

HOME LOAN AGREEMENT
HOME INVESTMENT PARTNERSHIPS PROGRAM ("HOME Program")
Sun Rose Apartments and the City of Roseville
Roseville, California

This HOME Loan Agreement ("Agreement") is made and entered into this ____ day of _____, 20__, by and between the City of Roseville, a municipal corporation ("Lender" or "City") and Advocates for Mentally Ill Housing, Inc., a California nonprofit public benefit corporation with its principal place of business located at P.O. Box 5216, Auburn, CA 95604 ("Borrower") (collectively, the "Parties").

RECITALS

- A. The United States Congress has enacted the HOME Investment Partnerships Act ("HOME Program") as Title II of the Cranston-Gonzalez National Affordable Housing Act ("the Act"), and amendments thereto;
- B. Lender is empowered under the HOME Program to administer funds pursuant to the HOME Program and to enter into project agreements with development organizations including nonprofit public benefit corporations;
- C. Borrower is a California nonprofit public benefit corporation that is the owner and holder of a fee estate in the real property located at 110 North Sunrise Avenue, Roseville, California 95661, as more particularly described in **Exhibit A**, attached hereto and incorporated herein (the "Property"). The Property was formerly operated as a hotel.
- D. Borrower has converted the Property to a Project Homekey site by rehabilitating eighty-three (83) residential units. Eighty-two (82) units will be utilized as follows: fifty (50) units will be occupied by the chronically homeless population, twenty-seven (27) units will be occupied by persons experiencing homelessness and five (5) units will be occupied by youth experiencing homelessness or at-risk of homelessness (the "Project").
- E. Borrower has requested a loan of HOME Program funds to assist with costs related to the rehabilitation of 18 of the 82 Project units on the Property.
- F. Lender is a California municipal corporation that desires to assist Borrower by lending HOME Program funds to Borrower in a principal amount not to exceed ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000), according to the terms and conditions described herein, for unit rehabilitation and other activities of the Project as more particularly described herein.

NOW, THEREFORE, Borrower and Lender hereby agree as follows:

AGREEMENT

1. DEFINITIONS

Except to the extent modified or supplemented by the HOME Standard Agreement, _____ HOME-_____, dated _____ between Lender and the State of California Department of Housing and Community Development ("HCD"), incorporated herein by this

reference, or this Agreement, any term defined in Title II of the Cranston-Gonzalez National Affordable Housing Act ("the Act") or the HOME Program regulations at 24 CFR Part 92, as amended, shall have the same meaning when used herein. Subject to the foregoing, the following terms have the meanings set forth below wherever used in this Agreement, its attached exhibits, and/or the documents incorporated into this Agreement by reference.

- a. "Activity" shall mean construction and rehabilitation work and other specific activities to be carried out in part with Lender's HOME Program funds in connection with the Project, more particularly described in **Exhibit B**, attached hereto and incorporated herein by this reference.
- b. "Borrower" shall mean Advocates for Mentally Ill Housing, Inc., a California nonprofit public benefit corporation.
- c. "City" shall mean the City of Roseville, a municipal corporation.
- d. "Certificate of Occupancy" shall mean the final Certificate of Occupancy issued by the City to Borrower for the Project.
- e. "Commencement of Construction" shall mean obtaining the first building permit necessary to undertake the Construction.
- f. "Construction" and "Construction Work" shall mean rehabilitation of the Project on the Property.
- g. "Days" shall mean calendar days unless otherwise specifically provided.
- h. "Event of Default" shall mean the occurrence of any of the events listed in section 36 hereof and the expiration of any applicable notice and/or cure period(s) provided for in this Agreement, and in all schedules, exhibits, and attachments that may be incorporated herein.
- i. "Hazardous Materials" shall have the meaning set forth in section 28 of this Agreement. Hazardous Materials do not include substances that are used or consumed in the normal course of developing, operating, or occupying a housing project, to the extent and degree that such substances are stored, used, and disposed of in the manner and in amounts that are consistent with normal practice and all applicable legal standards.
- j. "HCD" shall mean the State of California Department of Housing and Community Development.
- k. "HOME-Assisted Units" shall mean the units in the Project that are designated to be managed and rented in accordance with the HOME Program regulations throughout the Period of Affordability. Eighty-two (82) units in the Project, as agreed to by Lender and Borrower, will be designated as the HOME-Assisted

Units, all of which are regulated by the HOME Regulatory Agreement, as well as any amendments to and modifications of the HOME Regulatory Agreement.

- l. "HOME Deed of Trust" shall mean the Deed of Trust and Assignment of Rents encumbering the Property as security for the HOME Loan, executed and delivered by Borrower with Borrower as Trustor with Lender as Beneficiary, as well as any amendments to and modifications and restatements of the HOME Deed of Trust.
- l. "HOME Loan" shall mean the loan of HOME Program funds to be disbursed by Lender to the Borrower for Activity costs as set forth in this Agreement.
- m. "HOME Loan Documents" shall mean collectively this Agreement, the HOME Deed of Trust, the HOME Note, and the HOME Regulatory Agreement and all exhibits and attachments thereto.
- n. "HOME Program" shall mean Lender's HOME Investments Partnership Program, as set forth in Title 24 of the Code of Federal Regulations, Part 92, *et seq*, as amended, including the administration thereof, with respect to the terms of the agreements between the State of California Department of Housing and Community Development ("HCD") and Lender which commit HOME Program funds to Lender.
- o. "HOME Promissory Note" shall mean that promissory note to be executed by Borrower in favor of Lender evidencing the HOME Loan, which is to be secured by the HOME Deed of Trust and the HOME Regulatory Agreement, as well as any amendments to and modifications or restatements of the HOME Promissory
- p. "HOME Regulatory Agreement" shall mean the regulatory agreement to be executed by Borrower and Lender and recorded against the Property, as well as any amendments to and modifications and restatements of the HOME Regulatory Agreement. The terms of the HOME Regulatory Agreement are hereby incorporated into this Agreement by this reference.
- q. "Lender" shall mean the City of Roseville, a municipal corporation.
- r. "Period of Affordability" shall mean the time period beginning upon the closing date of the HOME Loan or at Project Completion as defined herein, whichever occurs later, and ending on the date fifty-five (55) years thereafter, during which time the Project must remain affordable in accordance with 24 CFR 92.252, as amended.
- s. "Project" shall mean the Sun Rose Apartments, a Project Homekey housing development consisting of eighty-three (83) residential units of which eighty-two (82) will be HOME-Assisted Units to be occupied by extremely low-income

households, as defined in section 1(w) herein, and one (1) unassisted manager's unit.

- t. "Project Completion" shall have the same meaning as set forth at 24 CFR 92.2, as amended.
- u. "Project Premises" shall mean the Project real property and any structures, appurtenances, fixtures, personalty and/or any equipment thereon, whether or not attached permanently to the real property.
- v. "Property" shall mean the real property that is described in **Exhibit A**, attached hereto and incorporated into this Agreement by reference.
- w. "Extremely Low-Income Households" shall mean households whose income is thirty percent (30%) or less of the area median income as determined by the Department of Housing and Urban Development (HUD).

2. TERMS OF LOAN

a. Purpose: The purpose of the HOME Loan is to provide financing for the Activity costs incurred pursuant to this Agreement.

b. Enforcement of Provisions: In order to enforce the terms of this Agreement, the HOME Loan shall be evidenced by the HOME Promissory Note. The HOME Promissory Note shall be secured by the HOME Deed of Trust from Borrower for the benefit of Lender, or its assigns, for the outstanding amount of the HOME Loan. The HOME Program affordability requirements shall be enforced on the Project through the HOME Regulatory Agreement in accordance with 24 CFR 92.504(c)(13), as amended. The HOME Regulatory Agreement shall be recorded against the Project Premises and shall be the third lien on the Project Premises, except any lien so approved in writing by Lender. Lender acknowledges and approves regulatory agreements, covenants and are other deed restrictions encumbering the Property that restrict the affordability of the residential units in accordance with the Homekey and HOME-ARP units as liens superior to the lien of the HOME Regulatory Agreement.

c. If the Project does not comply with the affordability requirements as set forth in 24 CFR 92.252, as amended, during the Period of Affordability, Borrower shall have sixty (60) days after receipt of written notice from Lender to cure the default, and such additional time as may be necessary to cure the default, up to an additional thirty (30) days, provided Borrower is diligently pursuing the cure of the default. If, after the expiration of such cure periods, Borrower shall have failed to cure the default, the HOME Loan shall immediately become due and payable with interest accrued thereon plus costs to Lender.

d. Unless otherwise approved in writing, the HOME Deed of Trust shall be junior to Homekey and HOME ARP only to the HUD Deed of Trust as otherwise described in **Exhibit C**.

e. Borrower hereby acknowledges and stipulates that any and all loan repayments by Borrower shall, when received, be the sole property of Lender, and, consistent with the law, can thereafter be used in any manner determined by Lender.

3. **MAXIMUM HOME LOAN FUNDS AVAILABLE UNDER AGREEMENT AND MODE OF PAYMENT**

a. Lender agrees to pay and Borrower agrees to accept, as HOME Loan disbursements, progress payments as reimbursement for Borrower's costs incurred under this Agreement upon Borrower making satisfactory progress toward completion of the Activity as determined solely by Lender; provided, that the total HOME Loan amount available to Borrower shall not exceed ONE MILLION FIVE HUNDRED THOUSAND NINE (\$1,500,000). Borrower agrees to accept sole financial responsibility for all other costs related to the Project in excess of the ONE MILLION FIVE HUNDRED THOUSAND NINE (\$1,500,000) made available by Lender pursuant to this Agreement. Borrower will disburse HOME Loan funds on the following project line items:

- i. Structures - \$1,091,142.00
- ii. General requirements
 - 1. Man Hoist (Boom Lift Rental - \$14,400.00
 - 2. Chemical Toilets - \$ 1,500.00
 - 3. Storage Container - \$ 2,950.00
 - 4. Project Clean - \$12,000.00
 - 5. Dumpsters - \$19,000.00
 - 6. Construction Fence - \$ 2,500.00
 - Total \$52,350.00
- iii. Contractor profit - \$332,639.00
- iv. General Liability insurance - \$23,869.00.

The cost listed above are subject to change based on actual costs.

b. Lender's duty to make HOME Loan funds available to Borrower is expressly contingent on Lender's receipt of HOME Program Funds from the Federal Government allocated for this Activity. In the event that HOME Program Funds are not received by Lender, Borrower agrees that Lender, at its sole option, may terminate or suspend this Agreement until such funds are received. Borrower hereby agrees to the foregoing without reservation, or claim for future cause of action or suit in equity based thereon against Lender, and further agrees to hold Lender harmless.

c. The HOME Loan shall be disbursed to Borrower for payment of eligible costs upon recording of the HOME Deed of Trust in the official records of Placer County. No later than ten (10) days prior to recording of the HOME Deed of Trust in the official records of Placer County Borrower shall provide Lender with a disbursement request evidencing all eligible costs to be paid with the proceeds of the HOME Loan. Such disbursement request shall be itemized and properly documented to show clearly the items, tasks or services for which Activity cost reimbursement is being claimed and the basis for cost computation whether by cost per hour, cost per weight, cost per task or other measurement as agreed by and between Lender and Borrower along with evidence, to the satisfaction of Lender, that Borrower has complied with any and all applicable HOME laws and regulations as described in Section 12 herein below. Such disbursement request shall also be itemized and properly documented to distinguish clearly among the items, tasks or services for which cost reimbursement is being claimed from the HOME Loan and from other sources of Project financing.

4. **TERM OF AGREEMENT**

Except as otherwise provided in this paragraph or at Sections 5 and 50, herein below, the term of this Agreement shall commence as of the first date written above, and continue until the HOME Promissory Note is paid in full or the end of the Period of Affordability, as defined in 24 CFR 92.252, whichever period is longer. Provided, however, that if, at the end of the Term, the Property securing this HOME Note continues to qualify under the affordable housing requirements set forth in 24 CFR Part 92 relating to Extremely Low Income defined as eligible households whose income is thirty percent (30%) or less of the area median income as determined by HUD, on a recurring basis with interest continuing to accrue at the Interest Rate, provided the Property securing this HOME Note continues to qualify under the affordable housing requirements set forth in 24 CFR Part 92 relating to Extremely Low Income defined as eligible households whose income is fifty percent (30%) or less of the area median income as determined by HUD.

5. **TERMINATION OF AGREEMENT**

Lender reserves the right to terminate this Agreement upon any breach of this Agreement and/or the HOME Loan Documents by Borrower which continues beyond any stated cure period by giving Borrower written notice of its intention to terminate at least ten (10) days prior to the effective date of the termination, in which event Lender shall only disburse any undisbursed HOME funds for work successfully completed as determined solely by Lender prior to the effective date of termination.

6. **PROJECT COST EVALUATION**

Until the time of Project Completion, Borrower shall supply Lender, on not less than a monthly basis, certified information on the actual Project costs, uses of funds and other information relevant to this evaluation. Borrower further agrees that, if Project costs are less than estimated, in **Exhibit B** the HOME Loan funds available to Borrower for the Project shall be reduced to the amount required.

7. **BORROWER'S OBLIGATIONS AND CONDITIONS**

a. As a condition of the advance of any funds hereunder by Lender, Borrower hereby agrees:

- (1) reserved
- (2) to assure reasonable access to the Project Premises by Lender and its designees;
- (3) to execute the HOME Promissory Note, the HOME Deed of Trust, the HOME Regulatory Agreement, and the HOME Loan Agreement (the "HOME Loan Documents");
- (4) to provide to Lender a preliminary title report with such exceptions and liens as acceptable by Lender, and if requested by Lender, an appraisal that meets the

standards specified by the Lender. Such appraisal shall be from an appraiser acceptable to the Lender who is also licensed to practice in the State of California.

(5) reserved

(6) to immediately pay all costs related to rehabilitation of the Project Premises in excess of the HOME Program Funds obligated pursuant to this Agreement when due; and

(7) to provide proof of insurance as specified in Section 34 herein at the request of the Lender for its review and approval prior to start of Project construction.

b. Prior to and during the Period of Affordability, Borrower further agrees:

(1) to make improvements to the Project Premises in accordance with plans approved in writing by Lender for that purpose;

(2) to furnish Lender, prior to Borrower initially marketing the Project and taking any rental applications from any person, for Lender review, comment, and approval or disapproval, a copy of the marketing plan that Borrower plans to use to market and select occupants for the Project Premises. Borrower further agrees to make changes in the marketing plan in response to comments from Lender and to resubmit the marketing plan for Lender review and approval, so long as such changes are not in conflict with the provisions and requirements governing the Project Premises, as previously or concurrently agreed to by the Borrower pursuant to and in conformance with the rules and regulations of the HOME Program). Subject to the above conditions, Borrower will follow the marketing plan that is approved by Lender in renting HOME-assisted units to the client population;

(3) to rent out the Project Premises to the client population in accordance with 24 CFR 92.252 and 253, as amended, and the provisions of Section 8, "Tenants," below;

(4) to provide Lender with any and all reports required by this Agreement;

(5) to allow Lender, State of California Housing and Community Development Department, their agents and designee(s) reasonable access to the Project Premises for purposes related to this Agreement; and

(6) to maintain the Project Premises in a manner which meets the provisions of this Agreement, and to establish Lender approved performance standards for the management, operation and maintenance of the Project and the Premises for the life of the Project, which standards may be judicially enforceable by the Lender as a remedy in addition to any and all others which may be provided by law.

c. Borrower shall complete construction of the Project Premises by December 31, 2025.

d. Borrower shall be responsible for implementation of this Project. Implementation shall include, without limitation, preparation of specification documents and any required plans, solicitation and hiring of contractors, construction engineering and inspection, contract administration and State of California Housing and Community Development Department compliance monitoring services. Borrower shall provide Lender with all plans and specifications, including changes requested by Borrower during construction, for Lender's review and approval prior to use.

e. Borrower shall be responsible for the maintenance and operation of the Project Premises during the Period of Affordability and the HOME Loan Term, whichever time period is greater.

f. All work performed by Borrower shall be completed satisfactorily and within the budgetary limits and time schedule milestones provided for in this Agreement. Lender shall not be obligated to loan or otherwise reimburse Borrower for work performed subject to this Agreement if said work is unsatisfactory to Lender or completed subsequent to the time or times specified in this Agreement. Any and all modifications to the Agreement time schedules are at the sole option of Lender.

g. Borrower shall be responsible for complying with all applicable local, State, and Federal laws and regulations.

h. Borrower shall cooperate fully with Lender in undertaking the Project and shall assure and permit Lender and its representatives, inspectors and consultants to enter upon the Project Premises during normal business hours to inspect the Project and materials to be used therein and to examine all contracts, records, test reports, plans and shop drawings which are kept at the Project site or at Borrower's offices. Borrower shall cooperate with and shall use its best efforts to cause the Project Premises' general contractor and subcontractor(s) to cooperate with any such representatives, inspectors or consultants retained by Lender.

i. Borrower shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third-party or parties for the undertaking of all or any part of the Activity to be completed under this Agreement, or the assignment of any of its obligations under this Agreement, if otherwise permitted.

j. In its provision for construction of the improvements Borrower (in collaboration with the Lender) shall conduct, as appropriate, a preconstruction conference.

k. Borrower shall be responsible for the control and safety of Borrower officers, employees, agents, or invitees during the implementation of this Project. Borrower shall take all actions necessary to insure the safety of its employees and invitees during the implementation of the Project and during the operation of the improvements constructed pursuant to this Agreement.

l. Subsequent to bid openings, if Lender determines that funds budgeted for the Project are insufficient to satisfactorily accomplish or complete the work referenced in this Agreement, Borrower shall have thirty (30) calendar days from the date of such determination to obtain additional Project funding beyond the Lender's maximum financial obligation or

satisfactorily and appropriately reduce the scope of the Project, as provided for herein above. If the reduction of Project scope is not successful in satisfactorily lowering overall Project costs, Lender and Borrower agree to mutually terminate this Agreement according to the requirements and standards of 24 CFR Part 85.44, "Termination for Convenience", as amended. In the event of termination, the Activity shall be abandoned; the Lender shall incur no liability whatsoever to Borrower for expenses incurred after termination of this Agreement, nor shall the Lender incur any liability whatsoever for costs related to any subsequent completion of the improvements herein contemplated. Borrower shall be responsible for the repayment of all HOME Loan funds disbursed prior to such termination.

m. As an express condition precedent to the loan of any HOME Program Funds under the terms of this Agreement, Borrower shall execute and return to Lender the duly executed HOME Loan Documents in forms acceptable to Lender.

n. Borrower shall comply with all applicable present and future Federal, State, and local laws, regulations and requirements including, but not limited to, all HOME Program regulations. If State of California Housing and Community Development Department (HCD) directs Lender to modify the Agreement or any other aspect of the Project, Borrower shall amend this Agreement and/or modify the Project in a manner which is satisfactory to both HCD and Lender.

o. Borrower shall not permit any lien, levy, attachment or restraint to be made or filed against the Project Premises or the Project or permit any receiver, trustee or assignee for the benefit of creditors to be appointed to take possession of the Project Premises or any portion of the Project except with the prior written consent of Lender. Mechanics or material liens shall be handled as described in Section 7q. below.

p. Borrower shall obtain a policy of title insurance in the aggregate principal amount of the HOME Promissory Note, free and clear of all encumbrances, except as approved by the Lender in writing on the date of the close of escrow.

q. Borrower shall promptly discharge or cause to be discharged any and all mechanic's and/or materialmen's liens or claims of lien filed or otherwise asserted against the Project Premises, the Project and any proceedings for enforcement thereof and shall promptly discharge or cause to be discharged any stop notices received by Lender.

8. TENANTS

a. Borrower shall carry out Lender's affirmative marketing responsibilities, as set forth in the Regulatory Agreement and as otherwise furnished by Lender in writing to Borrower.

b. During the Period of Affordability, eighty-two (82) units at the Project shall be occupied by households whose annual incomes do not exceed, at the time of initial occupancy, thirty percent (30%) of the median family income as established by State of California Housing and Community Development Department at rent levels that are consistent with 24 CFR 92.252, as amended. Of the 82 regulated units, eighteen (18) will be assisted using HOME dollars. Affordability of the units shall be further restricted as set forth in the HOME Regulatory Agreement.

c. Borrower shall comply with 24 CFR 92.253, as amended, concerning tenant and participant protections.

8. **ADDITIONAL SECURITY**

In addition to any other security for the HOME Loan provided herein, Borrower also gives to and confers upon Lender the right, power, and authority, during the term of this Agreement, to collect the rents, issues and profits of the Project Premises, reserving unto Borrower the right, prior to any default by Borrower in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, the Lender may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said Project Premises or any part thereof, in its own name, sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses for operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as the Lender may determine. The entering upon and taking possession of said Project Premises, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

10. **PROPERTY STANDARDS**

a. The Project shall meet the property standards of 24 CFR 92.251, as amended, including the Model Energy Code published by the Council of American Building Officials. Borrower shall provide Lender with a certification from Borrower with respect to the Project meeting these standards.

11 **LENDER'S OBLIGATIONS**

a. Any regulation enacted by Lender to facilitate the administration of the HOME Program shall be made available to Borrower by the Lender.

b. Lender shall process invoices of Borrower for the disbursement of HOME Loan funds under this Agreement with due diligence.

12. **LAWS AND REGULATIONS**

Borrower shall obey the provisions of the Act, any amendments thereto, the Federal regulations and guidelines now or hereafter enacted pursuant to the Act, terms of the HOME Standard Agreement, No. 07-HOME-3062, dated April 3, 2008, ("Standard Agreement") between State of California Housing and Community Development Department and Lender now or hereafter in effect, incorporated herein by this reference, and the regulations now or hereafter enacted by the Lender to facilitate its administration of the HOME Program in the City of Roseville, or any other statute, regulation or guideline applicable to the HOME Program. Borrower shall become familiar with the appropriate statutes, regulations and guidelines governing the HOME Program.

a. Borrower agrees to comply with all applicable provisions of the HOME Program regulations including, but not limited to, the Project Requirements of Subpart F of 24 CFR 92, as amended.

b. Borrower agrees that all provisions of State of California law are a part of this Agreement to the same extent as if set forth herein in full and shall be complied with by Borrower under this Agreement and any related agreements.

c. For the Period of Affordability the Project shall meet the Housing Quality Standards of 24 CFR 882.109, as amended, and local housing code requirements. Not less than annually, Lender shall have the right to inspect, or cause to be inspected, the Project Premises to determine compliance with these standards. Lender shall report all discovered noncompliance to Borrower, and Borrower shall expeditiously take corrective actions to cure any noncompliance.

d. Borrower shall comply with all applicable laws, ordinances, rules and regulations of federal (including but not limited to the HUD housing quality standards pursuant to 24 CFR 887.109, Section 504 of the Rehabilitation Act of 1973, as amended, and the American Disabilities Act of 1992), state and local governments and agencies having jurisdiction over either the Borrower, the Project or the Project Premises 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. All permits, consents, permissions and licenses required by any federal, state or local government or agency to which Borrower, the Project or the Project Premises is subject, which may be necessary in relation to this Agreement or the acquisition, development, construction or ownership of the Project, at or prior to the commencement of construction, have been, or will be, obtained, and none of such consents, permissions and licenses are subject to appeal or to conditions which have not been met.

13. **RECORDS AND ADMINISTRATION**

Borrower agrees to comply with all applicable provisions and requirements in the administration and implementation of the Activity and in the maintenance of records. The following specific provisions apply to the Project:

a. Borrower shall keep accurate records of its efforts to market the Project to prospective tenants and results of those efforts. At least annually during the Period of Affordability but more often if requested by Lender, Borrower shall provide Lender with a report which includes at a minimum the following:

(1) a description of marketing and outreach carried out during the reporting period, including such items as clipped notices, flyers, advertisements, letters, etc.;

(2) records of the race or ethnicity, gender, and family size of each applicant;
and

(3) records of the family income, rent paid, family size, race or ethnicity, and gender of each person who is a tenant during the reporting period.

a. In the event Borrower expends at least three hundred thousand dollars (\$300,000) in Federal financial assistance in any single fiscal year, from all sources combined, it shall arrange at its own expense for performance of a "Single Audit" of its entire operation by an independent auditor. Such audit shall comply with the requirements and standards of OMB Circular A-87, "Principles for Determining Costs Applicable to Grants and Contracts with State, Local and Federally Recognized Indian Tribal Governments", Public Law 98-502, "Single Audit Act of 1984"; 24 CFR 85.26, "Non-Federal Audit"; and OMB Circular A-133, "Audits of States, Local Governments, and Other Non-Profit Organizations."

The results of the audit must be submitted to Lender within thirty (30) days of completion. Acceptance of Borrower's audit reports by Lender does not prohibit Lender from performing any additional audit work required to follow-up on findings, as deemed necessary by Lender, or as necessary for Lender to comply with any administrative or audit requirements imposed by the Federal or State government.

c. As a condition of receiving Federal financial assistance under this Agreement, Borrower agrees to comply with 24 CFR 85.42, "Retention and Access Requirements for Records." It is further agreed by Borrower that any agreement between Borrower and its independent auditor shall provide for access during normal business hours to the independent auditor's work papers by Federal, State and Lender auditors, or their authorized agents, as may be deemed necessary to carry out their audit responsibilities. The audit agreement must also require Borrower's independent auditor to retain for review purposes said audit work papers for three (3) years from date of audit completion or until all related audit issues are resolved, whichever should occur later.

d. Borrower shall maintain a financial management system which complies with 24 CFR 84.20, "Standards for Financial Management Systems".

e. Borrower agrees to comply with the methods and procedures for payment as outlined in 24 CFR 85.21, "Payment", except as modified by 24 CFR 570.513, "Lump Sum Drawdown for Financing of Property Rehabilitation Activities."

f. Borrower shall comply with the standards and requirements of 24 CFR 85.32, "Equipment."

g. Borrower shall comply with the requirements and standards of 24 CFR 85-22, "Allowable Costs."

h. Borrower shall comply with the standards and requirements of 24 CFR 85.35, "Debarment and Suspension; Drug Free Workplace," and 24 CFR 85.40, "Monitoring and Reporting Program Performance." Borrower further agrees that Lender has the right to monitor and supervise the administration and/or implementation of the Project to be completed pursuant to this Agreement to help insure compliance with the requirements of the Act as now or hereinafter amended, the Federal regulations as now or hereafter promulgated pursuant to the Act, or guidelines developed by the Federal government for administering and/or implementing the Project, or any other statute, rule, regulation or guideline applicable to the administration and/or implementation of the HOME Program.

i. Borrower shall comply with the standards and requirements of 24 CFR 85.43, "Enforcement," and 24 CFR 85.44, "Termination for Convenience." Borrower also agrees that

the Lender may, by unilateral action, terminate this Agreement upon any breach of this Agreement and/or the HOME Loan Documents by Borrower which continues beyond any stated cure period by giving ten (10) days prior written notice to Borrower.

j. Borrower shall be accountable to Lender for any and all HOME Program funds expended by Borrower or any officer, employee, agent or representative thereof, whether or not such officer, employee, agent or representative thereof was acting within the scope of his employment. Borrower shall repay Lender the full amount of any improperly expended HOME Program funds upon demand and shall comply with the requirements of 24 CFR 85.51, "Later Disallowance's and Adjustments." Lender may retain any funds of Borrower in Lender's possession to liquidate the acknowledged debt resulting from such improper expenditure.

k. Borrower shall comply with the standards and requirements of 24 CFR 84.73, "Collection of Amounts Due."

l. Lender may withhold funds from Borrower if Borrower is not complying with any provisions of the Act, the Federal regulations thereunder, terms of the HOME Program, the regulations of the Lender to facilitate the administration of the HOME Program, the terms of this Agreement, or any other statute or regulation applicable to the HOME Program or administration thereof as determined solely by Lender. Should Lender become subject to any sanctions due to any failure by Borrower or Borrower's agent to comply with all applicable Federal, State, and local laws and regulations, Borrower hereby agrees to be solely liable for any such sanctions and shall fully reimburse, hold harmless, and indemnify Lender for any payments made or funding lost and the Lender's expenses related thereto, including Lender's attorneys' fees, as a result of such sanctions.

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

14. **POLITICAL ACTIVITY**

Borrower agrees that no HOME Program Funds shall be expended to finance any political activity in contravention of the Hatch Act found at Chapter 15 of Title 5 of the United States Code, as amended.

15. **PROHIBITED USE OF FEDERAL FUNDS FOR LOBBYING**

The Lobbying Disclosure Act of 1995 prohibits the awarding of federal funds to non-profit organizations under Section 501(c)(4) of the Internal Revenue Code, as amended, if they engage in lobbying.

Borrower certifies, to the best of its knowledge and belief, that no federally appropriated funds have been paid or will be paid, by or on behalf of Borrower, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant, loan, or cooperative agreement.

Borrower shall require that the language of this certification be included in the award documents for all subawards at all tiers (excluding subcontracts and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

16. **USE OF HOME PROGRAM FUNDS FOR RELIGIOUS PURPOSES**

Borrower agrees that no HOME Program Funds shall be expended for the design, construction, operation, or maintenance of any facility to be used for sectarian instruction or as a place for religious worship except in those cases where such use is incidental and does not favor one religious group over another.

17. **LITIGATION STATUS**

Borrower warrants and represents that there are no legal actions pending that would materially affect the Project and/or the Property.

18. **UTILITIES, ETC.**

Borrower warrants and represents that all necessary telephone services, gas, electric power, storm sewers, sanitary sewers and water facilities are or will be available to the Project Premises, adequate to serve the Project, exist at the boundary of the Project Premises and are not or will not be subject to any conditions, other than normal charges to the utility supplier, which would limit the use of such utilities. All streets and easements necessary for construction and operation of the Project are available to the boundaries of the Project Premises, or any part thereof.

19. **NO CONDEMNATION**

Borrower represents and warrants that as of the date hereof, no condemnation or other like proceedings are pending or threatened against the Project and/or the Property which would impair the full utilization of the Project and/or the Property in any manner whatsoever.

20. **PROHIBITED INTEREST OF OFFICIALS AND EMPLOYEES**

No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same. No member of the City Council of Lender or any other public official who exercises any functions or responsibilities with respect to the HOME Program during his tenure,

or for one (1) year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed pursuant to this Agreement. Borrower shall incorporate or cause to be incorporated, in all contracts or subcontracts, relating in any manner to this Agreement, a provision prohibiting such interest.

The parties to this Agreement have read and are aware of the provisions of sections 1090, et seq., and 87100, et seq., of the California Government Code relating to conflict of interest of public officers and employees. Borrower agrees that it is unaware of any financial or economic interest of any public officer or employee of Lender relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, Lender may immediately terminate this Agreement by giving written notice thereof. Borrower shall comply with the requirements of Government Code section 87100, et seq., during the term of this Agreement.

21. **EQUAL OPPORTUNITY EMPLOYMENT**

In carrying out the Project, Borrower shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age or handicap. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and the selection for training, including apprenticeship. Borrower shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by Lender and/or State of California Housing and Community Development Department (HCD) setting forth the provisions of this nondiscrimination clause. Borrower shall state that all qualified applicants shall receive consideration for employment without regard to race, color, religion, sex, national origin, age, or handicap.

Borrower hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work or modification thereof, as defined in the regulations of the Secretary of Labor and 41 CFR Subpart 60-1.3, as amended, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal government pursuant to a grant, contract, loan, insurance, or guarantee, the equal opportunity clause required by the law.

Borrower further agrees that it shall be bound by the equal opportunity clause required by the law with respect to its own employment practices when it participates in federally assisted construction work; provided, that the above equal opportunity clause is not applicable to any subsidiary, parent or related organization of Borrower which does not participate in work on or under the contract.

Borrower agrees that it shall assist and cooperate actively with Lender, State of California Housing and Community Development Department, and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor; that it shall furnish Lender, State of California Housing and Community Development Department and the Secretary of Labor such information as they may require for the supervision of such compliance; and that it shall otherwise assist Lender and State of California Housing and Community Development Department in the discharge of their primary responsibilities for securing compliance.

Borrower agrees that it shall refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, as amended, with a contractor debarred from, or who has not demonstrated eligibility for, government contracts and federally assisted construction contracts pursuant to the Executive Order and shall carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by State of California Housing and Community Development Department or the Secretary of Labor pursuant to Part 11, Subpart D of the Executive Order. In addition, Borrower agrees that if it fails or refuses to comply with these undertakings, State of California Housing and Community Development Department may take any or all of the following actions: Cancel, terminate, or suspend, in whole or in part, this Agreement; refrain from extending any further assistance to Borrower under the HOME Program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from such; and refer the case to the Department of Justice for appropriate legal proceedings.

22. **NONDISCRIMINATION REQUIREMENTS**

In the provision of service under this and any related agreements, Borrower shall provide that no person shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with HOME Program funds. In addition, HOME Program funds must be made available in accordance with the following:

a. The requirements of the Fair Housing Act and implementing regulations at 24 CFR 100, as amended;

b. Executive Order 11063 (Equal Opportunity in Housing), as amended; and

c. Title VI of the Civil Rights Act of 1964 (PL 88-352) and Title VIII of the Civil Rights Act of 1968 (PL 90-284), as amended, (nondiscrimination and fair housing on federally assisted programs).

In addition to the foregoing, Borrower shall comply with all nondiscrimination clauses required by law.

23. **REHABILITATION ACT OF 1973**

This Agreement is subject to the provisions of sections 503 and 504 of the Rehabilitation Act of 1973 (PL 930112), 29 USC 706, as amended, and attendant regulations at 24 CFR, Part 8, as amended, which provide that no otherwise qualified, handicapped individual shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity receiving Federal financial assistance. Borrower shall cause or require to be inserted in full, in all contracts subject to such regulations, the clause, or any modification thereof, required by law.

24. **NONDISCRIMINATION ON THE BASIS OF AGE**

This Agreement is subject to the Age Discrimination Act of 1975, as amended, (Title III of Public Law 94-135) and attendant Code of Federal Regulations at 48 CFR, Part 22, Subpart 22.9, as amended, which provides that, except as otherwise provided, no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

25. **RELOCATION AND ACQUISITION**

Borrower shall, in acquiring real property in connection with the HOME Program, comply to the greatest extent practicable under State law with the real property acquisition policies set out under sections 301 and 302 of Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, P.L.-642, as amended, and shall comply with and pay or reimburse property owners for necessary expenses as specified in sections 303 and 304 of the aforementioned Title III, and implementing regulations at 49 CFR Part 24, as amended.

26. **ENVIRONMENTAL CONSIDERATIONS**

In order to assure that the policies of the National Environmental Policy Act of 1969 (NEPA), as amended, and the California Environmental Quality Act of 1970 (CEQA), as amended, are most effectively implemented, Borrower shall comply with State of California Housing and Community Development Department Environmental Review Procedures (24 CFR Part 58), as amended, leading to certification of release of funds for particular projects, and the CEQA review procedure in connection with this Project.

27. **LEAD-BASED PAINT HAZARDS**

As specified in the HOME regulations at 24 CFR 92.355, Borrower agrees to abide by the requirements of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 et seq.) as amended, and 24 CFR Part 35 which prohibit the use of lead-based paint on applicable surfaces of any residential structures constructed or rehabilitated under any Federal or federally assisted program. Such regulations shall require Borrower to include or cause inclusion of appropriate provisions in contracts and subcontracts pursuant to which such federally assisted construction or rehabilitation is performed, prohibiting such use of lead-based paint. Borrower shall be responsible for inspection and certifications required for enforcement of such prohibitions.

28. **HAZARDOUS MATERIALS**

To the best of Borrower's knowledge, the Project Premises and/or the Property are not in violation of any Federal, State or local law, ordinance or regulation relating to industrial hygiene or to the environmental conditions on, under or about the Project Premises and/or the Property including, but not limited to, soil and groundwater conditions. Neither Borrower nor, to the best of Borrower's knowledge, any third-party has constructed, used on or about the Project Premises and/or the Property, or transported to or from the Project Premises and/or the Property any flammable explosives, radioactive materials, asbestos in any form which is friable or physically could become friable, hazardous wastes, toxic substances or other related materials whether in the form of a chemical, element, compound, solution, mixture or otherwise ("Hazardous Materials"). For the purpose of this Agreement, Hazardous Materials shall include,

but not be limited to, substances defined as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801, et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901 et seq.; those substances defined as "hazardous waste" in section 25117 of the California Health & Safety Code, as amended, or as "hazardous substances" in section 25316 of the California Health & Safety Code, as amended; and in the regulations adopted and publications promulgated pursuant to said laws. Borrower agrees to submit, if requested by Lender at any time and from time-to-time, a current up-to-date report, satisfactory to Lender in its sole and absolute discretion, prepared by a consultant approved by Lender, certifying that the Project Premises and/or the Property and the improvements thereon are neither being used nor have they been used for any activities involving, directly or indirectly, the use, generation, treatment, storage or disposal of any Hazardous Materials, and Lender reserves the right, in its sole and absolute discretion, to retain, at Borrower's sole expense, an independent professional consultant to review such report. Borrower hereby grants to Lender, its agents, employees, consultants and contractors, the right to enter upon the Project Premises and the improvements thereon and to perform such tests as are reasonably necessary to conduct such a review.

Other than as required by Borrower in the ordinary course of maintaining the Project Premises and/or the Property (i.e., landscape gardening and janitorial maintenance), during the term of this Agreement, Borrower shall not keep, store or place in or on the Project Premises and/or the Property any material(s) that is in any way Hazardous Material, or which requires investigation or remediation under any Federal, State or local law, statute, regulation or ordinance ("Applicable Laws"). Borrower shall cleanup and dispose of any deposit, spill, discharge or other release of Hazardous Material which occurs during the term of this Agreement in accordance with all Applicable Laws. Borrower shall provide any information, make any and all submissions and take any steps mandated by any legal requirement or required by any governmental authority or court which has jurisdiction, with respect to any Hazardous Material which Borrower is required to cleanup. Borrower's obligations shall survive the termination of this Agreement.

29. **FLOOD DISASTER PROTECTION**

Borrower agrees to abide by the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234), as amended. No portion of the assistance provided under HOME Program funded agreements is approved for acquisition or construction purposes, as defined under section 3(a) of the Flood Disaster Protection Act, for use in an area identified by the Secretary of the Department of Housing and Urban Development as having special flood hazards, which is located in a community not then in compliance with the requirements for participation in the national flood insurance program pursuant to section 201 (d) of the Flood Disaster Protection Act, and the use of any assistance provided under grant funded agreements for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program shall be subject to the mandatory purchase of flood insurance requirements of section 102(a) of the Flood Disaster Protection Act.

Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under HOME Program funded agreements shall contain, if

such land is located in an area identified by the Secretary as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, provisions obligating the transferee and its successors or assigns to obtain and maintain, during ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under section 102(a) of the Flood Disaster Protection Act of 1973. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with HOME Program assistance.

In its compliance with the Flood Disaster Protection requirements, Borrower hereby agrees to comply with the provisions of Executive Order 11296, relating to evaluation of flood hazards, and with Executive Order 11288, relating to the prevention, control, and abatement of water pollution.

30. **AFFIRMATIVE ACTION OF SPECIAL DISABLED AND THE VIETNAM ERA VETERAN PROVISIONS**

Borrower shall comply with 48 CFR, Chapter 1, Subpart 22.13 as amended, and shall take affirmative action to employ, advance in employment and otherwise treat qualified disabled veterans and veterans of the Vietnam era without discrimination based on their disability or veterans status in all employment practices such as the following: Employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. In all contracts or agreements of ten thousand dollars (\$10,000) or more relating to this Agreement, Borrower shall include or cause to be included the "Affirmative Action for Special Disabled and the Vietnam Era Veterans Provisions" clause required by law.

31. **AMERICANS WITH DISABILITIES ACT OF 1990**

Borrower and all HOME Program contractors and subcontractors shall agree to abide by the requirements of the Americans with Disabilities Act of 1990, Public Law 101-336, as amended, and any regulations issued pursuant thereto, which prohibits, at Title I thereof, discrimination by any employer, employment agency, or labor organization against any qualified individual with a disability in regard to any term, condition, or privilege of employment; makes applicable, at Title II thereof, the prohibition against discrimination on the basis of disability to all programs, activities and services provided or made available by State and local agencies or instrumentalities or agencies thereof, or by public entities that provide public transportation; prohibits, at Title III thereof, discrimination against disabled persons by privately operated public accommodations and in public transportation services provided by private entities; and which, at Titles IV and V thereof, makes further provision against discrimination against disabled persons.

32. **ARCHITECTURAL BARRIERS ACT OF 1968**

This Agreement is subject to the requirements of the Architectural Barriers Act of 1968, as amended, and the regulations issued pursuant thereto, which provides, except as otherwise provided, that every building be designed, constructed, leased, or altered in accordance with the minimal standards in the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped", published by the American National Standards Institute, Inc.

33. **INDEMNIFICATION**

Borrower agrees to indemnify, defend (upon written request by Lender) and hold harmless Lender, State of California Housing and Community Development Department, their agents, officials, officers, employees, consultants and authorized representatives from any and all losses, liabilities, costs, expenses, charges, damages, claims, liens, and causes of action, of whatsoever kind or nature (including, but not limited to, reasonable attorneys' fees) which are in any manner directly or indirectly caused, occasioned or contributed to in whole or in part, through any act, omission, fault or negligence, whether active or passive, of Borrower or Borrower's officers, agents, employees or authorized representatives, which relates in any manner to this Agreement, any work to be performed by Borrower under this Agreement, or any authority delegated to Borrower under this Agreement, even though the same may have resulted from the joint, concurring or contributory negligence, whether active or passive, of Lender or any other person or persons, unless the same is caused by the sole active negligence or willful misconduct of the party indemnified or held harmless. Without limiting the generality of the foregoing, the same shall include injury or death to any person or persons and damage to any property, regardless of where located, including the property of Lender, and any liability of the Lender for private attorney general fee awards. It is further expressly understood and agreed that the duty to indemnify shall include, but not be limited to, any internal costs for staff time, investigation costs and expenses, and fees of the City Attorney and/or Lender's counsel reasonably incurred as a result of any act, omission, fault or negligence, whether active or passive, of Borrower or Borrower's officers, agents, employees or authorized representatives, which relates in any manner to this Agreement, any work to be performed by Borrower under this Agreement, or any authority delegated to Borrower under this Agreement. The above indemnification is specifically intended to insure that there can be no recourse in any fashion to the Lender in the event of a default by Borrower or by its agents hereunder.

34. **INSURANCE**

Borrower, in order to protect Lender, State of California Housing and Community Development Department, their agents, officials, officers, employees and consultant's against all claims and liability for death, injury, loss and damage as a result of Borrower's actions in connection with the performance of Borrower's obligations, as required in this Agreement, shall secure and maintain insurance as described below in sub-paragraphs a. and b., and shall require that all contractors hired by Borrower to perform work on the Project Premises and/or the Property to secure and maintain insurance as described below in sub-paragraph c. Borrower shall be responsible for any deductibles under all required insurance policies.

a. Workers' Compensation Insurance Requirement -- Borrower shall submit written proof that Borrower and Borrower's Contractor are insured against liability for workers' compensation in accordance with the provisions of section 3700 of the California Labor Code.

In signing this Agreement, Borrower makes the following certification, required by section 1861 of the California Labor Code:

"It is aware of the provisions of section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake

self-insurance in accordance with the provisions of that code, and it will comply with such provisions before commencing the performance of the work of this Agreement.”

b. Liability Insurance Requirements:

(1) Borrower shall maintain in full force and effect, at all times during the term of this Agreement, the following insurance coverage:

(a) Commercial General Liability Insurance coverage, including, but not limited to, Premises-Operations, Contractual Liability Insurance (specifically concerning the indemnity provisions of this Agreement), and Personal Injury for liability arising out of Borrower's operations of the Project Premises, including any use or occupancy of its facilities, grounds and structures, losses related to independent contractors, products and equipment, and explosion, collapse and underground hazards. Said insurance coverage shall have minimum limits for Bodily Injury and Property Damage liability of One Million Dollars (\$1,000,000) each occurrence and Two Million Dollars (\$2,000,000) aggregate.

(b) Automobile Liability Insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence. Such insurance shall include coverage for all owned, hired and non-owned vehicles and shall be provided by a business or commercial vehicle policy.

(c) Upon acquisition of the Property (or if there are no improvements on the Property, upon completion of construction of any improvements) Borrower shall maintain Fire and Extended Coverage Insurance on a blanket basis or with an agreed amount clause in amounts not less than 100% of the Project's replacement value.

(2) The Commercial General Liability Insurance required in this subparagraph b. and subparagraph c. below shall include: an endorsement naming the City of Roseville, State of California Housing and Community Development Department and their officials, officers, agents, volunteers, employees and consultants as insured as their interests may appear; cross liability and severability of interest clauses providing that the insurance applies separately to each insured except with respect to the limits of liability; and stipulation that the insurance is primary insurance and neither the City nor its insurers will be called upon to contribute to a loss.

(3) Upon acquisition of the Property by Borrower, evidence of insurance in compliance with the requirements above shall be furnished Lender by Certificate of Insurance. Said insurance shall not be reduced or canceled without thirty (30) days prior written notice to Lender.

c. Contractor Insurance Requirements:

During the construction of the Project, Borrower shall require that all contractors hired by Borrower to perform work on the Project Premises and/or the Property maintain the following insurance coverage at all times during the performance of said work:

(1) Builders Risk/Course of Construction Insurance to be written on an All Risk Completed Value form, in an aggregate amount equal to 100% of the completed insurable value of the improvements and all materials, equipment or other items to be incorporate therein.

(2) Commercial General Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) each occurrence and Two Million Dollars (\$2,000,000) aggregate to protect Borrower during the construction phase from claims involving bodily injury and/or death and damage to the property of others. Said insurance shall include an endorsement to include owners' and contractors' protective coverage.

(3) Automobile Liability Insurance with a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence. Such insurance shall include coverage for all owned, hired and non-owned vehicles and shall be provided by a business or commercial vehicle policy.

d. Cancellation of Insurance -- The above stated insurance coverage shall be maintained by Borrower until the expiration of this Agreement if an occurrence policy is used. Also, phrases such as "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company" shall not be included in the cancellation wording of the Certificate of Insurance.

e. All insurance shall be issued by a company or companies admitted in California and listed in the current "Best's Key Rating Guide" publication with a minimum of a "B+;V" rating, or in special circumstances, be pre-approved by both the Risk Management Division of the City of Roseville and the City Attorney for the City of Roseville.

f. If Borrower is, or becomes during the term of this Agreement, self-insured or a member of a self-insurance pool, Borrower shall provide coverage substantially equivalent to the insurance coverage and endorsements required above. Lender shall determine, in its sole discretion, whether the coverage proposed to be provided by Borrower is substantially equivalent to the above-required coverage.

g. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve Borrower for liability in excess of such coverage, nor shall it preclude the Lender from taking such other actions as are available to it under any other provision of this Agreement or otherwise in law.

h. Lender reserves the right to withhold any loan disbursements to Lender in the event that, and so long as, Borrower or its Contractor are not in compliance with Lender's insurance requirements.

i. Liability insurance may not be written on a "claims made" basis. The Certificate of Insurance must clearly provide that the coverage is on an "occurrence" basis.

j. Failure by Borrower or Borrower's contractor(s) to maintain all such insurance in effect at all times required by this Agreement shall be a material breach of this Agreement by Borrower. Lender, at its sole option, may terminate this Agreement and obtain damages from Borrower resulting from said breach. Alternatively, Lender may purchase such required insurance coverage, and without further notice to Borrower, Lender shall deduct from sums due to Borrower any premiums and associated costs advanced by Lender for such insurance. If the

balance of monies obligated to Borrower pursuant to this Agreement are insufficient to reimburse Lender for the premiums and any associated costs, Borrower agrees to reimburse Lender for the premiums and pay for all costs associated with the purchase of said insurance. Any failure by Lender to take this alternative action shall not work to relieve Borrower of its obligation to obtain and maintain the insurance coverage required by this Agreement, or to limit Borrower's liability to Lender or third parties in excess of insurance coverage amounts.

35. **EMINENT DOMAIN**

Subject to the parallel rights of any and all Project Premises and/or Project superior trust deed holders, to which the Lender's rights as set forth hereunder shall be subordinated, in the event that any proceeding or action is commenced for the taking of the Project Premises or the Project, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, by reason of any non-Lender public improvement or non-Lender condemnation proceeding, or in any other manner, or should Borrower receive any notice or other information regarding such proceeding, action, taking or damage, Borrower shall give prompt written notice thereof to Lender. Lender shall be entitled, at its option, without regard to the adequacy of its security, to appear in and prosecute in its own name any condemnation action or proceeding. Lender shall also be entitled to make any compromise or settlement in connection with such taking or damage. After deducting therefrom all costs and expenses (regardless of the particular nature thereof and whether incurred with or without suit, including, without limitation, attorneys' fees) incurred by it in connection with any such action or proceeding, Lender shall distribute such condemnation proceeds to Borrower to repair or replace the Project Premises or the Project with any balance applied to the Loan. Notwithstanding the foregoing, Lender shall be under no obligation to prosecute such condemnation action(s) or proceeding(s).

36. **EVENTS OF DEFAULT**

a. An Event of Default shall consist of any breach by Borrower of any covenant, agreement, provision or warranty contained in this Agreement, and/or the HOME Loan Documents, including but not limited to the following:

(1) Borrower fails to pay all or any installment of principal, interest or cost under the HOME Promissory Note when due after seven (7) days written notice from the Lender; or

(2) Borrower fails to pay any other amount payable by Borrower under this Agreement or the HOME Loan Documents after seven (7) days written notice from the Lender when due; or

(3) Any lien is recorded against all or any part of the Project Premises, the Property or the Project without the Lender's prior written consent, whether such lien is prior or subordinate to the liens of the HOME Deed of Trust or the Deed Restriction, and such lien is not removed from the title or otherwise remedied to the Lender's satisfaction after thirty (30) days written notice from the Lender; or

(4) Any representation or warranty made by Borrower in this Agreement and/or any HOME Loan Document proves to have been incorrect in any material respect when made; or

(5) All or a substantial or material portion of the Project is damaged or destroyed by fire or other casualty, and the Lender has reasonably determined upon restoration or repair that the security of the HOME Deed of Trust has been impaired or that the repair, restoration or replacement of the Project in accordance with the requirements of the HOME Deed of Trust is not economically practicable or is not completed within two (2) years of the receipt of insurance; or all or a substantial or material portion of the Project and/or Project Premises is condemned, seized or appropriated by any governmental agency or subject to any action or other proceeding instituted by any governmental agency for any such purpose such that the Project and/or Project Premises cannot be operated for their intended purpose; or

(6) Borrower is dissolved or liquidated or merged with or into any other entity; or for any period of more than ten (10) days Borrower ceases to exist in its present form and/or ceases to be in good standing and duly qualified under the laws of the State of California; or all or substantially all of the assets of Borrower are sold or otherwise transferred; or

(7) Borrower assigns or attempts to assign any rights or interest under this Agreement or any HOME Loan Document, whether voluntarily or involuntarily, without the prior written consent of the Lender; or this Agreement or any HOME Loan Document becomes or is claimed by Borrower to be unenforceable against Borrower; or the HOME Deed of Trust ceases to constitute a valid and indefeasible perfected lien on the Project Premises; or

(8) A voluntary or involuntary filing for relief by or for Borrower under the United States Bankruptcy Code which is not stayed within thirty (30) days; or

(9) Borrower fails to perform or observe any other term, covenant or agreement contained in this Agreement or any HOME Loan Document and, unless a shorter cure period is stated in any of the HOME Loan Documents, either (i) such failure continues for more than thirty (30) days, or (ii) such failure is not reasonably capable of being cured within such 30-day period, - but is reasonably capable of being cured within sixty (60) days, but Borrower fails to commence action to cure such failure within such 30-day period and/or fails to diligently and continuously prosecute such action to completion within sixty (60) days.

b. On the occurrence of one or more Events of Default, in addition to its other rights in this Agreement or in any of the HOME Loan Documents, and its rights and/or remedies at law, or in equity, the Lender may, without prior demand, exercise any one or more of the following rights and remedies:

(1) Termination of Disbursements: terminate its obligation to make HOME Loan disbursements; and/or,

(2) Apply to any court, State or Federal, for specific performance of this Agreement and/or the HOME Loan Documents or for the appointment of a receiver to take over and develop, manage and operate the Project and/or the Property in accordance with the terms of this Agreement and the HOME Loan Documents, or for such other relief as may be

appropriate. It is agreed by Borrower that the injury to Lender arising from a default under any of the terms of this Agreement or the HOME Loan Documents would be irreparable and that the amount of compensation which would provide adequate relief to Lender, in light of the purposes and requirements of the HOME Program, would be impossible to ascertain; and/or,

(3) Acceleration: declare the HOME Promissory Note and all other sums owing to the Lender with respect to the HOME Promissory Note delivered herewith immediately due and payable in full; and/or,

(4) Continuation of Loan Disbursements: make any HOME Loan disbursements after the happening of any one (1) or more of the Events of Default, without waiving its right to demand payment of the HOME Promissory Note and all other sums owing the Lender with respect to the HOME Promissory Note and/or any other rights or remedies and without liability to make any other or further HOME Loan disbursements, regardless of the Lender's previous exercise of any rights and remedies; and/or,

(5) Legal and Equitable Remedies: proceed as authorized at law or in equity with respect to the Event of Default, and in connection with that, remain entitled to exercise all other rights and remedies described in this Agreement and/or the HOME Loan Documents.

b. Borrower agrees to pay all of Lender's costs, fees and expenses, including attorney's fees, costs and expenses, with respect to the Lender's exercise of any of its rights and remedies under this Agreement.

c. In the event of a conflict between an Event of Default under this Agreement and the HOME Deed of Trust, the terms of this Agreement shall control.

37. **SECTION 3 COMPLIANCE IN THE PROVISION OF TRAINING, EMPLOYMENT AND BUSINESS OPPORTUNITIES FOR LOWER-INCOME PERSONS**

This Agreement is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968 (12 USC 1701u), as amended, the State of California Housing and Community Development Department (HCD) regulations issued pursuant thereto at 24 CFR Part 135, and any applicable rules and orders of HCD issued thereunder. The purpose of section 3 is to ensure that employment and other economic opportunities generated by HCD assistance or HCD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low and very low-income persons, particularly persons who are recipients of HCD assistance for housing.

Borrower shall cause or require to be inserted in full in all contracts and subcontracts for work financed, in whole or in part, with assistance provided under this Agreement, the section 3 clause entitled, "Training, Employment and Business Opportunity", as required by law.

Borrower shall provide such copies of 24 CFR Part 135 as may be necessary for the information of the parties to contracts required to contain the section 3 clause.

38. **SMALL BUSINESS CONCERNS**

This Agreement is subject to the requirements of the Small Business Act (15 USC 631 et seq.), as amended, the State of California Housing and Community Development Department (HCD) applicable regulations issued pursuant thereto at 48 CFR, Part 19, and any applicable rules and orders of HCD issued thereunder requiring aid, counseling, assistance, and protection, insofar as possible, with, for, or of the interests of small business concerns in order to preserve free competitive enterprise; and placement with small business concerns of a fair proportion of the total Federally funded purchases and contracts for property and services.

Borrower shall implement the specific small business policies herein below stated in order to further applicable requirements of the Small Business Act:

a. Small business concerns shall be afforded an equitable opportunity to compete for prime contracts and subcontracts. The "Utilization of Small Business Concerns" clause as required by law shall be included by Borrower in all contracts in connection with this Activity in amounts which may exceed ten thousand dollars (\$10,000) except (i) contracts which, including all subcontracts thereunder, are to be performed entirely outside the United States, and (ii) contracts for services which are personal in nature. The "Small Business Subcontracting Program" clause as required by law shall be included by Borrower in all contracts in connection with this Project which may exceed five hundred thousand dollars (\$500,000) and which, in the opinion of the Lender, offer substantial subcontracting possibilities.

b. Bidders mailing lists shall include established and potential qualified small business concerns.

c. Invitations for bids or requests for proposals shall be sent to all firms on the appropriate mailing list except that where use of less than a complete list is appropriate, a prorata number of small business concerns shall be solicited.

d. Proposed procurements and contract awards shall be publicized in accordance with these policies.

e. Procurement of property and services shall be divided into reasonably small lots (not less than economic production runs) in order to permit bidding on quantities less than the total requirements.

f. The maximum amount of time practical shall be allowed for preparation and submission of bids and proposals.

g. Delivery schedules shall be established on a realistic basis which will encourage small business participation to the extent consistent with the actual requirements of the Small Business Act.

h. Applicable specifications, plans, and drawings either shall be furnished with invitations for bids and requests for proposals or, when not so furnished, information as to locations where they may be obtained or examined shall be furnished.

i. In the event of equal low bids, awards shall be in accordance with 48 CFR Subpart 14.407-6, "Equal Low Bids."

j. Subcontracting to enroll business concerns shall be encouraged.

k. Placement of small purchases (amounts under twenty five thousand dollars [\$25,000]) with small business concerns shall be encouraged.

l. Small business concerns seeking Federal contracts, but found to lack qualifications as prime contractors, should be referred to the Lender and the Small Business Administration for assistance as may be appropriate.

m. Offers from small business concerns otherwise qualified to perform specific Federal contracts but ineligible under Walsh-Healey Public Contract Acts, 41 USC 35 et seq., shall be referred to the Lender and Small Business Administration for possible certification of eligibility to receive and perform the contract.

n. To the extent practicable, work to be performed which exceeds the maximum amount of any contract for which a surety may be guaranteed against loss shall be placed so that more than one small business concern may perform the work.

o. A small business concern otherwise qualified to receive and perform specific Federal contracts but determined to be nonresponsible may be certified to be competent by the Small Business Administration under the provisions of the Small Business Act.

39. **FEDERAL LABOR STANDARDS PROVISIONS**

Borrower and all contractors engaged under contracts for the construction, alteration, and/or repair of any project with twelve (12) or more HOME-Assisted Units shall comply with State of California Housing and Community Development Department requirements pertaining to such contracts and the applicable requirements of the regulations of the Department of Labor under 29 CFR Part 3, 5, and 5a, as amended, governing the payment of wages and the ratio of apprentices and trainees to journeymen; provided, that if wage rates higher than those required under such regulations are imposed by State or local law, nothing hereunder is intended to relieve Borrower or contractors of their obligation, if any, to require payment of higher rates. Borrower shall cause or require to be inserted in full, in all such contracts subject to such regulations, the appropriate clause(s), or any modification thereof, as required by law.

No awards of contracts covered under this Section 39 of this Agreement shall be made to any contractor who is ineligible under the provisions of any applicable regulations of the Department of Labor to receive an award of such contract.

40. **COMPLIANCE WITH CLEAN AIR AND WATER ACTS**

This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 USC 7401 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq., Executive Order 11738, dated September 10, 1973, and the regulations of the Environmental Protection Agency with respect thereto at 40 CFR Part 15, as amended.

Borrower shall cause or require to be inserted in full in all contracts and subcontracts in connection with this Activity with respect to any nonexempt transaction (exceeds one hundred thousand dollars [\$100,000], or involves a facility the subject of a conviction under the Clean Air Act, or the Federal Waste Pollution Control Act, and listed by the Environmental Protection Agency, or not otherwise exempt) thereunder funded with assistance provided under this Agreement, the appropriate clause(s) as required by law.

Furthermore, Borrower shall cause or require to be inserted in full the appropriate provisions required by law in each solicitation and resulting contract and contracts awarded without reference to a solicitation.

In no event shall any amount of assistance provided under this Agreement be utilized with respect to a facility which has given rise to a conviction under Section 11 3(c)(1) of the Clean Air Act or Section 309(C) of the Federal Water Pollution Control Act.

41. **SUCCESSORS AND ASSIGNS OF LENDER AND BORROWER**

This Agreement shall be binding and inure to the benefit of the successors to or assigns of the Lender and Borrower. This Agreement shall not be assigned without the prior written consent of the Lender.

42. **CONCURRENT REMEDY**

No right or remedy herein conferred on or reserved to Lender is exclusive of any other right or remedy herein or by law or equity provided or permitted; but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing by law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time.

43. **NO WAIVER**

No covenant or condition of this Agreement can be waived except by the written consent of Lender. Forbearance or indulgence by Lender, in any regard whatsoever, shall not constitute a waiver of the covenant or condition to be performed by Borrower. A waiver of one (1) covenant or condition by Lender does not grant or imply a waiver of any other covenant or condition to be performed by Borrower. Lender shall be entitled to invoke any remedy available to Lender under this Agreement or by law or in equity despite said forbearance or indulgence.

44. **INCORPORATION OF PRIOR AGREEMENTS AND AMENDMENTS**

This Agreement contains the sum total of all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Agreement may be modified in writing only, signed by the parties in interest with requisite authority, at the time of the modification.

45. **SEVERABILITY**

The invalidity of any provision of this Agreement, as determined by a court of competent jurisdiction, shall in no way effect the validity of any other provision hereof.

46. **INDEPENDENT CONTRACTOR**

In the performance of the activities herein provided for, Borrower is and shall continue to be an independent contractor and is not a partner, an agent or employee of Lender. Borrower has and shall retain the right to exercise full control and supervision of the activities to be performed under this Agreement and full control over the employment, direction, compensation, and discharge of all persons assisting Borrower in the performance of said activities. Borrower shall be solely responsible for all matters relating to the payment of its employees, including compliance with social security withholding, State and Federal taxes, and all other regulations governing such matters.

47. **RELATIONSHIP OF PARTIES**

The relationship of Borrower and Lender under this Agreement is, and shall at all times remain, solely that of lender and borrower. Lender neither undertakes nor assumes any responsibility or duty to Borrower or to any third party with respect to the Project, the Property and/or the Project Premises, except as expressly provided in this Agreement.

48. **VENUE**

If either party to this Agreement initiates any legal or equitable action to enforce the terms of this Agreement and/or any of the HOME Loan Documents, to declare the rights of the parties under this Agreement and/or the HOME Loan Documents, or which relates to this Agreement and/or the HOME Loan Documents in any manner, Lender and Borrower agree that the proper venue for any such action is the Superior Court of the State of California in and for the County of Placer.

49. **AUTHORITY**

Each individual executing this Agreement on behalf of Borrower represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of Borrower and that this Agreement is binding on Borrower in accordance with its terms.

50. **PROCEDURE TO MODIFY AND LIMITATION OF TERM OF AGREEMENT**

a. Except as otherwise provided herein, the terms of this Agreement may only be modified by the written consent of the parties hereto with requisite authority.

b. This Agreement shall be in effect through the Period of Affordability or ending with repayment with interest of HOME Program Funds loaned by Lender to Borrower, whichever time period is greater, except that Borrower shall retain records as is required in Section 13 of this Agreement entitled "Records and Administration".

51. **NOTICES**

Notices shall be sufficiently given herein under if personally served upon Lender or if sent by United States Mail, postage prepaid, directed to the Lender, addressed to:

City of Roseville
316 Vernon Street, suite 150
Roseville, CA 95678
Attn: Housing Manager

If directed to Borrower, addressed to:

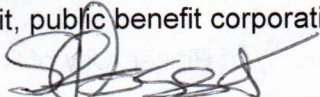
Advocates for Mentally Ill Housing Inc.
P.O. Box 5216
Auburn, CA 95604

Any change in notice shall be delivered solely by certified mail, return receipt requested.

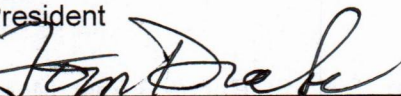
[Signature Page to Immediately Follow]

IN WITNESS WHEREOF, the parties hereto have executed this HOME Loan Agreement as of the date first above written.

ADVOCATES FOR MENTALLY ILL HOUSING, INC., a California non-profit, public benefit corporation

By: 
Suzi deFosset

Its: President

By: 
Tom Drake

Its: Secretary

THE CITY OF ROSEVILLE, a municipal corporation

By: _____
Dominick Casey
City Manager

ATTEST:

By: _____
Carmen Avalos, City Clerk

APPROVED AS TO FORM:

By: _____
Michelle Sheidenberger, City Attorney

APPROVED AS TO SUBSTANCE:

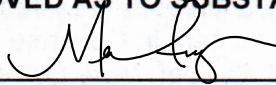
By: 
Melissa Anguiano, Economic Development Director

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The land described herein is situated in the State of California, County of Placer, City of Roseville, described as follows:

PARCEL ONE:

A Portion Of The Southeast Quarter Of Section 1, Township 10 North, Range 6 East, More Particularly Described As Follows:

Beginning At A Bronze Capped Monument In Concrete (Marked Pac. Gas & Elect. Co. Pro. Cor.) In The Southeast Quarter Of Section 1, Township 10 North, Range 6 East, MDB & M, From Which The 6 Inch By 6 Inch Concrete Highway Monument Marking The Easterly Terminus Of The Course In The Boundary Line Of That Certain 18.60 Acre Parcel Of Land Described In The Deed From W.J. Doyle And Wife, To State Of California, Dated July 13, 1949 And Recorded In The Office Of The County Recorder Of Said County Of Placer In Book 555 Of Official Records, At Page 505, Which Course, According To The Description Contained In Said Deed To State Of California, Has A Bearing Of South 71° 26' 50" East And A Length Of 105.95 Feet Bears South 69° 24' 49" East, 233.78 Feet Distant And Running Thence North 0° 28' 20" East, Parallel With And Distant 20 Feet Easterly From (Measured At A Right Angle To) Pacific's Existing Pole And Wire Electric Transmission Line Erected Under And By Virtue Of The Deed From Clara B. Doyle To Pacific, Dated June 24, 1926 And Recorded In The Office Of The County Recorder Of Said County Of Placer In Book 224 Of Official Records, At Page 271, A Distance Of 245.00 Feet To A Bronze Capped Monument In Concrete (Marked Pac. Gas & Elect. Co. Prop. Cor.); Thence North 89° 31' 40" West, 240.00 Feet To A Bronze Capped Monument In Concrete (Marked Pac. Gas & Elect. Co. Prop. Cor.); Thence South 0° 28' 20" West 218.58 Feet To A Bronze Capped Monument In Concrete (Marked Pac. Gas & Elect. Co. Prop. Cor.) Set At A Point Distant 50 Feet Northerly From (Measured At A Right Angle To) The Northerly Boundary Line Of Said 18.60 Acre Parcel Of Land; Thence Parallel With And Distant 50 Feet Northerly From (Measured At Right Angle To) The Northerly Boundary Line Of Said 18.60 Acre Parcel Of Land, The Following Two Courses And Distances, Namely; South 83° 03' 10" East, 235.07 Feet To A Bronze Capped Monument In Concrete (Marked Pac. Gas & Elect. Co. Pro. Co.); And Thence North 89° 15' 50" East, 6.43 Feet, More Or Less, To The Point Of Beginning.

PARCEL TWO:

A Portion Of Section 1, Township 10 North, Range 6 East, MDB & M.

Said Portion Is All That Part Thereof Lying Within The Following Described Boundaries.

Beginning At The Northwest Corner Of That Certain Parcel Of Land Acquired By Deed Recorded April 5, 1955 In Book 672, At Page 38, Official Records Of Placer County; Thence From Said Point Of Beginning Along The Westerly Prolongation Of The Northerly Line Of Said Parcel North 89° 57' 41" West, 64.58 Feet; Thence Leaving The Westerly Prolongation Of Said Northerly Line South 12° 11' 56" East, 231.33 Feet To A Point Distant 119.28 Feet Northerly, Measured At A Right Angles From The "U" Line At Engineer's Station "U" 27+13.50 Of The Department Of Public Works' 1962 Survey On Road 03-Pla 80.Pm 1.8 (Formerly Road III-Pla-3, 1-Rv); Thence Along A Tangent Curve To The Left With A Radius Of 35 Feet, Through An Angle Of 76° 02' 00", A Distance Of 46.45 Feet;

Thence South 88° 13' 56" East, 216.40 Feet; Thence North 1° 11' 14" West, 15.01 Feet To A Point On The Southerly Line Of Said Parcel; Thence Along Said Southerly Line North 83° 29' 11" West, 235.07 Feet To The Southwest Corner Of Said Parcel; Thence Along The Westerly Line Of Parcel North 00° 02' 19 East 218.58 Feet To The Point Of Beginning.

PARCEL THREE:

A Non-Exclusive Easement For The Ingress And Egress On, Over, Under And Across The Following Described Property:

A Portion Of The Southeast 1/4 Of Section 1, Township 10 North, Range 6 East, MDB & M, Described As:

Beginning At A Bronze-Capped Monument Set In Concrete Marked (Pac. Gas & Elect. Co. Prop. Cor.) Which Is The East Terminus Of The Course Described As "South 83° 03' 10" East, 235.07 Feet; Of That Certain Parcel Acquired By Deed Recorded April 5, 1955 In Book 672, At Page 38, Official Records Of Placer County; Thence From Said Point Of Beginning Along The Southerly Line Of Said Parcel North 88° 49' 49" East, 6.54 Feet To The Southeast Corner Of Said Parcel; Thence Along The Easterly Line Of Said Parcel North 00° 02' 19" East, 43.97 Feet; Thence Leaving Said Easterly Line North 88° 49' 09" East, 167.00 Feet ; Thence North 73° 05' 03" East, 118.00 Feet; Thence South 61° 44' 28" East, 85.45 Feet; Thence South 01° 10' 51" East, 40.00 Feet; Thence South 88° 49' 09" West, 81.54 Feet; Thence South 01° 10' 51 East 8.98 Feet; Thence South 88° 49' 09" West, 280 Feet To A Point Distant 80 Feet Northerly, Measured At Right Angles From The "U" Line At Engineer's Station "U" 29+60 Of The Department Of Public Works 1962 Survey On Road 03-Pla-80 P.M. 1.8 (Formerly Road III-Pla-3, 17-Rsv); Thence North 01° 11' 14" West, 15.01 Feet To The Point Of Beginning.

APN: 013-213-001-000

EXHIBIT B

ACTIVITY

The purpose of the HOME loan will be to partially fund the rehabilitation of Sunrose Apartments, 110 N. Sunrise Ave. The 83 unit permanent supportive housing development will have eighty-two (82), studio units affordable to extremely low-income individuals (30% AMI) and one (1) two bedroom unrestricted on-site manager unit. Eighteen (18) units will be assisted using the HOME PI funds and these units will be rent restricted to 30% AMI.

The development was awarded by Homekey in the amount of 23.5 million, received HOME ARP funding in the amount of \$2,800,000.00, has a commitment from the developer to provide a grant/loan for both construction and permanent financing, and has a project based rental assistance commitment from the Roseville Housing Authority for 8 Project-based vouchers, 4 of which as designated for VASH recipients, renewable after the initial contract of 20 years.

Exhibit C

Amortization Schedule

Loan Amount (**pv**) \$1,500,000
 Interest Rate (**rate**) 3.00%
 Total # of Periods (**Nper**) 55
 Function 39271
 Fund 2821
 Notes

Period	Due Date	Fiscal Year	Principal Outstanding	Interest	Accrued Interest	Balance
						\$1,500,000
0	1/1/2025	FY25	1,500,000.00	11,250.00	11,250.00	1,511,250.00
1	1/2/2026	FY26	1,500,000.00	45,000.00	56,250.00	1,556,250.00
2	1/2/2027	FY27	1,500,000.00	45,000.00	101,250.00	1,601,250.00
3	1/2/2028	FY28	1,500,000.00	45,000.00	146,250.00	1,646,250.00
4	1/1/2029	FY29	1,500,000.00	45,000.00	191,250.00	1,691,250.00
5	1/2/2030	FY30	1,500,000.00	45,000.00	236,250.00	1,736,250.00
6	1/2/2031	FY31	1,500,000.00	45,000.00	281,250.00	1,781,250.00
7	1/2/2032	FY32	1,500,000.00	45,000.00	326,250.00	1,826,250.00
8	1/1/2033	FY33	1,500,000.00	45,000.00	371,250.00	1,871,250.00
9	1/2/2034	FY34	1,500,000.00	45,000.00	416,250.00	1,916,250.00
10	1/2/2035	FY35	1,500,000.00	45,000.00	461,250.00	1,961,250.00
11	1/2/2036	FY36	1,500,000.00	45,000.00	506,250.00	2,006,250.00
12	1/1/2037	FY37	1,500,000.00	45,000.00	551,250.00	2,051,250.00
13	1/2/2038	FY38	1,500,000.00	45,000.00	596,250.00	2,096,250.00
14	1/2/2039	FY39	1,500,000.00	45,000.00	641,250.00	2,141,250.00
15	1/2/2040	FY40	1,500,000.00	45,000.00	686,250.00	2,186,250.00
16	1/1/2041	FY41	1,500,000.00	45,000.00	731,250.00	2,231,250.00
17	1/2/2042	FY42	1,500,000.00	45,000.00	776,250.00	2,276,250.00
18	1/2/2043	FY43	1,500,000.00	45,000.00	821,250.00	2,321,250.00
19	1/2/2044	FY44	1,500,000.00	45,000.00	866,250.00	2,366,250.00
20	1/1/2045	FY45	1,500,000.00	45,000.00	911,250.00	2,411,250.00
21	1/2/2046	FY46	1,500,000.00	45,000.00	956,250.00	2,456,250.00
22	1/2/2047	FY47	1,500,000.00	45,000.00	1,001,250.00	2,501,250.00
23	1/2/2048	FY48	1,500,000.00	45,000.00	1,046,250.00	2,546,250.00
24	1/1/2049	FY49	1,500,000.00	45,000.00	1,091,250.00	2,591,250.00
25	1/2/2050	FY50	1,500,000.00	45,000.00	1,136,250.00	2,636,250.00
26	1/2/2051	FY51	1,500,000.00	45,000.00	1,181,250.00	2,681,250.00
27	1/2/2052	FY52	1,500,000.00	45,000.00	1,226,250.00	2,726,250.00
28	1/1/2053	FY53	1,500,000.00	45,000.00	1,271,250.00	2,771,250.00
29	1/2/2054	FY54	1,500,000.00	45,000.00	1,316,250.00	2,816,250.00
30	1/2/2055	FY55	1,500,000.00	45,000.00	1,361,250.00	2,861,250.00
31	1/2/2056	FY56	1,500,000.00	45,000.00	1,406,250.00	2,906,250.00
32	1/1/2057	FY57	1,500,000.00	45,000.00	1,451,250.00	2,951,250.00

33	1/2/2058	FY58	1,500,000.00	45,000.00	1,496,250.00	2,996,250.00
34	1/2/2059	FY59	1,500,000.00	45,000.00	1,541,250.00	3,041,250.00
35	1/2/2060	FY60	1,500,000.00	45,000.00	1,586,250.00	3,086,250.00
36	1/1/2061	FY61	1,500,000.00	45,000.00	1,631,250.00	3,131,250.00
37	1/2/2062	FY62	1,500,000.00	45,000.00	1,676,250.00	3,176,250.00
38	1/2/2063	FY63	1,500,000.00	45,000.00	1,721,250.00	3,221,250.00
39	1/2/2064	FY64	1,500,000.00	45,000.00	1,766,250.00	3,266,250.00
40	1/1/2065	FY65	1,500,000.00	45,000.00	1,811,250.00	3,311,250.00
41	1/2/2066	FY66	1,500,000.00	45,000.00	1,856,250.00	3,356,250.00
42	1/2/2067	FY67	1,500,000.00	45,000.00	1,901,250.00	3,401,250.00
43	1/2/2068	FY68	1,500,000.00	45,000.00	1,946,250.00	3,446,250.00
44	1/1/2069	FY69	1,500,000.00	45,000.00	1,991,250.00	3,491,250.00
45	1/2/2070	FY70	1,500,000.00	45,000.00	2,036,250.00	3,536,250.00
46	1/2/2071	FY71	1,500,000.00	45,000.00	2,081,250.00	3,581,250.00
47	1/2/2072	FY72	1,500,000.00	45,000.00	2,126,250.00	3,626,250.00
48	1/1/2073	FY73	1,500,000.00	45,000.00	2,171,250.00	3,671,250.00
49	1/2/2074	FY74	1,500,000.00	45,000.00	2,216,250.00	3,716,250.00
50	1/2/2075	FY75	1,500,000.00	45,000.00	2,261,250.00	3,761,250.00
51	1/2/2076	FY76	1,500,000.00	45,000.00	2,306,250.00	3,806,250.00
52	1/1/2077	FY77	1,500,000.00	45,000.00	2,351,250.00	3,851,250.00
53	1/2/2078	FY78	1,500,000.00	45,000.00	2,396,250.00	3,896,250.00
54	1/2/2079	FY79	1,500,000.00	45,000.00	2,441,250.00	3,941,250.00
55	1/2/2080	FY80	1,500,000.00	33,750.00	2,475,000.00	3,975,000.00

ACKNOWLEDGMENT

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

State of California
County of Placer)

On 1/7/25 before me, S. Fairchild, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature 

(Seal)

