, behind the Covenant Agreement (first priority) and ahead of the ARPA Loan Agreement (third priority).

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

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

b. Unless Beneficiary and Trustor otherwise agree in writing and subject to the rights of senior lenders, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Trustor determines that such restoration or repair is economically feasible and there is no default continuing beyond the expiration of all applicable cure periods. If Trustor



determines that such restoration or repair is not economically feasible or if a default exists after expiration of all applicable cure periods, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Trustor. If the Property is abandoned by Trustor, or if Trustor fails to respond to Beneficiary within thirty (30) days from the date notice is mailed by Beneficiary to Trustor that the insurance carrier offers to settle a claim for insurance benefits, Beneficiary is authorized to collect and apply the insurance proceeds at Beneficiary's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

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

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

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

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

**12. Protection of Beneficiary's Rights in the Property.** If Trustor fails to perform the covenants and agreements contained in this Deed of Trust, or there is a legal proceeding that may significantly affect Beneficiary's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then, subject to notice to Trustor and any applicable grace periods or cure periods, Beneficiary may do and pay for whatever is necessary to protect the value of the Property and Beneficiary's rights in the Property. Beneficiary's actions may include paying any sums secured by a lien which has priority over this

Deed of Trust, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Beneficiary may take action under this **Section 12**, Beneficiary does not have to do so.

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

13. **Reserved.**

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

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

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

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

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

16. **Trustor Not Released; Forbearance by Beneficiary Not a Waiver.** Except in connection with any successor in interest approved by Beneficiary in writing, extension of the time



for payment or modification of amortization of the sums secured by this Deed of Trust granted by Beneficiary to any successor in interest of Trustor shall not operate to release the liability of the original Trustor or Trustor's successors in interest. Beneficiary shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Trustor or Trustor's successors in interest. Any forbearance by Beneficiary in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

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

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

19. **Notices.** Any notice to Trustor provided for in this Deed of Trust shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Trustor's mailing address stated herein or any other address Trustor designates by notice to Beneficiary. Any notice provided for in this Deed of Trust shall be deemed to have been given to Trustor or Beneficiary when given as provided in this Section. Notice to also be given to any future senior lien holder, if any.

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

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

22. **Transfer of the Property or a Beneficial Interest in Trustor.** Except as otherwise allowed under the ARPA Loan Agreement, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Trustor is sold or transferred and Trustor is not a natural person) without Beneficiary's prior written consent (including a transfer of all or any part

of the Property to any person who, at initial occupancy of the Property, does not use the Property for transitional housing) Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the date of this Deed of Trust. Nothing in this Deed of Trust shall be deemed to require Beneficiary's approval of a transfer of a limited partnership interest in the Trustor or of a conveyance of an easement interest in the Property for utility purposes.

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

b. Notwithstanding anything to the contrary contained herein, upon written notice to Beneficiary, Trustor may, without Beneficiary's consent: (i) admit limited partners to Trustor, and provide for the purchase of any such limited partnership interest or interests by Trustor's general partner; (ii) remove for cause any General Partner by a limited partner of the Trustor, and the replacement thereof, pursuant to the Partnership Agreement, provided Beneficiary receives five (5) business days advance written notice of such removal. Without limiting Trustor's obligation to provide advance notice of such removal for cause of any General Partner by a limited partner and the replacement thereof set forth in the immediately preceding sentence, amendments to the Partnership Agreement required to effectuate the Permitted Transfer set forth in this clause shall not require the consent of the Beneficiary; provided, however, Trustor shall provide Beneficiary with an executed copy of such amended agreement within ten (10) days of execution thereof; (ii) Transfer the Project to a Permitted Affiliate (as defined in the ARPA Loan Agreement); (iii) lease for occupancy of all or any of the ARPA-Assisted Units (as defined in the ARPA Loan Agreement); (iv) grant easements or permits to facilitate the development of the Property in accordance with the ARPA Loan Agreement (collectively a "Permitted Transfer"). All Permitted Transfers shall be subject to reasonable review of documentation by the Beneficiary.

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

24. **Sale of Note; Change of Loan Servicer.** The ARPA Note or a partial interest in the ARPA Note (together with this Deed of Trust) may be sold one or more times without prior notice to Trustor. A sale may result in a change in the entity (known as the "Loan Servicer") that



collects monthly payments due under the Note and this Deed of Trust. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Trustor will be given written notice of the change in accordance with **Section 19** above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

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

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

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

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

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

Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Section 27**, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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

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

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

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

30. **Modifications of Senior Loan Documents.** Any agreement or arrangement, in which a Senior Lender waives, postpones, extends, reduces, or modifies any provisions of the Senior Lien Holder Deed of Trust or any other Senior Lenders loan documents, including any provisions requiring the payment of money, shall require the prior written approval of Beneficiary.

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

32. **Reserved.**

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

**[Remainder of Page Blank]**

**[Signatures on Following Page]**



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

TRUSTOR:

U.S.VETS - MVV BUILDING 1, LLC,  
a California limited liability company

U.S.VETS HOUSING CORPORATION,  
a California nonprofit public benefit corporation,  
its sole member

By: \_\_\_\_\_  
Name: Lori Allgood  
Title: Chief Financial Officer

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

**(Signature needs to be notarized)**

< CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT >

draft

# **EXHIBIT "A"**

## **LEGAL DESCRIPTION OF PROPERTY**

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

### **PARCEL 1**

**THAT CERTAIN PARCEL OF LAND SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING A PORTION OF PARCEL 1 OF PARCEL MAP NO. 37056 AS SHOWN ON A MAP FILED IN BOOK 240 PAGES 7 THROUGH 11, INCLUSIVE, OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

**BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL 1**

**THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID PARCEL 1 SOUTH 88°31'38" WEST 331.54 FEET;**

**THENCE LEAVING SAID SOUTHERLY LINE NORTH 89°38'15" WEST 23.15 FEET TO A SOUTHERLY LINE OF THE AREA SHOWN AS "LEASEHOLD AREA" ON SAID PARCEL MAP NO. 37056, ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 133.50 FEET, A RADIAL LINE FROM SAID BEGINNING BEARS NORTH 19°40'24" EAST;**

**THENCE THE FOLLOWING (4) COURSES ALONG SOUTHERLY LINES OF SAID LEASEHOLD AREA:**

- 1. EASTERLY ALONG SAID CURVE, 149.84 FEET, THROUGH A CENTRAL ANGLE OF 64°18'33";**
- 2. NORTH 45°21'51" EAST 70.31 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 153.50 FEET;**
- 3. NORTHEASTERLY ALONG SAID CURVE 95.45 FEET, THROUGH A CENTRAL ANGLE OF 35°37'36";**
- 4. LEAVING SAID CURVE SOUTH 89°38'09" EAST 100.52 FEET TO THE EASTERLY LINE OF SAID PARCEL 1;**

**THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF PARCEL 1 SOUTH 00°28'21" WEST 177.31 FEET TO THE POINT OF BEGINNING.**

**CONTAINS 0.695 ACRES MORE OR LESS.**

**EXHIBIT “C”**

*draft*

**PROMISSORY NOTE (ARPA Loan)**

**\$1,900,000.00 Riverside, CA**

In installments as hereafter stated, for value received, U.S.VETS - MVV BUILDING 1, LLC, a California limited liability company (“Borrower”), promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), or order, at 3403 10<sup>th</sup> Street, Suite 300, Riverside, CA 92501, the sum of One Million Nine Hundred Thousand Dollars (U.S. \$1,900,000.00) (the “ARPA Loan” or “Note Amount”) which at the time of payment is lawful for the payment of public and private debts.

This Promissory Note (this “Note”) is given in accordance with that certain Loan Agreement for the Use of ARPA funds executed by COUNTY and Borrower, dated as of [February \_\_], 2022, and recorded in the Official Records (“Official Records”) of the County of Riverside on or about the date hereof (the “ARPA Loan Agreement”). Except to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings ascribed to such terms in the ARPA Loan Agreement. The Note is secured by a Leasehold Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) executed by Borrower for the benefit of the County dated [February \_\_], 2022, and recorded on or about the date hereof in the Official Records (the “ARPA Deed of Trust” or “Deed of Trust”). The rights and obligations of Borrower and COUNTY under this Note shall be governed by the ARPA Loan Agreement and the following terms:

- (1) The ARPA Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to the Coronavirus Aid, Relief, and Economic Security Act (Section 5001, Public Law 116-136), herein after (the “ARPA”). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on rent and occupancy set forth in the ARPA regulations, the ARPA Loan Agreement and that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Borrower and County.
- (2) That the ARPA Loan will not accrue any interest per annum and shall be deferred if the Project is in compliance with the ARPA Loan Agreement and forgiven in its entirety at the end of the Term of the ARPA Loan Agreement.
- (3) This Note may be prepaid in whole or in part by the undersigned at any time without prepayment penalty or premium, provided however notwithstanding such prepayment, Borrower shall be required to adhere to the affordability restrictions contained in the Covenants until the expiration of the term contained therein.
- (4) Subject to the provisions and limitations of this Paragraph 4, the obligation to repay the Note Amount is a nonrecourse obligation of Borrower and its officers. Neither Borrower nor its officers shall have any personal liability for repayment of the Note Amount, except as provided in this Paragraph 4. The sole recourse of the County shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the ARPA Loan; provided, however, that the foregoing shall not (i) constitute a waiver of any other obligation evidenced by this Note or the Deed of Trust; (ii) limit the right of COUNTY to name Borrower as a party defendant in any action or suit for judicial foreclosure and sale under this Note and the Deed of Trust or any action or proceeding hereunder so long as no judgment in the nature of a deficiency judgment shall be asked for or taken against Borrower; (iii) release or impair either this Note or the Deed of Trust; (iv) prevent or in any way hinder COUNTY from exercising, or constitute a defense, an



affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, any other remedy against the mortgaged Property or any other instrument securing this Note or as prescribed by law or in equity in case of default; (v) prevent or in any way hinder COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, its remedies in respect of any deposits, insurance proceeds, condemnation awards or other monies or other collateral or letters of credit securing this Note; or (vi) affect in any way the validity of any guarantee or indemnity from any person of all or any of the obligations evidenced and secured by this Note and the Deed of Trust. Notwithstanding the first sentence of this Section 8, COUNTY may recover directly from Borrower or, unless otherwise prohibited by any applicable law, from any other party: (a) any damages, costs and expenses incurred by COUNTY as a result of fraud, misrepresentation or any criminal act or acts of Borrower or any general partner, shareholder, officer, director or employee of Borrower, or of any member or general partner of Borrower, or of any general partner of such member or general partner; (b) any damages, costs and expenses incurred by COUNTY as a result of any misappropriation of funds provided to pay costs as described in the ARPA Loan Agreement, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; and (c) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the Deed of Trust.

- (5) The occurrence of any of the following events shall constitute an “Event of Default” under this Note after notice and opportunity to cure pursuant to the terms set forth in the ARPA Loan Agreement:
- a. Monetary Default. (1) Borrower’s failure to pay when due any sums payable under the ARPA Note or any advances made by COUNTY under this Agreement, (2) Borrower’s or any agent of Borrower’s use of ARPA funds for costs other than those costs permitted under the ARPA Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, and/or (3) Borrower’s or any agent of Borrower’s failure to make any other payment of any assessment or tax due under the ARPA Loan Agreement;
  - b. Non-Monetary Default - Operation. (1) Discrimination by Borrower or Borrower’s agent on the basis of characteristics prohibited by this Agreement or applicable law, (2) the imposition of any encumbrances or liens on the Project without COUNTY’s prior written approval that are prohibited under this agreement or that have the effect of reducing the priority or invalidating the lien of the ARPA Deed of Trust, (3) Borrower’s failure to obtain and maintain the insurance coverage required under the ARPA Loan Agreement, (4) any material default under the ARPA Loan Agreement, ARPA Deed of Trust with Assignment of Rents, Covenant Agreement, ARPA Note, or any document executed by the County in connection with this Agreement, and/or (4) default past any applicable notice and cure period under the terms of the ARPA Deed of Trust or any other instrument or document secured against the Property;

- c. General Performance of Loan Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on Borrower imposed in the ARPA Loan Agreement; and
  - d. General Performance of Other Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on the Project imposed by any other agreement with respect to the financing, development, or operation of the Project; whether or not COUNTY is a party to such agreement.
- (6) COUNTY shall give written notice of default to Borrower, specifying the default complained of by COUNTY. Borrower shall have ten (10) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.
  - (7) Any failures or delays by COUNTY in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by COUNTY in asserting any of its rights and remedies shall not deprive COUNTY of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.
  - (8) If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations shall be completely performed and paid. In the event that any provision or clause of this Note conflicts with applicable law, such conflict will not affect other provisions of this Note which can be given effect without the conflicting provision, and to this end the provisions of the Note are declared to be severable.
  - (9) Borrower hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this Note, and expressly agrees that, without in any way affecting the liability of Borrower hereunder, the COUNTY may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder and release any security now or hereafter securing this Note. Borrower further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this Note, or on any deed of trust, security agreement, guaranty or other agreement now or hereafter securing this Note.
  - (10) Should default be made in payment of principal and interest when due and such default shall continue beyond the applicable notice and cure period provided in the ARPA Loan Agreement, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.
  - (11) This Note has been negotiated and entered in the State of California, and shall be governed by, construed and enforced in accordance with the internal laws of the State of California, applied to contracts made in California by California domiciliaries to be wholly performed in California. Any action at law or in equity arising under this Note or brought by a party

hereto for the purpose of enforcing, construing or determining the validity of any provision of this Note shall be filed in the Superior Court of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

- (12) No modification, rescission, waiver, release or amendment of any provision of this Note shall be made except by a written agreement executed by Borrower and the duly authorized representative of COUNTY.
- (13) COUNTY may, in its sole and absolute discretion, assign its rights under this Note and its right to receive repayment of the Note Amount without obtaining the consent of Borrower.
- (14) In no event shall Borrower assign or transfer any portion of this Note or any rights herein without the prior express written consent of COUNTY, which consent COUNTY may give or withhold in its sole and absolute discretion. In the absence of specific written agreement by COUNTY, no unauthorized assignment or transfer, or approval thereof by COUNTY, shall be deemed to relieve Borrower or any other party from any obligations under the ARPA Loan Agreement or this Note. This provision shall not affect or diminish COUNTY's assignment rights under this Note.
- (15) Except as to the permitted deeds of trust identified herein, Borrower shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of COUNTY in its sole and absolute discretion.
- (16) The relationship of Borrower and COUNTY pursuant to this Note is that of debtor and creditor and shall not be, or be construed to be, a joint venture, equity venture, partnership or other relationship.
- (17)
  - (a) Formal notices, demands and communications between County and Borrower shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of COUNTY and Borrower as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or "kick-out" sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.
  - (b) The address of COUNTY for purposes of receiving notices pursuant to this Note shall be 3403 10<sup>th</sup> Street, Suite 300, Riverside, CA 92501, Attention: Director HWS. The facsimile number for COUNTY's receipt of notices is (951) 352-4852.
  - (c) The address of Borrower for purposes of receiving notices pursuant to this Note is 800 W. 6th Street, Ste 1505, Los Angeles, CA 90017, Attention: Chief Executive Officer.

- (18) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
- (19) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
- (20) This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit COUNTY and its successors and assigns.

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

**BORROWER:**

U.S.VETS - MVV BUILDING 1, LLC,  
a California limited liability company

U.S.VETS HOUSING CORPORATION,  
a California nonprofit public benefit corporation,  
its sole member

By: \_\_\_\_\_

Name: Lori Allgood

Title: Chief Financial Officer

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

**EXHIBIT "D"**

draft



## EXHIBIT D

### § 135.38 Section 3 Clause

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

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

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

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

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

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

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

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

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

*Draft*

Prohibition Against Conflicts of Interest

**EXHIBIT "E"**

§ 92.356 Conflict of interest.

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

(b) **Conflicts prohibited.** No persons described in **paragraph (c)** of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with ARPA 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 ARPA-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 ARPA 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 ARPA 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 ARPA 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 an ARPA-Assisted **affordable** housing unit in a project. This provision does not apply to an individual who receives ARPA 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 ARPA and the effective and **efficient administration** of the owner's or developer's ARPA-Assisted project. In determining whether to grant a requested exception, COUNTY shall consider the following factors:

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

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

(iii) Whether the tenant protection requirements of § 92.253 are being observed;

(iv) Whether the affirmative marketing requirements of § 92.351 are being observed and followed; and

(v) Any other factor relevant to COUNTY's determination, including the timing of the requested exception.

TOPIC: CONFLICT OF INTEREST CODED  
RIVERSIDE COUNTY  
Housing & Workforce Solutions  
DATE: MARCH 1999

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

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



|

# **EXHIBIT “F”**

Covenant Agreement

draft

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. Juan Garcia

13 SPACE ABOVE THIS LINE FOR RECORDERS USE

14 **COVENANT AGREEMENT**

15 This Covenant Agreement PROJECT LEGACY (this “Covenant”) is made and entered  
16 into as of the day of [February \_\_], 2022 by and between the COUNTY OF RIVERSIDE, a  
17 political subdivision of the State of California (“COUNTY”), and U.S.VETS - MVV BUILDING  
18 1, LLC, a California limited liability company (“OWNER”).

19 **RECITALS**

20 WHEREAS, OWNER owns that certain real property located at 15301 6th Street,  
21 Riverside County, CA 92518 in the County of Riverside, also identified as APNs  
22 \_\_\_\_\_ more specifically described in the legal description  
23 attached hereto as **Exhibit A** and incorporated herein by this reference (the “Property”);

24 WHEREAS, on [February \_\_], 2022 COUNTY and OWNER entered into that certain Loan  
25 Agreement for the Use of ARPA Funds dated [February \_\_], 2022 and recorded in the Official  
26 Records of the County of Riverside (“Official Records”) concurrently herewith (the “ARPA Loan  
27 Agreement” or “Agreement”) which provides for, among other things, the development of the  
28 Property, to provide permanent supportive housing and wrap around services to homeless  
individuals or individuals at risk of homelessness, or experiencing housing insecurity. The  
proposed development provides up to thirty (30) units of permanent supportive housing and wrap

1 around services to promote self-sufficiency and may substitute units for transitional housing beds  
2 (collectively, the "Project").

3 WHEREAS, twenty two (22) beds at the Project will be reserved as ARPA-Assisted Units  
4 ("ARPA-Assisted Units") for homeless individuals or individuals at risk of homelessness; fifteen  
5 (15) ARPA-Assisted Units shall be reserved for individuals whose incomes do not exceed 50% of  
6 the area median income for the County of Riverside at the time of initial occupancy and seven (7)  
7 ARPA-Assisted Units will be reserved for individuals whose incomes do not exceed 80% of the  
8 area median income for the County of Riverside at the time of initial occupancy; the remaining  
9 eight (8) SRO units will provide beds for transitional housing for homeless veterans for individuals  
10 whose incomes do not exceed 50% of the area median income for the County of Riverside at the  
11 time of initial occupancy (collectively, "ARPA-Assisted Units"). Capitalized terms not defined  
12 herein shall have the meaning ascribed to them in the ARPA Loan Agreement;

13 WHEREAS, COUNTY is providing funding under the Coronavirus Aid, Relief, and  
14 Economic Security Act (Section 5001, Public Law 116-136), herein after "ARPA," for the  
15 purposes of providing decent, safe, and sanitary transitional housing to homeless individuals or  
16 individuals at risk of homelessness;

17 WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY loaned to OWNER  
18 \$1,900,000.00 derived from ARPA funds ("ARPA Loan"), to pay for a portion of the development  
19 expenses of the Project, as more fully described in the ARPA Loan Agreement. The ARPA Loan  
20 is evidenced by a Promissory Note executed by OWNER, in favor of COUNTY dated on or about  
21 the date hereof ("ARPA Loan Note") and secured by that certain Leasehold Deed of Trust, Security  
22 Agreement and Fixture Filing (with Assignment of Rents) executed by OWNER, for the benefit  
23 of COUNTY and recorded in the Official Records concurrently herewith ("ARPA Deed of Trust");  
24 and

1 WHEREAS, pursuant to the ARPA Loan Agreement, OWNER has agreed to develop the  
2 Project on the Property and ensure the ARPA-Assisted Units are occupied by Qualified Individuals  
3 consistent with the ARPA requirements and as set forth more specifically below.

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 shall continue in full force and effect for the later of (i) fifty-five (55) years  
10 from the recordation of the Covenant Agreement for the last building for which construction is  
11 completed for the Project on the Property, or (ii) 1[\_\_\_\_\_], 2077 (“Term” or “Affordability  
12 Period”). For the duration of the Term, the Property shall be held, sold and conveyed, subject to  
13 the following covenants, conditions, and restrictions:

14 a) The ARPA-Assisted Units shall be made available only to homeless  
15 individuals or individuals at risk of homelessness whose incomes do not exceed either 50% or 80%  
16 of the area median income for the County of Riverside, at the time of initial occupancy as set forth  
17 above. The ARPA-Assisted Units shall be a “floating” designation on the Property such that the  
18 requirements of this Covenant will be satisfied so long as the total number of ARPA-Assisted  
19 Units remains the same throughout the Affordability Period and the substituted ARPA-Assisted  
20 Unit is comparable in terms of size, features, and number of bedrooms to the originally designates  
21 ARPA Assisted Unit;

22 b) OWNER shall comply with the terms of the ARPA Loan Agreement, ARPA  
23 Loan Note, ARPA Deed of Trust and any other instrument secured against the Property.

24 2) SENIOR PRIORITY. Notwithstanding anything to the contrary contained in the  
25 ARPA Loan Agreement, including any of its attachments, this Covenant shall be in first priority  
26 lien position and senior to all other security instruments including but not limited to the deed of  
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1 trust for the benefit of the County of Riverside securing the ARPA Loan.

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

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

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

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

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

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

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

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

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

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

14 (i) **Placing qualified small and minority businesses and women's**  
15 **business enterprises on solicitation lists.**

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

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

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

23 (v) **Using the services and assistance of the Small Business**  
24 **Administration, and the Minority Business Development Agency of the Department of**  
25 **Commerce.**

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

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

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

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

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

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

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

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

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

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

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

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

11 d) General Insurance Provisions – All Lines.

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

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

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

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

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

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

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

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

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

COUNTY

Director HWS  
County of Riverside  
3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501

BORROWER

U.S.VETS – MVV BUILDING 1, LLC  
c/o U.S.VETS Housing Corporation  
800 W. 6<sup>th</sup> Street, Suite 1505  
Los Angeles CA 90017

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

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

13) NOTICE AND OPPORTUNITY TO CURE. Prior to exercising any remedies hereunder, COUNTY shall give OWNER notice of such default pursuant to section 9 above. Any monetary default shall be cured within ten (10) days of delivery of written notice. Except as otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within thirty (30) days of delivery of such notice of default, OWNER shall have such period to effect a cure prior to exercise of remedies by COUNTY. If the non-monetary default is such that it is not reasonably capable of being cured within thirty (30) days of delivery of such notice of default, and OWNER (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then OWNER shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by COUNTY; but in no event no later than sixty (60) days from delivery of such notice of default, subject to force majeure (including government restrictions, pandemics, and acts of God). COUNTY, upon providing OWNER with any notice of default under this Covenant, shall, within a reasonable time, provide a copy of such default notice to a Permitted Lender who has given written notice to COUNTY of its interest in the Property and Project. From and after such notice has been delivered

1 to a Permitted Lender and the Owner's limited partner, such Permitted Lender shall have the same  
2 period for remedying the default complained of as the cure period provided to OWNER pursuant  
3 to this **Section 13**. COUNTY shall accept performance by a Permitted Lender or limited partner  
4 of Owner as if the same had been done by OWNER.

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

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

17 16) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY.  
18 OWNER hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the  
19 Project, the Property or any portion thereof, without obtaining the prior written consent of  
20 COUNTY, in its sole discretion. Any sale, assignment, or transfer of the Project or Property, shall  
21 be memorialized an assignment and assumption agreement the form and substance of which have  
22 been first approved in writing by COUNTY in its sole discretion. Such assignment and assumption  
23 agreement shall, among other things, provide that the transferee has assumed in writing and in full,  
24 and is reasonably capable of performing and complying with OWNER's duties and obligations  
25 under the ARPA Loan Agreement and this Covenant, provided, however OWNER shall not be  
26 released of all obligations under the ARPA Loan Agreement and this Covenant.



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

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

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

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

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

24          22) PROJECT MONITORING AND EVALUATION.

25           a) Reserved.

26           b) Inspections. During the Affordability Period, COUNTY must perform on-

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

15 23) ACCESS TO PROJECT SITE. Representatives of COUNTY shall have the right  
16 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 herein  
24 by this reference.

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

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6 [Remainder of Page Intentionally Blank]

7 [SIGNATURES ON THE NEXT PAGE]

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

COUNTY:

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

BORROWER:

U.S.VETS - MVV BUILDING 1, LLC,  
a California limited liability company  
U.S.VETS HOUSING CORPORATION,  
a California nonprofit public benefit corporation,  
its sole member

By: \_\_\_\_\_  
Heidi Marshall, Director HWS

By: \_\_\_\_\_  
Name: Lori Allgood  
Title: Chief Financial Officer

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

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

**(Above signatures need to be notarized)**

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

By: \_\_\_\_\_  
Deputy County Counsel

**(COUNTY and OWNER signatures need to be notarized)**

|

< CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT >

draft



# **EXHIBIT "A"**

## **LEGAL DESCRIPTION OF PROPERTY**

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

### **PARCEL 1**

THAT CERTAIN PARCEL OF LAND SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING A PORTION OF PARCEL 1 OF PARCEL MAP NO. 37056 AS SHOWN ON A MAP FILED IN BOOK 240 PAGES 7 THROUGH 11, INCLUSIVE, OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL 1**

**THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID PARCEL 1 SOUTH 88°31'38" WEST 331.54 FEET;**

**THENCE LEAVING SAID SOUTHERLY LINE NORTH 89°38'15" WEST 23.15 FEET TO A SOUTHERLY LINE OF THE AREA SHOWN AS "LEASEHOLD AREA" ON SAID PARCEL MAP NO. 37056, ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 133.50 FEET, A RADIAL LINE FROM SAID BEGINNING BEARS NORTH 19°40'24" EAST;**

**THENCE THE FOLLOWING (4) COURSES ALONG SOUTHERLY LINES OF SAID LEASEHOLD AREA:**

- 1. EASTERLY ALONG SAID CURVE, 149.84 FEET, THROUGH A CENTRAL ANGLE OF 64°18'33";**
- 2. NORTH 45°21'51" EAST 70.31 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 153.50 FEET;**
- 3. NORTHEASTERLY ALONG SAID CURVE 95.45 FEET, THROUGH A CENTRAL ANGLE OF 35°37'36";**
- 4. LEAVING SAID CURVE SOUTH 89°38'09" EAST 100.52 FEET TO THE EASTERLY LINE OF SAID PARCEL 1;**

**THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF PARCEL 1 SOUTH 00°28'21" WEST 177.31 FEET TO THE POINT OF BEGINNING.**

**CONTAINS 0.695 ACRES MORE OR LESS.**

|

**EXHIBIT “G”**

Request for Notices

draft

NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

County of Riverside  
Housing, Homelessness Prevention and  
Workforce Solutions  
3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501  
Attn: Mervyn Manalo

SPACE ABOVE THIS LINE FOR RECORDERS USE

### **REQUEST for NOTICE UNDER SECTION 2924b CIVIL CODE**

In accordance with Civil Code, Section 2924b, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Leasehold Deed of Trust dated [February \_\_, 2022], and recorded concurrently herewith in the Official Records of the County of Riverside, California, executed by U.S.VETS - MVV BUILDING 1, LLC, a California limited liability company, as Trustor in which the California Department of Housing and Community Development is named as Beneficiary, and Commonwealth Land Title Insurance Company as Trustee, and describing land referred to in this Report is situated in the County of Riverside, State of California, and is described as follows:

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

#### **PARCEL 1**

**THAT CERTAIN PARCEL OF LAND SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING A PORTION OF PARCEL 1 OF PARCEL MAP NO. 37056 AS SHOWN ON A MAP FILED IN BOOK 240 PAGES 7 THROUGH 11, INCLUSIVE, OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:**

**BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL 1**

**THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID PARCEL 1 SOUTH 88°31'38" WEST 331.54 FEET;**

**THENCE LEAVING SAID SOUTHERLY LINE NORTH 89°38'15" WEST 23.15 FEET TO A SOUTHERLY LINE OF THE AREA SHOWN AS "LEASEHOLD AREA" ON SAID PARCEL MAP NO. 37056, ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 133.50 FEET, A RADIAL LINE FROM SAID BEGINNING BEARS NORTH 19°40'24" EAST;**

THENCE THE FOLLOWING (4) COURSES ALONG SOUTHERLY LINES OF SAID LEASEHOLD AREA:

1. EASTERLY ALONG SAID CURVE, 149.84 FEET, THROUGH A CENTRAL ANGLE OF 64°18'33";
2. NORTH 45°21'51" EAST 70.31 FEET TO THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 153.50 FEET;
3. NORTHEASTERLY ALONG SAID CURVE 95.45 FEET, THROUGH A CENTRAL ANGLE OF 35°37'36";
4. LEAVING SAID CURVE SOUTH 89°38'09" EAST 100.52 FEET TO THE EASTERLY LINE OF SAID PARCEL 1;

THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF PARCEL 1 SOUTH 00°28'21" WEST 177.31 FEET TO THE POINT OF BEGINNING.

CONTAINS 0.695 ACRES MORE OR LESS.

All notices to be mailed to:

Attn: Director HWS  
County of Riverside  
Housing Division  
3403 10<sup>th</sup> Street, Suite 300  
Riverside, California 92501

Request is hereby made that a copy of any notice of default and a copy of any notice of sale under the Leasehold Deed of Trust.

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

COUNTY OF RIVERSIDE DEPARTMENT OF HOUSING  
AND WORKFORCE SOLUTIONS

\_\_\_\_\_  
Heidi Marshall, Director HWS

**REQUEST for NOTICE UNDER SECTION 2924b CIVIL CODE**

draft



# Exhibit “H”

## Sample

### Contractor Debarment Certification Form

#### Excluded Parties Lists System (EPLS)

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

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

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

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

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

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

By signing below ARPA 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.

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DEVELOPER SIGNATURE

# EXHIBIT "I"

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 to 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 J, the terms and conditions in Exhibit J 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 (ARPA; (Title VI of the Social Security Act Section 602 et seq.)), the COUNTY will administer and distribute those funds in accordance with ARPA. ARPA 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.

4.14. 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.