

REVOCABLE GRANT AGREEMENT

Between

San Bernardino County

and

Lutheran Social Services of Southern California

dated as of _____, 2026

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REVOCABLE GRANT AGREEMENT
(San Bernardino Wellness Campus)

This Revocable Grant Agreement (the "Agreement") is entered into as of _____, 2026 (the "Effective Date"), by and between San Bernardino County, a political subdivision of the State of California (the "County"), and Lutheran Social Services of Southern California, a California nonprofit public benefit corporation, and its permitted successors and assigns (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. Grantee owns that certain real property located 1328, 1329, 1354 North G Street, City of San Bernardino, San Bernardino County, State of California, as further described on the attached Exhibit A incorporated herein (the "Property").

C. Grantee intends to construct 140 private studio units of Interim Housing (excluding 1 unrestricted manager's unit), and an administrative building for Eligible Participants (the "Improvements"). The Improvements and the Property are referred to as the "Development."

D. Grantee wishes to accept from the County and the County wishes to extend to Grantee a grant of One Million Four Hundred Eighty Thousand Dollars (\$1,480,000) Housing and Homelessness Incentive Program ("HHIP") funds for (the "County Grant"). The County Grant will be evidenced by this Agreement and will be subject to the terms and conditions set forth in Program Provisions and Special Conditions. No portion of the County Grant may be used for costs not associated with the Improvements.

E. Pursuant to the California Environmental Quality Act and its implementing guidelines, the City of San Bernardino found that CEQA imposes no conditions on the Development, because the Development is exempt from CEQA requirements under Health and Safety Code Section 50675.1.4.

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 San Bernardino, a municipal corporation.
- (d) "Completion of Construction" means the date the construction of the 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" has the meaning set forth in Recital D.
- (i) "Default" shall have the meaning set forth in Section 6.1 below.
- (j) "Eligible Participants" means Inland Empire Health Plan members who are At Risk of Homelessness Households or Homeless Households referred by the County's Office of Homeless Services (OHS), through the Coordinated Entry System (CES). 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 fifteen (15) years of operation of the Development including funding for the provision of supportive services.
- (l) "Grantee" has the meaning set forth in the opening paragraph of this Agreement.
- (m) "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.
- (n) "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.

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

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

(q) "Revocable Grant Deed of Trust" means that certain Revocable Grant Leasehold Deed of Trust, of even date herewith, among Grantee, as Trustor, Chicago Title 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.

(r) "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.

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

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

(u) "Term" means the fifteen (15) year term of this Agreement which commences on the Authorization to Operate form or similar from Southern California Edison.

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
Exhibit G:	Campaign Contribution Disclosure

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 One Million Four Hundred Eighty Thousand Dollars (\$1,480,000) 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 or approval of the parties, the County Grant shall be forgiven in the following amount on the following dates:

(1) On the fifth (5th) anniversary of the completion date and so long as the Grantee continues to comply with the terms of the Regulatory Agreement, Four Hundred Ninety-Three Thousand Three Hundred Thirty-Three Dollars (\$493,333) of the County Grant shall be forgiven;

(2) On the tenth (10th) anniversary of the completion date and so long as the Grantee continues to comply with the terms of the Regulatory Agreement, an additional Four Hundred Ninety-Three Thousand Three Hundred Thirty-Three Dollars (\$493,333) of the County Grant shall be forgiven;

(3) On the fifteenth (15th) anniversary of the completion date and so long as the Grantee continues to comply with the terms of the Regulatory Agreement, an additional Four Hundred Ninety-Three Thousand Three Hundred Thirty-Four Dollars (\$493,334) of the County Grant shall be forgiven;

(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 finance Scope of Work identified in the attached Exhibit C.

(b) The Grantee shall use the Grant Funds solely for the purpose of funding the Scope of Work consistent with the Financing Budget for the Development. The Grantee shall not use the Grant Funds for any other purpose without the prior written consent of the County.

(c) Any costs to be paid for with Grant Funds must be eligible uses consistent with the Program Provisions and Special Conditions. 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 County Grant. 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) County has approved any necessary updates on the Scope of Work and Financing Budget, if necessary;

(5) Grantee has obtained all permits and approvals necessary for the construction of expansion of the Development necessary to perform the Scope of Work pursuant to the terms of this Agreement;

(6) The Grantee has submitted a certification from the architect or the Certified Access Specialist certifying that Development has been designed 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;

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

(8) The Regulatory Agreement and Deed of Trust have been recorded against the Grantee's leasehold 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;

(9) 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;

(10) 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 Development, are not less than the amount the County determines is necessary to pay for the acquisition and conversion of the Development and to satisfy all of the covenants contained in this Agreement and the Regulatory Agreement; and

(11) The County has received a written reimbursement draw request, in the form attached as Exhibit I, from Grantee, including (1) certification that the conditions set

forth in Section 2.6, continue to be satisfied, (2) certification that the proposed use of funds is consistent with the approved Financing Budget, (3) the amount of funds needed, and, (4) where applicable, a copy of the bill or invoice covering a cost incurred or to be incurred. When a disbursement is requested to pay any contractor in connection with improvements on the Property, the written request must be accompanied by: (1) certification by the Grantee's contractor reasonably acceptable to the County that the work for which disbursement is requested has been completed (although the County reserves the right to inspect the Property and make an independent evaluation); and (2) lien releases and/or mechanics lien title insurance endorsements reasonably acceptable to the County. The County will make best efforts to fund draw requests within thirty (30) days from receipt of a complete draw request. If a draw request includes reimbursement for costs to be incurred, then the Grantee shall provide proof of payment for such costs within fifteen (15) days of the disbursement of County Grant funds.

(c) The County, may in the sole and absolute discretion of the County Chief Executive Officer, may elect to disburse the Grant funds into a construction disbursement account in accordance with the terms of this Section 2.7, without any further approval of the Board of Supervisors and without need to amend this Agreement.

Section 2.8 Return of Capital Contribution.

The Grantee agrees and acknowledges that the County is making the County Grant to allow for the Development to sustain operations in conformance with the Regulatory Agreement for the longest feasible time. The Grantee further agrees and acknowledges that the Grantee shall not be allowed to refinance any loan or mortgage encumbering the Development which results in the Developer receiving any cash out.

Section 2.9 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 2.10 Subordination.

The County Regulatory Agreement must be recorded in a lien position acceptable to the County and shall not be subordinated to any lien or encumbrance proposed to be recorded against the Property except that the County agrees and acknowledges that the Homekey Regulatory Agreement is recorded in first lien position. The City of San Bernardino's Permanent Local Housing Allocation Regulatory Agreement will be recorded in second lien position. The County's Regulatory Agreement and Declaration of Restrictive Covenants will be recorded in third lien position.

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 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 Improvements being funded by this Grant. 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 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 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 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 Improvements must specify that: (i) No contractor or subcontractor may be listed on a bid proposal nor be awarded a contract for the Improvements unless registered with the DIR pursuant to Labor Code Section 1725.5; and (ii) The 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 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 Improvements shall mean the work required under the Scope of Work and obtain the Authorization to Operate form or similar from Southern California Edison.

(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 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 Development 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 Development, as built, complies with the accessibility requirements.

Section 3.7 Equal Opportunity.

(a) During performance of the Scope of Work for the 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 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 Improvements, Grantee shall provide the County with quarterly progress reports regarding the status of the rehabilitation of the Improvements.

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

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 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 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 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 Improvements.

Section 3.11 Certificates of Completion.

(a) Promptly after completion of the Scope of Work for the 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 Improvements; and the County's determination that the Grantee various obligations with regards to completion of the Scope of Work for the Improvements under this Agreement have been met; the County will provide the Grantee with a Certificate of Completion for the 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 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 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 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 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 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 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 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 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 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 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 approved Financing Budget set forth in Exhibit B. Grantee agrees that no change shall be made to Grantee's Financing Budget without first obtaining County approval, except that the Grantee may at its reasonable discretion reallocate funds between specified line items, so long as the amount being reallocated from any one particular line item does not exceed ten percent (10%) of the budget allocation for such line item. 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 the Development 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 this transaction 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 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 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 Improvements.

(b) In addition, the County, at any time, audit all of Grantee's books, records, and accounts pertaining to the 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 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 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 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 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 Development, 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 Development 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.

Section 4.1 Affordability and Project Monitoring.

(a) Throughout the Term, the Developer shall comply with all applicable record keeping and monitoring requirements and shall annually complete and submit to County a Certification of Continuing Program Compliance in the form attached to the Regulatory Agreement.

(b) Representatives of the County or its authorized representatives shall be entitled to enter the Property upon at least forty-eight (48) hours' notice at reasonable times to monitor compliance with this Agreement, to inspect the records of the Development with respect to the Restricted Units, and to conduct an independent audit of such records. The Developer agrees to cooperate with the County in making the Property available for such inspection. If for any reason the County is unable to obtain the Developer's consent to such an inspection, the Developer understands and agrees that the County may obtain, at the Developer's expense, an administrative inspection warrant or other appropriate legal order to obtain access to and search the Property. The Developer agrees to maintain records in a business-like manner and to make such records available to the County upon forty-eight (48) hours' notice at reasonable times.

(c) Throughout the Term, the Developer grants the County inspection rights as set forth in Section 3.13 above.

(d) The County will enforce a per-unit affordability monitoring charge on all Units. The Developments will be a monitoring fee of \$100.00 per unit/ annually

(e) The Developer shall pay such charge within Fifteen (15) days of receipt of an invoice from the County.

(f) All fees under this section are subject to increases adopted under a fee schedule approved by the Board of Supervisors, from time to time.

(g) The County reserves the right to waive or defer a portion of the monitoring charge if a development is unable to pay these costs. All waivers must be submitted in writing, with adequate supporting financial documentation, for review by the County CDH Director.

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 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 Improvements and to operate the 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:

(a) 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.

(d) 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 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 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 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 Improvements and Grantee shall include similar requirements in any contracts entered into for the operation of the 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.

All written notices provided for in this Contract or which either party desires to give to the other shall be deemed fully given, when made in writing and either served personally, or by facsimile, or deposited in the United States mail, postage prepaid, and addressed to the other party 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: Lutheran Social Services of Southern California,
999 Twon & Country Road, Suite 100
Orange, CA 92869
Attn: LaSharnda Beckwith

Notice shall be deemed communicated two (2) County working days from the time of mailing if mailed as provided in this paragraph.

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 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:

Lutheran Social Services of Southern California, a California nonprofit public benefit corporation

By: _____
LaSharnda Beckwith, Ph.D, President and Chief
Executive Officer

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:

LAURA FEINGOLD
County Counsel

By: _____
Suzanne Bryant, Deputy County Counsel

EXHIBIT A

LEGAL DESCRIPTION

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

PARCEL 1 OF PARCEL MAP NO. 20839, IN THE CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 263, PAGE 43 AND 44 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 0145-193-08-0-000; 0145-193-10-0-000; 0145-193-22-0-000; 0145-193-07-0-000; and 0145-193-23-0-000

EXHIBIT B

FINANCING BUDGET

		COST TO COMPLETE		Client Name: LSSSC CWC Address: 1354 N G Street Job Name: DMSB LSSSC CWC Date: January 15, 2026 # of Units: _____	
		BUDGET	COST TO COMPLETE	Variance to Budget	Use of SB County Grant
HARD COSTS					
GC Contract	TS	\$ 25,424,104.00	\$ 28,771,002.00	\$ (1,346,898.00)	\$ 1,057,707.00
Owner Contingency to complete	5%	\$ -	\$ 500,000.00	\$ (500,000.00)	\$ -
PV/Solar Engineering/CarPort		\$ -	\$ 422,293.00	\$ (422,293.00)	\$ 422,293.00
TOTAL HARD COSTS:		\$ 25,424,104.00	\$ 27,693,295.00	\$ (2,269,191.00)	\$ 1,480,000.00
SOFT COSTS					
Design					
Initial Design		\$ -	\$ -	\$ -	\$ -
Architectural Contract	TR Design	\$ 2,100,000.00	\$ 2,318,217.47	\$ (218,217.47)	\$ -
Sub Consultant Mark-up		\$ -	\$ -	\$ -	\$ -
Added Services	Genier	\$ 144,000.00	\$ 61,265.00	\$ 82,735.00	\$ -
Design Contingency - Reimbursables	TR Design	\$ 114,700.00	\$ 5,000.00	\$ 109,700.00	\$ -
Modular Design Fees -	Harbinger	\$ -	\$ 149,000.00	\$ (149,000.00)	\$ -
Modular Design Fees -		\$ -	\$ -	\$ -	\$ -
Consultants					
MEP		\$ -	\$ -	\$ -	\$ -
Landscape		\$ -	\$ -	\$ -	\$ -
Structural		\$ -	\$ -	\$ -	\$ -
Waterproofing		\$ -	\$ -	\$ -	\$ -
PV/Solar Engineering		\$ -	\$ -	\$ -	\$ -
Civil - Engineering		\$ -	\$ -	\$ -	\$ -
Environmental Testing	ENGE0	\$ 10,000.00	\$ 50,094.46	\$ (40,094.46)	\$ -
Arborist		\$ -	\$ -	\$ -	\$ -
Geotechnical		\$ -	\$ -	\$ -	\$ -
Soils Testing		\$ -	\$ -	\$ -	\$ -
3rd Party Inspections	Byerly	\$ -	\$ 50,000.00	\$ (50,000.00)	\$ -
3rd Party Inspections	Independent	\$ -	\$ 73,092.80	\$ (73,092.80)	\$ -
Special Inspections	AGMD	\$ -	\$ 5,804.39	\$ (5,804.39)	\$ -
Permit Fees	City of SB	\$ 150,000.00	\$ 617,376.60	\$ (467,376.60)	\$ -
Owners Representative		\$ -	\$ -	\$ -	\$ -
Utility Connection Fees					
Electrical Engineering Fees & Install Costs	SCE	\$ -	\$ 230,402.85	\$ (230,402.85)	\$ -
Communication Engineering Fees & Install Costs	Frontier	\$ -	\$ 20,709.87	\$ (20,709.87)	\$ -
Water Connection & Capacity Fees	SBCWB	\$ -	\$ 197,285.00	\$ (197,285.00)	\$ -
Sewer Connection & Capacity Fees	SBCWB	\$ -	\$ 121,065.00	\$ (121,065.00)	\$ -
FF&E					
Personal Property	LSSSC	\$ 579,165.00	\$ 549,000.00	\$ 30,165.00	\$ -
Low Voltage					
Security System Equipment		\$ -	\$ -	\$ -	\$ -
Financing/Legal					
Appraisal Costs	LSSSC	\$ 6,352.00	\$ 23,200.00	\$ (16,848.00)	\$ -
Legal Fees	Brownstein	\$ 30,000.00	\$ 18,000.00	\$ 12,000.00	\$ -
Financing/Legal					
General Liability	LSSSC	\$ 200,000.00	\$ 193,050.51	\$ 6,949.49	\$ -
Builders Risk	LSSSC	\$ 150,000.00	\$ 150,000.00	\$ -	\$ -
Operating Reserve (Allocated)	LSSSC	\$ 666,679.00	\$ 327,707.00	\$ 338,972.00	\$ -
Owner	LSSSC	\$ -	\$ -	\$ -	\$ -
Dignity Moves Development Fee					
Processing	DM	\$ 1,000,000.00	\$ 1,000,000.00	\$ -	\$ -
Administration	LSSSC	\$ 200,000.00	\$ 200,000.00	\$ -	\$ -
TOTAL SOFT COSTS:		\$ 5,350,896.00	\$ 6,360,270.95	\$ (1,009,374.95)	\$ -
TOTAL DIGNITY MOVES PROJECT COSTS:					
SUBTOTAL HARD COSTS:		\$ 25,424,104.00	\$ 27,693,295.00	\$ (2,269,191.00)	\$ 1,480,000.00
SUBTOTAL SOFT COSTS:		\$ 5,350,896.00	\$ 6,360,270.95	\$ (1,009,374.95)	\$ -
TOTAL DM PROJECT COST:		\$ 30,775,000.00	\$ 34,053,565.95	\$ (3,278,565.95)	\$ 1,480,000.00

EXHIBIT C

SCOPE OF WORK

The Contractor shall furnish all labor, materials, equipment, and services necessary to design, install, and commission a complete and fully operational solar photovoltaic system for the project. The scope of work includes, but is not limited to, all required engineering and design services, permitting, procurement, installation, electrical and structural components, balance-of-system elements, and any other work, services, or costs necessary to achieve full completion and functionality of the solar energy system and the overall construction of the project, excluding predevelopment costs.

EXHIBIT D

REVOCABLE GRANT DEED OF TRUST

EXHIBIT E

REGULATORY AGREEMENT

EXHIBIT F

SCHEDULE OF PERFORMANCE

Activity	Performance Deadline:
Recordation of Deed of Trust and Regulatory Agreement	No later than 03/27/2026
Disbursement of Funds	No later than 03/15/2026
Start of Renovations / Improvements	Deemed commenced.
Completion of Improvements/Delivery of CASP Report	No later than 6 months from Effective Date, or January 27,2026
Start of Operations / Certificate of Occupancy	Upon Completion of Improvements



EXHIBIT G

Levine Act – Campaign Contribution Disclosure (formerly referred to as Senate Bill 1439)

The following is a list of items that are not covered by the Levine Act. A Campaign Contribution Disclosure Form will not be required for the following:

- Contracts that are competitively bid and awarded as required by law or County policy
- Contracts with labor unions regarding employee salaries and benefits
- Personal employment contracts
- Contracts under \$50,000
- Contracts where no party receives financial compensation
- Contracts between two or more public agencies
- The review or renewal of development agreements unless there is a material modification or amendment to the agreement
- The review or renewal of competitively bid contracts unless there is a material modification or amendment to the agreement that is worth more than 10% of the value of the contract or \$50,000, whichever is less
- Any modification or amendment to a matter listed above, except for competitively bid contracts.

DEFINITIONS

Actively supporting or opposing the matter: (a) Communicate directly with a member of the Board of Supervisors or other County elected officer [Sheriff, Assessor-Recorder-Clerk, District Attorney, Auditor-Controller/Treasurer/Tax Collector] for the purpose of influencing the decision on the matter; or (b) testifies or makes an oral statement before the County in a proceeding on the matter for the purpose of influencing the County's decision on the matter; or (c) communicates with County employees, for the purpose of influencing the County's decision on the matter; or (d) when the person/company's agent lobbies in person, testifies in person or otherwise communicates with the Board or County employees for purposes of influencing the County's decision in a matter.

Agent: A third-party individual or firm who, for compensation, is representing a party or a participant in the matter submitted to the Board of Supervisors. If an agent is an employee or member of a third-party law, architectural, engineering or consulting firm, or a similar entity, both the entity and the individual are considered agents.

Otherwise related entity: An otherwise related entity is any for-profit organization/company which does not have a parent-subsidary relationship but meets one of the following criteria:
(1) One business entity has a controlling ownership interest in the other business entity;
(2) there is shared management and control between the entities; or
(3) a controlling owner (50% or greater interest as a shareholder or as a general partner) in one entity also is a controlling owner in the other entity.

For purposes of (2), "shared management and control" can be found when the same person or substantially the same persons own and manage the two entities; there are common or

commingled funds or assets; the business entities share the use of the same offices or employees, or otherwise share activities, resources or personnel on a regular basis; or there is otherwise a regular and close working relationship between the entities.

Parent-Subsidiary Relationship: A parent-subsidiary relationship exists when one corporation has more than 50 percent of the voting power of another corporation.

Contractors must respond to the questions on the following page. If a question does not apply respond N/A or Not Applicable.

1. Name of Contractor:

2. Is the entity listed in Question No.1 a nonprofit organization under Internal Revenue Code section 501(c)(3)?

Yes If yes, skip Question Nos. 3-4 and go to Question No.
5 No

3. Name of Principal (i.e., CEO/President) of entity listed in Question No. 1, if the individual actively supports the matter and has a financial interest in the decision:

4. If the entity identified in Question No.1 is a corporation held by 35 or less shareholders, and not publicly traded ("closed corporation"), identify the major shareholder(s):-

5. Name of any parent, subsidiary, or otherwise related entity for the entity listed in Question No. 1 (see definitions above):

Company Name	Relationship

6. Name of agent(s) of Contractor:

Company Name	Agent(s)	Date Agent Retained (if less than 12 months prior)

7. Name of Subcontractor(s) (including Principal and Agent(s)) that will be providing services/work under the awarded contract if the subcontractor (1) actively supports the matter and (2) has a financial interest in the decision and (3) will be possibly identified in the contract with the County or board governed special district.

Company Name	Subcontractor(s):	Principal and/or Agent(s):

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8. Name of any known individuals/companies who are not listed in Questions 1-7, but who may (1) actively support or oppose the matter submitted to the Board and (2) have a financial interest in the outcome of the decision:

Company Name	Individual(s) Name

9. Was a campaign contribution, of more than \$500, made to any member of the San Bernardino County Board of Supervisors or other County elected officer involved with this Contract within the prior 12 months, by any of the individuals or entities listed in Question Nos. 1-8?

No

Yes If **yes**, please provide the contribution information in Question 11.

10. Has an agent of Contractor made a campaign contribution of any amount to any member of the San Bernardino County Board of Supervisors or other elected officer involved with this Contract while award of this Contract is being considered?

No If no, please skip question 11.

Yes If **yes**, please provide the contribution information in Question 11.

11. Name of Board of Supervisor Member or other County elected officer: _____

Name of Contributor: _____

Date(s) of Contribution(s): _____

Amount(s): _____

Please add an additional sheet(s) to identify additional Board Members or other County elected officers to whom anyone listed made campaign contributions.

By signing the Contract, Contractor certifies that the statements made herein are true and correct. Contractor acknowledges that agents are prohibited from making any campaign contributions, regardless of amount, to any member of the Board of Supervisors or other County elected officer involved with this Contract, while award of this Contract is being considered and for 12 months after a final decision by the County. Contractor understands that the other individuals and entities (excluding agents) listed in Question Nos. 1-8 are prohibited from making campaign contributions of more than \$500 to any member of the Board of Supervisors or other County elected officer involved with this

Contract, while award of this Contract is being considered and for 12 months after a final decision by the County.