

REVOCABLE GRANT AGREEMENT

Between

San Bernardino County

and

City of Fontana

dated as of February __, 2024

ARTICLE 1. DEFINITIONS AND EXHIBITS	5
Section 1.1 <u>Definitions</u>	5
Section 1.2 <u>Exhibits</u>	7
ARTICLE 2. GRANT PROVISIONS	7
Section 2.1 <u>Grant</u>	7
Section 2.2 <u>Security</u>	7
Section 2.3 <u>Forgiveness of County Grant</u>	7
Section 2.4 <u>Revocation of Grant Upon Default</u>	7
Section 2.5 <u>Interest on Default</u>	8
Section 2.6 <u>Use of Grant Funds</u>	8
Section 2.7 <u>Conditions Precedent to Disbursement</u>	8
Section 2.8 <u>Non-Recourse</u>	10
Section 2.9 <u>Subordination</u>	10
ARTICLE 3. REHABILITATION OF IMPROVEMENTS	11
Section 3.1 <u>Schedule of Performance</u>	11
Section 3.2 <u>Permits and Approvals</u>	11
Section 3.3 <u>Construction Bonds</u>	11
Section 3.4 <u>Commencement of Construction</u>	11
Section 3.5 <u>Completion of Construction</u>	11
Section 3.6 <u>Construction Pursuant to Plans and Laws; Prevailing Wages;</u> <u>Accessibility</u>	12
Section 3.7 <u>Equal Opportunity</u>	14
Section 3.8 <u>Minority and Women-Owned Contractors</u>	14
Section 3.9 <u>Progress Reports</u>	14
Section 3.10 <u>Construction Responsibilities</u>	15
Section 3.11 <u>Certificates of Completion</u>	15
Section 3.12 <u>Mechanics Liens, Stop Notices, and Notices of Completion</u>	15
Section 3.13 <u>Inspections</u>	16
Section 3.14 <u>Approved Financing Plan</u>	17
Section 3.15 <u>No Developer Fee</u>	17
Section 3.16 <u>Relocation</u>	17
ARTICLE 4. GRANT REQUIREMENTS	17
Section 4.1 <u>Compliance with Agreement</u>	17
Section 4.2 <u>Financial Accountings and Audits</u>	18
Section 4.3 <u>Information</u>	18
Section 4.4 <u>Records</u>	18
Section 4.6 <u>Fees and Taxes</u>	19
Section 4.7 <u>Notice of Litigation</u>	19
Section 4.8 <u>Nondiscrimination</u>	19
Section 4.9 <u>Transfer</u>	19

Section 4.10	<u>Insurance Requirements</u>	20
Section 4.11	<u>Hazardous Materials</u>	24
Section 4.12	<u>Maintenance and Damage</u>	26
ARTICLE 5. REPRESENTATIONS AND WARRANTIES OF GRANTEE.....		26
Section 5.1	<u>Representations and Warranties</u>	26
ARTICLE 6. DEFAULT AND REMEDIES.....		27
Section 6.1	<u>Events of Default</u> . Each of the following shall constitute a "Default" by Grantee under this Agreement:.....	27
Section 6.2	<u>Remedies</u>	28
Section 6.3	<u>Right of Contest</u>	29
Section 6.4	<u>Remedies Cumulative</u>	29
ARTICLE 7. GENERAL PROVISIONS.....		29
Section 7.1	<u>Relationship of Parties</u>	29
Section 7.2	<u>No Claims</u>	30
Section 7.3	<u>Amendments</u>	30
Section 7.4	<u>Indemnification</u>	30
Section 7.5	<u>Non-Liability of County Officials, Employees and Agents</u>	30
Section 7.6	<u>No Third Party Beneficiaries</u>	30
Section 7.7	<u>Discretion Retained By County</u>	30
Section 7.8	<u>Conflict of Interest</u>	31
Section 7.9	<u>Notices, Demands and Communications</u>	31
Section 7.10	<u>Applicable Law and Venue</u>	32
Section 7.11	<u>Parties Bound</u>	32
Section 7.12	<u>Attorneys' Fees</u>	32
Section 7.13	<u>Severability</u>	32
Section 7.14	<u>Force Majeure</u>	32
Section 7.15	<u>County Approval</u>	32
Section 7.16	<u>Waivers</u>	33
Section 7.17	<u>Title of Parts and Sections</u>	33
Section 7.18	<u>Entire Understanding of the Parties</u>	33
Section 7.19	<u>Multiple Originals; Counterparts</u>	33
Exhibit A:	Legal Description	
Exhibit B:	Financing Budget	
Exhibit C:	Scope of Work	
Exhibit D:	Revocable Grant Deed of Trust	
Exhibit E:	Regulatory Agreement	
Exhibit F:	Schedule of Performance	

REVOCABLE GRANT AGREEMENT

This Revocable Grant Agreement (the "Agreement") is entered into as of February 6, 2024 (the "Effective Date"), by and between San Bernardino County, a political subdivision of the State of California (the "County"), and City of Fontana, a California municipal corporation (the "Grantee"), with reference to the following facts:

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the County and Grantee.

A. These Recitals refer to and utilize certain capitalized terms which are defined in Article 1 of this Agreement. The Parties intend to refer to those definitions in connection with the use of capitalized terms in these Recitals.

B. The Grantee owns or is acquiring specified real property located at 17133 Valley Blvd, City of Fontana, San Bernardino County, State of California, as more fully described in the attached Exhibit A, incorporated herein by this reference (the "Property").

C. As of the date of acquisition the Property is improved with a sixty (60) unit hotel. The Grantee intends to convert the Property to interim or temporary housing and intends to provide sixty (60) doors with up to one hundred twenty (120) beds to be used as interim housing (excluding one unrestricted manager's unit) for individuals and families who are experiencing homelessness or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations (the "Housing Improvements"). The Housing Improvements and the Property are referred to as the "Project."

D. Grantee wishes to accept from the County and the County wishes to extend to Grantee a grant of Five Million Dollars (\$5,000,000) (the "County Grant") to fund the acquisition of the Property. The County Grant will be evidenced by this Agreement and will be subject to the terms and conditions set forth in this Agreement. No portion of the County Grant may be used for costs not associated with the Housing Improvements.

E. Pursuant to the California Environmental Quality Act and its implementing guidelines, the City of Fontana Planning Commission found that CEQA imposes no conditions on the Project, because the Project is exempt from CEQA requirements under Class 1 categorical exemption for operation, repair, maintenance, leasing, licensing, or minor alterations of a private structure involving negligible or no expansion of its former use. In the consideration and approval by the County, no additional review is required under 14 California Code of Regulations Section 15162 and Public Resources Code Section 21166. Further, pursuant to the National Environmental Protection Act ("NEPA"), the Grantee completed a review of the project for NEPA compliance. The Project is exempt from further environmental review under NEPA based on the City's determination that it falls under the Categorical Exclusion of 24 C.F.R. 58.35(a) and subject to laws and authorities described under Section 58.5. All NEPA

environmental review document have been submitted into HERO (the HUD database for environmental reviews).

NOW, THEREFORE, the Parties agree as follows:

ARTICLE 1. DEFINITIONS AND EXHIBITS

Section 1.1 Definitions.

The following capitalized terms have the meanings set forth in this Section 1.1 wherever used in this Agreement, unless otherwise provided:

- (a) "Agreement" means this Revocable Grant Agreement.
- (b) "At Risk of Homelessness Household" means a household that is at risk of homelessness, as defined in Section 578.3 of Title 24 of the Code of Federal Regulation.
- (c) "City" means the City of Fontana, a municipal corporation.
- (d) "Completion of Construction" means the date the construction of the minor rehabilitation to the Housing Improvements, respectively is completed as evidenced by the issuance of a certificate of occupancy or equivalent document issued by the City, to certify completion of the rehabilitation work.
- (e) "County" means San Bernardino County, a political subdivision of the State of California.
- (f) "County Board of Supervisors" means the Board of Supervisors of the County.
- (g) "County Executive Officer" means the County's Chief Executive Officer.
- (h) "County Grant" means the grant, made from the County to the Grantee pursuant to the terms of this Agreement, in an amount not to exceed Five Million Dollars (\$5,000,000).
- (i) "Default" shall have the meaning set forth in Section 6.1 below.
- (j) "Eligible Participants" means either At Risk of Homelessness Households or Homeless Households referred by the Fontana Homeless Outreach Team or County's Office of Homeless Services (OHS) through the Coordinated Entry System (CES) to Grantee. All those participating with CES will need to apply to participate in the Homeless Management Information System (HMIS).
- (k) "Financing Budget" means the financing plan approved by the County as of the date of this Agreement, attached to this Agreement as Exhibit B, incorporated herein by this reference, which includes an operating proforma for the first fifteen (15) years of operation of the project including funding for the provision of supportive services.

(l) "Fontana Homeless Outreach Team" means employees, including contracted agents or representatives, of the City of Fontana or the Fontana Police Department working in support of the City's Homeless Solutions Action plan.

(m) "Grantee" has the meaning set forth in the opening paragraph of this Agreement.

(n) "Homeless Household" means housing for individuals and families who are experiencing homelessness, as defined in Section 578.3 of Title 24 of the Code of Federal Regulation.

(o) "Interim Housing" means a facility that is primarily intended to provide temporary shelter or lodging for individuals and families who are experiencing homelessness or who are at risk of homelessness, as defined in Section 578.3 of Title 24 of the Code of Federal Regulation, where the participant is not required to pay toward the cost of housing and which does not require occupants to sign leases or occupancy agreements.

(p) "Parties" means the County and Grantee.

(q) "Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants that will be recorded against the Grantee's fee interest in the Property and will restrict the occupancy of the Housing Improvements to Eligible Participants. The form of Regulatory Agreement is attached hereto as Exhibit E, incorporated herein by this reference.

(r) "Revocable Grant Deed of Trust" means that certain Deed of Trust with Security Agreement, and Fixture Filing, of even date herewith, among Grantee, as Trustor, First American Title Insurance Company, as trustee, and the County, as beneficiary, that will encumber the Property to secure performance of the covenants of the Revocable Grant Documents. The form of the Deed of Trust is attached hereto as Exhibit D, incorporated herein by this reference.

(s) "Revocable Grant Documents" means this Agreement, the Regulatory Agreement, the Revocable Grant Deed of Trust, and any other document or agreement evidencing the County Grant.

(t) "Schedule of Performance" means the schedule for obligations to be performed by the Grantee associated with the Housing Improvements attached hereto as Exhibit F, incorporated herein by this reference.

(u) "Scope of Work" means the work to be performed by the Grantee associated with the minor rehabilitation of the Housing Improvements attached hereto as Exhibit C, incorporated herein by this reference.

(v) "Term" means the fifteen (15) year term of this Agreement which commences on the Completion of Construction of the Housing Improvements, which is expected to terminate July 1, 2039.

Section 1.2 Exhibits.

The following exhibits are attached to this Agreement and incorporated into this Agreement by this reference:

- Exhibit A: Legal Description
- Exhibit B: Financing Budget
- Exhibit C: Scope of Work
- Exhibit D: Revocable Grant Deed of Trust
- Exhibit E: Regulatory Agreement
- Exhibit F: Schedule of Performance

ARTICLE 2. GRANT PROVISIONS

Section 2.1 Grant.

Upon satisfaction of the conditions set forth in Section 2.7 of this Agreement, the County shall grant to the Grantee the County Grant in the principal amount not to exceed Five Million Dollars (\$5,000,000) for the purposes set forth in Section 2.6 of this Agreement.

Section 2.2 Security.

Grantee shall secure its obligation to repay the County Grant in the event of Default by executing the Revocable Grant Deed of Trust, and recording it as a lien against the Property, in a lien position approved by the County.

Section 2.3 Forgiveness of County Grant.

(a) Provided that no Default exists, without further action of the parties, the County Grant shall be forgiven in 1/15th increments each year that the Grantee provides the Housing Improvements consistent with the terms of the Regulatory Agreement.

(b) Upon the written request of Grantee, in connection with the forgiveness of the County Grant set forth above, or at such other times as may be requested by Grantee, the County shall deliver a written notice to Grantee evidencing the outstanding balance of the County Grant, and amounts previously forgiven by the County. Notwithstanding anything to the contrary, the forgiveness of the County Grant pursuant to the terms of this Section shall have no effect on the Regulatory Agreement which shall remain in full force and effect for the term specified therein.

Section 2.4 Revocation of Grant Upon Default.

Notwithstanding any provision herein to the contrary, and in addition to any other rights and remedies available to the County set forth in Article 5, upon a Default by Grantee, the County may revoke the outstanding balance of the County Grant, and declare the outstanding balance of the County Grant plus interest thereon to be immediately due and payable, subject to the non-recourse provisions set forth in Section 2.9.

Section 2.5 Interest on Default.

In the event of a Default, interest on the County Grant shall begin to accrue, as of the date of Default and continuing until such time as the outstanding balance of the County Grant funds are repaid in full (other than any portion of the County Grant that has been previously forgiven by the County as set forth in Section 2.3 above) or the Default is cured, at the default rate of the lesser of ten percent (10%), compounded annually, or the highest rate permitted by law.

Section 2.6 Use of Grant Funds.

(a) Grantee shall use the Grant Funds to fund the acquisition of the Property. No portion of the Grant Funds will be used to pay for the Scope of Work identified in the attached Exhibit C. The Grant Funds shall be disbursed in a single disbursement to be used solely to fund the acquisition of the Property consistent with the Financing Budget for the Housing Improvements.

(b) The Grantee shall not use the Grant Funds for any other purpose without the prior written consent of the County.

(c) None of the County Grant funds may be used for costs associated with activities in violation of any law or for any activities not consistent with this Agreement. The Grantee's failure to comply with the requirements of this Section 2.6 shall constitute a Default under Section 6.1.

(d) The Grantee shall not use the County Grant funds to supplant funds provided by the County to the Grantee under any other memorandum of understanding or agreement. The Grantee shall include a term in every subaward and contract that prohibits the subrecipient or contractor from using the County Grant funds to supplant funding provided by the County directly or indirectly to the subrecipient or contractor.

Section 2.7 Conditions Precedent to Disbursement.

(a) The disbursement made pursuant to this section may not exceed the amount of the County Grant and shall only be requested at such time they are needed by the Grantee to pay eligible costs. The disbursements may be readjusted by the County Executive Officer on behalf of the County without the need for formal amendment of this Agreement. The County will disburse the various components of the County Grant subject to the conditions precedent set forth below. The County shall not be obligated to make any disbursements of the County Grant funds or take any other action under the Agreement unless the following conditions precedent are satisfied prior to each such disbursement of the County Grant:

(b) The maximum amount of County Grant funds to be disbursed pursuant to this Section shall not exceed Five Million Dollars (\$5,000,000). The County is not obligated to make a disbursement of the Grant Funds or to take any other action under the Revocable Grant Documents unless the following conditions precedent are satisfied prior to each such disbursement of the County Grant:

(1) There exists no Default nor any act, failure, omission or condition that would constitute an event of Default under this Agreement;

(2) The Grantee shall provide the County with a certified copy of the Grantee's organizational documents and an authorizing resolution authorizing execution this Agreement and the transactions contemplated by this Agreement, and any agreements required pursuant to this Agreement;

(3) Grantee has executed and delivered to County all Revocable Grant Documents, and any other documents, instruments, and policies required under this Agreement;

(4) Copies of all required funding commitments for acquisition, rehabilitation and operation of the Project;

(5) Grantee has furnished the County with evidence of the insurance coverage meeting the requirements under this Agreement;

(6) The Regulatory Agreement and Deed of Trust have been recorded against the Grantee's fee interest in the Property in the Office of the Recorder of the County of San Bernardino in a lien position approved by the County, in accordance with the terms of this Agreement, and recorded copies have been arranged to be delivered to the County;

(7) A title insurer reasonably acceptable to the County is unconditionally and irrevocably committed to issuing an LP-10 2006 ALTA Lender's Policy of title insurance insuring the priority of the Deed of Trust in the amount of the County Grant, subject only to such exceptions and exclusions as may be reasonably acceptable to the County, and containing such endorsements as the County may reasonably require. The Grantee shall provide whatever documentation (including an indemnification agreement), deposits or surety that is reasonably required by the title company in order for the Deed of Trust to be senior in lien priority to any mechanics liens in connection with any early start of construction that has occurred prior to the recordation of the Deed of Trust against the Property in the Office of the Recorder of the San Bernardino County;

(8) The County has determined the County Grant, together with other funds or firm commitments for funds that the Grantee has obtained, or reasonably expect to obtain, in connection with the acquisition and conversion of the Project, are not less than the amount the County determines is necessary to pay for the acquisition and conversion of the Project and to satisfy all of the covenants contained in this Agreement and the Regulatory Agreement; and

(9) The County has received a written draw request from the Grantee for any County Grant funds requested for disbursement, including certification that the condition set forth in this section continue to be satisfied, and setting forth the proposed uses of funds consistent with the approved Financing Budget for the Housing Improvements, the amount of funds needed, and, where applicable, a copy of the bill or invoice covering a cost incurred or to be incurred.

(c) The Grantee agrees and acknowledges that the County is making the County Grant to fund the acquisition of the Housing Improvements, the Grantee agrees and acknowledges that Grantee must sustain operations in conformance with the Regulatory Agreement for the entire Term. The Grantee further agrees and acknowledges that the Grantee shall not be allowed to refinance any loan or mortgage encumbering the Housing Improvements which results in the Grantee receiving any cash out.

Section 2.8 Non-Recourse.

Neither Grantee, nor Grantee's governing board members, supervisors, directors, officers, employees, agents, or successors and assigns shall have any direct or indirect personal liability for payment of the principal of, and interest on, the County Grant.

Section 2.9 Subordination.

(a) The County agrees to subordinate the Deed of Trust to an encumbrance securing and/or evidencing Approved Financing (each such Approved Financing, a "Senior Loan"), will be subject to the satisfaction of each of the following conditions:

(1) The proposed lender of a Senior Loan (each a "Senior Lender") must be a state or federally chartered financial institution, an entity qualified to make loans in the State of California, a nonprofit corporation or a public entity that is not affiliated with Grantee, other than as a depositor or a lender;

(2) Grantee demonstrates to the County's reasonable satisfaction that subordination of the Deed of Trust is necessary to secure adequate acquisition, construction or permanent financing to ensure the viability of the Project or the repayment of a Senior Loan at maturity, including the operation of the Project as affordable housing, as required by the Grant Documents and the Standard Agreement. To satisfy this requirement, Grantee must provide to the County, in addition to any other information reasonably required by the County, evidence demonstrating that the proposed amount of the refinanced Senior Loan is necessary to provide adequate acquisition, construction and/or permanent financing (or County approved refinancing thereof so long as the term of the refinancing loan does not exceed the then outstanding principal balance of the existing Senior Lien) to ensure the viability of the Project, and adequate financing for the Project would not be available without the proposed subordination;

(3) The subordination agreement(s) is structured to minimize the risk that the Deed of Trust will be extinguished as a result of a foreclosure by the Senior Lender or other holder of the Senior Loan. To satisfy this requirement, the subordination agreement must provide the County with adequate rights to cure any defaults by Grantee, including: (i) providing the County or its successor with copies of any notices of default at the same time and in the same manner as provided to Grantee; and (ii) providing the County with a cure period of at least sixty (60) days to cure any default;

(4) The subordination(s) of the Grant is effective only during the original term of the Senior Loan and any extension of its term or refinancing approved in writing by the County;

(b) No subordination may limit the effect of the Deed of Trust before a foreclosure, nor require the consent of the Senior Lender prior to the County exercising any remedies available to the County under the Grant Documents; and

(c) Upon a determination by the County Executive Officer that the conditions in this Section have been satisfied, the County Executive Officer or the County Executive Officer's designee, will be authorized to execute the approved subordination agreement without the necessity of any further action or approval by the Board of Supervisors. Execution of any subordination agreement will evidence and constitute the determination of the County that all requirements of this Section have been satisfied or waived.

(d) The County will not subordinate the Regulatory Agreement to any encumbrance securing any financing.

ARTICLE 3. REHABILITATION OF IMPROVEMENTS

Section 3.1 Schedule of Performance.

Grantee shall perform the tasks described in the Schedule of Performance no later than the dates set forth in the Schedule of Performance. The Schedule of Performance may be modified in writing by Grantee and the County Executive Officer on behalf of the County without the need for formal amendment of this Agreement or further approval by the Board of Supervisors, approval of any amendment shall not be unreasonably conditioned, delayed, or withheld.

Section 3.2 Permits and Approvals.

Grantee shall make best efforts to obtain all permits and approvals necessary for completion of the rehabilitation of the Housing Improvements no later than the date set forth in the Schedule of Performance.

Section 3.3 Construction Bonds.

By the date set forth in the Schedule of Performance, the Grantee shall deliver to the County copies of labor and material bonds and performance bonds for the completion of the Scope of Work in an amount equal to one hundred percent (100%) of the scheduled cost of the rehabilitation of Housing Improvements. The bonds required under this Section shall be issued by a surety licensed to do business in California and reasonably acceptable to the County. Such bonds must name the County as a co-obligee.

Section 3.4 Commencement of Construction.

Grantee shall cause the commence the activities required under the Scope of Work no later than the date set forth in the Schedule of Performance.

Section 3.5 Completion of Construction.

The Grantee shall diligently prosecute to completion the construction of the Scope of Work no later than the date set forth in the Schedule of Performance, unless the County and the Grantee agree to extend such date in writing.

Section 3.6 Construction Pursuant to Plans and Laws; Prevailing Wages; Accessibility.

(a) Changes. Grantee shall complete the work on the Housing Improvements in accordance with Scope of Work and the terms and conditions of the land use permits and approvals and building permits, including any variances granted. Grantee shall request consent from the County prior to making any material changes in the work required to be performed under this Agreement, including any material additions, changes, or deletions to the Scope of Work. Consent to any additions, changes, or deletions to the work do not relieve or release Grantee from any other obligations under this Agreement, or relieve or release Grantee or its surety from any surety bond. Approvals by the County for any changes shall not be unreasonably conditioned, delayed, or withheld.

(b) Compliance with Laws. The Grantee shall cause all work performed in connection with the Scope of Work to be performed in compliance with all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter including without limitation and to the extent applicable, all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction. The work will proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, and Grantee shall be responsible to the agency for the procurement and maintenance thereof, as may be required of Grantee and all entities engaged in work on the Housing Improvements.

(c) Prevailing Wages. Grantee shall cause all work performed in connection with the Scope of Work or any improvements on the Property and shall cause its respective contractors and subcontractors to pay prevailing wages in performing the Housing Improvements activities or any improvements on the Property as may be required under Labor Code Sections 1720 et seq. (the "Prevailing Wage Requirements"), and the implementing regulations of the Department of Industrial Relations (the "DIR"), to employ apprentices as required by Labor Code Sections 1777.5 et seq., and the implementing regulations of the DIR and comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1777.5 et seq., 1810-1815, and implementing regulations of the DIR. To the extent Prevailing Wage Requirements are applicable, Grantee shall and shall cause its respective contractors and subcontractors to keep and retain such records as are necessary to determine if such prevailing wages have been paid as required pursuant to Labor Code Sections 1720 et seq., and that apprentices have been employed as required by Labor Code Section 1777.5 et seq., and shall, from time to time upon the request of the County provide to the County such records and other documentation reasonably requested by the County. Copies of the currently applicable per diem prevailing wages are available from the County. To the extent Prevailing Wage Requirements are applicable, Grantee shall post the applicable prevailing rates of per diem wages at the Property. To the extent Prevailing Wage Requirements are applicable, Grantee shall cause its respective contractors and subcontractors to be registered as set forth in Labor Code Section 1725.5. In addition, and only to the extent

Prevailing Wage Requirements are applicable, Grantee shall cause its respective contractors and subcontractors to do all the following:

(1) All calls for bids, bidding materials and the construction contract documents for the Housing Improvements must specify that: (i) No contractor or subcontractor may be listed on a bid proposal nor be awarded a contract for the Housing Improvements unless registered with the DIR pursuant to Labor Code Section 1725.5; and (ii) The Housing Improvements is subject to compliance monitoring and enforcement by the DIR;

(2) To the extent required by law: (i) Grantee is required to provide the County all information required by Labor Code Section 1773.3 as set forth in the DIR's online form PWC-100 within two (2) days of the award of the contract (<https://www.dir.ca.gov/pwc100ext/>); (ii) Grantee shall cause its respective contractors to post job site notices, as prescribed by applicable DIR regulations; and (iii) Grantee shall cause its respective contractors to furnish payroll records required by Labor Code Section 1776 directly to the Labor Commissioner, at least monthly in the electronic format prescribed by the Labor Commissioner.

(3) A weekly certified payroll submitted through LCP Tracker is required during the term of construction of the Housing Improvements. Payment of disbursement components may be delayed when certified payrolls are not properly submitted.

(4) For purposes of this Section, the "initial construction" of the Housing Improvements shall mean the work required under the Scope of Work and obtain the Certificate of Completion for the Housing Improvements.

(d) Grantee shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the County) the County and its board members, officers and employees against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including Grantee, its contractors and subcontractors) to pay prevailing wages as determined pursuant to Labor Code Sections 1720 et seq., to employ apprentices pursuant to Labor Code Sections 1777.5 et seq., and implementing regulations of the DIR or to comply with the other applicable provisions of Labor Code Sections 1720 et seq., 1777.5 et seq., and the implementing regulations of the DIR in connection with the performance of the construction activities for the Housing Improvement or any other work undertaken or in connection with the Property. The requirements in this subsection survive the repayment of the County Grant, and the reconveyance of the Deed of Trust.

(e) Accessibility Requirements. The Grantee shall ensure that the Housing Improvements comply with all applicable federal and state disabled persons accessibility requirements including but not limited to the Federal Fair Housing Act, Section 504 of the Construction Act of 1973, Title II and/or Title III of the Americans with Disabilities Act of 1990, Title 24 of the California Code of Regulations and the Uniform Federal Accessibility Standards ("UFAS"), as applicable. Grantee shall submit a certification from the architect or a County approved Certified Access Specialist certifying that the Project has been rehabilitated in compliance with the accessibility requirements set in compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794, et seq.) and the Uniform Federal Accessibility

Standards (UFAS), as applicable; or has provided the County with other evidence that the Project, as built, complies with the accessibility requirements.

Section 3.7 Equal Opportunity.

(a) During performance of the Scope of Work for the Housing Improvements there shall be no discrimination on the basis of race, color, creed, religion, sex, sexual orientation, gender identity, marital status, national origin or ancestry, or source of income, in the hiring, firing, promoting or demoting of any person engaged in the construction work.

(b) In providing services supported in whole or in part with federal financial assistance, and in their outreach activities related to such services, program participants shall not discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice. A faith-based organization that is a recipient or subrecipient of County Grant funds is eligible to use such funds as provided under the regulations of this part without impairing its independence, autonomy, expression of religious beliefs, or religious character. Such organization will retain its independence from federal, state, and local government, and may continue to carry out its mission, including the definition, development, practice, and expression of its religious beliefs, provided that it does not use direct program funds to support or engage in any explicitly religious activities, including activities that involve overt religious content, such as worship, religious instruction, or proselytization, or any manner prohibited by law. Among other things, faith-based organizations may use space in their facilities to provide program-funded services, without removing or altering religious art, icons, scriptures, or other religious symbols. In addition, a County Grant-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.

Section 3.8 Minority and Women-Owned Contractors.

Grantee shall use its best efforts to afford minority-owned and women-owned business enterprises ("MBE/WBE") the maximum practicable opportunity to participate in all work performed in connection with the Scope of Work to be performed. Grantee shall, at a minimum, notify applicable minority-owned and women-owned business firms located in San Bernardino County of bid opportunities for the rehabilitation work for the Housing Improvements. A listing of minority owned and women owned businesses located in the County and neighboring counties is available from the County. Documentation of such notifications must be maintained by Grantee and available to the County as requested.

Section 3.9 Progress Reports.

(a) From the date of commencement of construction and until such time as Grantee has received a Certificate of Completion for the Housing Improvements, Grantee shall provide the County with quarterly progress reports regarding the status of the rehabilitation of the Housing Improvements.

(b) The Grantee shall provide any information reasonably requested by the County in connection with the Project.

Section 3.10 Construction Responsibilities.

(a) Grantee is responsible for the coordination and scheduling of the work to be performed so that commencement and completion of the rehabilitation of the Housing Improvements will take place in accordance with this Agreement.

(b) Grantee is solely responsible for all aspects of Grantee's conduct in connection with the Housing Improvements, including (but not limited to) the quality and suitability of the plans and specifications, the supervision of rehabilitation work, and the qualifications, financial condition, and performance of all architects, engineers, contractors, subcontractors, suppliers, consultants, and property managers. Any review or inspection undertaken by the County with reference to the Housing Improvements is solely for the purpose of determining whether Grantee is properly discharging its obligations to the County, and may not be relied upon by Grantee or by any third parties as a warranty or representation by the County as to the quality of the design or construction of the Housing Improvements.

Section 3.11 Certificates of Completion. Promptly after completion of the Scope of Work for the Housing Improvements, and upon written request from the Grantee, in accordance with those provisions of this Agreement relating solely to the obligations of the Grantee to complete the Scope of Work for the Housing Improvements; and the County's determination that the Grantee various obligations with regards to completion of the Scope of Work for the Housing Improvements under this Agreement have been met; the County will provide the Grantee with a Certificate of Completion for the Housing Improvements. If upon the written request from the Grantee, the County determines, at its sole discretion, that the requesting Grantee is not entitled to a Certificate of Completion, the County shall within twenty (20) days of such request, provide such Grantee with a written response stating with specificity the obligations required to be completed as a condition for issuing the Certificate of Completion. If the County fails to issue or fails to provide a written response stating with specificity the reasons the County will not issue a Certificate of Completion to a requesting Grantee within twenty (20) days of a request hereunder, then the requesting Grantee shall be deemed to be entitled to receive such Certificate of Completion.

(b) Such Certificates of Completion shall be conclusive evidence that the covenants in this Agreement with respect to the obligations of Grantee to complete the Scope of Work for the Housing Improvements described in such certificate and the dates for the beginning and completion thereof have been met; provided, however, such certifications shall not be conclusive evidence regarding Grantee satisfaction of the prevailing wage requirements of this Agreement. Such certifications and determinations shall not constitute evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a deed of trust securing money loaned to finance any portion of the Housing Improvements or any part thereof and shall not be deemed a notice of completion under the California Civil Code.

Section 3.12 Mechanics Liens, Stop Notices, and Notices of Completion.

(a) If any claim of lien is filed against the Property, or any portion thereof, or a stop notice affecting the County Grant is served on the County or any other lender or other third party in connection with the Housing Improvements, then Grantee shall, within twenty (20) days after such filing or service, either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to the County a surety bond in sufficient form and amount, or provide the County with other assurance satisfactory to the County that the claim of lien or stop notice will be paid or discharged.

(b) If Grantee fails to discharge any lien, encumbrance, charge, or claim in the manner required in this Section or obtain a surety bond, then in addition to any other right or remedy, the County may (but is under no obligation to) discharge such lien, encumbrance, charge, or claim at Grantee's expense. Alternately, the County may require Grantee to immediately deposit with the County the amount necessary to satisfy such lien or claim and any costs, pending resolution thereof. The County may use such deposit to satisfy any claim or lien that is adversely determined against Grantee.

(c) Grantee shall file a valid notice of cessation or notice of completion upon cessation of construction work on any portion of the Housing Improvements for a continuous period of thirty (30) days or more, and take all other steps necessary to forestall the assertion of claims of lien against the Property. Grantee authorizes the County, but the County has no obligation, to record any notices of completion or cessation of labor, or any other notice that the County deems necessary or desirable to protect its interest in any portion of the Housing Improvements.

Section 3.13 Inspections.

(a) The Grantee shall permit and facilitate, and shall require its contractors to permit and facilitate, observation and inspection of the Property or the Housing Improvements by the County and by public authorities during reasonable business hours upon forty-eight (48) hours' prior written notice for the purposes of determining compliance with this Agreement, provided, however, that nothing in this Agreement shall entitle the County to enter an occupied unit in the Housing Improvements without notice to the tenant thereof, which the Grantee shall deliver on behalf of the County, and permission from such tenant to the extent such permission is required by law. Such inspections do not relieve the Grantee, or its contractors, from any applicable requirement to obtain other City or County inspections in connection with the Scope of Work for the Housing Improvements.

(b) After the completion of an inspection the County shall deliver a copy of the inspection report to the Grantee. If the County determines as a result of such inspection that there are any life-threatening health and safety related deficiencies, Grantee has the obligation to correct such deficiencies immediately. If the County determines as a result of the inspection that there are any deficiencies for any of the inspectable items in the Housing Improvements, the Grantee shall correct such deficiencies within fifteen (15) days from the delivery of the inspection report or if a period longer than fifteen (15) days is reasonably necessary to correct the deficiency, then Grantee must begin to correct the deficiency within fifteen (15) days and correct the deficiency as soon as reasonably possible. In addition, the Grantee acknowledges that the

County may re-inspect the Housing Improvements to verify all deficiencies have been corrected or rely on third party documentation submitted by the Grantee for non-hazardous deficiencies.

Section 3.14 Approved Financing Plan.

As of the date of this Agreement, the County has approved the Financing Budget set forth in Exhibit B. Grantee shall submit any proposed or required amendments to the approved Financing Budget, along with evidence that the changes to the approved Financing Budget are reasonable and necessary, to the County for approval within fifteen (15) days of the date Grantee receives information indicating that actual costs of Scope of Work for the Housing Improvements materially vary or will vary from the costs shown on the approved Financing Budget, which approval shall not be unreasonably withheld or delayed. Written consent of the County will be required to amend the approved Financing Budget. The County will make best efforts to respond in writing within seven (7) days after receipt of a proposed amendment to the approved Financing Budget.

Section 3.15 No Developer Fee.

No compensation from any source shall be received by or be payable to the Grantee or any affiliate of the Grantee in connection with the provision of development and construction management services for the acquisition and rehabilitation of the Housing Improvements.

Section 3.16 Relocation.

If and to the extent that acquisition and rehabilitation of the Property will result in the permanent or temporary displacement of tenants, then Grantee shall comply with all applicable local, state, and federal statutes and regulations, (including without limitation the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, California Government Code Section 7260 et seq., and accompanying regulations) with respect to preparation of a relocation plan, relocation planning, advisory assistance, and payment of monetary benefits. Grantee shall be solely responsible for payment of any relocation benefits to any displaced persons and any other obligations associated with complying with such relocation laws. Grantee shall indemnify, defend and hold harmless, (with counsel reasonably acceptable to the County), the County and its authorized officers, employees, agents, volunteers, and successors and assigns ("County Indemnitees"), against any claim for damages, compensation, fines, penalties, relocation payments or other amounts and expenses (including reasonable attorneys' fees) arising out of the failure or alleged failure of any person or entity (including Grantee, or the County) to satisfy relocation obligations related to the acquisition of the Property. This obligation to indemnify shall survive termination of this Agreement.

ARTICLE 4. GRANT REQUIREMENTS

Section 4.1 Compliance with Agreement.

Grantee shall comply with the terms of this Agreement, the Regulatory Agreement, and any breach by Grantee under the Revocable Grant Documents shall be considered a Default under this Agreement. Notwithstanding anything to the contrary, the forgiveness of the County

Grant pursuant to Section 2.3 above, shall have no effect on the Regulatory Agreement which shall remain in full force and effect for the term specified therein.

Section 4.2 Financial Accountings and Audits.

During the Term, from time to time as reasonably requested by the County, Grantee shall make available for examination during normal business hours to County all books, accounts, reports, files, and other papers or property with respect to all matters covered by this Agreement, and shall permit County to audit, examine, and make excerpts or transcripts from such records. County may make audits of any conditions relating to this Agreement.

Section 4.3 Information.

Grantee shall provide any information reasonably requested by the County in connection with the County Grant, including (but not limited to) any information required by the local, state or federal governments in connection with Grantee's use of the Grant Funds.

Section 4.4 Records.

(a) Grantee shall keep and maintain at the principal place of business of the Grantee set forth in Section 7.8 below, or elsewhere with the County's written consent, full, complete and appropriate books, records and accounts relating to the Housing Improvements. Books, records and accounts relating to Grantee's compliance with the terms, provisions, covenants and conditions of this Agreement are to be kept and maintained in accordance with generally accepted accounting principles consistently applied, and are to be consistent with requirements of this Agreement. All such books, records, and accounts are to be open to and available for inspection and copying by the County, its auditors or other authorized representatives at reasonable intervals during normal business hours. Copies of all tax returns and other reports that Grantee may be required to furnish to any governmental agency are to be open for inspection by the County at all reasonable times at the place that the books, records and accounts of Grantee are kept. Grantee shall preserve such records for a period of not less than five (5) years after the creation of such records. If any litigation, claim, negotiation, audit exception, monitoring, inspection or other action relating to the use of the Grant Funds is pending at the end of the record retention period stated herein, then Grantee shall retain the records until such action and all related issues are resolved. The records are to include all invoices, receipts, and other documents related to expenditures from the Grant Funds.

(b) Grantee shall retain all financial records, supporting documents, statistical records, and all other records pertinent to services performed and expenditures incurred under this Agreement for a period of five (5) years after the termination of all activities funded under this Agreement, or after the resolution of all litigation, claims, federal audits, negotiation or other actions that involve any of the records cited, whichever occurs later. Grantee shall retain records for non-expendable property acquired with funds under this Agreement for five (5) years after final disposition of such property. Records for any displaced person must be kept for five (5) years after the displaced person has received final payment.

(c) The County shall notify Grantee of any records it deems insufficient. Grantee has fifteen (15) calendar days after the receipt of such a notice to correct any deficiency in the records specified by the County in such notice, or if a period longer than fifteen (15) days is reasonably necessary to correct the deficiency, then Grantee must begin to correct the deficiency within fifteen (15) days and correct the deficiency as soon as reasonably possible.

Section 4.5 Audits.

(a) Each year, Grantee shall provide the County with a copy of Grantee's annual audit, which is to include information on all of Grantee's activities and pertaining to the Housing Improvements.

(b) In addition, the County, at any time, audit all of Grantee's books, records, and accounts pertaining to the Housing Improvements. Any such audit is to be conducted during normal business hours at the principal place of business of Grantee wherever records are kept. Immediately after the completion of an audit, the County shall deliver a copy of the results of the audit to Grantee.

Section 4.6 Fees and Taxes.

Grantee shall be solely responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Housing Improvements to the extent owned by Grantee, and shall pay such charges prior to delinquency. However, Grantee shall not be required to pay and discharge any such charge so long as: (a) the legality thereof is being contested diligently and in good faith and by appropriate proceedings; and (b) if requested by the County, Grantee deposits with the County any funds or other forms of assurance that the County in good faith from time to time determines appropriate to protect the County from the consequences of the contest being unsuccessful.

Section 4.7 Notice of Litigation.

Grantee shall promptly notify the County in writing of any litigation materially affecting Grantee or the Housing Improvements and of any claims or disputes that involve a material risk of such litigation.

Section 4.8 Nondiscrimination.

Grantee covenants by and for itself and its successors and assigns that there will be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age (except for lawful senior housing in accordance with state and federal law), familial status, disability, sex, sexual orientation, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property, nor may Grantee or any person claiming under or through Grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property.

Section 4.9 Transfer.

(a) This Agreement is entered into solely for the purpose of funding the affordable Housing Improvements and its subsequent use in accordance with the terms hereof. The Grantee recognizes that the qualifications and identity of Grantee are of particular concern to the County. The Grantee further recognizes that it is because of such qualifications and identity that the County is entering into this Agreement with the Grantee and that limited Transfers are permitted only as provided in this Agreement.

(b) For purposes of this Agreement, "Transfer" means any sale, assignment, or transfer, whether voluntary or involuntary, of: (1) any rights and/or duties under this Agreement; or (2) any interest in the Grantee, including any merger, consolidations, sale, or lease of all or substantially all of the assets of Grantee.

(c) No Transfer shall be permitted during the Term, except to the extent that the Grantee transfers the property to the Fontana Housing Authority or the San Bernardino County Housing Authority. Any unauthorized Transfer shall automatically cancel the County's obligations to provide the Grant Funds to Grantee after the date of the unauthorized Transfer.

Section 4.10 Insurance Requirements.

(a) Grantee shall maintain the following insurance coverage throughout the Term of the County Grant written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A-VII". If the Grantee uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Grantee agrees to amend, supplement, or endorse the existing coverage to do so.

(b) Without in anyway affecting the indemnity herein provided and in addition thereto, the Grantee shall secure and maintain throughout the Term the following types of insurance with limits as shown:

(1) Workers' Compensation/Employers Liability.

(A) Workers' Compensation- A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the Grantee and all risks to such persons under this Agreement.

(B) If Grantee has no employees, it may certify or warrant to the County that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the Director of Risk Management.

(C) With respect to Grantees that are non-profit corporations organized under California or federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

(2) Comprehensive General Liability. General Liability Insurance covering all operations performed by or on behalf of Grantee providing coverage for bodily injury and property damage with a combined single limit of not less than Five Million Dollars (\$5,000,000), per occurrence. The policy coverage must include:

- (A) Premises operations and mobile equipment.
- (B) Products and completed operations.
- (C) Broad form property damage (including completed operations).
- (D) Explosion, collapse, and underground hazards.
- (E) Personal injury.
- (F) Contractual liability.
- (G) \$5,000,000 general aggregate limit.

(3) Comprehensive Automobile Liability.

(A) Primary insurance coverage must be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol I (any auto).

(B) The policy must have a combined single limit of not less than Five Million Dollars (\$5,000,000) for bodily injury and property damage, per occurrence.

(C) If the Grantee is transporting one or more non-employee passengers in performance of contract services, the automobile liability policy must have a combined single limit of Five Million Dollars (\$5,000,000) for bodily injury and property damage per occurrence.

(D) If the Grantee owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

(4) Builders' Risk/Property Insurance. Builders' Risk insurance during the course of construction, and upon completion of construction, property insurance covering the Project, in form appropriate for the nature of such property, covering all risks of loss, excluding earthquake, for one hundred percent (100%) of the replacement value, with deductible, if any, acceptable to the County, naming the County as a Loss Payee, as its interests may appear. Flood insurance must be obtained if required by applicable federal regulations.

(5) Commercial Crime. Commercial crime insurance covering all officers and employees, for loss of County Grant proceeds caused by dishonesty, in an amount approved by the County, naming the County a Loss Payee, as its interests may appear.

(c) Grantee shall cause any general contractor, agent, or subcontractor working on the Project under direct contract with Grantee or subcontract to maintain insurance of the types and in at least the minimum amounts described in subsections (1), (2), and (3) above, meeting all of the general requirements of subsections (e) and (f) below and naming the County as an additional insured. The Grantee agrees to monitor and review all such coverage and assumes all responsibility ensuring that such coverage is provided as required here.

(d) An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy must apply to bodily injury/property damage, personal injury/advertising injury and must include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The coverage must also apply to automobile liability.

(e) The required insurance must be provided under an occurrence form, and Grantee shall maintain the coverage described in subsections (a) continuously throughout the Term. Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit must be three times the occurrence limits specified above.

(f) Comprehensive General Liability and Comprehensive Automobile Liability insurance policies must be endorsed to name as an additional insured the County and its officers, agents, employees, and members of the Board of Supervisors. The additional insured endorsements must not limit the scope of coverage for the County to vicarious liability but must allow coverage for the County to the full extent provided by the policy. Such additional insured coverage must be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

(g) All policies and bonds are to contain: (1) the agreement of the insurer to give the County at least thirty (30) days' notice prior to cancellation (including, without limitation, for non-payment of premium) or any material change in said policies; (2) an agreement that such policies are primary and non-contributing with any insurance that may be carried by the County; (3) a provision that no act or omission of Grantee shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained; and (4) a waiver by the insurer of all rights of subrogation against the County and its authorized parties in connection with any loss or damage thereby insured against.

(h) Construction contracts for projects over Three Million Dollars (\$3,000,000) and less than Five Million Dollars (\$5,000,000) require limits of not less than Five Million Dollars (\$5,000,000) in General Liability and Auto Liability coverage.

(i) The Grantee shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Grantee and Grantee's employees or agents from waiving the right of subrogation prior to a loss or claim. The Grantee hereby waives all rights of subrogation against the County.

(j) All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.

(k) The Grantee shall furnish Certificates of Insurance to the County Department administering the contract evidencing the insurance coverage prior to the close of Escrow, additional endorsements, as required shall be provided prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Grantee shall maintain such insurance from the time Grantee commences performance of services hereunder until the completion of such services. Within fifteen (15) days following the close of Escrow, the Grantee shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

(l) The Grantee agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Grantee and the County or between the County and any other insured or additional insured under the policy.

(m) Any and all deductibles or self-insured retentions in excess of Ten Thousand Dollars (\$10,000) shall be declared to and approved by Risk Management.

(n) In the event that any policy of insurance required in this Section does not comply with the requirements, is not procured, or is canceled and not replaced, the County has the right but not the obligation or duty to obtain such insurance it deems necessary and any premiums paid by the County will be promptly reimbursed by Grantee or County disbursements to Grantee will be reduced to pay for the County purchased insurance.

(o) Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced and available, the Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County's risk. Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. Grantee agrees to execute any such amendment within thirty (30) days of receipt. Any failure, actual or alleged, on the part of the County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the County.

(p) All policies and bonds shall be endorsed to provide thirty (30) days prior written notice of cancellation, reduction in coverage, or intent not to renew to the address established for notices to the County.

Section 4.11 Hazardous Materials.

(a) Grantee shall keep and maintain the Property in compliance with, and may not cause or permit the Property to be in violation of any federal, state or local laws, ordinances or regulations relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Grantee may not use, generate, manufacture, store or dispose of on, under, or about the Property or transport to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, including without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal or state laws or regulations (collectively referred to hereinafter as "Hazardous Materials") except such of the foregoing as may be customarily used in similar projects.

(b) Grantee shall immediately advise the County in writing if at any time it receives written notice of (i) any and all enforcement, cleanup, removal or other government or regulatory actions instituted, completed or threatened against Grantee or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Grantee or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"); and (iii) Grantee's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be classified as "border-zone property" under the provision of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

(c) The County has the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Grantee. Grantee shall indemnify and hold harmless the County and its board members, supervisors, directors, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Property including without limitation: (i) all foreseeable consequential damages; (ii) the costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans; and (iii) all reasonable costs and expenses incurred by the County in connection with clauses (i) and (ii), including but not limited to reasonable attorneys' fees and consultant's fees. This indemnification applies whether or not any government agency has issued a cleanup order. Losses, claims, costs, suits, liability, and expenses covered by this indemnification provision include, but are not limited to: (1) losses attributable to diminution in the value of the Property; (2) loss or restriction of use of rentable space on the Property; (3) adverse effect on the marketing of any rental space on the Property; and (4) penalties and fines levied by, and remedial or enforcement actions of any kind issued by any regulatory agency (including but not limited to the costs of any required testing, remediation, repair, removal, cleanup or detoxification of the

Property and surrounding properties). This obligation to indemnify will survive termination of this Agreement.

(d) Without the County's prior written consent, which shall not be unreasonably withheld, Grantee may not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in the County's reasonable judgment, impair the value of the County's security hereunder; provided, however, that the County's prior consent is not necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain the County's consent before taking such action, provided that in such event Grantee shall notify the County as soon as practicable of any action so taken. The County agrees not to withhold its consent, where such consent is required hereunder, if either (i) a particular remedial action is ordered by a court of competent jurisdiction, (ii) Grantee will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) Grantee establishes to the reasonable satisfaction of the County that there is no reasonable alternative to such remedial action that would result in less impairment of the County's security hereunder; or (iv) the action has been agreed to by the County.

(e) Grantee hereby acknowledges and agrees that (i) this Section is intended as the County's written request for information (and Grantee's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5, and (ii) each representation and warranty in this Agreement (together with any indemnity obligation applicable to a breach of any such representation and warranty) with respect to the environmental condition of the Property is intended by the Parties to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

(f) In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1) and Grantee is in default of its obligations to the County, then, without otherwise limiting or in any way affecting the County's or the trustee's rights and remedies, the County may elect to exercise its rights under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (a) the rights and remedies of an unsecured creditor, including reduction of its claim against Grantee to judgment, and (b) any other rights and remedies permitted by law. For purposes of determining the County's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), Grantee will be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, occupant, or user of any portion of the Property and Grantee knew or should have known of the activity by such lessee, occupant, or user that caused or contributed to the release or threatened release. All costs and expenses, including (but not limited to) attorneys' fees and

other professional service fees and costs, incurred by the County in connection with any action commenced under this paragraph, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the lesser of ten percent (10%) or the maximum rate permitted by law, until paid, will be payable to the County upon its demand made at any time following the conclusion of such action.

Section 4.12 Maintenance and Damage.

During the course of rehabilitation, Grantee shall maintain the Property in good repair and in a neat, clean and orderly condition. If there arises a condition in contravention of this requirement, and if Grantee has not cured such condition within thirty (30) days after receiving a County notice of such a condition, then in addition to any other rights available to the County, the County has the right to perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Property.

ARTICLE 5. REPRESENTATIONS AND WARRANTIES OF GRANTEE

Section 5.1 Representations and Warranties. Grantee hereby represents and warrants to the County as follows:

(a) Organization. Grantee is a duly organized, validly existing California municipal corporation and has the power and authority to own its property and carry on its business as now being conducted.

(b) Authority of Grantee. Grantee has full power and authority to execute and deliver this Agreement and to make and accept the Grant Funds contemplated hereunder, and to perform and observe the terms and provisions of all of the Agreement.

(c) Authority of Persons Executing Documents. This Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of Grantee, and all actions required under Grantee's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken.

(d) Valid Binding Agreements. This Agreement and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of Grantee enforceable against it in accordance with their respective terms.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of this Agreement or of any other documents or instruments executed and delivered, or to be

executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on Grantee, or any provision of the organizational documents of Grantee, or will conflict with or constitute a breach of or a default under any agreement to which Grantee is a party, or will result in the creation or imposition of any lien upon any assets or property of Grantee, other than liens established pursuant hereto.

(f) Compliance with Laws; Consents and Approvals. The rehabilitation and operation of the Housing Improvements will comply with all applicable laws, ordinances, rules and regulations of federal, state and local governments and agencies and with all applicable directions, rules and regulations of the fire marshal, health officer, building inspector and other officers of any such government or agency.

(g) Pending Proceedings. Grantee is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of Grantee, threatened against or affecting Grantee or the Property, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to Grantee, materially affect Grantee's ability to comply with the terms of this Agreement.

(h) Financial Statements. The financial statements of Grantee and other financial data and information furnished by Grantee to the County fairly present the information contained therein. As of the date of this Agreement, there has not been any adverse, material change in the financial condition of Grantee from that shown by such financial statements and other data and information.

(i) Sufficient Funds. Grantee holds sufficient funds and/or binding commitments for sufficient funds to complete the Scope of Work for the Housing Improvements and to operate the Housing Improvements for the Term.

ARTICLE 6. DEFAULT AND REMEDIES

Section 6.1 Events of Default. Each of the following shall constitute a "Default" by Grantee under this Agreement:Failure to Comply with Regulatory Agreement. Failure of Grantee to comply with the Regulatory Agreement, subject to all applicable notice and cure rights provided therein.

(b) Breach of Covenants. Failure by Grantee to duly perform, comply with, or observe any of the conditions, terms, or covenants of this Agreement, and such failure having continued uncured for thirty (30) days after receipt of written notice thereof from the County to the Grantee, or if the breach cannot be cured within thirty (30) days, the Grantee shall not be in breach so long as Grantee is diligently undertaking to cure such breach and such breach is cured within ninety (90) days; provided, however, that if a different period or notice requirement is specified under any other section of this Article 6, the specific provisions shall control.

(c) Insolvency. A court having jurisdiction shall have made or entered any decree or order: (1) adjudging Grantee to be bankrupt or insolvent; (2) approving as properly filed a petition seeking reorganization of Grantee or seeking any arrangement for Grantee under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction; (3) appointing a receiver, trustee, liquidator, or assignee of Grantee in bankruptcy or insolvency or for any of their properties; or (4) directing the winding up or liquidation of Grantee if any such decree or order described in clauses (1) to (4), inclusive, shall have continued unstayed or undischarged for a period of ninety (90) days; or Grantee shall have admitted in writing its inability to pay its debts as they fall due or shall have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (1) to (4), inclusive. Assignment; Attachment. Grantee shall have assigned its assets for the benefit of its creditors or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within ninety (90) days after such event or, if sooner, prior to sale pursuant to such sequestration, attachment, or execution.

(e) Suspension; Termination. Grantee shall have voluntarily suspended its business.

(f) Liens on Property. There shall be filed any claim of lien (other than liens approved in writing by County) against the Housing Improvements, the Property, or any part thereof, or any interest or right made appurtenant thereto and the continued maintenance of said claim of lien or notice to withhold for a period of twenty (20) days, without discharge or satisfaction thereof or provision therefor (including, without limitation, the posting of bonds) satisfactory to County.

(g) Condemnation. The condemnation, seizure, or appropriation of all or the substantial part of the Property or the Housing Improvements, by an entity other than the County.

(h) Unauthorized Transfer. Any Transfer other than as permitted by Section 4.9.

(i) Representation or Warranty Incorrect. Any Grantee representation or warranty contained in this Agreement, or in any application, financial statement, certificate, or report submitted to the County in connection with this Agreement, proving to have been incorrect in any material respect when made and having a material adverse effect on the Housing Improvements.

Section 6.2 Remedies.

The occurrence of any Default hereunder following the expiration of all applicable notice and cure periods will, either at the option of the County or automatically where so specified, relieve the County of any obligation to make or continue the County Grant and shall give the County the right to proceed with any and all remedies in law or equity, including suit for recovery of any Grant funds which Grantee has not utilized in compliance with this Agreement:

(a) Repayment of Grant. The County may demand Grantee repay the County any portion of the County Grant not forgiven pursuant to Section 2.3 above, together with any accrued interest thereon, to become immediately due and payable. County may proceed to enforce payment of the indebtedness only by foreclosure under the Deed of Trust. Grantee waives all right to presentment, demand, protest or notice of protest or dishonor. Grantee is liable to pay the County on demand all reasonable expenses, costs and fees (including, without limitation, reasonable attorney's fees) paid or incurred by the County in connection with the repayment of the County Grant which shall be a part of the Secured Obligation enforced only by foreclosure under the County Grant Deed of Trust.

(b) Specific Performance. The County has the right to mandamus or other suit, action or proceeding at law or in equity to require Grantee to perform its obligations and covenants under this Agreement and the Regulatory Agreement or to enjoin acts on things that may be unlawful or in violation of the provisions of this Agreement.

Section 6.3 Right of Contest.

Grantee shall have the right to contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute a Default hereunder. Any such contest shall be prosecuted diligently and in a manner unprejudicial to the County or the rights of the County hereunder.

Section 6.4 Remedies Cumulative.

No right, power, or remedy given to the County by the terms of this Agreement is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the County by the terms of any such instrument, or by any statute or otherwise against Grantee and any other person. Neither the failure nor any delay on the part of the County to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the County of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

ARTICLE 7. GENERAL PROVISIONS

Section 7.1 Relationship of Parties.

Nothing contained in this Agreement shall be interpreted or understood by any of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the County and Grantee or its agents, employees or contractors, and Grantee shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement. Grantee has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the Agreement. Grantee shall be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding, and all other laws and regulations governing such matters, and

shall include requirements in each contract that contractors shall be solely responsible for similar matters relating to their employees. Grantee shall be solely responsible for its own acts and those of its agents and employees.

Section 7.2 No Claims.

Nothing contained in this Agreement shall create or justify any claim against the County by any person that Grantee may have employed or with whom Grantee may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the operation of the Housing Improvements and Grantee shall include similar requirements in any contracts entered into for the operation of the Housing Improvements.

Section 7.3 Amendments.

No alteration or variation of the terms of this Agreement shall be valid unless made in writing and executed by the Parties. Any material change in the amount or terms of this Agreement must be approved by Board of Supervisors.

Section 7.4 Indemnification.

The Grantee agrees to indemnify, defend (with counsel reasonably approved by the County) and hold harmless the County and its authorized officers, employees, agents, and volunteers ("County Indemnitees") from any and all claims, actions, losses, damages, and/or liability arising out of this Agreement from any cause whatsoever, including the acts, errors, or omissions of any person and for any costs or expenses incurred by the County on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of County Indemnitees. The Grantee's indemnification obligation applies to County Indemnitees' active as well as passive negligence but does not apply to the County Indemnitees' sole negligence or willful misconduct within the meaning of Civil Code Section 2782. The provisions of this Section shall survive the expiration of this Agreement and the provisions of this section shall remain in full force and effect.

Section 7.5 Non-Liability of County Officials, Employees and Agents.

No member, official, employee or agent of the County shall be personally liable to Grantee in the event of any default or breach by the County or for any amount which may become due to Grantee or its successor or on any obligation under the terms of this Agreement.

Section 7.6 No Third Party Beneficiaries.

There shall be no third party beneficiaries to this Agreement.

Section 7.7 Discretion Retained By County.

The County's execution of this Agreement in no way limits the discretion of the County in the permit and approval process.

Section 7.8 Conflict of Interest.

In accordance with California Government Code Section 1090 and the Political Reform Act, California Government Code section 87100 et seq., no person who is a director, officer, partner, trustee or employee or consultant of Grantee, or immediate family member of any of the preceding, may make or participate in a decision, made by the County or a County board, commission or committee, if it is reasonably foreseeable that the decision will have a material effect on any source of income, investment or interest in real property of that person or Grantee. Interpretation of this section is governed by the definitions and provisions used in the Political Reform Act, California Government Code Section 87100 et seq., its implementing regulations manual and codes, and California Government Code Section 1090.

Section 7.9 Notices, Demands and Communications.

Formal notices, demands, and communications between the Parties shall be sufficiently given if and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the Parties as follows:

County: Community Development and Housing Department
San Bernardino County
560 E. Hospitality Lane, Suite 200
San Bernardino, CA 92415-0043
Attn: Community Development and Housing Director

with copy to: Goldfarb & Lipman, LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attn: Rafael Yaquian

Grantee: City of Fontana
8353 Sierra Avenue
Fontana, CA 92335
Attn: Matthew C. Ballantyne, City Manager

with copy to: Best, Best & Krieger, LLP
2855 E. Guasti Rd., Suite 400
Ontario, CA 91761
Attn: Ruben Duran, City Attorney

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section. Receipt shall be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

Section 7.10 Applicable Law and Venue.

This Agreement shall be governed by the laws of the State of California and venued in San Bernardino County, California. Each party waives any law, statute (including, but not limited to, Code of Civil Procedure section 394), or rule of court that would allow them to request or demand a change of venue. If any third party brings an action or claims concerning the Agreement, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, County of San Bernardino.

Section 7.11 Parties Bound.

Except as otherwise limited herein, the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement is intended to run with the land and shall bind Grantee and its successors and assigns in the Property and the Housing Improvements for the entire Term, and the benefit hereof shall inure to the benefit of County and its successors and assigns.

Section 7.12 Attorneys' Fees.

In the event that any party to this Agreement brings an action to interpret or enforce its rights under this Agreement, each party, including the prevailing party in such action, shall bear its own costs and expenses, including reasonable attorneys' fees in such action.

Section 7.13 Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability. The Parties to this Agreement, and their counsel, have read and reviewed this Agreement and agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party (including, but not limited to, Civil Code Section 1654) shall not apply to this Agreement.

Section 7.14 Force Majeure.

In addition to specific provisions of this Agreement, performance by either Party shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; quarantine restrictions; or court order; or any other similar causes beyond the control or without the fault of the Party claiming an extension of time to perform. An extension of time for any cause will be deemed granted if notice by the Party claiming such extension is sent to the other within ten (10) days from the commencement of the cause and such extension of time is not rejected in writing by the other Party within ten (10) days of receipt of the notice. In no event shall the County be required to agree to cumulative delays in excess of one hundred eighty (180) days.

Section 7.15 County Approval.

Whenever this Agreement calls for County approval, consent, or waiver, the written approval, consent, or waiver of the County Chief Executive Officer shall constitute the approval, consent, or waiver of the County, without further authorization required from the County Board of Supervisors. The County hereby authorizes the County Chief Executive Officer, or the designee of the County Chief Executive Officer, to deliver such approvals or consents as are required by this Agreement, or to waive requirements under this Agreement, on behalf of the County. Any consents or approvals required under this Agreement shall not be unreasonably withheld or made, except where it is specifically provided that a sole discretion standard applies. The County Chief Executive Officer, or the designee of the County Chief Executive Officer, is also hereby authorized to approve, on behalf of the County, requests by Grantee for reasonable extensions of time deadlines set forth in this Agreement. The County shall not unreasonably delay in reviewing and approving or disapproving any proposal by Grantee made in connection with this Agreement.

Section 7.16 Waivers.

Any waiver by the County of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by the County to take action on any breach or default of Grantee or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Grantee to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by the County to any act or omission by Grantee shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the County's written consent to future waivers.

Section 7.17 Title of Parts and Sections.

Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of the Agreement's provisions.

Section 7.18 Entire Understanding of the Parties.

This Agreement constitutes the entire understanding and agreement of the Parties with respect to the County Grant.

Section 7.19 Multiple Originals; Counterparts.

This Agreement may be executed in multiple originals including electronic counterparts (such as facsimile or .pdf), each of which is deemed to be an original, and may be signed in counterparts, and all of which taken together shall constitute one agreement binding on all parties hereto, notwithstanding that all of the parties shall not have signed the same counterpart.

WHEREAS, this Agreement has been entered into by the undersigned as of Effective Date.

GRANTEE:

City of Fontana, a California municipal corporation

By: _____
Matthew C. Ballantyne, City Manager

Date: _____

COUNTY:

SAN BERNARDINO COUNTY, a political subdivision of the
State of California

By: _____
Dawn Rowe, Chairperson Board of Supervisors

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN
DELIVERED TO THE CHAIR OF THE BOARD

LYNNA MONELL
Clerk of the Board of Supervisors
of the County of San Bernardino

By: _____
Deputy

APPROVED AS TO LEGAL FORM:
TOM BUNTON
County Counsel

By: _____
Suzanne Bryant, Deputy County Counsel

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Fontana, County of San Bernardino, State of California, described as follows:

PARCEL 3 MODIFIED AS SHOWN ON LOT LINE ADJUSTMENT NO 93-02, AS EVIDENCED BY DOCUMENT RECORDED OCTOBER 18, 1995 AS INSTRUMENT NO. 19950360254 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A:

PARCEL 3 OF PARCEL MAP NO. 13653, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP ON FILE IN BOOK 167 OF PARCEL MAPS, PAGES 27 THROUGH 29 INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPTING THEREFROM THE SOUTH 166.67 FEET OF SAID PARCEL 3.

PARCEL B:

THOSE CERTAIN NON-EXCLUSIVE EASEMENTS FOR INGRESS, EGRESS, ROADWAY AND UTILITIES OVER AND ACROSS A PORTION OF PARCELS 1, 4 AND 5 OF PARCEL MAP NO. 13653, AS PER PLAT RECORDED IN BOOK 167 OF PARCEL MAPS, PAGES 27 THROUGH 29, INCLUSIVE, RECORDS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, AS SET FORTH IN THAT CERTAIN RECIPROCAL ROADWAY EASEMENT, EXECUTED BY MERVYN'S, A CALIFORNIA CORPORATION ET AL, RECORDED SEPTEMBER 1, 1992 AS INSTRUMENT NO. 92-364457, OFFICIAL RECORDS OF SAID COUNTY.

APN: 0194-351-15-0-000

EXHIBIT B

FINANCING BUDGET

City of Fontana Shelter Pro Forma				
Project Name:	Fontana Motel - Shelter Acquisition			
Project Address:				
Project Description:	120 Bed Shelter			
Estimated Project Cost	\$15,250,000			
Existing Committed Funds	\$15,250,000			
Remaining Gap	\$0			
Request from County	\$5M			
Acquisition Funding				
Source	Lien	Status	Amount	Terms
City of Fontana		Committed	\$5,551,500	City GF budget adopted July 2023
HUD		Committed	\$4,000,000	reimbursement post expenditure (waiting for ATUGF)
County of San Bernardino		Pledged?	\$5,000,000	unknown
Construction Reserves				
City of Fontana		Committed	\$698,500	City GF budget adopted July 2023
		Total	\$15,250,000	
Operational Funding				
Source	Lien	Status	Amount	Terms
CDBG - City		Committed	\$2,976,460	
HOME ARP		Available	\$0	
HOME CHDO Reserve		Available	\$0	Yr1 - Yr10
ESG		Available	\$927,090	
Opioid Settlement Funds		Available	\$1,650,000	
Client-Based Motel Vouchers		Available	\$16,136,467	Yr1 - Yr10
		Total	\$21,690,017	
Potential Operating Sources				
Cal-AIM		Uncommitted	\$2,500,000	10 rooms allocated to regional partners, \$45K pr rm pr yr
City of Fontana GF		Pledged	\$1,500,000	10 year projection of Gap Funding needs
		Uncommitted	\$0	
		Total	\$4,000,000	

City of Fontana's 120-Bed Shelter												
10 Year Projection for Operating Budget												
Revenue Description	Fiscal Year										33/34	
	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34		
*Gross Expenditure (Est. Operating Cost)	\$ 2,220,000.00	\$ 2,264,400.00	\$ 2,309,700.00	\$ 2,355,900.00	\$ 2,403,000.00	\$ 2,451,100.00	\$ 2,500,100.00	\$ 2,550,100.00	\$ 2,601,100.00	\$ 2,653,100.00	\$ 2,653,100.00	
Total Operating Cost	\$ 2,220,000.00	\$ 2,264,400.00	\$ 2,309,700.00	\$ 2,355,900.00	\$ 2,403,000.00	\$ 2,451,100.00	\$ 2,500,100.00	\$ 2,550,100.00	\$ 2,601,100.00	\$ 2,653,100.00	\$ 2,653,100.00	
2% annual inflation/cost escalation factored in.												
Gross Revenue												
Secured Funding Sources												
City ARPA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
PLHA (W2, Yr 3, Yr.5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
CDBG - City	\$ 297,646.00	\$ 297,646.00	\$ 297,646.00	\$ 297,646.00	\$ 297,646.00	\$ 297,646.00	\$ 297,646.00	\$ 297,646.00	\$ 297,646.00	\$ 297,646.00	\$ 297,646.00	
HOME ARP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
HOME CHDO Set Aside	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
ESG	\$ 92,709	\$ 92,709	\$ 92,709	\$ 92,709	\$ 92,709	\$ 92,709	\$ 92,709	\$ 92,709	\$ 92,709	\$ 92,709	\$ 92,709	
Opload Settlement Funds	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000	\$ 165,000	
Client-Based Motel Vouchers	\$ 1,551,250	\$ 1,582,275	\$ 1,613,921	\$ 1,646,199	\$ 1,679,123	\$ 1,712,705	\$ 1,746,959	\$ 1,781,899	\$ 1,817,537	\$ 1,853,887	\$ 1,853,887	
Vacancy Rate For Vouchers	\$ -77,563	\$ -79,114	\$ -80,696	\$ -82,310	\$ -83,956	\$ -85,635	\$ -87,348	\$ -89,095	\$ -90,877	\$ -92,694	\$ -92,694	
Potential Funding Sources												
Cal-AIM	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	
Housing and Homeless Incentive Program (IHP)	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	
Other Federal (Insert program name)	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
HHAP Round 5	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
Total Income Minus Expenses	\$ 190,957.50	\$ 205,883.75	\$ 221,120.53	\$ 236,656.04	\$ 252,478.26	\$ 268,674.92	\$ 285,133.52	\$ 301,941.29	\$ 319,085.22	\$ 336,552.02	\$ 336,552.02	
General Funds (City) ¹	\$ 190,957.50	\$ 205,883.75	\$ 221,120.53	\$ 236,656.04	\$ 252,478.26	\$ 268,674.92	\$ 285,133.52	\$ 301,941.29	\$ 319,085.22	\$ 336,552.02	\$ 336,552.02	
Other Direct sources												
Total City General Funding	\$ 190,957.50	\$ 205,883.75	\$ 221,120.53	\$ 236,656.04	\$ 252,478.26	\$ 268,674.92	\$ 285,133.52	\$ 301,941.29	\$ 319,085.22	\$ 336,552.02	\$ 336,552.02	
Other Available Funding (Excess)												
Total Projected Revenue	\$ 2,220,000.00	\$ 2,264,400.00	\$ 2,309,700.00	\$ 2,355,900.00	\$ 2,403,000.00	\$ 2,451,100.00	\$ 2,500,100.00	\$ 2,550,100.00	\$ 2,601,100.00	\$ 2,653,100.00	\$ 2,653,100.00	
Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Reserve Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
¹ ARPA Funds must be fully expended by 12/31/26 ² PLHA - ³ CDDBG - Limited to 15% of gross annual ⁴ Home ARP - Ongoing Operational Funding is an ⁵ County Funding - ⁶ Philanthropic Contributions ⁷ HOME CHDO Reserve - Use of these funds would require a non-profit certified by HUD as a Community Housing Development Organization, as specified by statute. These regulations can be extensive for an organization that is not already a certified CHDO. ⁸ ESG - limited to 60% of annual allocation; 10-year average was used; would require HUD approved amendments and would remove funding from Water of Life. ⁹ City General funds to gap fund operational/funding shortfalls. <small>Goal is \$300 annually.</small> ¹⁰ City Opload Settlement funds have averaged about \$165,000 per year the past two years. The settlement has about 17 years remaining. ¹¹ Goal is to secure funding outside of current CDDBG and PLHA annual entitlements as those funds are currently planned for a separate facility (Proposed Permanent Supportive Housing Project). ¹² Goal is to create an operational reserve within 5 years equal to at least 1 year of operational costs ¹³ Please note that use of PLHA, CDDBG, ESG, HOME CHDO would require postings, public comment, amendments being approved by HUD and funding removed from other activities.												

EXHIBIT C

SCOPE OF WORK

Primary plans for conversion include:

1. Conversion of the existing approximately 3,000 square foot “manager’s apartment” into a smaller manager’s suite, likely ranging between 900 and 1,500 square feet. The remaining space, outside of the new apartment will be converted into administrative offices and support space for the occupants of the hotel (meeting rooms, counseling rooms, etc.)
2. Conversion of the pool and spa area into a communal gathering area for passive use (benches, gazebos, etc.)
3. Construction of a kennel and dog run
4. Conversion of a small group of rooms into multi-occupancy space, allowing for 4-6 individuals to share living space.

EXHIBIT D

REVOCABLE GRANT DEED OF TRUST
(Fontana Interim Housing)

THIS REVOCABLE GRANT DEED OF TRUST ("Deed of Trust") is made as of February __, 2024, by and among City of Fontana ("Trustor"), First American Title Insurance Company, a California corporation ("Trustee"), for the benefit of the San Bernardino County, a political subdivision of the State of California ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, Trustor's fee interest in the property generally located 17133 Valley Blvd, City of Fontana, San Bernardino County, State of California, that is described in the attached Exhibit A, incorporated herein by this reference (the "Property"), is herein referred to as the "Security." To have and to hold the Security together with acquittances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING THE FOLLOWING OBLIGATIONS (collectively, the "Secured Obligations"):

(a) Payment to Beneficiary of all sums at any time owing under or in connection with the Revocable Grant Agreement and any other amounts owing under the Regulatory Agreement or this Deed of Trust (collectively, the "Revocable Grant Documents"). Said County Grant and other payments shall be due and payable as provided in the Revocable Grant Agreement or other Revocable Grant Documents, as applicable. The Revocable Grant Agreement and all its terms are incorporated herein by reference, and this conveyance shall secure any and all extensions thereof, however evidenced; and

(b) Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein; and

(c) Performance of every obligation, covenant or agreement of Trustor contained herein and in the Regulatory Agreement and Declaration of Restrictive Covenants of even date herewith, between the Beneficiary and Trustor, recorded against the Property.

To protect the security of this deed of trust, trustor covenants and agrees: By the execution and delivery of this Deed of Trust that Trustor will observe and perform said provisions and the provisions (1) to (14), inclusive (set forth in Exhibit B), of the fictitious deed of trust recorded in San Bernardino County on October 23, 1961, in Book 5567 Page 61, which provisions are incorporated herein and made apart hereof as fully as

though set forth herein at length; that Trustor will observe and perform said provisions; and that the references to property, obligations and parties in said provisions shall be construed to refer to the property, obligations, and parties set forth in this Deed of Trust.

The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to it at its address.

[Signature Page Follows]

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the first date written above.

TRUSTOR:

City of Fontana, a California municipal corporation

By: _____

Name: _____

Its: _____

Date: _____

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____
Name: Notary Public

EXHIBIT A

LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

PARCEL 3 MODIFIED AS SHOWN ON LOT LINE ADJUSTMENT NO 93-02, AS EVIDENCED BY DOCUMENT RECORDED OCTOBER 18, 1995 AS INSTRUMENT NO. 19950360254 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A:

PARCEL 3 OF PARCEL MAP NO. 13653, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP ON FILE IN BOOK 167 OF PARCEL MAPS, PAGES 27 THROUGH 29 INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPTING THEREFROM THE SOUTH 166.67 FEET OF SAID PARCEL 3.

PARCEL B:

THOSE CERTAIN NON-EXCLUSIVE EASEMENTS FOR INGRESS, EGRESS, ROADWAY AND UTILITIES OVER AND ACROSS A PORTION OF PARCELS 1, 4 AND 5 OF PARCEL MAP NO. 13653, AS PER PLAT RECORDED IN BOOK 167 OF PARCEL MAPS, PAGES 27 THROUGH 29, INCLUSIVE, RECORDS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, AS SET FORTH IN THAT CERTAIN RECIPROCAL ROADWAY EASEMENT, EXECUTED BY MERVYN'S, A CALIFORNIA CORPORATION ET AL, RECORDED SEPTEMBER 1, 1992 AS INSTRUMENT NO. 92-364457, OFFICIAL RECORDS OF SAID COUNTY.

APN: 0194-351-15-0-000

EXHIBIT B

FICTITIOUS DEED OF TRUST PROVISIONS

To Protect the Security of This Deed of Trust, Trustor Agrees:

C.1 To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon: not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

C.2 To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. Subject to Exhibit B, the amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default hereunder or invalidated any act done pursuant to such notice.

C.3 To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such actions or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

C.4 To pay: at least ten days before delinquency all taxes and assessments affecting said property; 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.

Should Trustor fail to make any payment or to do any act as herein provided, the Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, but subject to any applicable notice and cure rights herein or in the Loan Documents, 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 to or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

C.5 To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

C.6 That any award of damages in connection with any condemnation for public use or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him/her them in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

C.7 That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due all other sums so secured or to declare default for failure so to pay.

C.8 That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said Note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may; reconvey any part of said property, consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

C.9 That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Five years after issuance of such full reconveyance, Trustee may destroy this document (unless directed in such request to retain it).

C.10 That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to adequacy of any security for the indebtedness hereby secured enter upon and take possession of said property or any part thereof, in his/her/their own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

C.11 That upon default by trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, said Note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not the repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

C.12 Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

C.13 That this Deed of Trust applies to inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the Note secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

C.14 That Trustee accepts this Deed of Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify

any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

EXHIBIT E

REGULATORY AGREEMENT

REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS
(Fontana Interim Housing)

REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is dated as of February __, 2024 ("Effective Date"), and is made and recorded by and between the San Bernardino County, a political subdivision of the State of California (the "County") and the City of Fontana, a California municipal corporation (the "Grantee").

RECITALS

A. Capitalized terms used but not defined in these recitals are as defined in Article 1 of this Agreement.

B. Grantee and County are parties to that certain Revocable Grant Agreement, of even date herewith, under which the County agreed to provide Grantee a grant of Five Million Dollars (\$5,000,000) (the "County Grant") to fund the acquisition of the specified real property described below for the purposes of increasing the community's supply of affordable housing.

C. The Grantee owns that certain real property located at 17133 Valley Blvd, City of Fontana, San Bernardino County, as further described on the attached Exhibit A incorporated herein (the "Property"). The Grantee intends to convert the Property to interim housing and intends to provide sixty (60) Doors with up to 120 beds to be used as interim or temporary housing (excluding one unrestricted manager's unit) for individuals and families who are experiencing homelessness or who are at risk of homelessness (the "Housing Improvements"). The Housing Improvements and the Property are referred to as the "Project".

NOW, THEREFORE, in consideration of the foregoing recitals, incorporated herein by this reference, and the covenants and promises contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Grantee declares as follows:

DEFINITIONS

Definitions.

When used in this Agreement, the following terms have the following meanings:

"Agreement" means this Regulatory Agreement and Declaration of Restrictive Covenants.

"County Grant" has the meaning set forth in Recital B, above.

"Doors" means the sixty (60) doors, which are designated to and restricted for occupancy by Eligible Participants.

"Eligible Participants" means either At Risk of Homelessness Households or Homeless Households, whether referred by Fontana Homeless Outreach Teams or the

County's Office of Homeless Services (OHS) through the Coordinated Entry System (CES) to Grantee. All those participating with CES will need to apply to participate in the Homeless Management Information System (HMIS).

"Fontana Homeless Outreach Team" includes individuals employed directly by the City of Fontana or the Fontana Police Department, including a contract agents or representatives working under the direction of the City of Fontana or the Fontana Police Department.

"Homeless Household" means housing for individuals and families who are experiencing homelessness, as defined in Section 578.3 of Title 24 of the Code of Federal Regulation.

"Housing First" has the meaning set forth in Section 8255 of the Welfare and Institutions Code.

"HUD" means the United States Department of Housing and Urban Development.

"Interim Housing" means a facility that is primarily intended to provide temporary shelter or lodging for individuals and families who are experiencing homelessness or who are at risk of homelessness, as defined in Section 578.3 of Title 24 of the Code of Federal Regulation, where the participant is not required to pay toward the cost of housing and which does not require occupants to sign leases or occupancy agreements.

"Revocable Grant Deed of Trust" means that certain Deed of Trust with Assignment of Rents, Security Agreement, and Fixture Filing, of even date herewith, among Grantee, as Trustor, First American Title Insurance Company, as trustee, and the County, as beneficiary, that will encumber the Property to secure performance of the covenants of the Regulatory Agreement and the Revocable Grant Agreement.

"Term" means the term of this Agreement which commences as of the Completion Date and ends fifteen (15) years thereafter.

AFFORDABILITY AND OCCUPANCY COVENANTS

Occupancy Requirements.

During the entire Term, sixty (60) Doors in the Project will be occupied by, or, if vacant, available for occupancy by, Eligible Participants consistent with the terms of this Agreement and in accordance with Housing First principles. This is an approach that offers permanent, affordable housing as quickly as possible for individuals and families experiencing homelessness, and then provides the supportive services and connections to the community-based supports people need to avoid returning to homelessness. The Project must align and

comply with the core components of Housing First as defined in California Welfare and Institutions Code Section 8255(b). The Project will include 60 units with two (2) Beds per unit.

No Rent or Fees.

Rent. During the entire Term, the Housing Improvements are designated Temporary or Emergency Shelter and, as such, Grantee hereby agrees to provide the Housing Improvements to Eligible Participants at no cost to the occupants of the Trailer Improvements and Permanent Shelter Improvements, as applicable for the terms specified in Section 2.1, above.

Fees. During the entire Term, the Grantee may not charge any fee to any occupant of the Housing Improvements for any housing or other services provided by Grantee.

Accessibility.

The Project will be operated at all times in compliance with all applicable federal, state, and local disabled persons accessibility requirements. Grantee shall cause the Project to be operated at all times in compliance with the provisions of: (1) the Unruh Act; (2) the California Fair Employment and Housing Act; (3) Section 504 of the Rehabilitation Act of 1973; (4) the United States Fair Housing Act, as amended; and (5) the Americans With Disabilities Act of 1990, which relate to disabled persons access. Grantee shall indemnify, protect, hold harmless and defend (with counsel reasonably satisfactory to the County) the County, and its board members, officers and employees, from all suits, actions, claims, causes of action, costs, demands, judgments and liens arising out of Grantee's failure to comply with applicable legal requirements related to housing for persons with disabilities. The provisions of this subsection will survive expiration of the Term or other termination of this Agreement, and remain in full force and effect.

Referrals.

The Grantee agrees that all Housing Improvements will be occupied by Eligible Participants through either Fontana Homeless Outreach Teams or the CES referral process that currently coordinates with the County Continuum of Care. The Fontana Homeless Outreach Teams may refer individuals to the facility if they are entered into CES within 48 hours. All those participating with CES will need to apply to participate in the Homeless Management Information System (HMIS). Grantee shall provide the County, for its review and approval, with the Grantee's written Eligible Participant selection plan (the "Tenant Selection Plan"). For the duration of the Term of this Agreement, Grantee will make Five (5) Doors or up to ten (10) beds available to Eligible Participants referred by the County through the CES referrals coordinated with the County Continuum of Care without further compensation, and as further described in the Tenant Selection Plan.

Grantee must work in collaboration with CES and County Continuum of Care to ensure the screening, assessment, and referral of Eligible Participants.

Grantee agrees to receive referrals from CES prior to providing services with the exception of individuals receiving emergency assistance. In such cases,

immediate services can be provided, but individuals and/or families must be referred by Grantee to CES for assessment and prioritization within seventy-two (72) hours. Grantee understands that individuals and/or families may not be referred to Grantee and may be referred to another service provider based upon the CES assessment.

Reporting Requirements.

Grantee shall submit to the County: (a) not later than the forty-fifth (45th) day after the close of each calendar year, or such other date as may be requested by the County, a signed copy of the reporting information meeting the requirements set forth in the attached Exhibit B; and (b) within fifteen (15) days after receipt of a written request, any other information or completed forms requested by the County in order to comply with reporting requirements of HUD, the State of California, and the County, as applicable.

Additional Information.

Grantee shall provide any additional information reasonably requested by the County if such information is required for reporting to an outside agency or the San Bernardino County Board of Supervisors.

Services Plan.

The Grantee shall execute a contract with a qualified and competent organization with experience in providing on-site social services ("Service Provider") if funds are available. The Grantee is not in default if the services described in the section are not provided due to lack of funding. Service Provider shall provide services to all occupants of the Housing Improvements (the "Social Services") if and when funding is obtained by the Grantee. Grantee or the Service Provider shall submit to the County a services plan which shall include written guidelines or procedures for providing the Social Services (the "Services Plan"), and a budget for the provision of Social Services (the "Services Budget"). For the entire Term of this Agreement, Service Provider shall provide the Social Services in accordance with the Services Plan and Services Budget. Grantee or the Service Provider shall update the Services Plan and the Services Budget as the Social Services are update and submit the revised Services Plan and Services Budget to the County. Upon submittal by the Grantee or Service Provider and receipt by the County, the Services Plan and Services Budget shall be deemed accepted and approved automatically by the County without further action. Any comments from the County on any submittals shall be considered non-binding in nature.

OPERATION OF THE DEVELOPMENT

Residential Use; Compliance with Standard Agreement.

During the Term, the Grantee shall at all times operate the Project as Interim Housing and shall at all times provide sixty (60) Doors, in compliance with the terms of this Agreement. No other uses shall be allowed.

Property Maintenance.

Grantee shall maintain, for the entire Term of this Agreement, all interior and exterior Improvements, including landscaping, on the Property in good condition and repair (and, as to landscaping, in a healthy condition) and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials, and in a decent, safe, sanitary condition and in good repair.

The County places prime importance on quality maintenance to protect its investment and to ensure that all County-assisted projects are not allowed to deteriorate due to below-average maintenance. Grantee shall make all repairs and replacements necessary to keep the improvements in good condition and repair.

In the event that Grantee breaches any of the covenants contained in this section and such default continues for a period of five (5) days after written notice from the County with respect to graffiti, debris, waste material, and general maintenance or thirty (30) days after written notice from the County with respect to landscaping and building improvements, then the County, in addition to whatever other remedy it may have at law or in equity, has the right to enter upon the Property and perform or cause to be performed all such acts and work necessary to cure the default. Pursuant to such right of entry, the County is permitted (but is not required) to enter upon the Property and to perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas on the Property, and to attach a lien on the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the County and/or costs of such cure, which amount shall be promptly paid by Grantee to the County upon demand.

On-Site Inspections.

The County may perform, or cause to be performed, an on-site inspection of the Housing Improvements (subject to the rights of occupants) at least one (1) time per year upon twenty-four (24) hours' notice during normal business hours to monitor compliance with this Agreement. Grantee shall cooperate in making the Property available for such inspection.

Taxes and Assessments.

As required and applicable, Grantee shall pay all real and personal property taxes, assessments and charges and all franchise, income, employment, old age benefit, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, that Grantee may apply for a property tax exemption for the Property under any provision of law or contest in good faith, any such taxes, assessments, or charges. In the event Grantee exercises its right to contest any tax, assessment, or charge against it, Grantee, on final determination of the proceeding or contest, will immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

Property Tax Exemption.

Grantee shall not, without the prior written consent of the County, apply for a property tax exemption for the Property under any provision of law except California Revenue and Taxation Section 214(g). As publicly owned property, it is expected that the Property will be exempt from property taxes.

Management Responsibility.

The Grantee is responsible for all management functions with respect to the Project and shall keep the property in decent, safe, sanitary, tenantable condition and repair, and to permit no waste thereof. The County shall have no responsibility over management of the Project. Grantee shall retain a professional property management company, to perform its management duties hereunder. Within ninety (90) days of receipt of County Grant, Grantee shall submit to the County an initial proposed Management Plan.

Management Agent.

To the best of its ability, Grantee shall cause the Project to be managed by an experienced management agent (, the "Management Agent"), with a demonstrated ability to operate residential facilities like the Project in a manner that will provide decent, safe, and sanitary housing. Subject to receipt of funding, as described in Section 2.7 above, Grantee shall retain the services of a Service Provider that shall provide the necessary professional staff to meet the needs of the homeless population following the Housing First model (ex. Case managers, Clinicians, medical staff, peer advocates, employment specialists, and eligibility specialists). Throughout the Term Grantee shall have the readiness capacity to immediately perform and administer homeless efforts. The County hereby approves of the Grantee's discretion on the Grantee's sole management of their chosen initial Management Agent for the Project. Services beyond the social services of case managers are contingent on the Grantee obtaining the necessary funds to contract with the appropriate entities. The Grantee shall endeavor to obtain necessary funds to obtain all necessary services. However, Grantee is not in breach or default for not obtaining the above described services due to lack of funding.

Periodic Performance Review.

The County reserves the right to conduct a periodic review of the management practices and financial status of the Project within thirty (30) days after each anniversary of the occupancy date. The purpose of each periodic review will be to enable the County to determine if the Project is being operated and managed in accordance with the requirements and standards of this Agreement. Grantee shall cooperate with the County in such reviews.

Replacement of Management Agent.

If, as a result of a periodic review the County determines in its reasonable judgment that Project is not being operated and managed in accordance with any of the

requirements and standards of this Agreement or the Standard Agreement, the County shall deliver notice to the Grantee of such operational issues which notice shall describe the County's findings with specificity and the County may in same notice, notify the Grantee its intention to demand replacement of the Management Agent. Within thirty (30) days of receipt by Grantee of such written notice, County staff and Grantee, and any partners of the Grantee, shall meet in good faith to consider methods for improving the financial and operating status of the Project, including, without limitation, replacement of the Management Agent.

If, after such meeting, County staff recommends in writing the replacement of the Management Agent, with the reasonable concurrence of the partners of the Grantee, the Grantee shall promptly dismiss the then Management Agent, and shall appoint as the Management Agent a person or entity meeting the standards for a Management Agent set forth in subsection (a) above and approved by the County pursuant to subsection (a) above.

Any contract for the operation or management of the Project entered into by the Grantee shall provide that the contract can be terminated as set forth in Section 3.8(a)(1) above. Failure to remove the Management Agent in accordance with the provisions of this Section shall constitute a developer event of default under this Regulatory Agreement, and the County may enforce this provision through legal proceedings as specified in Section 6.7.

Nondiscrimination.

During the performance of this Agreement, Grantee and its subrecipients shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, gender identity, gender expression, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), genetic information, marital status, military and veteran status, and denial of medical and family care leave or pregnancy disability leave. Grantee and sub-grantees shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and its subrecipients shall comply with the provisions of California's laws against discriminatory practices relating to specific groups: the California Fair Employment and Housing Act (FEHA) (Gov. Code § 12900 et seq.); the regulations promulgated thereunder (Cal. Code Regs., tit. 2, § 11000 et seq.); and the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code, §§ 11135 - 11139.5).

Notice of Expiration of Term.

Prior to the expiration of the Term, Grantee shall provide by first-class mail, postage prepaid, a notice to all Residents containing the information and meeting the requirements set forth in California Government Code Sections 65863.10 and 65863.11, as such may be amended from time to time. If the Project is to be sold within the Term, the County a notice of right of first refusal within the one hundred eighty (180) day period that qualified entities may purchase the Project.

Covenants to Run With the Land.

The County hereby declares its express intent that the provisions this Agreement shall run with the land and shall bind all successors in title to the Project; provided, however, that on the expiration of the Term, said covenants and restrictions shall immediately and permanently expire. Upon automatic expiration of the said covenants and restrictions included in this Agreement, the County shall record a document, sufficiency approved by the Grantee, documenting, acknowledging, and accepting said expiration.

Enforcement by the County.

Subject to Section 2.8 of the Grant Agreement, if the Grantee fails to perform any obligation under this Agreement, and fails to cure the default within thirty (30) days after the County provided notice in writing of the default or, if the default cannot be cured within thirty (30) days, failed to commence to cure within thirty (30) days and thereafter diligently pursue such cure and complete such cure within one hundred and eighty (180) days, the County shall have the right to enforce this Agreement by any remedy provided by law; including but not limited to an action at law or equity to compel Grantee's performance of its obligations hereunder, and/or for damages.

Records.

Grantee shall maintain complete, accurate and current records pertaining to the Project, and shall permit any duly authorized representative of the County to inspect records, including records pertaining to Eligible Participants. All Eligible Participants lists, applications and waiting lists relating to the Project are to be at all times: (a) separate and identifiable from any other business of Grantee; (b) maintained as required by the County, in a reasonable condition for proper audit; and (c) subject to examination during business hours by representatives of the County. Grantee shall retain copies of all materials obtained or produced with respect to occupancy of the Units for a period of at least five (5) years.

MISCELLANEOUS

Governing Law and Venue.

This Agreement is governed by the laws of the State of California and venued in San Bernardino County, California. Each party waives any law, statute (including, but not limited to, Code of Civil Procedure section 394), or rule of court that would allow them to request or demand a change of venue. If any third party brings an action or claims concerning the Agreement, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, San Bernardino County.

Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability. The Parties to this Agreement, and their counsel, have read and reviewed this Agreement and agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party (including, but not limited to, Civil Code Section 1654) shall not apply to this Agreement.

Waiver of Requirements.

Any of the requirements of this Agreement may be expressly waived by the County in writing, but no waiver by the County of any requirement of this Agreement shall, or shall be deemed to, extend to or affect any other provision of this Agreement.

Recording and Filing.

The County and Grantee shall cause this Agreement, and all amendments and supplements to it, to be recorded against the Property in the Official Records of the County of San Bernardino, in first lien position over all other agreements, covenants, liens, or other matters of record on the Property.

Amendments.

This Agreement may be amended only by a written instrument duly recorded in the Official Records of San Bernardino County.

Parties Bound.

Except as otherwise limited herein, the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement is intended to run with the land and shall bind Grantee and its successors and assigns in the Property and the Housing Improvements for the entire Term, and the benefit hereof shall inure to the benefit of County and its successors and assigns.

Attorneys' Fees.

In the event that any party to this Agreement brings an action to interpret or enforce its rights under this Agreement, each party, including the prevailing party in such action, shall bear its own costs and expenses, including reasonable attorneys' fees in such action.

Subordination.

This Agreement shall be recorded in first lien position and shall not be subordinated to any lien or encumbrance proposed to be recorded against the Property.

Notice.

Formal notices, demands, and communications between the Parties shall be sufficiently given if and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the Parties as follows:

County:

Community Development and Housing Department
San Bernardino County
560 East Hospitality Lane, Suite 200
San Bernardino, CA 92415-0043
Attn: Community Development and Housing Director

with copy to: Goldfarb & Lipman, LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attn: Rafael Yaquian

Grantee: City of Fontana
8353 Sierra Avenue
Fontana, CA 92335
Attn: Matthew C. Ballantyne, City Manager

with copy to: Best, Best & Krieger, LLP
2855 E. Guasti Rd., Suite 400
Ontario, CA 91761
Attn: Ruben Duran, City Attorney

Any notice, demand or communication shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed in the manner herein specified, on the delivery date or date delivery is refused by the addressee, as shown on the return receipt. Either party may change its address at any time by giving written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) days prior to the date such change is desired to be effective.

Assignment by the County.

The County may assign its rights and obligations under this Agreement to any instrumentality of the County or other public entity.

Indemnification.

The Grantee agrees to indemnify, defend (with counsel reasonably approved by the County) and hold harmless the County and its authorized officers, employees, agents, and volunteers ("County Indemnitees") from any and all claims, actions, losses, damages, and/or liability arising out of this Agreement from any cause whatsoever, including the acts, errors, or omissions of any person and for any costs or expenses incurred by the County on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of County Indemnitees. The Grantee's indemnification obligation applies to County Indemnitees' active as well as passive negligence but does not apply to the County Indemnitees' sole negligence or willful misconduct within the meaning of Civil Code Section 2782. The provisions of this Section shall survive the expiration of this Agreement and the provisions of this section shall remain in full force and effect.

Term.

The provisions of this Agreement shall apply to the Project for the entire Term.

No Third Party Beneficiaries.

No person other than the Grantee and the County is a party to this Agreement or shall be entitled to any right or benefit hereunder, there shall be no third party beneficiaries to this Agreement.

Revival of Agreement after Foreclosure.

In the event there is a foreclosure of the Property, this Agreement will revive according to its original terms if, during the Term, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the Project or Property.

Entire Understanding of the Parties.

This Agreement constitutes the entire understanding and agreement of the Parties with respect to the County Grant and the operation of the Project.

Multiple Originals; Counterparts.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts, and all of which taken together shall constitute this Agreement.

[Signatures on following page.]

WHEREAS, this Agreement has been entered into by the undersigned as of the date first written above.

COUNTY:

SAN BERNARDINO COUNTY, a political subdivision of the
State of California

By: _____
Luther Snoke, Chief Executive Officer

APPROVED AS TO LEGAL FORM:

TOM BUNTON
County Counsel

By: _____
Suzanne Bryant, Deputy County Counsel

GRANTEE:

City of Fontana, a California municipal corporation

By: _____
Matthew C. Ballantyne, City Manager

Date: _____

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name _____
Name: _____
: Notary Public

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

STATE OF CALIFORNIA)

)

COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name:

Name:

Notary Public

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Fontana, County of San Bernardino, State of California, described as follows:

PARCEL 3 MODIFIED AS SHOWN ON LOT LINE ADJUSTMENT NO 93-02, AS EVIDENCED BY DOCUMENT RECORDED OCTOBER 18, 1995 AS INSTRUMENT NO. 19950360254 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A:

PARCEL 3 OF PARCEL MAP NO. 13653, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP ON FILE IN BOOK 167 OF PARCEL MAPS, PAGES 27 THROUGH 29 INCLUSIVE, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPTING THEREFROM THE SOUTH 166.67 FEET OF SAID PARCEL 3.

PARCEL B:

THOSE CERTAIN NON-EXCLUSIVE EASEMENTS FOR INGRESS, EGRESS, ROADWAY AND UTILITIES OVER AND ACROSS A PORTION OF PARCELS 1, 4 AND 5 OF PARCEL MAP NO. 13653, AS PER PLAT RECORDED IN BOOK 167 OF PARCEL MAPS, PAGES 27 THROUGH 29, INCLUSIVE, RECORDS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, AS SET FORTH IN THAT CERTAIN RECIPROCAL ROADWAY EASEMENT, EXECUTED BY MERVYN'S, A CALIFORNIA CORPORATION ET AL, RECORDED SEPTEMBER 1, 1992 AS INSTRUMENT NO. 92-364457, OFFICIAL RECORDS OF SAID COUNTY.

APN: 0194-351-15-0-000

EXHIBIT B

REPORTING REQUIREMENTS

A. Data Reporting

1. Grantee will submit detailed reports containing, at minimum, the following information:
 - Unduplicated number of homeless persons and households served;
 - Unduplicated number of persons and households at imminent risk of homelessness served;
 - Number of instances of service;
 - Increases in capacity for new and existing programs;
 - Number of unsheltered homeless persons and homeless households becoming sheltered; and
 - Number of homeless persons and homeless households entering permanent housing.
2. Breakdowns will be expected for each activity (i.e. services, capital improvements, rental assistance, etc.) and program type (i.e. emergency shelter, rapid re-housing, outreach, etc.) for the supplemental reporting requirements listed above, when applicable. The same information will also be requested specifically for the following subpopulations, based on priorities defined by the U.S. Department of Housing and Urban Development:
 - Chronically homeless
 - Homeless veterans
 - Unaccompanied homeless youth
 - Homeless persons in families with children
3. Counts by subpopulation will not be required in cases where that information is unavailable, but is expected in cases where client information is entered in the Homeless Management Information System (HMIS).

B. Homeless Management Information System (HMIS)

HMIS is a local database application used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness in the County. Grantee must ensure that data on all persons served are entered into the countywide HMIS. HMIS is managed and operated by the County OHS. HMIS technical and data standards are set forth in the Final 2017 HMIS Data Standards, on file with the County.

1. Grantee shall enter into a Memorandum of Understanding (MOU) with the HMIS Lead Agency where the Grantee agrees to share HMIS data with other County funded agencies, unless prohibited by law.
2. Grantee is required to work with County (OHS) staff to ensure the timely and accurate set-up of their HMIS program profile and to ensure the HMIS program profile is setup in a manner that accurately captures the data pertinent to Grantee's program. Grantee's

program profile must be setup prior to Grantee submitting their first Grant Fund Disbursement Request form.

3. Grantee shall submit a copy of HMIS reports, in a form to be provided by the County, with the quarterly expenditure reports. In the case of Domestic Violence service providers or other agencies prohibited from entering data into HMIS, documentation from the HMIS lead agency certifying that the Grantee is using a comparable database shall be delivered to the County. The contact information for the "HMIS Lead Agency" is:

HMIS Lead / Kennedy Robin
San Bernardino County
Office of Homeless Services
560 E. Hospitality Lane, Suite 200
San Bernardino CA 92415-0044
Phone: 909-386-1924

4. Grantee must ensure all required data elements, as listed below, are entered into the HMIS system for Eligible Participants, in a timely manner, and is inputted no later than two (2) working days after program entry. Services rendered to clients must be entered into HMIS no later than two (2) working days from date of service(s). All clients who exit the program must have an updated status in HMIS within two (2) working days from actual exit date. Failure to meet the above data inputting requirements will constitute a violation of the terms and conditions of this Agreement. Grantee will be notified by County (OHS) staff, and if not rectified, the Agreement may be terminated at the County's sole and absolute discretion.
5. In addition to the timely entry of HMIS data, Grantee is required to enter accurate and complete data. The County will ensure Grantee adheres to Data Quality Standards, as established by HUD, and data entry requirements, as set forth in the HMIS MOU and the OHS Policy Handbook. The Data Quality Standards assess the data quality and completeness of the following Data Elements entered:
 1. Client Demographic Data
 - a) Name
 - b) Social Security Number
 - c) Date of Birth
 - d) Race
 - e) Ethnicity
 - f) Gender
 - g) Veteran Status
 2. Universal Data
 - a) Disabling Condition
 - b) Project Start Date
 - c) Project Exit Date
 - d) Destination
 - e) Relationship to Head of Household
 - f) Client Location
 - g) Housing Move-in Date

- h) Living Situation
- 3. Common Program Specific Data Elements
 - a) Income and Sources
 - b) Non-Cash Benefits
 - c) Health Insurance
 - d) Disability Elements
 - e) Physical Disability
 - f) Developmental Disability
 - g) Chronic Health Condition
 - h) HIV/AIDS
 - i) Mental Health Problem
 - j) Substance Abuse
 - k) Domestic Violence
 - l) Contact
 - m) Date of Engagement
 - n) Bed-Night Date
 - o) Housing Assessment Disposition
- 4. Data Timeliness
 - a) Entry Timeliness
 - b) Exit Timeliness

- 6. According to Data Quality Standards, Grantee is required to have a five-percent (5%) or less error rate to ensure data accuracy and less than a five-day lapse in timeliness for entry of data at time of client entry, services are rendered, and client exit. Any performance benchmarks not meeting these standards will be captured on Grantee's HMIS Data Quality Report Sample, see Exhibit 5. The report will be generated by Grantee and submitted quarterly with expenditure reports. OHS will review reports and data deficiencies, if any, will be identified and discussed with Grantee to determine methods to remediate and/or improve data quality scores.
- 7. If Grantee continues to not meet data entry and data quality benchmarks, as established by HUD and set forth in the HMIS MOU and the OHS Policy Handbook, County may terminate Agreement as set forth in CORRECTION OF PERFORMANCE DEFICIENCIES Section.
- 8. Grantee agrees to provide the County and/or the State access to HMIS data collected and entered into HMIS, upon request, and to participate in any statewide data initiative as directed by the State including, but not limited to, a statewide data integration environment.

Program Roster Report

SAMPLE

Agency Name

Active within 06/01/2023 thru 06/30/2023

Housing Move-in: Undefined = Unknown HoH or adjusted Move-in is Null, = Non PH Project, A: Assessments, S: Services, CN: Case Notes
 You can find more information about adjusted Move-In Date at the [Help Center Article](#)
 Head of Household (HoH) Unique Identifiers are listed in bold text. Household members are grouped together with the HoH.

Client	Unique Identifier	Birth Date	Age At Entry	Current Age	Enroll Date	Exit Date	LOS	Housing Move-in	A	S	CN	Assigned Staff
<i>Program: Sample Project Name</i>												
Client 1	ABC12345	99/99/9999	43	45	09/30/2021	-	639	undefined	1	0	0	A. Admin
Client 2	DEF12345	11/11/1111	57	66	07/11/2014	-	3,277	07/11/2014	10	0	0	A. Admin
Client 3	GHI12345	22/22/2222	47	56	08/15/2014	-	3,242	08/15/2014	10	0	0	A. Admin
Client 4	JKL12345	33/33/3333	23	26	04/03/2020	-	1,184	undefined	5	0	0	A. Admin
Client 5	MNO12345	44/44/4444	36	48	03/08/2011	-	4,498	03/08/2011	13	0	0	A. Admin
Client 6	PQR11111	66/66/6666	47	61	03/10/2010	-	4,861	03/10/2010	11	0	0	A. Admin
Client 7	STU12345	55/55/5555	53	64	05/05/2012	-	4,074	05/05/2012	12	0	0	A. Admin
Client 8	VWX22222	77/77/7777	53	56	12/30/2019	-	1,279	12/30/2019	4	0	0	A. Admin
Client 9	YZ123456	88/88/8888	55	58	11/24/2020	-	949	undefined	3	0	0	A. Admin
Client 10	BAC11111	-	-	-	05/10/2023	-	52	undefined	0	0	0	A. Admin
Client 11	CAD22222	10/10/1010	60	60	05/18/2023	-	44	05/18/2023	0	0	0	A. Admin

Number of Enrollments: 11
Number of Unique Clients: 11
Number of Households: 10

HMIS Data Quality Report [FY 2023]

Agency Name

CoC Category Filter: Agency CoC
Date Range: 10/01/2022 thru 06/30/2023

Q3. Universal Data Elements

Program Applicability: All Projects

Data Element	Error Count	% of Error Rate
Veteran Status (3.7)	0	0%
Project Start Date (3.10)	0	0%
Relationship to Head of Household (3.15)	0	0%
Client Location (3.16)	0	0%
Disabling Condition (3.8)	0	0%

Q4. Income and Housing Data Quality

Program Applicability: All Projects

Data Element	Error Count	% of Error Rate
Destination (3.12)	1	0.12%
Income and Sources (4.2) at Start	0	0%
Income and Sources (4.2) at Annual Assessment	0	0%
Income and Sources (4.2) at Exit	0	0%
Non-Cash Benefits (4.3) at Start	0	0%
Non-Cash Benefits (4.3) at Annual Assessment	0	0%
Non-Cash Benefits (4.3) at Exit	0	0%

Q5. Chronic Homeless

Program Applicability: ES, SH, Street Outreach, TH & PH(All)

Starting into project type	Count of total records	Missing time in institution (3.917.2)	Missing time in housing (3.917.2)	Approximate Date started (3.9.17.3)	Number of times (3.9.17.4)	Number of months (3.9.17.5)	% of records unable to calculate
				Missing	DK/R/missing	DK/R/missing	
ES, SH, Street Outreach	0			0	0	0	0%
TH	0	0	0	0	0	0	0%
PH (all)	512	0	0	0	0	0	0%
Total	512						0%

HMIS Data Quality Report [FY 2023]

Agency Name

CoC Category Filter: Agency CoC
Date Range: 10/01/2022 thru 06/30/2023

Q6. Timeliness

Program Applicability: All Projects

Time for Record Entry	Number of Project Start Records	Number of Project Exit Records
0 days	518	634
1-3 days	352	81
4-6 days	33	49
7-10 days	4	22
11+ days	12	37

Q7. Inactive Records: Street Outreach and Emergency Shelter

Program Applicability: Street Outreach & ES-Night By Night

Data Element	# of Records	# of Inactive Records	% of Inactive Records
Contact (Adults and Heads of Household in Street Outreach or ES-NbN)	0	0	0%
Bed Night (All clients in ES-NbN)	0	0	0%

Programs Included in Dataset

Agency	Program Name
--------	--------------

C. Program Participant Eligibility

Grantee shall ensure that:

1. Eligible Participants meet the Homeless or At Risk of Homelessness definition as defined in Section 578.3 of Title 24 of the Code of Federal Regulations:
2. Eligible Participants are referred by CES to Grantee.
3. Grantee coordinates Program enrollment and services in collaboration with CES.

D. Job Training and Employment

Grantee agrees to refer Eligible Participants that are eligible for job training and employment services to the County of San Bernardino Workforce Development Department (WDD). Grantee also agrees to refer eligible “work ready” clients to the County’s Community Employment Pathways (CEP) program for job placement services. Number of participants who have been referred to WDD and CEP will be reported on a quarterly basis by Grantee.

E. Staffing Requirements

Pursuant to the terms of Section 2.7, Grantee shall provide the necessary professional staff to meet the needs of the homeless population following the Housing First model (e.g., case managers, clinicians, medical staff, peer advocates, employment specialists, and eligibility specialists). Grantee must have the readiness capacity to immediately perform and administer homeless efforts through Grant Funding.

EXHIBIT F

SCHEDULE OF PERFORMANCE

Activity	Performance Deadline:
Date of Closing	No later than 2/28/2024
Recordation of Deed of Trust and Regulatory Agreement	Same As Closing Date
Disbursement of Funds	Same As Closing Date
Start of Renovations / Improvements	No later than 3/30/2024
Completion of Improvements/Delivery of CASP Report	No later than 5/30/2024
Start of Operations / Certificate of Occupancy	No later than 6/30/2024

