

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

☒ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 30 PAGES

AGREEMENT NUMBER

20-HK-00025

AMENDMENT NUMBER

2

Purchasing Authority Number

2240

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONTRACTOR NAME

County of Tulare; UP Holdings California, LLC; RH Community Builders LP; Mooney Sequoia LP

2. The term of this Agreement is:

START DATE

11/10/2020

THROUGH END DATE

11/09/2025

3. The maximum amount of this Agreement after this Amendment is:

\$4,700,000

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

All previous references to the County of Tulare, UP Holdings California LLC, RH Community Builders LP, Mooney Sequoia LP/Grantee/Sponsor in Standard Agreement contract number 20-HK-00025 and all Exhibits attached thereto shall hereinafter refer also to Mooney Sequoia LP. Amendment will update HK restricted units to 50 studios, add one manager unit, project description and authorized parties for County of Tulare, Mooney Sequoia LP, UP Holdings California, LLC, RH Community Builders LP.

*All other terms and conditions shall remain the same.**IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.***CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

See Attached

CONTRACTOR BUSINESS ADDRESS

See Attached

CITY

See Attached

STATE

ZIP

PRINTED NAME OF PERSON SIGNING

See Attached

TITLE

See Attached

CONTRACTOR AUTHORIZED SIGNATURE

See Attached

DATE SIGNED

See Attached

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Housing and Community Development

CONTRACTING AGENCY ADDRESS

651 Bannon St

CITY

Sacramento

STATE

CA

ZIP

95811

PRINTED NAME OF PERSON SIGNING

TITLE

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

Exempt per: SCM Vol. 1 4.04.A.3 (DGS memo dated 6/12/1981)

STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213A (Rev. 10/2020)

County of Tulare
UP Holdings California, LLC
RH Community Builders LP
Mooney Sequoia LP
20-HK-00025 Am. 2
Page 1 of 2

Contractor

County of Tulare,
a political subdivision of the State of California

By: _____
Larry Micari, Chair of the Board of Supervisors

Date: _____

Address: _____
2800 West Burrel Avenue,
Visalia, CA 93291

Approve As To Form:
County Counsel

By: *Eric M. Scott*
Deputy

Date: 12/03/2024

Matter No: 20241791

RH Community Builders LP,
a California limited partnership

By: WRBH LLC,
a California limited liability company
Its: General Partner

By: *Wayne Rutledge*
Wayne Rutledge, Manager

Date: 10/10/24

Address: _____
352 W. Bedford Avenue, Suite 110
Fresno, CA 93711

UP Holdings California, LLC,
a Illinois limited liability company

By: _____
Cullen J. Davis, Manager

Date: _____

Address: _____
900 West Jackson Boulevard, Suite 2W
Chicago, IL 60607

STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213A (Rev. 10/2020)

County of Tulare
UP Holdings California, LLC
RH Community Builders LP
Mooney Sequoia LP
20-HK-00025 Am. 2
Page 1 of 2

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Its: General Partner

By: _____
Wayne Rutledge, Manager

Date: _____

Address:
352 W. Bedford Avenue, Suite 110
Fresno, CA 93711

UP Holdings California, LLC,
a Illinois limited liability company

By: 
Cullen J. Davis, Manager

Date: 10/9/2024

Address:
900 West Jackson Boulevard, Suite 2W
Chicago, IL 60607

Contractor

Mooney Sequoia LP,
a California limited partnership

By: Housing On Merit XVII LLC,
a California limited liability company
Its: Managing General Partner

By: Housing on Merit,
a California nonprofit public benefit corporation
Its: Manager

By: 
Miguel Garcia,
Vice President of Real Estate Development

Date: Oct. 14, 2024

By: Mooney Sequoia LLC,
a California limited liability company,
Its: Co-General Partner

By: RH Community Builders LP,
a California limited partnership
Its: Manager

By: WRBH LLC,
a California limited liability company
Its: Sole General Partner

By: _____
Wayne Rutledge, Manager

Date: _____

By: UPH Sequoia, LLC,
a California limited liability company
Its: Co-General Partner

By: UP Holdings California, LLC,
an Illinois limited liability company
Its: Sole member

By: _____
Cullen J. Davis, Manager

Date: _____

Address: _____

7370 N Lincoln Ave, Suite A
Lincolnwood, IL 60712

Contractor

Mooney Sequoia LP,
a California limited partnership

By: Housing On Merit XVII LLC,
a California limited liability company
Its: Managing General Partner

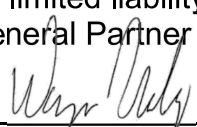
By: Housing on Merit,
a California nonprofit public benefit corporation
Its: Manager

By: _____ Date: _____
Miguel Garcia,
Vice President of Real Estate Development

By: Mooney Sequoia LLC,
a California limited liability company,
Its: Co-General Partner

By: RH Community Builders LP,
a California limited partnership
Its: Manager

By: WRBH LLC,
a California limited liability company
Its: Sole General Partner

By:  _____ Date: 10/10/24
Wayne Rutledge, Manager

By: UPH Sequoia, LLC,
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Its: Co-General Partner

By: UP Holdings California, LLC,
an Illinois limited liability company
Its: Sole member

By: _____ Date: _____
Cullen J. Davis, Manager

Address: _____
7370 N Lincoln Ave, Suite A
Lincolnwood, IL 60712

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Miguel Garcia,
Vice President of Real Estate Development

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a California limited partnership
Its: Manager

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a California limited liability company
Its: Sole General Partner

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Wayne Rutledge, Manager

Date: _____

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By: _____
Cullen J. Davis, Manager

Date: 10/9/2024

Address: _____

7370 N Lincoln Ave, Suite A
Lincolnwood, IL 60712

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority

Assembly Bill No. 83 (2019-2020 Reg. Sess.) added section 50675.1.1 and 50675.1.2 to the Multifamily Housing Program (“MHP”) (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Health and Safety Code section 50675.1.1 is the statutory basis for the Homekey Program (“Homekey” or “Program”). Health and Safety Code section 50675.1, subdivision (d) authorizes the Department of Housing and Community Development (“Department” or “HCD”) to administer MHP.

The Department issued a Notice of Funding Availability (“NOFA”) for the Homekey Program on July 16, 2020. The NOFA incorporates by reference the MHP, as well as the MHP Final Guidelines (“MHP Guidelines”), dated June 19, 2019, both as amended and in effect from time to time. In addition, the NOFA states that Homekey grant funds are derived primarily from Coronavirus Relief Fund (“CRF”) money received from the U.S. Department of the Treasury. The CRF was established by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law No. 116-136).

This STD 213, Standard Agreement (“Agreement”) is entered under the authority and in furtherance of the Program. This Agreement is the result of an Application by the Sponsor, as defined below, for funding under the Program (the “Grant”). As such, this Agreement shall be executed by the Sponsor. Where the Sponsor comprises a Local Public Entity (as defined below) and a private entity, both entities shall execute the Standard Agreement.

This Agreement hereby incorporates by reference the Application in its entirety. This Agreement is governed by the following (collectively, the “Program Requirements”), and each of the following is incorporated hereto as if set forth in full herein:

- A. The above-referenced MHP statutory scheme;
- B. The NOFA issued on July 16, 2020, and as may be subsequently amended;
- C. The MHP Guidelines;

EXHIBIT A

- D. The CARES Act and related federal guidance;
- E. The award letter issued by the Department to the Sponsor; and
- F. Any and all other applicable law.

2. **Purpose**

The Homekey Program is intended to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are impacted by the COVID-19 pandemic ("Target Population").

Sponsor applied to the Department for the Grant in order to conduct one or more of the activities outlined in Paragraph 4 below. By entering into this Agreement and thereby accepting the award of Program Grant funds, the Sponsor agrees to comply with the Program Requirements and the terms and conditions of this Agreement.

3. **Definitions**

Any capitalized terms that are not defined below shall have the definitions set forth in the NOFA, the MHP statutes, and the MHP Guidelines. In the event of any conflict, the definitions in this Agreement and the NOFA are controlling.

- A. **"Application"** means the application for Grant funds that was submitted in response to the Department's Homekey Program 2020 Notice of Funding Availability, issued on July 16, 2020.
- B. **"CRF Covered Period"** means the time period running from **March 1, 2020 through December 30, 2020**. All Grant expenses for CRF-funded Eligible Uses must be incurred during this time period, or they will not be reimbursed. CRF-funded Eligible Uses are those listed at Paragraph 4.A – F, below.
- C. **"CRF Expenditure Deadline"** means **December 30, 2020**. All Grant expenses for CRF-funded Eligible Uses must be incurred on or before this date, or they will not be reimbursed. CRF-funded Eligible Uses are those listed at Paragraph 4.A – F, below.

EXHIBIT A

- D. **“Designated Payee”** means the Co-Sponsor that will serve as the payee of the Program Grant funds. If applicable, the Designated Payee is identified at Exhibit E of this Agreement.
- E. **“Development Sponsor”** has the same meaning as **“Sponsor”** below.
- F. **“Eligible Uses”** means the activities that may be funded by the Homekey Program Grant. Those activities are listed at Paragraph 4 of this Agreement, and at Health and Safety Code section 50675.1.1, subdivision (a).
- G. **“Interim Housing”** means any facility that is primarily intended to provide temporary shelter or lodging for the Target Population, and which does require occupants to sign leases or occupancy agreements.
- H. **“Local Public Entity”** is defined at Health and Safety Code section 50079, and means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. In addition, and in accord with this Health and Safety Code definition, the term **“Local Public Entity”** also includes two or more local public entities acting jointly.
- I. **“Performance Milestones”** means the indicators and metrics of progress and performance that are identified as such at Exhibit E of this Agreement. Sponsor’s failure to satisfy any one of the Performance Milestones will constitute a breach of this Agreement and will entitle the Department to exercise any and all available remedies, including the recapture of disbursed Grant funds and the cancellation of this Agreement.
- J. **“Permanent Housing”** means housing, dwellings, or other living accommodations where the landlord does not limit the tenant’s length of stay or restrict the tenant’s

EXHIBIT A

movements, and where the tenant has a lease and is subject to the rights and responsibilities of tenancy.

- K. **“Program Requirements”** means the legal authority and Program materials listed at Paragraph 1.A – F, above.
- L. **“Project”** means a structure or set of structures with common financing, ownership, and management, and which provides Permanent Housing or Interim Housing for the Target Population.
- M. **“Scope of Work”** or **“Work”** means the work to be performed by the Sponsor to accomplish the Program purpose.
- N. **“Sponsor”** is defined by the Multifamily Housing Program at Health and Safety Code section 50675.2, subdivision (g). (See also Health & Saf. Code, § 50669, subd. (c).) **“Sponsor”** refers, both individually and collectively, to the private entity and/or the Local Public Entity that received a Homekey Grant after submitting an Application or a joint Application to the Department. When the Sponsor comprises two entities, each entity may be referred to as a **“Co-Sponsor.”** On the STD 213 portion of this Agreement, the Sponsor is identified as the Contractor.
- O. **“State General Fund Expenditure Deadline”** means **June 30, 2022**. Grant expenses for capitalized 24-month operating subsidies (which are funded by the State General Fund) must be incurred on or before this date, or they will not be reimbursed.
- P. **“Target Population”** means individuals and families who are experiencing homelessness or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are impacted by the COVID-19 pandemic.

4. **Eligible Uses**

Sponsor shall apply the Program Grant funds to one or more of the following uses. Sponsor’s use of the funds and scope of work (“Scope of Work” or “Work”) are specified at Exhibit E of this Agreement.

- A. Acquisition or rehabilitation of motels, hotels, or hostels.

EXHIBIT A

- B. Master leasing of properties.
- C. Acquisition of other sites and assets, including purchase of apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, and other buildings with existing residential uses that could be converted to permanent or interim housing.
- D. Conversion of units from nonresidential to residential in a structure with a certificate of occupancy as a motel, hotel, or hostel.
- E. The purchase of affordability covenants and restrictions for units.
- F. Relocation costs for individuals who are being displaced as a result of rehabilitation of existing units.
- G. Capitalized operating subsidies for units purchased, converted, or altered with funds provided under the Program.

5. **Performance Milestones**

Sponsor shall complete each of the Performance Milestones set forth at Exhibit E of this Agreement by the date designated for such completion therein (each a “Milestone Completion Date”). Sponsor may apply to the Department for an extension of any such Milestone Completion Date. Approval of any such extension request shall be in the Department’s sole and absolute discretion. In no event will the Department approve an extension request in the absence of Sponsor’s demonstration of good cause for said extension, along with Sponsor’s reasonable assurances that the extension will not result in Sponsor’s failure to meet other Performance Milestones or any Expenditure Deadline under this Agreement.

6. **Reporting Requirements**

Sponsor shall comply with all reporting requirements set forth at Section 402 of the NOFA or in this Agreement, all in accordance with, without limitation, the deadline(s) set forth under Performance Milestones at Exhibit E of this Agreement.

EXHIBIT A

7. **Department Contract Coordinator**

The Department's Contract Coordinator for this Agreement is the Deputy Director of the Division of State Financial Assistance, or the Assistant Deputy Director's designee. Unless otherwise informed, Sponsor shall mail any notice, report, or other communication required under this Agreement by First-Class Mail to the Department Contract Coordinator at the following address:

California Department of Housing and Community Development
Attention: Homekey Program (Homekey)
State Grant Management Section
651 Bannon Street, 8th Floor, 95811
P. O. Box 952054
Sacramento, CA 94252-2054

8. **Sponsor Contract Coordinator**

The Sponsor Contract Coordinator for this Agreement may coordinate with the State Grant Management Section Manager for the Homekey Program. Unless otherwise informed, the Department shall mail any notice, report, or other communication required under this Agreement by First-Class Mail, or through a commercial courier, to the Sponsor Contract Coordinator at the address specified at Exhibit E of this Agreement.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Budget Detail

Applicant has been awarded the Grant amount set forth in this Agreement.

2. Conditions of Disbursement

The Department will disburse the full amount of the Grant award to the Sponsor after this Agreement has been fully executed, and after the Department receives the Sponsor's request for funds, with all required supporting documents appended thereto. The Sponsor shall append the following supporting documents to the request for funds, all in form and substance acceptable to the Department:

- A. Payee Data Record (STD 204) or Government Agency Taxpayer ID Form, as applicable;
- B. An authorizing resolution or set of authorizing resolutions that, in the Department's reasonable determination, materially comport with the Program's requirements (if the Sponsor has not already submitted same);
- C. Certification of compliance with California's prevailing wage law;
- D. Evidence of the insurance coverages required under the Program and/or a written acknowledgment of self-insured status;
- E. Documentary evidence of capacity to provide operating funds for the Project for at least five (5) years;
- F. A current title report (dated within 15 days of the request for funds);
- G. Any forms, certifications, or documentation required pursuant to Paragraph 5 – Conditions Precedent to Disbursement of Exhibit E of this Agreement; and
- H. Any other forms, certifications, or documentation deemed necessary by the Department prior to disbursement of Grant funds.

EXHIBIT B

3. **Performance**

After disbursement of the funds, the Sponsor shall meet each Performance Milestone set forth at Exhibit E by the designated deadline. After satisfaction of each Performance Milestone, the Sponsor shall promptly report its progress, in writing, to the Department. Sponsor may apply to the Department for an extension of the Performance Milestone deadlines based on good cause shown and best efforts and assurances from the Recipient for timely completion of the remaining Milestones.

FAILURE TO SATISFY ANY ONE OF THE PERFORMANCE MILESTONES WILL CONSTITUTE A BREACH OF THIS AGREEMENT, AND ENTITLES THE DEPARTMENT TO MANDATE THE SPONSOR TO RETURN TO THE DEPARTMENT ANY FUNDS DISBURSED; IN ANY SUCH INSTANCE, THE DEPARTMENT MAY ALSO CANCEL THIS AGREEMENT WITHOUT OWING ANY DAMAGES OR OTHER PAYMENT TO SPONSOR.

4. **Fiscal Administration**

- A. Sponsor shall either deposit the Grant funds with an escrow company licensed to do business in the State of California and in good standing, or deposit Grant funds in an interest-bearing checking or savings account insured by the federal or state government. All interest earned from the deposit of Grant funds shall be used for eligible Program activities.
- B. Any CRF Grant funds that have not been expended by the CRF Expenditure Deadline must be returned to the Department with accrued interest. Any State General Fund moneys that have not been expended by the State General Fund Expenditure Deadline must be returned to the Department with accrued interest. Checks shall be made payable to the Department of Housing and Community Development and shall be mailed to the Department at the address below, no later than thirty (30) calendar days after the applicable Expenditure Deadline.

Department of Housing and Community Development
Accounting Division
651 Bannon Street, 5th Floor
Sacramento, California 95811

EXHIBIT B

5. Duplication of Benefit

Homekey funding is not required to be used as funding of last resort. However, Sponsor may not use Homekey funding to cover expenditures that have already been funded through other sources. Expenses that have been or will be reimbursed under any federal program are not eligible uses of Homekey funding.

EXHIBIT D

HOMEKEY GENERAL TERMS AND CONDITIONS

1. Effective Date, Term of Agreement, Timing, and Deadlines

- A. This Agreement is effective upon the date of the Department representative's signature on the STD 213, Standard Agreement (such date, the "Effective Date").
- B. This Agreement shall terminate five (5) years after the Effective Date, as stated in Paragraph 2 of the STD 213, Standard Agreement (such date, the "Expiration Date").
- C. Sponsor will receive the disbursement of Program funds after satisfying all conditions precedent to such disbursement, as set forth under Paragraph 2 of Exhibit B. All Program funds must be disbursed by **December 30, 2020**.
- D. Grant expenses for CRF-funded Eligible Uses must be incurred from **March 1, 2020 through December 30, 2020** (the "CRF Covered Period"). **December 30, 2020** is the deadline for all such expenditures (the "CRF Expenditure Deadline" or "Expenditure Deadline"). CRF-funded Eligible Uses are those listed at Paragraph 4.A – F of Exhibit A.
- E. Grant expenses for capitalized 24-month operating subsidies (which are funded by the State General Fund) must be incurred by **June 30, 2022** (the "State General Fund Expenditure Deadline" or "Expenditure Deadline").
- F. Any expenses incurred prior to the CRF Covered Period, after the CRF Expenditure Deadline, or after the State General Fund Expenditure Deadline, respectively and as applicable, are not eligible for payment under the Program. Grant funds that have not been expended by the applicable Expenditure Deadlines shall revert to the Department.

2. Termination

The Department may terminate this Agreement for cause at any time by giving at least 14 days' advance written notice to the Sponsor. Upon such termination, Sponsor shall return any unexpended funds to the Department within thirty (30) calendar days of the date on the Department's written notice of termination, unless

EXHIBIT D

the Department has approved an alternate arrangement in advance and in writing, as provided below. Such termination will not limit any other remedies that may be available to the Department under this Agreement, at law, or in equity.

Cause shall consist of Sponsor's breach of, or failure to satisfy, any of the terms or conditions of this Agreement. Cause includes but is not limited to the following:

- A. Sponsor's failure to satisfy the conditions precedent to disbursement or to expend Program Grant funds, as specified, by **December 30, 2020**.
- B. Sponsor's failure to timely satisfy each or any of the conditions set forth in these Homekey General Terms and Conditions, the Special Conditions set forth at Exhibit E of this Agreement (including any one of the Performance Milestones), or the award letter.
- C. Sponsor's violation of any of the Program Requirements.
- D. The Department's determination of the following:
 - 1) Any material fact or representation, made or furnished to the Department by the Sponsor in connection with the Application or the award letter, shall have been untrue or misleading at the time that such fact or representation was made known to the Department, or subsequently becomes untrue or misleading; or
 - 2) Sponsor has concealed any material fact from the Department related to the Application or the Project.
- E. The Department's determination that the objectives and requirements of the Homekey Program cannot be met in accordance with applicable timeframes, as memorialized by this Agreement.

Sponsor's failure to meet any applicable Expenditure Deadline shall result in the automatic termination of this Agreement, and Sponsor shall return all disbursed Grant funds to the Department within thirty (30) calendar days of the applicable Expenditure Deadline.

EXHIBIT D

In the event of any other breach, violation, or default by the Sponsor, the Department may give written notice to the Sponsor to cure the breach, violation, or default. If the breach, violation, or default is not cured to the Department's satisfaction within a reasonable time, as determined by the Department at its sole and absolute discretion, then the Department may declare a default under this Agreement and seek any and all remedies that are available under this Agreement, at law, or in equity.

3. **Eligible Activities**

Grant funds awarded to the Sponsor shall be applied to the eligible uses set forth at Exhibit A and described in greater detail at Exhibit E. Payment for any cost which is not authorized by this Agreement or which cannot be adequately documented shall be disallowed and must be reimbursed to the Department or its designee.

4. **Performance Milestones**

Sponsor shall timely satisfy and complete all Performance Milestones, as identified at Exhibit E of this Agreement.

5. **Article XXXIV**

Article XXXIV, section 1 of the California Constitution ("Article XXXIV") is not applicable to development involving the acquisition, rehabilitation, reconstruction, alterations work, or any combination thereof, of lodging facilities or dwelling units using moneys receiving from the CRF established by the federal CARES Act (Public Law 116-136), pursuant to Health and Safety Code section 37001, subdivision (h).

6. **Appraisals**

Sponsor shall, at the request of the Department, provide an appraisal of any real property or any interest in real property that is acquired with the Grant funds. Any such appraisal shall be prepared in a form, and by a qualified appraiser, acceptable to the Department.

7. **Compliance with California's Prevailing Wage Law**

Sponsor's Project may be subject to California's prevailing wage law (Lab. Code, § 1720 et seq.). Sponsor is urged to seek professional legal advice about the law's requirements. Prior to disbursing the Grant funds, the Department will require a

EXHIBIT D

certification of compliance with California's prevailing wage law. The certification must verify that prevailing wages have been or will be paid if such payment is required by law, and that labor records will be maintained and made available to any enforcement agency upon request. The certification must be signed by Sponsor and its general contractor.

8. **Environmental Conditions**

Sponsor shall provide a Phase I Environmental Site Assessment ("ESA") for the Project, in conformance with ASTM Standard Practice E 1527, evaluating whether the Project is affected by any recognized environmental conditions. If the Phase I ESA discloses evidence of recognized environmental conditions and Sponsor desires to proceed with the Project, the Sponsor shall provide the Department with a Phase II report and any additional reports as required by the Department and in a form acceptable to the Department. Any remediation work shall be subject to Department approval. Sponsor shall also provide an asbestos assessment and a lead-based paint report for the Department's approval if the Project involves rehabilitation or demolition of existing improvements.

9. **Insurance**

Sponsor shall obtain the insurance coverages identified at Article VI of the NOFA; Sponsor shall maintain such insurance coverages for either the term of this Agreement or the term of any required use restriction or affordability covenant, whichever applicable term is longer. Sponsor shall name the State of California and the Department, as well as their respective appointees, officers, agents, and employees, as additional insureds on all such policies. Such policies shall provide for notice to the Department in the event of any lapse of coverage or insurance claim thereunder. Prior to disbursement of any Grant funds, Sponsor shall provide evidence satisfactory to the Department of its compliance with these insurance requirements.

If Sponsor is a Local Public Entity and is self-insured, in whole or in part, as to any of the required types and levels of coverage, the Local Public Entity shall provide the Department with a written acknowledgment of its self-insured status prior to disbursement of any Grant funds. If the Local Public Entity abandons its self-insured status at any time after execution of this Agreement, the Local Public Entity shall immediately notify the Department, and shall promptly comply with the insurance coverage requirements under the Program.

EXHIBIT D

10. Operating Funds

Sponsor shall demonstrate its capacity to provide five (5) years of operating funds for the Project. As set forth at Exhibit B of this Agreement, Sponsor shall provide documentary evidence of such capacity prior to disbursement of any Grant funds.

11. Relocation

If there is or will be any residential or commercial displacement directly or indirectly caused by the Project, the Sponsor shall provide a relocation plan to the Department for review. The relocation plan must comply with the requirements of state law (Gov. Code, § 7260 et seq.) and the regulations adopted by the Department (Cal. Code Regs., tit. 25, § 6000 et seq.). The Project budget shall include enough funds to pay all costs of relocation benefits and assistance, as identified in the relocation plan accepted by the Department. If the Project will not cause any displacement, the Sponsor must provide corroborating documentation to the Department for approval. If there is separate federal funding of the Project, the Sponsor shall comply with federal Uniform Relocation Act requirements to the extent applicable.

12. Site Control

Unless and except as otherwise expressly approved in writing by the Department or provided at Exhibit E to this Agreement, the Sponsor shall at all times have control of the property and such control shall not be contingent on the approval of any other party. The status and nature of the Sponsor's title and interest in the property must be acceptable to the Department. Site control may be evidenced by one of the following:

- A. Fee title.
- B. A leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with, and satisfaction of, all program objectives and requirements, including, without limitation, those set forth in this Agreement. If the Sponsor's interest in the property is a leasehold, and the lessee and the lessor are affiliated or related parties, then the Department may require that both the lessee and the lessor must execute this Agreement.
- C. An executed disposition and development agreement, or irrevocable offer of

EXHIBIT D

dedication to a public agency.

- D. A sales contract, or other enforceable agreement for the acquisition of the property. If this form of evidence was relied upon at the time of Application, the Department may impose additional Performance Milestones (e.g., presentation of additional or supplemental evidence of eventual site control closer to any projected close of escrow).
- E. A letter of intent, executed by a sufficiently authorized signatory of the Sponsor, that expressly represents to the Department, without condition or reservation, that, upon successful application, the Sponsor shall purchase or otherwise acquire a sufficient legal interest in the property to accomplish the purpose of the award. The letter of intent must also be duly acknowledged by the party selling or otherwise conveying an interest in the subject property to the Sponsor. If this form of evidence was relied upon at the time of Application, the Department may impose additional Performance Milestones (e.g., presentation of additional or supplemental evidence of eventual site control closer to any projected close of escrow).
- F. Other forms of site control that give the Department assurance (equivalent to A-E above) that the Sponsor will be able to complete the Project in a timely manner and in accordance with the Program's objectives and requirements, including, without limitation, those set forth or referenced in this Agreement.

13. **Adaptability and Accessibility**

The Project shall comply with all applicable federal, state and local laws regarding adaptability and accessibility in the design, construction and rehabilitation of residential projects for persons with disabilities.

14. **Title Report**

Sponsor shall provide a current title report for the real property on which the Project is located. If Sponsor's interest in the property is leasehold, then Sponsor shall provide a current title report for the leasehold interest and the fee interest.

15. **Title Insurance**

Sponsor shall provide evidence of title insurance and an ALTA As-Built Survey that

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are acceptable to the Department. The condition of title, the insurer, the liability amount, the form of policy, and the endorsements shall be subject to Department approval. The policy shall insure that Sponsor holds good and marketable title (fee simple or leasehold).

16. **Supportive Services Plan**

Where a project features on-site supportive services, Sponsor shall submit a supportive services plan to the Department for its review and approval. Such plan shall meet the Program Requirements.

17. **Non-Discrimination**

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

18. **Affirmative Fair Housing Marketing Plan and Fair Housing Compliance**

Sponsor shall develop and implement an affirmative fair housing marketing plan that is satisfactory to the Department. Appropriate aspects of the initial plan shall be incorporated into the ongoing management plan to ensure positive outreach and informational efforts to those who are least likely to know about and apply for Interim Housing or Permanent Housing. Sponsor is encouraged to refer to the guidelines for Affirmative Fair Housing Marketing Plans issued by the U.S. Department of Housing

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and Urban Development ("HUD"). Sponsor shall comply with all state and federal fair housing laws.

19. Sponsor Acknowledgment of the Pet Friendly Housing Act of 2017

By executing this Agreement, Sponsor acknowledges that the Pet Friendly Housing Act of 2017 (Health & Saf. Code, § 50466) requires each housing development, if it is financed on or after January 1, 2018 pursuant to Division 31 of the Health and Safety Code, to authorize a resident of the housing development to own or otherwise maintain one or more common household pets within the resident's dwelling unit, subject to applicable state laws and local governmental ordinances related to public health, animal control, and animal anticruelty.

EXHIBIT D

20. Final Certificate of Occupancy

Sponsor shall provide a final certificate of occupancy (or an equivalent form of occupancy certification or approval) issued by the local agency having jurisdiction over such certificates.

21. Occupancy

The units shall be in decent, safe, and sanitary condition at the time of their occupancy. In addition, the Sponsor shall certify, upon occupancy, that it will employ the core components of Housing First (set forth at Health and Safety Code section 8255) as part of its property management and tenant selection practices.

22. Reporting Requirements

Sponsor shall submit expenditure and program reporting to the Department by **February 1, 2021**. Such reporting shall include the data outlined at Section 402 of the NOFA.

If Sponsor has received State General Fund moneys to fund a 24-month operating subsidy, Sponsor shall submit relevant expenditure reporting to the Department on **January 31, 2021; July 31, 2021; January 31, 2022; and July 31, 2022**. Such reporting shall include the data set forth at Section 402.i – vi. of the NOFA.

23. Use Restrictions and Affordability Covenants

Either a use restriction or an affordability covenant shall be recorded against the Project real property, depending on the Project type. For Interim Housing Projects that will not result in permanent housing, the Department shall cause a 10-year use restriction to be recorded against the Project real property. For Interim Housing Projects that will ultimately result in permanent housing, the Local Public Entity shall cause a 10-year use restriction to be recorded against the Project real property. For Permanent Housing Projects, the Local Public Entity shall cause a 55-year affordability covenant to be recorded against the Project real property.

All use restrictions and affordability covenants shall require integration of the Target Population within all entrances, common areas, and buildings that comprise the Project.

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All use restrictions and affordability covenants are subject to the advance written approval of the Department, and shall be acceptable to the Department in form, substance, and priority. Project-specific requirements and deadlines are set forth at Exhibit E of this Agreement.

24. **Restrictions on Sales, Transfers, and Encumbrances**

Sponsor shall not, for the duration of this Agreement, sell, assign, transfer, or convey the Project, or any interest therein or portion thereof, without the express prior written approval of the Department.

25. **Retention, Inspection, and Audit of Records**

Sponsor is responsible for maintaining records which fully disclose the activities funded by the Grant. Sponsor shall retain all records for a period of five (5) years after the expiration of this Agreement, unless a longer retention period is stipulated. If any litigation, claim, negotiation, audit, monitoring, inspection or other action commences during this required retention period, all records must be retained until a full and final resolution of the action.

The Department, as well as its appointees, employees, agents, and delegates, shall have the right to review, obtain, and copy all records pertaining to performance under this Agreement. Sponsor shall provide any relevant information requested, and shall permit access to its premises, upon reasonable notice and during normal business hours, for the purpose of interviewing employees and inspecting and copying books, records, accounts, and other relevant material.

At any time during the term of this Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the Project. At the Department's request, the Sponsor shall provide, at its own expense, a financial audit prepared by a certified public accountant. The audit shall be performed by a qualified state, local, independent, or Department auditor. Where an independent auditor is engaged, the audit services agreement shall include a clause which permits the Department to have access to the independent auditor's relevant papers, records, and work product.

If there are audit findings, the Sponsor shall submit a detailed response to the Department for each audit finding. The Department will review the response. If the Department determines, in its sole and absolute discretion, that the response is satisfactory, the Department will conclude the audit process and notify the Sponsor

EXHIBIT D

in writing. If the Department determines, in its sole and absolute discretion, that the response is not satisfactory, the Department will contact the Sponsor, in writing, and explain the action required to cure any audit deficiencies. Such action could include the repayment of ineligible costs or other remediation.

If so directed by the Department upon the termination or expiration of this Agreement, the Sponsor shall deliver all records, accounts, documentation, and other materials that are relevant to this Agreement to the Department as depository.

26. **Site Inspection**

The Department reserves the right, upon reasonable notice, to inspect the Project to determine whether it meets the Program Requirements. If the Department reasonably determines that the site is not acceptable for the Project in accordance with the Program Requirements, the Department reserves the right to rescind the award and the Grant. Nothing in this paragraph is intended to create or imply any obligation of the Department to inspect the Project.

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27. Compliance with State and Federal Laws, Rules, Guidelines, and Regulations

Sponsor agrees to comply with all state and federal laws, rules, guidelines, and regulations that are applicable to the Project, including those that pertain to construction, health and safety, labor, fair employment practices, and equal opportunity.

28. Updated Information

If there is any change in the information that has been provided to the Department, Sponsor shall promptly provide the Department with updated documentation (e.g., updated sources and uses). All changes shall be subject to Department approval.

29. Survival of Obligations

The obligations of the Sponsor, as set forth in this Agreement, shall survive the termination or expiration of this Agreement.

30. Litigation

Sponsor shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement, the Program Requirements, the interests of the Department, and the objectives of the Homekey Program.

31. Severability

This Agreement constitutes the entire agreement between the Sponsor and the Department. All prior representations, statements, negotiations and undertakings with regard to the subject matter hereof are superseded hereby. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Agreement, or the application of such terms or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

32. Waivers

EXHIBIT D

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The Department's failure, at any time, to enforce the provisions of this Agreement or to require the Sponsor's performance under this Agreement shall in no way be construed as a waiver of such provisions or performance, and it shall not affect the validity of this Agreement or the Department's right to enforce this Agreement.

33. Disputes

In the event of any conflict between this Agreement and any Sponsor documents or side agreements, this Agreement and the Program Requirements shall prevail, are applicable, and shall be enforceable by the Department even if the Department provided review or approval of such documents and side agreements.

34. Consent

The parties agree that wherever the consent or approval of the Department or Sponsor is required under this Agreement, such consent or approval shall not be unreasonably withheld, conditioned, or delayed, unless the same is specified as being in that party's sole and absolute discretion, or other words of similar import.

35. Sponsor Liability

Sponsor shall remain liable to the Department for performance under this Standard Agreement and compliance with all Program Requirements regardless of any Department-approved transfer or assignment of interest, or of any designation of a third party for the undertaking of all or any part of the Scope of Work. Likewise, each Co-Sponsor shall remain jointly and severally liable to the Department for performance under this Standard Agreement and compliance with all Program Requirements regardless of any Department-approved transfer or assignment of interest; any designation of a third party for the undertaking of all or any part of the Scope of Work; or the Co-Sponsors' identification of a Designated Payee.

36. Defense and Indemnification

EXHIBIT D

Sponsor agrees to defend, indemnify, and hold harmless the Department, and its appointees, agents, employees, and officers, from any losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including attorneys' fees), which may arise in connection with Sponsor's use of the Grant funds and performance under this Agreement. If any attorney, including the California Attorney General, is engaged by the Department to enforce, construe, or defend any provision of this paragraph, with or without the filing of any legal action or proceeding, Sponsor shall, individually or jointly, pay to the Department, immediately upon demand, the amount of all attorneys' fees and costs incurred by the Department in connection therewith.

37. **Time Is of the Essence**

Time is of the essence under this Agreement, and in the performance of every term, covenant, and obligation contained herein.

EXHIBIT E

PROJECT-SPECIFIC PROVISIONS AND SPECIAL TERMS AND CONDITIONS

1. PROJECT-SPECIFIC PROVISIONS

The Sequoia 1400 S Mooney Blvd. Visalia, CA 93277		APN: 096-321-013	
County of Tulare			
Enter the number of doors by bedroom size and income level.			
Bedroom Size	# of Doors	HK Restricted	Income Limit (% of AMI)
0 (Studio)	50	50	30% AMI
1	1	0	Manager
Total	51	50	

A. Project Description

1. **Grant Amount:** \$4,700,000.00
2. **Designated Payee:** County of Tulare, a political subdivision of the State of California ("**County**")
3. **Eligible Use:** Acquisition of a motel for Interim Housing (with a plan for future conversion to Permanent Housing).
4. **Project Narrative:** The Sequoia will initially be operated as Interim Housing, and it will then be converted to Permanent housing. The property is a 45-unit motel which had been partially used to provide non-congregate shelter to individuals under Project Roomkey. After acquiring the site under the Homekey Program, the Sponsor will operate the majority of the facility's units

as non-congregate shelter and will rehabilitate the remaining units in order to provide permanent supportive housing. At full capacity, the Project will provide housing for 50 members of the Target Population. Those residents will have access to a broad range of supportive services, including case management services, benefits counseling and advocacy, mental health care, physical health care, and substance use disorder services. The Project site is located within 1/3 of a mile of public transit. The County will ensure that a 10-year use restriction is recorded against the real property of the Interim Housing site.

During the Project's transition from Interim Housing to Permanent Housing, the County will prepare and cause the recordation of a 55-year regulatory agreement to continue the site's long-term use and occupancy as affordable housing.

5. Strategies to Promote Racial Equity and Accessibility:

- a. The Sponsor shall, at the request of the Department, report back on any racial equity strategies described in the Homekey Application.
- b. The Sponsor shall ensure that the Project includes sensory accessible units and mobility accessible units in accordance with all relevant representations and descriptions in the Sponsor's Homekey Application (e.g., number of units, accessibility elements) and/or meets the minimum required accessible units as listed in the Homekey NOFA, to meet or exceed the greater of the two requirements.

B. Scope of Work

The Sponsor will acquire the motel and initially operate it as Interim Housing for households experiencing homelessness or at risk of homelessness, and, because of that and for other reasons, are or have been impacted by the COVID-19 pandemic. The Sponsor will then convert the facility to Permanent Housing to include 50 units plus one, one bedroom manager's unit.

The Sponsor shall provide the residents with access to a full range of on-site and off-site supportive services. Such services shall include case management services, benefits counseling and advocacy, mental health care, physical health care, and substance use disorder services.

The Sponsor shall perform any necessary rehabilitation activities to make the facility suitable for Interim Housing in the immediate term and for Permanent Housing in the long term. Such rehabilitation activities may include mechanical and plumbing repairs.

The Sponsor shall perform ADA upgrades that will include a ramp, entry door improvements along an accessible path of travel from the accessible parking to building ground floor entries. Interior work in units shall include five units improved to be fully accessible to persons with mobility impairments and two units fully accessible to persons with vision/hearing impairments.

The Sponsor shall include kitchens in all units. Building interior alterations shall include the accessibility improvements for a public office, common restrooms, and laundry facilities.

The Sponsor shall perform necessary rehabilitation activities for electrical and upgraded electrical service including replacing smoke detectors, adding GCFI outlets.

The County shall ensure that a 10-year affordability covenant is recorded against the real property of the Project site in accordance with and as more fully specified and set forth in the Special Conditions below.

C. Sponsor Contract Coordinator

Authorized Representative Name:	Larry Micari
Authorized Representative Title:	Chair of the Board of Supervisors
Entity Name:	County of Tulare
Address:	2800 W. Burrel Ave., Visalia, CA 93291
Phone No.:	(559) 636-5000
E-Mail Address:	lmicari@tularecounty.ca.gov

Authorized Representative Name:	Wayne Rutledge
Authorized Representative Title:	Manager
Entity Name:	Mooney Sequoia LP
Address:	352 West Bedford Avenue, Suite 110, Fresno, CA 93711
Phone No.:	(559) 213-7373
E-Mail Address:	Wayne@uhbagels.com

Authorized Representative Name:	Cullen J. Davis
Authorized Representative Title:	Manager
Entity Name:	UP Holdings California, LLC
Address:	900 West Jackson Boulevard, Suite 2W, Chicago, IL 60607
Phone No.:	(312) 870-4747
E-Mail Address:	cullen@upholdings.net

Authorized Representative Name:	Wayne Rutledge
Authorized Representative Title:	Manager
Entity Name:	RH Community Builders LP
Address:	352 West Bedford Avenue, Suite 110, Fresno, CA 93711
Phone No.:	(559) 213-7373

E-Mail Address:	Wayne@uhbagels.com
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D. Budget Detail

The County will contribute approximately \$613,000.00 as part of its commitment to provide five (5) years of operating funds for the Project. The County will further leverage state/federal funds to provide supportive services and rental subsidies.

E. Additional Conditions Precedent to Disbursement

Intentionally omitted.

F. Performance Milestones

Performance Milestones	Date
Satisfaction of all conditions of disbursement set forth at <u>Exhibit B</u> , including submission of revised authorizing resolutions for UP Holdings California, LLC and RH Community Builders LP in accordance with and as more fully specified and set forth in the Special Conditions below.	11/11/2020
Site control of Project site.	11/11/2020
Submit certification that the Sponsor will employ the core components of Housing First (set forth at Welfare and Institutions Code section 8255) as part of its property management and tenant selection practices.	11/11/2020
Recordation of a 10-year affordability covenant by the County	12/15/2020
Submit documentation of compliance with California's relocation assistance law in accordance with and as more fully specified and set forth in the special conditions below.	12/15/2020
Obtaining all discretionary public land use approvals that are required, notwithstanding Health and Safety Code section 50675.1.1, subdivision (g).	12/30/2020
Satisfaction of occupancy timeline.	2/01/2021
Submission of expenditure and program reporting.	Feb. 1, 2021

2. SPECIAL TERMS AND CONDITIONS

The following Special Terms and Conditions are applicable to this Project and shall control notwithstanding anything to the contrary herein:

- A.** The Co-Sponsors of this Project are the County; UP Holdings California, LLC, an Illinois limited liability company ("**LLC**"); and RH Community Builders LP, a California limited partnership ("**LP**") and Mooney Sequoia LP, a California limited partnership ("**LP**"). The Co-Sponsors have identified County as the Designated Payee of the Grant funds.
- B.** By executing this Agreement, the Co-Sponsors commit to applying all Grant funds solely towards the Homekey Program's Eligible Uses, which are defined

herein and at Health and Safety Code section 50675.1.1, subdivision (a).

- C.** Prior to disbursement of any funds, LLC and LP shall each submit a revised authorizing resolution that, in the Department's reasonable determination, materially comports with the Program's requirements, as well as with each legal entity's respective organizational documents.
- D.** The Sponsor shall submit documentation of its compliance with California's relocation assistance law, in form and substance satisfactory to the Department, as required by Exhibit D of this Agreement. Such documentation shall be in finalized form and expressly approved by the Department in writing by the Performance Milestone date set forth herein.
- E.** The County shall cause a use restriction in accordance with the NOFA and Program Requirements ("**Covenant**") to be recorded against the real property of the Project site by the Performance Milestone date set forth herein. The County shall obtain the Department's express written approval of such Covenant prior to the County's recordation of the same. Unless otherwise authorized by the prior and express written approval of the Department, the Covenant shall be recorded as a lien against the Project in first position, and shall remain in first position over all other Project agreements, covenants or other matters of record on the real property for the period of affordability required by the Program.