Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.

CITY OF OXNARD CALIFORNIA

AGENDA
OXNARD CITY COUNCIL
COMMUNITY SERVICES, PUBLIC SAFETY, HOUSING & DEVELOPMENT COMMITTEE
Council Chambers, 305 West Third Street
February 11, 2025
Regular Meeting - 8:30 to 10:00 PM

Zoom details to call-in for public comment during a meeting:

1. Dial Phone Number: (888) 475-4499
2. Enter Meeting ID: 833 1435 1353
3. Passcode: 807545

If you wish to speak during public comments or a particular item on the agenda, please sign-on by following the zoom call-in steps listed above. Once the presiding officer calls for public speakers, press *9 to raise your hand to inform the City Clerk you would like to speak during the public speaking section for that particular item on the agenda, while in the zoom waiting room. Press *6 when asked to unmute. Listen to the instructions provided virtually on the phone while on hold in the zoom waiting room. Please note that there is a slight time delay when viewing the meeting via television.

IN ACCORDANCE WITH ASSEMBLY BILL 2449, MEMBERS OF THE LEGISLATIVE BODY MAY MEET IN-PERSON OR REMOTELY. TO PARTICIPATE REMOTELY VISIT WWW.OXNARD.ORG.

To find out how you may provide public comment, please refer to the instructions below or at **www.https://www.oxnard.org/city-meetings/**.

The public may view the meeting from home on Spectrum channel 10, Frontier channel 35, or YouTube at Youtube.com/oxnardnews. Video recordings of the meeting are typically available online following the meeting at the City's website at www.oxnard.org/city-meetings.

*Please see the link for the Measure M pre-recorded presentation video for each item listed on this agenda.

YOU MAY PARTICIPATE IN THE MEETING IN THE FOLLOWING WAYS:

1. ATTEND THE MEETING AT THE LOCATION LISTED ABOVE: Submit a speaker card to the City Clerk.

2. EMAIL COMMENTS OR SIGN UP TO SPEAK REMOTELY BEFORE THE MEETING

    a. Submit a request to speak remotely by 3 p.m. on the day of the meeting by using the form available at **www.oxnard.org/citymeetings**.
    b. Submit an email to **cityclerk@oxnard.org** by 3 p.m. on the day of the meeting (indicate the agenda item number in the subject line). All email correspondence will be forwarded to the legislative body prior to the start of the meeting and made part of the legislative record.
    c. Contact the City Clerk's Office at (805) 385-7803 to submit your request.

3. PROVIDING PUBLIC COMMENTS REMOTELY DURING THE MEETING

    a. Follow Zoom details listed above.

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item Time Estimates include: (Minutes for Presentation + Council Discussion + Public Comment)

b. Public comments on agenda items will be taken following the announcement of the item. After the item is announced, members of the public may register or otherwise be recognized for the purpose of providing public comment.

Please review the Zoom instructions on the registration page to help ensure there are no technical difficulties during your comments and help you understand public comment procedures using Zoom. Detailed participation instructions can be found at www.oxnard.org/city-meetings.

In the event of a disruption which prevents a legislative body of the City of Oxnard from broadcasting a meeting using a call-in option or internet-based service option, or in the event of a disruption within the City's control which prevents members of the public from offering public comment using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on a meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. However, if any of the broadcast options are disrupted, but any of the other broadcast options is still available to the public, the legislative body may take further action on items appearing on a meeting agenda without waiting for the disrupted broadcast option(s) to be restored.

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker requests shall be submitted as set forth on the first page of this agenda. Speakers are limited to three minutes. After 30 minutes, if all speakers have not had the opportunity to speak, the remaining speakers will be given an opportunity to speak prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager/Executive Director/Secretary for administrative action or scheduled on a subsequent agenda for discussion. Persons wishing to speak on public hearing items should do so at the time of the hearing.

C. CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Community Services, Public Safety, Housing & Development approve the minutes of the December 10, 2024 and January 28, 2025 regular meeting as presented.

Contact: Luly Lopez, (805) 385-7805

D. REPORTS

1. Housing Department

SUBJECT: Yardi Systems Inc., Software License and Service Agreement for Oxnard Housing Authority. (10 minutes)

RECOMMENDATION: That the Community Services, Public Safety, Housing & Development Committee recommend that the Board of Commissioners of the Housing Authority of the City of Oxnard approve and authorize execution of a five-year Software as a Service (SAAS) Subscription Agreement (A-8577) with YARDI Systems Inc., a database client software for the operations related to the Public Housing Program and the Housing Choice Voucher Program, in an aggregate amount of $344,961.75 plus annual Consumer Price Index increases.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/-x_n0N2qS8E

Contact: Brenda Lopez, (805) 385-8092

2. Housing Department

SUBJECT: CDBG and In-Lieu Loan Agreement for Dolores Huerta Gardens Apartments, a 58-Unit

Affordable Rental Project located at 2161 Etting Road. (10 minutes)
RECOMMENDATION: That the Community Services, Public Safety, Housing & Development Committee recommend that the City Council:

1. Adopt a resolution authorizing the Housing Director or Designee to execute a $268,074 CDBG Loan Agreement and a $631,900 In-Lieu Loan Agreement, and any and all related documents thereto, with Etting Road LLC for the construction of fifty-eight affordable rental units located at 2161 Etting Road; and

2. Approve and authorize a budget appropriation of $631,900 from the Affordable Housing In-Lieu Fees Fund to support the $631,900 In-Lieu Loan Agreement.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/n5a8XnvA448
Legislative Body: City Council
Contact: Brenda Lopez, (805) 385-8092

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

COMMUNITY SERVICES, PUBLIC SAFETY, HOUSING & DEVELOPMENT COMMITTEE AGENDA REPORT

CONSENT AGENDA
AGENDA ITEM NO. C.1

DATE: February 11, 2025

TO: Community Services, Public Safety, Housing & Development Committee

FROM: Luly Lopez, City Clerk, (805) 385-7805, luly.lopez@oxnard.org

SUBJECT: Approval of Minutes.

RECOMMENDATION

That the Community Services, Public Safety, Housing & Development approve the minutes of the December 10, 2024 and January 28, 2025 regular meeting as presented.

BACKGROUND

Approval of minutes.

STRATEGIC PRIORITIES

This agenda item is a routine operational item or does not relate to the five strategic priorities adopted by City Council on March 16, 2021.

FINANCIAL IMPACT

There is no financial impact.

Prepared by: Luly Lopez, City Clerk

ATTACHMENTS

1. 12 10 2024 CSPSHD Minutes
2. 01 28 2025 CSPSHD Minutes

MINUTES
OXNARD CITY COUNCIL
COMMUNITY SERVICES, PUBLIC SAFETY,
HOUSING & DEVELOPMENT COMMITTEE
Regular Meeting
December 10, 2024

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 6:45 p.m., Chair MacDonald called to order the regular meeting of the Oxnard City Council Community Services, Public Safety, Housing and Development Committee in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. Rose Chaparro, City Clerk called the roll and announced the posting of the agenda. Chair MacDonald, Member John C. Zaragoza and Member Oscar Madrigal were present in person.

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

No public comments were received.

C. CONSENT AGENDA

1. City Clerk Department
SUBJECT: Approval of Minutes.
RECOMMENDATION: That the Community Services, Public Safety, Housing & Development Committee approve the minutes of the November 26, 2024 regular meetings as presented.

No public comments were received.

It was moved by Member Madrigal, seconded by Member Zaragoza, to approve the Information/Consent item as presented. VOTE: Madrigal, Zaragoza, and MacDonald voted in favor. The motion passed 3-0.

D. REPORTS

1. Housing Department
SUBJECT: Second Substantial Amendment to the 2023-24 Annual Action Plan. (10 minutes)
RECOMMENDATION: The Community Services, Public Safety, Housing & Development Committee recommends that the City Council:
1. Conduct a public hearing and receive comments related to the Substantial Amendment to the Fiscal Year 2023-2024 Annual Action Plan;
2. Approve a Substantial Amendment to the 2023-2024 Annual Action Plan, reallocating Community Development Block Grant and HOME Investment Partnership Program funds;
3. Authorize the City Manager and his designees, to execute the required applications, certifications, and other pertinent documents for the submission of the Amendment to the United States Department of Housing and Urban Development;
4. Authorize the City Manager and his designees, to execute the appropriate agreements with subrecipients, and to adjust any of the funding activities, not to exceed ten percent, if the programs require more or less funding to meet their objectives; and
5. Authorize the City Manager and his designees, to appropriate, HOME Investment Partnership Program (Fund 202) and Community Development Block Grant (Fund 201) funds to the proposed activities identified in this staff report.

Emilio Ramirez, Housing Director, was available to answer the committee's questions. No public comments were received. Discussion ensued among the Committee and staff.

It was moved by Member Zaragoza, seconded by Member Madrigal, to approve the recommended action as presented. VOTE: Madrigal, Zaragoza, and MacDonald voted in favor. The motion passed 3-0.

E. [ITEMS FOR FUTURE AGENDAS

No requests were made.

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair MacDonald adjourned the meeting at 6:57 p.m.

LOURDES A. LÓPEZ
City Clerk

BRYAN A. MACDONALD
Chair

Notes:
Minutes prepared by Lourdes A. López, Oxnard City Clerk

AGENDA
OXNARD CITY COUNCIL
COMMUNITY SERVICES, PUBLIC SAFETY,
HOUSING & DEVELOPMENT COMMITTEE
January 28, 2025

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 8:31 p.m., Chair Luis Mc Arthur called to order the regular meeting of the Oxnard City Council Community Services, Public Safety, Housing & Development Committee in the City Hall Council Chambers at 305 West Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Chair Luis Mc Arthur, Member Michaela Perez, and Member Bert E. Perello were present.

Member Perez led the pledge of allegiance followed by a moment of silence in honor of retired Police Officer Gino Rodriguez who passed away.

Staff members present were Alexander Nguyen, City Manager; Kenneth Rozell, Chief Assistant City Attorney; Brenda Lopez, Interim Housing Director; Albert Ramirez, Assistant Housing Director; and Lourdes A. López, City Clerk.

Consideration of Teleconference Participation pursuant to Assembly Bill 2449.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

No public comments were received.

C. CONSENT AGENDA

1. City Clerk Department
SUBJECT: Approval of Minutes.
RECOMMENDATION: That the Community Services, Public Safety, Housing & Development approve the minutes of the December 10, 2024 regular meeting as presented.
ACTION: Staff requested that this item be removed from the agenda.

D. REPORTS

1. Housing Department
SUBJECT: CDBG Loan Agreement for Casa Aliento (10 minutes)
RECOMMENDATION: That the Community Services, Public Safety, Housing & Development Committee recommend that the City Council adopt a resolution authorizing the Housing Director or Designee to execute a $792,999 CDBG Loan Agreement, and any and all related documents thereto, with Casa Aliento LP for the rehabilitation and conversion of an existing motel into 70 Permanent Supportive Housing Units located at 1245 N. Oxnard Boulevard.
Brenda Lopez, Interim Housing Director presented and answered the Committee's questions. No public comments were received.

It was moved by Chair Mc Arthur, seconded by Member Perello, to approve the recommended action as presented. VOTE: Mc Arthur, Perello, and Perez, voted in favor; the motion passed 3-0.

E. ITEMS FOR FUTURE AGENDAS

No requests were made.

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Mc Arthur adjourned the meeting at 8:48 p.m.

LOURDES A. LÓPEZ City Clerk	LUIS MC ARTHUR Mayor

COMMUNITY SERVICES, PUBLIC SAFETY, HOUSING & DEVELOPMENT COMMITTEE AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.1

DATE: February 11, 2025

TO: Community Services, Public Safety, Housing & Development Committee

FROM: Brenda Lopez, Interim Housing Director, (805) 385-8092, brenda.lopez@oxnard.org

SUBJECT: Yardi Systems Inc., Software License and Service Agreement for Oxnard Housing Authority. (10 minutes)

RECOMMENDATION

That the Community Services, Public Safety, Housing & Development Committee recommend that the Board of Commissioners of the Housing Authority of the City of Oxnard approve and authorize execution of a five-year Software as a Service (SAAS) Subscription Agreement (A-8577) with YARDI Systems Inc., a database client software for the operations related to the Public Housing Program and the Housing Choice Voucher Program, in an aggregate amount of $344,961.75 plus annual Consumer Price Index increases.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/-x_n0N2qS8E

BACKGROUND

The Housing Authority of the City of Oxnard requires the use of a database client software for the operations related to the Public Housing Program and the Housing Choice Voucher Program (Section 8). Yardi Systems, Inc. (Yardi) has provided the client database software and support since December 2007. The existing agreement will expire on February 28, 2025.

DISCUSSION

On December 4, 2024, the Housing Authority of the City of Oxnard solicited bids for a fully integrated, web based housing authority software and services. There were two responses to the solicitation; Yardi Systems, Inc. (Yardi) and MRI Real Estate Software (MRI). MRI's proposal was deemed unresponsive because it did not include costs and fees.

Yardi's proposal satisfies all of the threshold requirements outlined in the request for proposal. The scope of work includes software license fees, databases, administrator tools, software updates, application support and hosting support. In addition, the proposal includes a screening package "Screening Works Pro" (attached) that will be billed on a per transaction fee basis. The monthly cost of the screening component is based on actuals and will be billed in arrears. Screening services include credit screening, criminal reports, income and employment verification. It's not possible to quantify a transaction estimate because the use of screening services depends on the stage of a participant's involvement in the program.

Staff proposes an agreement with Yardi for a sixty-month term at a total contract amount of $344,961.75 (not

including transaction fees for screening services) subject to a Consumer Price Index increase on each anniversary date. The final agreement document will be included with the City Council staff report. Staff will note either in the staff report, or verbally at the Council meeting, if there are any changes in the agreement between the Committee meeting and the Council meeting.

STRATEGIC PRIORITIES

This agenda item supports the Organizational Effectiveness strategy. The purpose of the Organizational Effectiveness strategy is to reinforce, stabilize, improve, and strengthen the organizational foundation of the City in order to build a modern, high-functioning City government that effectively and efficiently supports the operating departments in providing high-quality services and programs for our residents and businesses.

FINANCIAL IMPACT

There is no financial impact to any City fund. The fees are included in the Oxnard Housing Authority's (OHA) adopted Low Rent Public Housing (LRPH) Operating Funds budget and the Housing Choice Voucher (HCV) Administrative Fees budget for Fiscal Year 2024-2025. Since this is a recurring expense, the fees will be included in the recommended Oxnard Housing Authority's LRPH Operating Funds budget and the HCV Administrative Fees budget for Fiscal Year 2025-2026, scheduled to be presented before City Council on June 17, 2025, and every fiscal year thereafter, until the agreement term expires.

Prepared by: Brenda Lopez, Interim Housing Director

ATTACHMENTS

1. Agreement A-8577
2. Screening Works Pro
3. Presentation

SAAS SUBSCRIPTION AGREEMENT

Yardi Systems, Inc., a California corporation headquartered at 430 South Fairview Avenue, Goleta, CA 93117 ("**Yardi**"), and

Oxnard Housing Authority ("Client")
435 S D St
Oxnard, CA 93030

enter into this agreement including any schedules, exhibits or other attachments (this "**Agreement**") effective as of the Effective Date [defined in section 1 (Definitions), below].

RECITAL

Yardi has developed certain application software for use by its clients in the real property and asset management industry. Yardi application software is available only in the Yardi Cloud [defined in section 1 (Definitions), below]. Client desires to access the Yardi Cloud to use such Yardi software pursuant to this Agreement's terms.

In consideration of their respective rights and obligations as set forth in this Agreement, the parties agree as follows: **AGREEMENT**

1. Definitions.

a. "**Anniversary Date**" means the date that is 365 days after the Initiation Date, and each anniversary thereafter of the date that is 365 days after the Initiation Date, during this Agreement's Term.

b. "**Business Purposes**" means accessing the Yardi Cloud to use the Licensed Programs and Yardi Cloud Services for Client's property management and accounting, and related business pur poses.

c. "**Client Data**" means the data that Designated Users trans mit and/or enter into the database provided as part of the Yardi Cloud in connection with their Use of the Licensed Programs pur suant to this Agreement.

d. "**Contractor**" means a contractor who: (i) has an Independ ent Consultant Network License Agreement with Yardi; and (ii) is a current member in good standing of Yardi's Independent Consult ant Network.

e. "**Deliverable**" means any deliverable or intellectual prop erty delivered to Client as part of Programming Services [defined in section 14 (Programming Services)] or other services provided pursuant to this Agreement.

f. "**Designated User**" or "**DU**" means a Client employee or Contractor designated by Client to access the Yardi Cloud and Use the Yardi Cloud Services and Licensed Programs for Business Pur poses.

g. "**Effective Date**" means upon signature of all parties. .

h. "**Fees**" means the fees identified in Schedule A (Fee Schedule), and any other fees that may become due under this Agreement.

i. "**Force Majeure Event**" means any event beyond the rea sonable control of the party affected by such event, including with out limitation fire, storm, weather, earthquake, explosion, casualty, strike, war, riot, civil disturbance, act of God, acts or omission of any third party, any state or national law, decree, or ordinance, or any executive or judicial order, which event causes a party to delay or fail to perform under this Agreement.

j. "**Initiation Date**" means March 1, 2025.

k. "**Licensed Programs**" means the software program(s) identified in Schedule A (Fee Schedule).

l. "**Licensed Programs Documentation**" means the user manuals and documentation for the Licensed Programs.

m. "**Password**" means the unique username and password assigned by Client to each Designated User as more fully de scribed in section 6 (Users and Passwords).

n. "**POC(s)**" means the person(s) Client identifies to Yardi as point(s) of contact for application support services and other ac count management purposes.

o. "**Undisputed Fees**" means all Fees due from Client under this Agreement which Client does not reasonably and in good faith dispute - and provide notice of such dispute in accord with section 18(f) (Notices) - within 30 days of invoice.

p. "**Use**" means authorized access to the licensed software in the Yardi Cloud and use of the Licensed Programs and Licensed Programs Documentation by Designated Users solely for Business Purposes.

q. "**Yardi Cloud**" means the hardware, software, storage, fire walls, intrusion detection devices, load balancing units, switches and other hardware that make up the Yardi Cloud.

r. "**Yardi Cloud Services**" means installation, maintenance and service of the hardware and software comprising the Yardi Cloud.

2. License Grant; Restrictions; Access to Yardi Cloud. a. **Licenses.** Yardi grants to Client a non-exclusive, non transferable (except as expressly provided in this Agreement), lim ited license for Designated Users to: (i) access the Yardi Cloud and Use the Licensed Programs and Yardi Cloud Services solely for Business Purposes; and (ii) access the Licensed Programs Docu mentation and other content on Yardi's Client Central website solely for Business Purposes and subject to the terms of use then presented on Client Central.

b. **Restrictions.** Client may only exercise the license granted in section 2(a) (Licenses) through its Designated Users. Client may not rent, lease, sell, transfer (by sublicense, assignment or other wise except as expressly provided by this Agreement), time share, modify, reproduce, copy, make derivative works from, distribute, publish, use to provide service bureau services, or publicly display the Licensed Programs. Client may only Use the Licensed Pro grams for Business Purposes. Client may not reverse engineer, de compile or otherwise attempt to discover the source code for the Licensed Programs. Client may not permit any person or entity to breach the restrictions in this section 2(b) (Restrictions). Client may not copy or re-create the Licensed Programs or its objects without

Yardi's prior express written consent. Client agrees that the Licensed Programs must remain at all times in the Yardi Cloud, and may not be removed or copied to any other location at any time. Client acknowledges and agrees that Client may not perform scans or electronic testing of any kind on the Yardi Cloud, Licensed Programs, Yardi's corporate networks, and Yardi's corporate servers including, without limitation, vulnerability scanning or testing, pen etration scanning or testing or any other type of scanning or testing of the Yardi Cloud, Licensed Programs, Yardi's corporate networks, and Yardi's corporate servers.

c. **Access to the Yardi Cloud.** Yardi will use commercially reasonable efforts to make the Yardi Cloud and the Licensed Programs accessible to Designated Users 24-hours per day, 7 days per week, excluding down time for maintenance and repair. Yardi has standing maintenance/repair/backup hours from 11:00 pm (local time at the data center) each day to 1:00 am (local time at the data center) each succeeding day, and an additional 2 hours for the maintenance/repair/backup hours beginning at 11:00 pm (local time at the data center) each Saturday night [i.e., the Saturday night-to-Sunday-morning standing maintenance/repair/backup hours extend an extra 2 hours until 3:00 am (local time at the data center) each succeeding Sunday]. Yardi will use commercially reasonable efforts to provide as much notice to Client as reasonably possible under the circumstances for emergency maintenance/repair downtime outside the aforementioned standing hours.

3. Term and Termination.

a. **Term.** This Agreement will commence on the Effective Date and shall remain in full force until Client's fifth Anniversary Date, for a Term of sixty (60) months, ending on February 28, 2030,unless earlier terminated in accord with section 3(b)(c) (Termination for Cause).

b. **Termination for Convenience. The Authority may terminate this Agreement at any time, without cause and for its convenience upon thirty (30) day written notice to Yardi.**

c. **Termination for Cause.** Either party may terminate this Agreement upon written notice to the other party if the other party materially breaches this Agreement and fails to cure such breach within 7 days of written notice of a material breach, or if the breaching party cannot reasonably cure the material breach within 7 days, the breaching party fails to initiate cure within 7 days and fails to continuously and diligently work to cure the breach until the breach is cured. Termination pursuant to this section 3(c) (Termination for Cause) shall be effective upon delivery of written notice after expiration of the applicable cure period.

d. **Effect of Termination.** Upon the effective date of this Agreement's termination or expiration: (i) the license for the Licensed Programs and Licensed Programs Documentation will terminate; (ii) Client will cease Use of the Yardi Cloud, Yardi Cloud Services, Licensed Programs and Licensed Programs Documentation; (iii) Client's access to the Yardi Cloud and Licensed Programs will be disabled; and (iv) Client shall pay any Undisputed Fees to Yardi.

e. **Survival.** The parties' obligations under, and the provisions of, sections 4 (License Fees), 8(b) (Limited Liability for Unauthorized Client Data Access), 9 (Confidentiality), 10 (Warranties), 11 (Damage Limitations), 13 (Indemnification), 15 (Assignment) and 18 (General Provisions) shall survive this Agreement's termination or expiration.

4. License Fees.

a. **Fees.** Client agrees to pay Yardi the Fees in accordance with the payment terms set forth in Schedule A (Fee Schedule). This Agreement has a not to exceed amount of $344,961.75 which shall be paid over the term of the agreement in addition to the individual transaction fees as listed in Exhibit A.

b. **Failure to Pay.** Client's failure to timely pay any Undisputed Fee when due is a material breach subject to the terms of section 3(c) (Termination for Cause). Additionally, c. **Taxes.** The Fees are exclusive of any tariff, duty, or tax, however designated, levied, or based including, without limitation, any taxes based on: (i) this Agreement; (ii) the Licensed Programs, Yardi Cloud, Yardi Cloud Services, or Deliverables; (iii) Client's Use of the Yardi Cloud, Yardi Cloud Services, or Licensed Programs; (iv) the Licensed Programs Documentation; or (v) any materials or supplies furnished by Yardi per this Agreement. Client is responsible for all applicable tariffs, duties, or taxes (exclusive of taxes based on Yardi's net income) applicable to this Agreement.

d. **Partial Fee Disputes**. If Client reasonably and in good faith disputes any Fees, and provides notice in accord with section 18(f) (Notices) of such dispute, Client agrees that any undisputed portion of such Fees are Undisputed Fees and Client agrees to timely pay any such Undisputed Fees.

e.This Agreement is a "firm-fixed price contract" as defined by 2 CRF Part 200 and the Department of Housing and Urban Development (HUD) Handbook 7460.8, rev. 2.

5. Implementation and Training.

a. **Third Party Software and Hardware Requirements.** Client is solely responsible for purchasing, installing, and maintaining, at Client's expense, any third party software and hardware necessary for Designated Users to access the Yardi Cloud and Use the Licensed Programs and Yardi Cloud Services. Yardi shall not be liable for any such third party software or hardware, and Client acknowledges and agrees that any assistance provided by Yardi in connection with such third party software and hardware shall not alter Client's responsibility or Yardi's liability disclaimer under this section 5(a) (Third Party Software & Hardware Requirements).

b. **Location.** Implementation and training services may (at Client's election) take place at a location specified by Client or via telecommunications. Yardi will bill Client for initial implementation/training services as indicated in Schedule A (Fee Schedule). Client may request additional on-site implementation/training services [i.e., in addition to the on-site implementation/training services set forth in Schedule A (Fee Schedule)] at any time and Yardi will make commercially reasonable efforts to timely accommodate Client's request. Additional on-site implementation/training services are subject to the parties' mutual agreement on: (i) the schedule for performance of the additional services; and (ii) Yardi's Fees for the additional services. Client acknowledges and agrees that no recording of any sort (whether audio, visual, or otherwise) of Yardi Implementation/Training services is allowed under this Agreement or otherwise.

c. **On-Sites.** Client acknowledges that in-person implementation/training service visits at a Client location require a minimum visit of 8 hours per visit. Client agrees to pay all expenses associated with on-site visits incurred in accordance with Yardi's then current travel and expense policy. Client acknowledges that training services for more than 12 Client trainees require Client to pay for 1 additional Yardi trainer for each 12 Client trainees in excess of 12. Client agrees that Client must pay for any implementation/training services cancelled less than 10 business days prior to their scheduled date.

d. **Data Conversion.** Yardi will bill Client for electronic data conversion services, if initially ordered, at the rate stated in Schedule A (Fee Schedule). Absent an agreement to the contrary, Client shall otherwise be solely responsible for data conversion, data preparation, data entry and data verification, and any post-conversion clean-up. Additional Yardi data conversion services [i.e., in addition to any initial data conversion services set forth in Schedule A

(Fee Schedule)] are subject to the parties' mutual agreement on: (i) the schedule for performance of the additional services; and (ii) Yardi's Fees for the additional services.

e. **Testing.** Client shall have 90 days commencing upon the Effective Date (the "**Testing Period**") to test the Licensed Pro grams, Yardi Cloud and Yardi Cloud Services. At any time during the Testing Period, Client may elect to cease Use of the Licensed Programs, Yardi Cloud and Yardi Cloud Services and cancel this Agreement, in which event Yardi will refund to Client all amounts paid by Client to Yardi pursuant to this Agreement less reasonable amounts [determined by reference to the Fees/rates indicated in Schedule A (Fee Schedule)] for initial set-up, implementation, train ing and support of the Licensed Programs, Yardi Cloud and Yardi Cloud Services provided prior to Client's notice of cancellation pur suant to this section 5(e) (Testing).

6. Users and Passwords.

a. **Designated Users.** Client agrees that its exercise of the license granted by this Agreement shall only be through its Desig nated Users. Client's license to access and Use the Yardi Cloud and Licensed Programs is limited as provided in Schedule A (Fee Schedule). Each Designated User must have a unique Password.

b. **Password Assignment.** Client's application support POC(s) will be Designated Users, will designate the other Desig nated Users, and will provide each other Designated User with a Password. Each Password shall be personal and unique to the ap plicable Designated User, and may not be used by anyone other than such Designated User. Each Password may only be used from 1 computer at any given time. Client shall be responsible for maintaining Designated User Password security.

c. **Client Obligations with Respect to Designated Users.** Client shall inform each Designated User of this Agreement's terms and restrictions and shall enforce such restrictions. Client agrees to notify Yardi if Client becomes aware of any failure of a Desig nated User to adhere to the license terms and restrictions in this Agreement.

7. Application Support & Upgrades.

a. **Application Support Service.** Yardi will provide applica tion support and upgrades for the Licensed Programs as set forth in this section 7 (Application Support & Upgrades).

b. **Client Contacts**. Client agrees to appoint application sup port POC(s). Client may change the application support POC(s) upon advance written notice to Yardi. Yardi shall have no obligation to contact, or communicate with, anyone regarding application sup port and maintenance issues except Client's application support POC(s). Client acknowledges that it is Client's responsibility to keep Client's application support POC(s) current, and to notify Yardi of any changes.

c. **Yardi Contacts.** During initial implementation, Yardi shall appoint an account manager to Client's account. After initial imple mentation, Yardi will either assign Client to an account manager or an application support team. Yardi may change the identity of indi vidual account managers from time to time upon notice to Client. Client's application support records relating to Client will be availa ble to Yardi's entire application support team at all times.

d. **Application Support Services.** Yardi shall provide appli cation support for the Licensed Programs through its account man agers and technical staff to Client's application support POC(s). Application support does not include on-site installation, implemen tation, training, or testing of the Licensed Programs, nor does it in clude data conversion. Those services, if initially ordered, are spec ified in Schedule A (Fee Schedule). Yardi's application support ser vice team will use commercially reasonable efforts to address and solve Client's issues but cannot guarantee satisfaction in every case.

e. **Total Hours Included.** Client's annual application support allotment is specified in Schedule B.

f. **Application Support Hours.** Yardi's application support hours are from 5:00 am to 5:00 pm (Pacific Time) Monday through Friday (excluding holidays).

g. **Priority.**

(i) Yardi shall have the right to prioritize application support requests according to the application support issue's impact on Cli ent. Yardi will prioritize application support requests in the following order:

Priority 1: Business halted (total inability to perform normal opera tion)

- Client will submit support requests by telephone to Yardi's application support number.
- Response as rapid as reasonably feasible – generally within 2 business hours.

Priority 2: Business impacted (severe restriction of Client's Use of the Licensed Programs – a potentially critical problem) • Client will submit support requests by telephone to Yardi's application support number.

- Prompt response subject only to delays for priority 1 is sues, generally within 4 business hours.

Priority 3: Non-critical service requests (any issue that is not a Pri ority 1 or Priority 2 issue)

- Client will submit support request by telecommunications to Yardi application support.
- Response subject to delays for priority 1 and 2 issues, generally within 1 business day.

(ii) Yardi will work on Priority 1 and 2 issues with continuous focus, and with Client's cooperation, through resolution.

h. **Standard Term.** Application support services are subject to this Agreement's terms and timely payment of all Undisputed Fees. Subject to the section 3(c) (Termination for Cause) notice and cure provisions, Yardi may suspend application support ser vices if Client fails to timely make any Undisputed Fee payment.

i. **Obsolescence.** Yardi reserves the right to cease providing application support services for the Licensed Programs on the later of: (i) 3 years from the date on which Yardi ceases to license the Licensed Programs; or (ii) 5 years from the Effective Date. Yardi agrees to notify Client if and when Yardi will cease application sup port services in accord with this section 7(i) (Obsolescence).

8. Client Data.

a. **Client Data Storage.** Subject to Force Majeure Events, Yardi agrees to store Client Data on a virtual database server in the Yardi Cloud.

b. **Limited Liability for Unauthorized Client Data Access.** Yardi agrees to use: (i) firewalls and other technology generally used in the trade to prevent unauthorized third party access to its computer systems storing Client Data; and (ii) encryption technol ogy generally used in the trade to prevent unauthorized third party access to Client Data transmissions. Notwithstanding the forego ing, Yardi shall not be liable to Client in the event that: (A) its use of firewalls and other technology generally used in the trade fails to prevent unauthorized third party access to Client Data; or (B) its use of encryption technology generally used in the trade fails to

prevent unauthorized third party access to Client Data transmis sions. Nothing in this section 8(b) (Limited Liability for Unauthorized Client Data Access) shall constitute a representation or warranty by Yardi that Client Data storage or transmission will be inaccessi ble to unauthorized third parties.

9. Confidentiality.

a. **Confidential Information Definition.** "**Confidential Infor mation**" means all technical and non-technical information includ ing: (i) Client Data; (ii) patent, copyright, trade secret, and other proprietary information; (iii) inventions, know-how, processes, or al gorithms; (iv) software programs, software source documents, ob ject code, source code, database dictionaries, network diagrams, UML diagrams, Licensed Programs, Licensed Programs Docu mentation, Licensed Programs schema, Licensed Programs func tions, Licensed Programs user interface screens, SSIS, data ware house schema, cube specifications and configuration, the reports generated by the Licensed Programs, Yardi Cloud specifications and configuration, Yardi Cloud hardware specifications and config uration, and Yardi Cloud Services; (v) development, design details and specifications; (vi) a party's financial information; (vii) customer lists, business forecasts, sales and marketing plans and infor mation; (viii) the prices offered or paid per this Agreement for Yardi's products and services; (ix) SSAE18 audit reports and any information related to SSAE18 audit reports; (x) any information re lated to PCI DSS compliance; (xi) this Agreement's terms; and (xii) any other information disclosed by a party, or to which a party is exposed because of this Agreement, that the disclosing party iden tifies as confidential at the time of disclosure or which – by its nature - reasonably should be regarded as confidential. Client is a municipal corporation subject to the California Public Records Act and must comply with the disclosure rules contained therein.

b. **Nondisclosure and Nonuse Obligations.** Each party (the "**Receiving Party**") agrees that it will not disseminate, distribute, expose, or in any way disclose any Confidential Information of the other party (the "**Disclosing Party**") to any third party. The Receiv ing Party may use the Disclosing Party's Confidential Information to the extent necessary to perform its obligations under this Agree ment. The Receiving Party's employees and Contractors may use Confidential Information only for the specific business purpose for which it was made available and not for any other purpose. The Receiving Party's employees and Contractors may not use Confi dential Information in any way that may compete with Disclosing Party. The Receiving Party may not disclose Confidential Infor mation to its employees and Contractors for the purpose of ena bling any such employees or Contractors to service, maintain, or modify the Licensed Programs. The Receiving Party agrees that it will treat all Confidential Information with the same degree of care as the Receiving Party accords its own Confidential Information, but in no event less than reasonable care. The Receiving Party agrees that it shall disclose Confidential Information only to those of its employees and Contractors who need to know such infor mation, and the Receiving Party certifies that such employees and Contractors have previously agreed, either as a condition to em ployment or in order to obtain the Confidential Information, to be bound by terms and conditions applicable to the Receiving Party under this Agreement. The Receiving Party shall immediately give notice to the Disclosing Party of any unauthorized use or disclosure of the Disclosing Party's Confidential Information. The Receiving Party agrees to assist the Disclosing Party in remedying any such unauthorized use or disclosure of Disclosing Party's Confidential Information.

c. **Exclusions from Nondisclosure and Nonuse Obliga tions.** The Receiving Party's obligations per section 9(b) (Nondis closure and Nonuse Obligations) shall not apply to Confidential In formation that the Receiving Party can document: (i) was (through no fault of the Receiving Party) in the public domain at or subse quent to the time the Disclosing Party disclosed the information to the Receiving Party; (ii) was rightfully in the Receiving Party's pos session free of any confidentiality obligation at or subsequent to the time the Disclosing Party disclosed it to the Receiving Party; or (iii) was developed by the Receiving Party's employees or agents independent of, and without reference to, any information commu nicated to the Receiving Party by the Disclosing Party. A Confiden tial Information disclosure by the Receiving Party either: (A) in re sponse to an enforceable order by a court or other governmental body; (B) as otherwise required by law; or (C) necessary to estab lish the rights of either party under this Agreement, shall not be a breach of this Agreement by the Receiving Party or a waiver of confidentiality for other purposes; provided, however, the Receiv ing Party shall provide prompt prior written notice of any such Con fidential Information disclosure to the Disclosing Party (to the extent allowed by applicable law) to enable the Disclosing Party to seek a protective order or otherwise prevent such disclosure.

d. **Ownership and Return of Confidential Information.** The Disclosing Party's Confidential Information is and shall remain the Disclosing Party's property, and this Agreement does not grant or imply any license or other rights to the Disclosing Party's Confiden tial Information except as expressly set forth in this Agreement. Within 5 business days after the Disclosing Party's request, the Re ceiving Party will promptly either (at the Disclosing Party's election) destroy or deliver to the Disclosing Party all Confidential Infor mation furnished to the Receiving Party, and the Receiving Party agrees to provide a written officer's certification of the Receiving Party's compliance with the foregoing obligation.

e. **Third Party Information Disclosure.** The Disclosing Party shall not communicate any information to the Receiving Party in violation of the proprietary rights of any third party.

10. Warranties.

a. **Limited Software Warranty.** Yardi warrants that the Li censed Programs will perform substantially as specified in the Li censed Programs Documentation. Yardi does not warrant that the Licensed Programs will meet Client's requirements and expecta tions.

b. **Remedy for Limited Software Warranty Breach.** If Yardi breaches the warranty set forth in section 10(a) (Limited Software Warranty), Yardi agrees to use commercially reasonable efforts to modify the Licensed Programs so that the Licensed Programs con form to that warranty. If such modification is not commercially rea sonable, then Yardi will notify Client and Client may terminate this Agreement. In the event Client terminates this Agreement per this section 10(b) (Remedy for Limited Software Warranty Breach), Yardi will refund to Client, on a pro-rata basis, the annual Fees paid by Client to Yardi within the year prior to the effective date of Cli ent's termination. THE FOREGOING REMEDY IS CLIENT'S SOLE REMEDY IN THE EVENT OF A BREACH OF THE WARRANTY SET FORTH IN SECTION 10(a) (Limited Software Warranty).

c. **Warranty Disclaimer. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, AND TO THE FULLEST EXTENT ALLOWED UNDER APPLICABLE LAW, YARDI DISCLAIMS ALL EXPRESS, IMPLIED AND STATUTORY WARRANTIES WITH REGARD TO THE LICENSED PROGRAMS INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MER CHANTABILITY AND FITNESS FOR A PARTICULAR PUR POSE.**

d. **Internet Performance Disclaimer.** Yardi does not and cannot control the flow of data via the internet. Such flow depends in large part on the performance of internet services provided or controlled by third parties. At times, actions or inactions of such third parties can impair or disrupt the internet. Yardi will use com mercially reasonable efforts to remedy and avoid such events, but cannot guarantee that such events will not occur. Accordingly, Yardi disclaims any liability resulting from or relating to such events.

11. Damage Limitations.

a. **Damage Waiver. REGARDLESS OF ANY OTHER PRO VISION IN THIS AGREEMENT, AND TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW, YARDI DISCLAIMS ALL OB LIGATIONS AND LIABILITIES FOR SPECIAL, INDIRECT, INCI DENTAL, EXEMPLARY, PUNITIVE AND CONSEQUENTIAL DAMAGES, ATTORNEYS' AND EXPERTS' FEES, AND COURT COSTS (EVEN IF YARDI HAS BEEN ADVISED OF THE POSSI BILITY OF THESE DAMAGES), ARISING FROM OR IN CON NECTION WITH THIS AGREEMENT.**

b. **Liability Limit. IN ADDITION TO THE LIMITATIONS OTHERWISE SET FORTH IN THIS AGREEMENT, AND TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW, CLIENT AGREES THAT IN THE EVENT OF ANY CLAIM OR CAUSE OF ACTION BY CLIENT ARISING OUT OF OR CONNECTED WITH THIS AGREEMENT, YARDI'S MAXIMUM LIABILITY TO CLIENT, REGARDLESS OF THE AMOUNT OF LOSS CLIENT MAY HAVE SUFFERED, SHALL NOT EXCEED THE FEES PAID BY CLIENT TO YARDI PURSUANT TO THIS AGREEMENT WITHIN THE YEAR PRIOR TO THE EVENT GIVING RISE TO THE LIABILITY.**

12. Ownership.

a. **Yardi's Ownership.** Client agrees that, as between Yardi and Client, Yardi is and shall remain the sole and exclusive owner of all right, title and interest in and to the Licensed Programs, De liverables, Yardi Cloud, Yardi Cloud Services, and Licensed Pro grams Documentation, and to all intellectual property rights in the foregoing. The only rights Client obtains in the Licensed Programs, Deliverables, Yardi Cloud, Yardi Cloud Services, and Licensed Programs Documentation are the licenses expressly granted to Cli ent in this Agreement.

b. **Client's Ownership.** Yardi agrees that, as between Yardi and Client, Client is and shall remain the sole and exclusive owner of all right, title, and interest in and to Client Data. Client represents and warrants that Client has all necessary rights, title, and interest in and to all materials and/or content that Client provides for, or uploads to: (i) the database(s) associated with the Licensed Pro grams; (ii) the Yardi Cloud; and/or (iii) any Yardi-hosted site; includ ing, without limitation, materials and/or content that Client provides for use on Client's RentCafe portal(s) and documents that Client uploads to FillDocs, eDocs, RentCafe Lease Documents, or EHR suite (collectively, "**Client Content**"). Client acknowledges and agrees that Yardi has no responsibility or duty to review, approve, or pre-screen Client Content that Client provides for, or uploads to: (A) the database(s) associated with the Licensed Programs; (B) the Yardi Cloud; and/or (C) any Yardi-hosted site. Client grants Yardi a worldwide, non-exclusive, royalty-free license and right to use, reproduce, distribute, modify, and display Client Content in connec tion with Business Purposes. Client acknowledges and agrees that if a third party believes their copyright has been infringed by any Client Content, Yardi has implemented policies in accordance with the Digital Millennium Copyright Act, 17 U.S.C. Section 512, and Yardi reserves the right to remove any material found to be infring ing under Yardi's aforementioned policies.

13. Indemnification.

a. **Yardi Indemnity.**

(i) Indemnity. Yardi agrees to defend, indemnify, and hold Client harmless from and against any third party claims, actions or demands alleging that Client's Use of the Yardi Cloud, Yardi Cloud Services, Licensed Programs, Licensed Programs Documentation, and Deliverables in accordance with this Agreement's terms in fringes on a third party's proprietary information, trademark, copy right, patent rights or intellectual property rights, or misappropriates a third party's trade secrets.

(ii) Indemnity Conditions. Yardi's defense and indemnifica tion obligations per section 13(a)(i) (Indemnity) are conditioned upon the following: (I) Client providing Yardi with prompt written notice of any claim for which indemnification is sought; (II) Yardi having sole control of the defense and settlement of such claim, provided, however, that Client shall have the right to have any suit or proceeding monitored by counsel of Client's choice and at its expense; and (III) Client's reasonable cooperation with Yardi in the defense and settlement of the claim.

(iii) Injunction. If the Licensed Programs become the sub ject of a patent, trademark, copyright, or trade secret misappropri ation or infringement claim, and such claim results – or is reasona bly likely to result – in an injunction against Client's continued Use of the Licensed Programs, Yardi will: (I) replace or modify the Li censed Programs to avoid the misappropriation/infringement claim; (II) secure Client's right to continue Use of the Licensed Programs; or (III) if neither (I) or (II) is commercially practicable, either party may terminate this Agreement upon written notice to the other party.

b. **Client Indemnity.**

(i) Indemnity. Client agrees to defend, indemnify, and hold Yardi harmless from and against any third party claims, actions or demands alleging that Yardi's use, reproduction, distribution, mod ification, and/or display of Client Content for Business Purposes in accordance with this Agreement's terms infringes on a third party's proprietary information, trademark, copyright, patent rights or intel lectual property rights, or misappropriates a third party's trade se crets.

(ii) Indemnity Conditions. Client's defense and indemnifica tion obligations per section 13(b) (Indemnity) are conditioned upon the following: (I) Yardi providing Client with prompt written notice of any claim for which indemnification is sought; (II) Client having sole control of the defense and settlement of such claim, provided, how ever, that Yardi shall have the right to have any suit or proceeding monitored by counsel of Yardi's choice and at its expense; and (III) Yardi's reasonable cooperation with Client in the defense and set tlement of the claim.

14. Programming Services.

a. **Programming Services.** Yardi provides programming ser vices including, without limitation, database customizations, user interface customizations, database reports, database scripts and other programming services (collectively, "**Programming Ser vices**").

b. **Programming Services Terms.** The Fees for Program ming Services, if initially ordered, are set forth in Schedule A (Fee Schedule). Client will otherwise initiate Programming Service re quests by providing written notice of the desired services to Yardi, and Yardi will advise Client of Yardi's availability and schedule for performing the Programming Services. Programming Services are subject to Client's written acceptance of: (i) Yardi's schedule for meeting Client's Programming Service request; and (ii) Yardi's Fees for such Programming Services.

c. **Deliverables License.** Subject to Client's full payment of all Undisputed Fees related to Programming Services, Yardi grants to Client a non-exclusive, non-transferable (except as expressly provided in this Agreement), limited license for Designated Users to Use the Deliverables in connection with their Use of the Licensed Programs, Yardi Cloud and Yardi Cloud Services.

15. Assignment.

a. **Assignment Limitation.** Except for the exceptions speci fied in section 15(b) (the "**Permitted Exceptions**"), Client shall not (either directly or indirectly) assign, sell, convey, pledge, or other wise transfer this Agreement without first obtaining Yardi's express written consent, which Yardi shall not unreasonably withhold. Ex cept for the Permitted Exceptions, any attempted assignment made without Yardi's prior express written consent is void and a material breach of this Agreement.

b. **Permitted Exceptions.** Subject to the conditions precedent set forth in this section 15(b) (Permitted Exceptions), Client may assign this Agreement without Yardi's prior consent and upon notice: (i) to a wholly owned subsidiary; or (ii) in connection with any merger, acquisition, or reorganization involving Client. Any assignment is subject to the following conditions: (A) Client, or Client's successor, continuing in the same type of business that Client was conducting at the time of this Agreement's execution; and (B) Client or Client's successor providing to Yardi a written ratification and assumption of this Agreement (in a form reasonably satisfactory to Yardi) concurrent with the assignment.

16. Outsourcing.

a. **Server Location.** Yardi reserves the right to locate the virtual servers and other equipment needed to provide the Yardi Cloud either at its facilities or at the facilities of independent service providers. Yardi may change the location of the virtual servers and other equipment needed to provide the Yardi Cloud at any time during this Agreement's Term; provided that any such change of location shall not affect Yardi's obligations under this Agreement and shall not interrupt Client's access to the Yardi Cloud, Client Data, and Licensed Programs.

17. Mediation.

a. **Mediation Request; Condition Precedent.** In the event of a dispute arising out of or related to this Agreement which the parties are unable to resolve through direct negotiation, either party may serve upon the other at its principal place of business a request for mediation. Neither party may file an action against the other in any court, or initiate any other legal proceeding, unless and until the party seeking to do so has first requested a mediation hearing and made a good faith effort to complete the mediation process provided in this Agreement.

b. **Mediation Process**. The parties will select a neutral, independent mediator with experience in the relevant subject matter by the rules of the office of the Judicial Arbitration and Mediation Service (JAMS) closest to the mediation venue. The parties shall conduct the mediation not less than 10 or more than 20 days from the date the party requesting mediation gives notice of the request for mediation to the other party. The parties shall conduct the mediation in Santa Barbara, California. The parties shall equally bear the mediation costs.

c. **Mediation Confidentiality.** The parties shall maintain the mediation proceedings in confidence and shall not disclose to third persons the statements made in mediation by the other parties or the mediator. The mediation confidentiality provisions of California Evidence Code sections 1115 – 1128 shall apply to the mediation proceedings.

d. **Mediation Statements; Attendee Authority.** At least 5 days before the date of the mediation, each party shall provide the mediator and the other party with a statement of its position and copies of supporting documents. Each party shall send to the mediation a person who has authority to bind the party.

e. **Non-Binding.** If a party participates in good faith in a mediation and is dissatisfied with the outcome, that party may then invoke all legal rights and remedies available to the party at law or in equity.

18. General Provisions.

a. **Independent Contractor Status.** The parties agree that they are independent contractors and nothing in this Agreement is intended to make the parties partners, agents, joint venturers, or any other form of joint enterprise, or to make the employees, agents, or representatives of one of the parties into employees, agents, or representatives of the other party. No party to this Agreement shall have any express or implied right or authority to assume or create any obligations on behalf of the other party or to bind the other party to any contract, agreement, or undertaking with any third party.

b. **Governing Law.** This Agreement shall be governed and determined by the laws of the United States and the State of California as such laws are applied to agreements made and performed entirely within the State of California.

c. **Venue**. Any action or proceeding related to or arising out of this Agreement shall be resolved only in a court of competent jurisdiction in the City of Santa Barbara, State of California (or the court of competent jurisdiction closest to the City of Santa Barbara, CA if no court of competent jurisdiction resides in the City of Santa Barbara, CA), and the parties consent to the personal jurisdiction of such courts and expressly waive any right they may otherwise have to cause any such action or proceeding to be brought or tried elsewhere.

d. **Injunctive Relief.**

(i) Yardi Injunctive Relief. The parties acknowledge and agree that, if Client breaches any of its obligations under sections 2(a) (Licenses), 2(b) (Restrictions), 9 (Confidentiality) or 15 (Assignment), Yardi might incur irreparable harm and damage that might not be fully compensated with monetary damages. Accordingly, if Client breaches any provision of sections 2(a) (Licenses), 2(b) (Restrictions), 9 (Confidentiality), or 15 (Assignment) Yardi may seek specific performance of Client's obligations under those sections and injunctive relief against any further violations of those sections.

(ii) Client Injunctive Relief. The parties acknowledge and agree that, if Yardi breaches any of its obligations under section 9 (Confidentiality) Client might incur irreparable harm and damage that might not be fully compensated with monetary damages. Accordingly, if Yardi breaches any provision of section 9 (Confidentiality) Client may seek specific performance of Yardi's obligations under that section and injunctive relief against any further violations of that section.

e. **Binding Effect.** This Agreement is binding on and inures to the benefit of the parties and their permitted assigns, successors, and legal representatives.

f. **Notices**.

(i) The parties shall deliver any notice required by this Agreement by personal delivery, certified U.S. Mail return receipt requested, or established, reputable expedited delivery carrier providing proof of delivery service, and will be deemed given upon confirmed delivery to the party to whom it is intended at its record address. The record addresses of the parties are set forth below.

(ii) If to Client:
Attn: Rhonda Hodge
OXNARD HOUSING AUTHORITY
435 S D St
Oxnard, CA 93030

(iii) If to Yardi:
Attn: Legal Department
YARDI SYSTEMS, INC.
430 S. Fairview Ave.
Goleta, CA 93117

(iv) Either party may change its record address by giving written notice of such change to the other party.

g. **Waiver.** The waiver of a party's breach of this Agreement

shall not operate or be construed as a waiver of any other or sub sequent breach.

h. **Severability.** If a court or other body of competent jurisdic tion determines that any part of this Agreement is unenforceable, the remainder of this Agreement shall nevertheless remain en forceable.

i. **Headings.** This Agreement's section headings and cap tions are inserted for convenience only and are not intended to form a material part of this Agreement.

j. **Data Use.** Yardi may aggregate, compile, and use Client Data in order to improve, develop or enhance the Licensed Pro grams and/or other services offered, or to be offered, by Yardi; pro vided that no Client Data is identifiable as originating from, or can be traced back to, Client or a Client customer, tenant, or resident in such aggregated form.

k. **Entire Agreement.** This Agreement constitutes the final, complete, and exclusive statement of the agreement between the parties pertaining to this Agreement's subject matter and super sedes all prior and contemporaneous understandings or agree ments of the parties. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty except those inducements, representations and warran ties expressly set forth in this Agreement.

l. **Non-Solicit/Non-Hire**. The parties agree not to solicit (other than a general solicitation to the public) the employment of, engage as an independent contractor, or hire, any employee of the other party while such person is an employee of the other party and until such person has not been an employee of the other party for 6 months.

m. **Modification**. The parties may only modify or amend this Agreement by a writing signed by both parties; provided, however, that Client may increase Client's licensed Designated User, prop erty, unit, etc. count (as applicable) by delivering to Yardi a signed copy of Yardi's standard, approved form for such changes.

n. **Force Majeure**. Neither party shall be liable under this Agreement for failure or delay in performance caused by a Force Majeure Event. If a Force Majeure Event occurs, the party affected shall use commercially reasonable efforts to resume the perfor mance excused by the Force Majeure Event.

o. **Right to Audit and Compliance.** In accordance with Yardi's obligations to credit bureaus, credit reporting agencies, and including Yardi's obligation to help prevent and detect potentially fraudulent and/or suspicious activity, Client acknowledges and agrees that Yardi may conduct random as well as regular monitor ing of users' access to and use of the Yardi Cloud and Licensed Programs as they relate to this Agreement in order to validate that users are accessing and using the Yardi Cloud and Licensed Pro grams for legitimate purposes and in accord this Agreement. Addi tionally, pursuant to any obligations Yardi has, or may have, under any laws or regulations concerning the prevention of identity theft, financial fraud, money laundering, terrorist financing, etc., Client agrees to comply with any standard Yardi 'know-your-client' re quirements, processes, and/or procedures.

q. **Signature; Counterparts**. This Agreement is not binding on the parties until both parties have signed it and have received a copy signed by the other party. However, both signatures need not appear on the same copy of this Agreement, so long as both signed copies have identical contents. The parties may transmit signatures on this Agreement by electronic transmission, which shall be bind ing upon the parties. Counterparts with original signatures shall be provided to the other party within 5 days of electronic transmission; however, the failure to provide the original counterpart shall have no effect on this Agreement's enforceability or binding nature. If executed in counterparts, this Agreement will be as effective as if simultaneously executed.

OXNARD HOUSING AUTHORITY ("Client")

By:

Date:

Print Name:

Title:

YARDI SYSTEMS, INC. ("Yardi")

By:

Date:

Print Name:

Title:

Rev. 071823

Preparation Date: January 28, 2025 12:27 PM

SCHEDULE A

Fee Schedule

Annual Fees

Description / Unit of Measure	(UOM) Count	$/UOM	$/UOM Concession	Net $/UOM Annual Fee
~~Voyager SaaS Select PHA Property Management v1 Unit 2,345 $20.00 ($4.44) $15.56~~				$36,488.20
Inspector General Unit 2,345		$2.00	($1.41)	$0.59 $1,383.55
RentCafe PHA Portal Package Unit 2,345		$24.00	($9.64)	$14.36 $33,674.20
			Total	**$71,545.95**

Monthly Fees

Description UOM	Count	Monthly Fee
~~Payment Processing v2 transaction TBD~~		TBD
Total Strategic One-Time Concession		**Total TBD**

Description	One-Time Concessions	Total Fees Due
	Concession ($12,768.00)	

Annual Fee $71,545.95 Monthly Fee TBD billed monthly One-Time Concession ($12,768.00) Sub-Total $58,777.95 Sales Tax as applicable **Total Due $58,777.95**

Additional Terms

1. **PAYMENT TERMS (excluding applicable taxes):** 100% payable upon execution of this Agreement.

2. Client may request future paperwork to increase/decrease the licensed Unit count by a minimum of 25 Units. Client may access Yardi Client Central to increase/decrease the licensed Unit count online without a minimum.

3. Additional terms are set forth in the following schedules to this Agreement:
   B – Yardi SaaS Select Subscription Services and Governance Schedule
   C – Additional Terms
   D – Data Processing

4. Fees are subject to increase on each Anniversary Date; such increases shall not exceed the percentage increase outlined by the U.S. Department of Labor (per the Bureau of Labor Statistics' Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): U.S. City Average table) for the preceding year.

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SCHEDULE B

Yardi SaaS Select Subscription Services and Governance Schedule

Data and File Management

Yardi will provide Voyager Licensed Program data and file management services per the following guidelines. 1. Voyager Licensed Program production database backup files will be maintained for 14 days on a server accessible by Client via secure transfer server from which Client may retrieve the Voyager Licensed Program database backups at any time; and. 2. Voyager Licensed Program production data will be replicated in near-real-time both locally within the Voyager Licensed Program production data center, as well as to a separate, Voyager Licensed Program off-site disaster recovery location.

Licensed Programs Support and Governance of Use

Yardi will provide consulting and technical support for the Voyager Licensed Program per the following guidelines. 1. Implementation, consulting and support of the Voyager Licensed Program and the Voyager Licensed Program deployed components, where applicable.

Annual Fees Include

Client's annual Fees include access to the Yardi Cloud, Voyager Licensed Program, Voyager Licensed Program updates/upgrades, and 2 application support hours per $1,000.00 of Client's annual Fees. Yardi will debit all application support services (in ¼-hour increments with a ¼-hour minimum) against Client's above-noted Voyager Licensed Program application support allotment except when related to a Software Error. "**Software Error**" means a reproducible failure of the Voyager Licensed Program to materially perform as specified in the Voyager Licensed Program Documentation. Client acknowledges that data preparation and post conversion data clean-up is inherent in any data conversion, and such additional efforts associated with a Client data conversion – if performed by Yardi – will be debited against Client's application support service allotment. Notwithstanding the multi-year Term set forth in the Agreement, Client's annual Fees and included annual application support allotment apply for annual periods ending on each Anniversary Date, and shall not include unused application support time from prior annual periods. If Client needs additional application support hours at any time, Client may purchase additional hours at Yardi's then-current prevailing application support rate at the time Client needs the hours.

Preparation Date: January 28, 2025 12:27 PM

SCHEDULE C

Additional Terms

Product Terms:

1. **Payment Processing v2:** Client has read, understood, and agrees to be bound by the additional payment processing terms and conditions set forth at https://clientcentral.yardi.com/core_custompage/Payment-Processing-PP2-PayFac and incorporated into this Agreement by this reference, as they may be amended from time to time (the "**Payment Processing Terms**"). Client agrees that such Payment Processing Terms shall govern Client's use of Yardi's Payment Services, CHECKscan, and Walk-In Rent Collection/Rent Payment Services. Client's specific pricing, below, shall take precedence over that pricing outlined in the Payment Processing Terms, so long as this section remains in effect. Client shall implement Payment Processing v2 for **2,345** Units.
   a. **Definitions.**
      (1) "**ACH**" means a nationwide funds transfer network that enables participating financial institutions to electronically credit, debit and settle entries to bank accounts.
      (2) "**Chargeback**" means a Transaction that is disputed at the request of either the User or by the User's card issuer. A Chargeback will cause the amount of the original sale and a Chargeback fee to be deducted from the Client's bank account.
      (3) "**Check 21**" means the Check Clearing for the 21st Century (Check 21) Act and all regulations pertaining to the Check 21 Act.
      (4) "**CHECKscan**" means the process by which paper checks are scanned and converted into an electronic form for payment and automatically recorded within the software.
      (5) "**Check Bill-Pay Payments**" means a payment made by the Check 21 payment services provided by Yardi and (if applicable) JHA MC pursuant to these Payment Processing Terms.
      (6) "**Payment Services**" means Yardi's online payment and payment processing services with respect to Bill-Pay Payments and User charges made using Payment Network-branded payment methods and ACH methods.
      (7) "**Retrieval Fee**" means a request made by a User for a sales draft or supporting documentation in order to sub stantiate a Transaction.
      (8) "**Third Party Payment Services (TPPS)**" means any non-Yardi online payment services designated by Yardi as supported by Yardi with respect to Bill-Pay Payments and User changes made using Payment Network branded payment methods and ACH methods.
      (9) "**Transaction**" means a debit or credit submitted for processing by a User, including but not limited to prospective tenant application fees, tenant rent payments, other document fees, applicable service fees, and resubmission of rejected items, but not including a Bill-Pay Payment.
      (10) "**Users**" means tenants and prospective tenants managed by Client, who make a Transaction as defined above. With respect to CONDOCafé Certificates only, Users shall mean tenants and prospective tenants managed by Client, and other third parties including but not limited to real estate brokers and attorneys who make a Transac tion as defined above.
      (11) "**Yardi Bill-Pay Payment**" and "**Bill-Pay Payment**" means the ACH or physical check payment made through Payment Processing v2.
   b. **Fees.** In the event Client upgrades from Payment Processing Transactions to Payment Processing v2, Yardi shall continue to charge Client for Transactions at prior rates for 3 months from the effective date of the upgrading document to allow for a period of implementation.
      (1) **Client-Paid Transactions:** Client acknowledges and agrees to pay the following Fees for each of the following Transactions or Bill-Pay Payment type (which apply per Transaction or Bill-Pay Payment):

Payment Processing (for accounts receivable):

a) ***CHECKscan:*** **$0.50**
b) ***ACH:*** **$0.95**
c) ***Signature Debit Cards:*** see online terms provided in the hyperlink above
d) ***Credit Cards:*** see online terms provided in the hyperlink above
e) ***Monthly transaction minimum****:* If Client fails to meet the monthly transaction minimum outlined in Schedule A (Fee Schedule), if applicable, Yardi shall charge Client for the remaining Transactions (i.e., the Transactions required to satisfy the aforementioned monthly minimum) at the CHECKscan rate outlined above. Client will be invoiced for actual Transactions processed for 9 months commencing on the effective date of the document in which Payment Processing v2 was initially licensed. Thereafter, Client will be invoiced the monthly minimum or actual usage, whichever is greater.

Yardi Bill-Pay (for accounts payable):

a) ***ACH and Check Writing via Check Bill-Pay Payments:*** **$1.00**

TPPS (for accounts receivable):

a) ***TPPS Change of Service:*** **$950.00** per addition/change to a third party payment processor
b) ***TPPS CHECKscan:*** see Payment Processing (for accounts receivables) above
c) ***TPPS ACH:*** see Payment Processing (for accounts receivables) above

TPPS (for accounts payable):

2. ***TPPS Change of Service:*** **$950.00** per addition/change to a third party payment processor
3. ***TPPS ACH and Check Writing via Check Bill-Pay Payments:*** see Yardi Bill-Pay (for accounts pay able) above

      (2) **Tenant-Paid Transactions.** (i) Client desires that Yardi assess each User directly any Fees applicable to each User-initiated Transaction. (ii) Notwithstanding any other term to the contrary, for all Transactions that are desig-

nated by Client as the responsibility of User, any fees or charges imposed by a processing institution, correspond ent bank, merchant bank or other institution other than the original Transaction Fee (such as Chargebacks and Retrieval Fees) shall at all times be the sole responsibility of Client and not User, which Client acknowledges and agrees to pay.

(3) The Fees set forth above may be amended by Yardi in its reasonable sole discretion. Yardi will, upon Client's written request, provide Client with the then-current schedule of Fees.

4. **RentCafe PHA Portal Package** includes the following:
   a. RentCafe PHA Online Applications, RentCafe PHA Applicant and Resident Portals, RentCafe PHA Online Certifications, RentCafe PHA Landlord Portal, and the RentCafe Affordable Portal Package.
   b. Leading practice Workflows and Forms (which are not subject to customizations). Any changes to the Workflows require further scoping between Yardi and Client and a Custom Programming Request.

Allotted DUs included:

1. Agreement includes unlimited residential DUs

Concession Details:

1. Recurring concessions outlined in Schedule A (Fee Schedule) are contingent upon Client maintaining the initial licensing and associ ated Fee indicated for the corresponding product. If Client reduces licensing which decreases a product's Fee by more than 10%, the product's concession shall be reduced in correlation to the Fee reduction. For example, if Client reduces a product's Fee by 50%, the annual concession for that product shall be reduced by 50%.

Other Terms:

1. Yardi licenses/services are sold separately unless otherwise stated.
2. Client acknowledges that additional licenses/services [i.e., in addition to those initially set forth in Schedule A (Fee Schedule)] require additional Fees at Client's then-current, cumulative, CPI-increased base rate (which base rate shall be annually CPI-increased upon invoicing approximately 60 days prior to each Anniversary Date) for the additional licenses/services at the time of Client's request. Subject to: (i) at least 5 business days' prior written notice from Client; (ii) Client's execution of an amendment to the Agreement; and (iii) payment of additional Fees, Yardi will increase Client's licensed maximum number of licenses.
3. Yardi reserves the right to audit Client's database at any time solely to confirm the scope of Client's use of the Licensed Programs relative to Client's contractual license.
4. In accord with Schedule A (Fee Schedule), Client may add additional licenses/services at any time, and any associated Annual Fee increases shall be prorated from the period the addition is made through the end of Client's then-current billing cycle. Client may also remove licenses/services upon the first day of each billing period (i.e., reduce Client's Annual Fee by such removals) through the execution of future addenda or online orders placed through Yardi Client Central.
5. **RentBureau Data Release and FPN Resident-Link Services:** If you choose to release data to RentBureau, a division of Experian Data Corp. (RentBureau), and if you choose to offer your tenants subscription-based identity theft protection services through Resi dent-Link powered by Fraud Protection Network® (FPN Resident-Link), additional terms apply, are incorporated into the Agreement, and are posted at **RENTBUREAU AND RESIDENT-LINK TERMS OF USE AND DATA RELEASE** (the **DR-TOU**). Note that you can release data to RentBureau without implementing FPN Resident-Link Services, but if you decide to offer FPN Resident-Link Services to your tenants, you must release data to RentBureau.
6. Client acknowledges and agrees that ETL for 1 foreign database is included with the core system, and it is to be used solely for the purpose of onboarding property data into the Client's database and with any other Yardi product for which ETL is recommended for use by Yardi to enhance product function. The foreign database included is not to be used as an interfacing tool with external systems except when ETL services are purchased separately.
7. Client agrees to license Inspector General for all Voyager Units.

Preparation Date: January 28, 2025 12:27 PM

SCHEDULE D

DATA PROCESSING

CLIENT HAS READ, UNDERSTOOD, AND AGREES TO BE BOUND BY THE ADDITIONAL TERMS AND CONDITIONS IN THE LATEST VERSION OF THE DATA PROCESSING ADDENDUM (DPA) POSTED AT HTTPS://RESOURCES.YARDI.COM/LEGAL/DATA-PROCESSING-ADDENDUM/ (WHICH WILL BE UPDATED FROM TIME TO TIME AND IS INCORPORATED INTO THIS AGREEMENT BY THIS REFERENCE), AND ALLOWS CLIENT TO USE YARDI'S PRIVACY AND DATA COMPLIANCE TOOLS.

ScreeningWorks Pro

ScreeningWorks Pro transaction fees are billed monthly in arrears based on actuals.

Screening Component	Your Price
Credit Reports	
Credit Screening • Includes full national credit bureau report • Expert scoring model designed for the multifamily industry • Option to include non-credit criteria such as rent/income ratio, residence history, and employment history in your customized scoring model • Clearly states reasons for applicant decision and flags items for review • Includes Social Security fraud screening	$7 per screening
RentBureau Rent Payment Data Includes month-by-month payment history and any collections activity.	$1 per screening
Civil Court Record Reports	
Premium National Civil Court Record Screening • Identifies individuals with prior landlord–tenant disputes • Searches civil court databases for civil judgments, landlord–tenant dispute filings, and non-monetary judgments (forcible detainers) • Reports contain all involved defendants and plaintiff(s); comments on the case, suits, or petitions filed; and judgment information • Supported by Yardi's team of public records analysts and experts	$4 per screening
Criminal Reports	
Premium National Criminal Search Includes national criminal database search, national sex offender search, and OFAC/SDN terrorist search. Records are filtered and serviced by our expert public records analysts.	$12 per screening
Supplemental County/State Criminal Search This even more thorough criminal records check is a best practice for applicants from the following states, which deliver limited information to national criminal data repositories: AL, CA, CO, DC, DE, ID, LA, MA, NV, PR, SD, VA, and WY.	$9 per screening
Optional Add-On Services	
The Work Number: Social Service Verification The Work Number verifies applicants' current income and employment in a HUD-compliant format. A charge only applies when a record is found.	$45 per record
Yardi Verification Services: Income Verification via Truv	$30 per returned record
Yardi Verification Services: Asset Verification via Finicity	$30 per returned record

YARDI SYSTEMS INC., SOFTWARE AS A SERVICE SUBSCRIPTION AGREEMENT

Brenda Lopez, Interim Housing Director
Housing Department

Community Services, Public Safety, Housing & Development Committee
February 11, 2025

CITY OF OXNARD CALIFORNIA

BACKGROUND

1) The Housing Authority of the City of Oxnard (OHA) requires the use of a database client software for the operations related to the Public Housing Program and the Housing Choice Voucher Program.

2) Yardi Systems Inc. (Yardi), has provided client database software and support since December 2007. The existing agreement will expire February 28, 2025.

3) On December 4, 2024 the OHA solicited bids for a fully integrated we based housing authority software and services.

4) Two responses were received. Yardi's proposal satisfied all threshold requirements outlined in the request for proposal.

CONTRACT SERVICES

1) Software license fees, databases, administrator tools, software updates, application support and hosting support.

2) "Screening Works Pro" package which includes screening services (credit screening, criminal reports, income and employment verification). These services will be billed on a per transaction fee basis.

3) Proposed term of 60 months

4) Total aggregate contract amount of $344,961.75 (not including transaction fees for screening services) subject to a Consumer Price Index increase on each anniversary date.

RECOMMENDATION

That the Community Services, Public Safety, Housing & Development Committee recommend that the Board of Commissioners of the Housing Authority of the City of Oxnard approve and authorize execution of a five-year Software as a Service (SAAS) Subscription Agreement with YARDI Systems Inc. in an aggregate amount of $344,961.75 plus annual Consumer Price Index increases.

CITY OF OXNARD CALIFORNIA

End of Presentation

COMMUNITY SERVICES, PUBLIC SAFETY, HOUSING & DEVELOPMENT COMMITTEE AGENDA REPORT

REPORTS
AGENDA ITEM NO. D.2

DATE: February 11, 2025

TO: Community Services, Public Safety, Housing & Development Committee

FROM: Brenda Lopez, Interim Housing Director, (805) 385-8092, brenda.lopez@oxnard.org

SUBJECT: CDBG and In-Lieu Loan Agreement for Dolores Huerta Gardens Apartments, a 58-Unit Affordable Rental Project located at 2161 Etting Road. (10 minutes)

RECOMMENDATION

That the Community Services, Public Safety, Housing & Development Committee recommend that the City Council:

1. Adopt a resolution authorizing the Housing Director or Designee to execute a $268,074 CDBG Loan Agreement and a $631,900 In-Lieu Loan Agreement, and any and all related documents thereto, with Etting Road LLC for the construction of fifty-eight affordable rental units located at 2161 Etting Road; and

2. Approve and authorize a budget appropriation of $631,900 from the Affordable Housing In-Lieu Fees Fund to support the $631,900 In-Lieu Loan Agreement.

Please click the following link to view the required Measure M pre-recorded presentation video: https://youtu.be/n5a8XnvA448

BACKGROUND

The Dolores Huerta Gardens (DHG) Apartments, formally known as the Etting Road Apartments, is a 58-unit new construction affordable housing project located at 2161 Etting Road. The developer of DHG is Cabrillo Economic Development Corporation (CEDC), a non-profit housing organization that works to provide affordable for sale or for rent housing to low-income households. The project consists of 19 one-bedroom units, 21 two-bedroom units, and 18 three-bedroom units. The project will house 42 farmworker families, 15 veterans, and 1 property manager. The 15 veteran units will consist of 10 disabled veterans and 5 chronically homeless veterans. All of the project's units will serve households with annual incomes between 30 and 50 percent of the area median income for Ventura County and remain affordable for fifty-five years in accordance with the project's funding sources.

The project's design will feature a 2,002 sq ft community building, on-site laundry, a tot lot, and community garden space located in the center courtyard area. In addition, residents will have access to resident and supportive services such as adult education, wellness, and skill building classes and workshops.

CEDC first acquired the DHG project site in September 2015 and received Design Development Review Permit approval for 42 apartments on June 27, 2018 and Density Bonus Permit approval on August 2, 2018, granting them three concessions. The project is located on an All-Affordable Housing Opportunity Program

designated site, allowing for a density of up to forty-eight units per acre. On July 1, 2021, CEDC returned to the Planning Commission and received approval for a major modification to their Design Development Review and Density Bonus Permits to increase the number of units from forty-two to fifty-eight units.

CEDC formed Etting Road LLC, a limited liability corporation, with CEDC acting as its sole member and manager, to apply for financing to construct the DHG Apartments. On April 5, 2022 DHG was awarded $1,854,000 in federal HOME funding from the City and on June 30, 2022 CEDC was conditionally awarded 13 Veterans Administration Supportive Housing project-based vouchers from the Oxnard Housing Authority.

Dolores Huerta Gardens secured all necessary funding to develop the project in September 2022 and started construction on May 15, 2023 with an anticipated construction completion date of August 2024. Unfortunately, the project has faced numerous challenges since the project began which has now delayed the completion of the project to May 2025. Some of these challenges include unforeseen environmental conditions, unknown existing public utilities, excessive weather delays, supply chain issues, cost escalation, and additional construction interest costs, which have resulted in the project exhausting all of its construction contingency.

DISCUSSION

The original development budget for DHG was $42,144,074. The development challenges described in the background section of the report have resulted in the development budget increasing to $43,699,487. Because these development challenges were not anticipated, CEDC only secured enough financing to support its original budget, resulting in a financial gap of $1,555,413. The table below provides more information on the project's current financing commitments.

Development Sources	
Perm Loan Tranche A	$1,493,900
Perm Loan Tranche B	$2,681,300
California Housing and Community Development - Joe Serna Farmworker Program	$5,000,000
California Housing and Community Development - Veterans Housing and Homeless Prevention Program	$2,788,410
City of Oxnard HOME Loan	$1,854,000
County of Ventura Loan	$380,000
Home Depot Grant	$200,000
General Partner Equity	$1,500,000
California Housing and Community Development - Accelerator Program	$26,246,464
Total	**$42,144,074**

To address the funding gap, CEDC has requested $899,974 in funding from the City to assist in closing the gap and complete the development by May 2025. To close the remaining gap, CEDC will either defer their developer fee or apply for Federal Home Loan Bank of San Francisco financing.

On January 21, 2025, City Council approved an amount not to exceed $883,749.80 in Community Development Block Grant (CDBG) funding to support of development of DHG. The final funding amount was contingent on a waiver from the Department of Housing and Urban Development (HUD) allowing funding for retroactive expenses. Since a final determination has not been made and the project must meet its completion deadline, only $268,074 in CDBG program funds will be provided to DHG. This amount is based on CEDC's estimate of CDBG eligible expenses remaining after January 21, 2025 which does not require a HUD waiver.

In an effort to provide the entire funding requested by CEDC, staff also recommends awarding $631,900 from the City's Affordable Housing In-Lieu Fund (In-Lieu Fund). The In-Lieu fund is supported by fees collected by the City from developers who receive City Council approval to pay fees in-lieu of complying with the City's Inclusionary Housing Ordinance. These fees are then used to create affordable housing opportunities in the City by providing loans to developers for the construction of new affordable housing.

The Loan Agreements provide the following terms:

CDBG Loan Agreement

1. Loan Amount of $268,074;
2. The loan will carry a fifty-five year term and charge 3% simple interest;
3. Regulatory Agreement term of five-years; and
4. Repayment of the City Loan will be on a residual receipt's basis.

In-Lieu Loan Agreement:

1. Loan Amount of $631,900;
2. The loan and Regulatory Agreement will carry a fifty-five year term and charge 3% simple interest;
3. Repayment of the City Loan will be on a residual receipt's basis.

The use of CDBG funds requires all units in the development, except for the manager's unit, remain affordable for five years and rented to households with incomes at or below 80 percent of the area median income for Ventura County. The use of In-Lieu funds requires six units in the development remain affordable for fifty-five years and require that the units be rented to households with incomes at or below 50 percent of the area median income. However, all of the project's units will serve households with annual incomes between 30 and 50 percent of the area median income for Ventura County and remain affordable for fifty-five years in accordance with the project's funding sources.CEDC will also be responsible for submitting annual reports to the Housing Department in an effort to ensure compliance with the terms of the loans and regulatory agreements.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to restore and increase quality services and programs that enrich Oxnard's diverse community, promotes safe neighborhoods, encourages community engagement, and supports our residents in their efforts to improve their quality of life.

FINANCIAL IMPACT

There is no financial impact to the General Fund for adoption of this recommendation. The Housing Department has existing CDBG (Fund 201) appropriations necessary to fund the CDBG Loan Agreement.

Approval of the recommended action will authorize a budget appropriation of $631,900 from the Housing In-Lieu Fees Fund (Fund 360-Subfund7050) available fund balance to fund the In-Lieu Loan Agreement. If approved, the FY 24-25 projected ending fund balance is approximately $1.9 Million.

For Finance Use Only: $268,074 - CDBG Fund 2018105-53600, Project# G2336 - Housing Assistance Loan Grant and $631,900 - Housing In-Lieu Fees Fund (Org. 360-70508105 Obj. 53600 Housing Assist Loan Project #TBD

Prepared by: Brenda Lopez, Interim Housing Director

ATTACHMENTS

1. Resolution
2. CDBG Loan Documents and Regulatory Agreement (1)
3. In Lieu Loan Documents and Regulatory Agreement
4. PowerPoint Presentation DH Committee

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD AUTHORIZING THE HOUSING DIRECTOR OR DESIGNEE TO EXECUTE LOAN AGREEMENTS AND COMPANION NECESSARY DOCUMENTS WITH ETTING ROAD LLC FOR THE DOLORES HUERTA GARDENS PROJECT

WHEREAS, The Housing Department is requesting authorization to enter into and execute CDBG and In-Lieu Loan Agreements, and companion necessary documents related to the Loan Agreements, with Etting Road LLC, a limited liability corporation ("Etting Road LLC"), (as the Project sponsor) in the amount of Two Hundred and Sixty-Eight Thousand Seventy-Four Dollars ($286,074) for the CDBG loan and Six Hundred and Thirty-One Thousand Nine Hundred Dollars ($631,900) for the In-Lieu loan (collectively the " Loan Agreements") to develop fifty-seven units of affordable lower income rental units and one (1) manager's unit at 2161 Etting Road ("Project") in the City which will provide increased affordable housing opportunities in the City; and

WHEREAS, the Loan Agreements will provide the following terms: For the CDBG Loan (a) 3% simple interest; (b) loan agreement term of fifty-five years after issuance of a Notice to Completion for the Project; (c) regulatory agreement term of five years; and (d) repayment of the CDBG Loan will be on a residual receipt's basis. For the In-Lieu Loan (a) 3% simple interest; (b) loan and regulatory agreement terms of fifty-five years after issuance of a Notice to Completion for the Project; and (c) repayment of the Loan will be on a residual receipt's basis.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OXNARD:

SECTION 1. The above Recitals are hereby incorporated into the operative provisions of this Resolution.

SECTION 2. The City's Housing Director or Designee is authorized to enter into and execute the Loan Agreements, and any necessary amendments thereto, in the amount of Two Hundred and Sixty-Eight Thousand Seventy-Four Dollars ($286,074) for the CDBG Loan and Six Hundred and Thirty-One Thousand Nine Hundred Dollars ($631,900) for the In-Lieu Loan.

SECTION 3. The terms of the Loan Agreements will be as follows: For the CDBG Loan (a) 3% simple interest; (b) loan agreement term of fifty-five years after issuance of a Notice to Completion for the Project; (c) regulatory agreement term of five years; and (d) repayment of the CDBG Loan will be on a residual receipt's basis. For the In-Lieu Loan (a) 3% simple interest; (b) loan and regulatory agreement terms of fifty-five years after issuance of a Notice to Completion for the Project; and (c) repayment of the Loan will be on a residual receipt's basis.

SECTION 4. The Housing Director or Designee is authorized to execute any other form of document required by any lender, investor, regulator or other third party involved in the transaction, so long as the Housing Director or Designee, in coordination with the City Attorney, determines that the substance of such document(s) does not materially conflict with the substance and intent of this Resolution.

SECTION 5. The City Clerk shall certify the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Oxnard on this ___ day of _____, 2025:

I hereby certify that the foregoing is a true copy of the Resolution adopted by the City Council of the City of Oxnard at a meeting held on the ____ day of _____, 2025 and carried by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Luis Mc Arthur, Mayor

ATTEST:

_____
Lourdes A. López, City Clerk

APPROVED AS TO FORM:

_____
Stephen Fischer, City Attorney

Agreement # 32500404

SUBRECIPIENT AGREEMENT FOR CDBG GRANT FUNDS BETWEEN THE CITY OF OXNARD AND ETTING ROAD LLC FOR OFF-SITE INFRASTRUCTURE COSTS IN SUPPORT OF AFFORDABLE HOUSING DEVELOPMENT IN THE CITY OF OXNARD

This SUBRECIPIENT AGREEMENT FOR CDBG GRANT FUNDS ("Agreement" or "CDBG Subrecipient Agreement") is made and entered into on _____, 2025, by and between the City of Oxnard, a municipal corporation ("City" or "Recipient"), and Etting Road LLC, a California limited liability company ("Subrecipient"), jointly referred to herein as the "Parties."

WITNESSETH

WHEREAS, the City is a Participating Jurisdiction in the funding programs of the federal Department of Housing and Urban Development ("HUD"), and has received funds from HUD pursuant to the Community Development Block Grant program ("CDBG Program") to be used pursuant to applicable federal regulations (24 CFR Part 570); and

WHEREAS, Subrecipient owns that certain real property located at 2161 Etting Road, Oxnard, California 93033, as more particularly described in **Exhibit A** (the "Property"), upon which Subrecipient intends to construct fifty-eight (58) units of affordable housing, including one (1) manager's unit ("Project); and

WHEREAS, the City has approved CDBG funding in the amount of Two Hundred and Sixty-Eight Thousand Seventy-Four Dollars ($268,074) for the purpose of assisting the Subrecipient with the costs of off- site infrastructure related to Subrecipient's development of the Project (the "Work"); and

WHEREAS, this CDBG Subrecipient Agreement sets forth the benefits, entitlements, obligations and responsibilities bestowed upon and agreed to by the Subrecipient in exchange for receiving and using the $268,074 in CDBG Program funds to be used for the Work as described herein; and

WHEREAS, Subrecipient is a "subrecipient" as defined in the Code of Federal Regulations at 24 CFR 570.500(c) and is eligible to perform the Work; and

WHEREAS, according to federal regulations 24 CFR 570.503, before disbursing any CDBG funds to a subrecipient, a written agreement shall be signed by the Recipient and Subrecipient; and

WHEREAS, this CDBG Subrecipient Agreement sets forth the responsibilities of the Recipient and the Subrecipient in accomplishing the objectives of the CDBG Program pursuant to the Housing and Community Development Act of 1974 (the Act), as amended; and

WHEREAS, pursuant to 24 CFR 200, 24 CFR 570.500(c) and 24 CFR 570.501(b), the Recipient may provide CDBG funds to public or private nonprofit agencies, authorities or organizations, or for-profit entities authorized under 24 CFR 570.201(o) (referred to collectively and individually as "subrecipients") to be used by the subrecipients to provide/perform certain eligible services and activities in connection with the Recipient's desire to develop viable urban communities, through community development activities, as specified in 24 CFR 570.200 and 570.202 (a); and

WHEREAS, Recipient agrees to fund the Work activities of the Subrecipient, and the Subrecipient agrees to perform the Work activities hereinafter described in **Exhibit B** – Statement of Work, during the Term of this CDBG Subrecipient Agreement, and otherwise subject to the covenants and conditions hereinafter set forth.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

I. Statement of Work

A. Activity Description

The Subrecipient agrees to perform during the Term of this CDBG Subrecipient Agreement, all CDBG-eligible activities, tasks, obligations, and projects set forth in the Statement of Work attached to this CDBG Subrecipient Agreement as **Exhibit B** and incorporated into this CDBG Subrecipient Agreement by this reference.

The Subrecipient and the City have executed the City of Oxnard CDBG Regulatory Agreement and Restrictive Covenants ("CDBG Covenants") concurrently with this CDBG Subrecipient Agreement. The CDBG Covenants establish a five (5) year compliance period for the Project. During the five (5) year CDBG Covenants compliance period, the Subrecipient shall operate and maintain the Project's site development in conformance with the CDBG Covenants and with the requirements of this CDBG Subrecipient Agreement. In case of a conflict between the CDBG Covenants and this CDBG Subrecipient Agreement, the more restrictive covenants, standards, and/or requirements shall apply.

The Statement of Work includes a description of the Work, tasks to be performed, a schedule and a budget for the Work. The Subrecipient may request a modification of the Work activities, tasks, schedule or budget in writing to the Recipient. The Recipient shall review each request to modify the activities, tasks, schedule, or budget on a case-by-case basis and will respond to the Subrecipient within thirty (30) calendar days of the request.

B. National Objectives

All activities and projects funded with CDBG funds must meet one of the CDBG Program's National Objectives: (1) to primarily benefit low- and moderate-income persons; (2) to aid in the prevention or elimination of slums or blight; or (3) to meet community development needs having a particular urgency, as defined in 24 CFR 570.208.

C. Level of Accomplishment – Goals and Performance Measures

The Subrecipient certifies that the Work carried out pursuant to this CDBG Subrecipient Agreement will meet the CDBG Program national objective of primarily benefitting low- and moderate-income persons (income eligible persons or households). It is intended for the CDBG funds to be used to fund the costs of off-site infrastructure improvements in furtherance of Subrecipient's development of the Project. CDBG Program effectiveness is measured through an on-going evaluation of activities, and the Subrecipient agrees to perform the Work according to the goals set forth in **Exhibit B**.

D. Staffing

Any changes in key personnel assigned or their general responsibilities during the performance of the Work, as described in **Exhibit B**, must be reported to the Recipient.

E. Performance Monitoring

The Recipient will monitor the Subrecipient's performance against goals and performance standards, as stated above. Substandard performance, as determined by the Recipient, will constitute noncompliance with this CDBG Subrecipient Agreement. If action to correct such substandard performance is not taken by the Subrecipient within a reasonable period of time after being notified by the Recipient, Agreement suspension and/or termination procedures (*i.e.*, default proceedings) will be initiated by the Recipient.

Activities, tasks, schedule, and reporting requirements related to the Work are described in Section 21 (Records and Reports) and in **Exhibit B**, Sections 2 and 3. In the event that the Work will not be completed as scheduled, the Subrecipient shall notify the Recipient of the completion deficiencies and that said deficiencies shall be corrected within forty-five (45) calendar days. Failure of the Subrecipient to correct the deficiencies within forty-five (45) calendar days will require the Recipient to schedule a Work Review Conference pursuant to Section 8 (Work Review Conference).

The Recipient will use the Subrecipient's performance reports to monitor the performance of activities and delivery of services under this CDBG Subrecipient Agreement. In addition, the Recipient's representative may visit the Subrecipient's offices to inspect the records required by

HUD to be maintained in order to document the CDBG-funded activities, services and expenditures. These records include copies of the original source documentation that tracks the performance of the off-site infrastructure activities, documents the on-going provision of affordable housing to low- and moderate-income persons / households, demonstrates that the program clients are eligible to receive HUD-funded services, and verifies that funds were expended to perform the activities described in item 1.A., "Activity Description," above.

On-Going Project Operation tasks, schedule and reporting requirements related to the five (5) year compliance period are described in **Exhibit B**, Section 4 (On-Going Project Operation) and in the CDBG Regulatory Agreement. Deficiencies in the Subrecipient's performance and/or of Project compliance, as determined by the Recipient at its sole discretion, may cause the Recipient to implement a thirty (30) day notice and cure period.

II. Payment for Activities and Services

The Recipient shall reimburse the Subrecipient for the activities and services performed by the Subrecipient pursuant to the Scope of Work in **Exhibit B** and in accordance with the conditions and terms set forth in the "Schedule of Compensation" attached hereto as **Exhibit C**. The compensation shall be paid at the time and manner set forth in **Exhibit C**. The Reimbursement Amount shall constitute reimbursement only for allowable costs incurred as a result of the Work activities. The Parties understand and agree that reimbursement of Work costs shall be conditioned upon the Recipient's receipt of CDBG Program funds from the federal government, as set forth in Section 3 (Availability of Funds), or accumulation of CDBG Program Income, as set forth in Section 18 (Program Income), and as a result of this CDBG Subrecipient Agreement, and shall not be a charge on any other funds of the Recipient. Recipient represents that it currently has Two Hundred and Sixty-Eight Thousand Seventy-Four Dollars ($268,074) from the designated sources set aside and will continue to keep such funds set aside to fully reimburse Subrecipient pursuant to the terms of this Agreement.

All requests for reimbursement shall be submitted as per Section 17 (Fiscal Control) for costs incurred under this CDBG Subrecipient Agreement, along with one (1) set of copies of original source documentation supporting the expenditures by the Subrecipient for the Work identified in **Exhibit B** – Statement of Work, which shall be submitted to the Recipient in such form acceptable to the Recipient in its sole and absolute discretion. Such documentation shall be submitted prior to any payment, in whole or in part, by the Subrecipient of the Reimbursement Amount.

III. Availability of Funds/Modifications

The Recipient's provision of funding to the Subrecipient pursuant to this CDBG Subrecipient Agreement is contingent on the availability of CDBG funds and continued federal authorization for CDBG program activities, and is subject to amendment or termination due to lack of funds or authorization. Recipient represents that it currently has Two Hundred and Sixty-

Eight Thousand Seventy-Four Dollars ($268,074) from the designated sources set aside and will continue to keep such funds set aside to fully reimburse Subrecipient pursuant to the terms of this Agreement. This CDBG Subrecipient Agreement is subject to written modification and termination as necessary by Recipient in accordance with requirements contained in any future Federal legislation, regulations or Recipient policy. All other modifications must be in written form and approved by both Parties.

IV. Obligation of Funds

The Subrecipient shall not obligate any funds, incur any costs, or initiate identified project(s), which are the subject of this CDBG Subrecipient Agreement, until all environmental review has been completed and certified by Recipient and Recipient has issued a written "Environmental Assessment" form or has received from HUD an "Authorization to Obligate Funds and Incur Costs."

V. Term of Agreement

The Term of this Agreement shall commence on the date written above and, unless sooner terminated as hereinafter provided, shall terminate fifty-five (55) years from the recordation of a notice of completion issued for the Project. At the conclusion of the Term of this Agreement, all principal and interest are due and payable pursuant to the CDBG Note.

VI. Time for Performance

The Subrecipient shall not perform any work under this CDBG Subrecipient Agreement until Recipient gives the Subrecipient a written approval (which shall serve as an Authorization to obligate funds and incur costs). All activities and services required of the Subrecipient under this CDBG Subrecipient Agreement shall be completed as established in Section VII of this CDBG Subrecipient Agreement.

VII. Timely Completion and Expenditure

Timely completion of the Work is the highest priority of this CDBG Subrecipient Agreement. To ensure timely completion and expenditures, the Subrecipient will demonstrate reasonable progress by:

A. No earlier than January 21, 2025 the Subrecipient shall commence Work activities as described in **Exhibit B**. This commencement date may be extended only with prior written approval by the Housing Director or Designee in conformance with Section 8 (Work Review Conference).

B. No later than June 30, 2025, the Subrecipient shall complete all Work activities as described in **Exhibit B**. This completion schedule may be extended only with prior written approval by the City in conformance with Section 8 (Work Review Conference) but shall in no event be extended beyond December 31, 2025. $268,073 in CDBG funds authorized under this CDBG Subrecipient Agreement must be expended by Subrecipient **by no later than April 21, 2025**. Additionally, all requests for reimbursements along with documentation to support expenditures being reimbursed with CDBG funds must be submitted by Subrecipient to City staff **by no later than April 21, 2025**. Failure to meet the April 21, 2025 expenditure and supporting documentation deadline, may result in a loss of any undisbursed CDBG funds.

Failure to meet established performance goals and standards and/or noncompliance with applicable rules and regulations shall constitute non-compliance with the terms of this Agreement. If the Recipient, in its sole discretion, determines that the Subrecipient fails to meet the performance goals and standards of this CDBG Subrecipient Agreement then pursuant to Section 8 (Work Review Conference) the Recipient may schedule a Work Review Conference and require the Subrecipient to promptly develop and submit a remediation plan to the Recipient for review and approval.

VIII. Work Review Conference:

In the event that quarterly reports required by Section 21 (Records and Reports) indicate the CDBG Program funds will not be expended by April 21, 2025, and/or that the Work as described in **Exhibit B** will not be completed by June 30, 2025, the Subrecipient will notify the Recipient of the completion deficiencies and correct the deficiencies within forty-five (45) calendar days. Failure of the Subrecipient to correct the deficiencies within forty-five (45) calendar days will require the Recipient to schedule a Work Review Conference.

The Work Review Conference will serve to identify reasons for delayed performances and weaknesses. Based on the Work Review Conference discussions, both the Recipient and the Subrecipient will generate a remediation plan that may include but is not limited to re-design of the Work, amendments to the Work activities, extending the term of the Work activities, or re-allocation of the funds to another eligible CDBG project. Approval of said remediation plan shall be at the sole discretion of the City and shall be in conformance with all applicable CDBG Program and HUD regulations.

Failure to comply with this remediation plan and/or this CDBG Subrecipient Agreement will trigger administrative requirements in accordance with 2 CFR Part 200.338 and 2 CFR Part 200.305(b) (6). In addition, such failure shall constitute an event of default under the CDBG Deed of Trust and CDBG Note.

IX. Compensation and Method of Payment

For performance of the Work activities described in **Exhibit B**, the Recipient shall

reimburse the Subrecipient an amount not to exceed Two Hundred and Sixty-Eight Thousand Seventy-Four Dollars ($268,074) ("Reimbursement Amount"), which shall constitute full and complete compensation hereunder for the Work activities. The Reimbursement Amount will only be paid if reimbursable from the federal government under the Housing and Community Development Act of 1974 for the amount indicated above, or from CDBG program income, as described in 24 CFR 570.500(a), and accumulated as a result of this Agreement. The Reimbursement Amount shall constitute reimbursement only for allowable costs incurred as a result of the Work activities described in **Exhibit B**.

The Parties understand and agree that such reimbursement, if any, shall be conditioned upon the Recipient's receipt of CDBG program funds from the federal government or accumulation of CDBG program income, as set forth in Section 18 (Program Income) and as a result of this Agreement, and shall not be a charge on any other funds of the Recipient. The Subrecipient shall use the Payment Request Form (**Exhibit D** of this Agreement) for reimbursement purposes.

All reimbursement requests shall be submitted via the Request for Payment Form supporting the invoice for costs incurred under this Agreement, along with one (1) set of copies of all original source documentation supporting the expenditures by the Subrecipient for the Work activities, which shall be submitted to the Recipient in such form acceptable to the Recipient in its sole and absolute discretion. Such supporting documentation shall be submitted prior to any payment, in whole or in part, by the Recipient of the Reimbursement Amount.

X. Designated Representative

A. The Recipient's representative is as follows:

Name and Title: City of Oxnard

Address:

Housing Department
435 S D Street
Oxnard, CA 93030
Attention: Housing Director

B. The Subrecipient's representative(s), who shall be responsible for job performance, negotiations, contractual matters, and coordination with the Recipient Representative is as follows:

Name and title: Derrick Wada
Director of Real Estate Development

Cabrillo Economic Development Corporation

Address: 702 County Square Drive, Suite 200
Ventura, CA 93003

The Subrecipient's professional services shall be actually performed by, or shall be immediately supervised by, the Subrecipient's representative.

C. Any party may change such address(es) given above by providing notice in writing to the other parties, and thereafter notices shall be transmitted to the new address(es).

XI. Assurances

The Subrecipient hereby assures and certifies that it has complied with the Housing and Community Development Act, applicable regulations, policies, guidelines and requirements, 2 CFR Part 225, as amended and that it will comply with all applicable Federal, State and local laws and regulations as they relate to acceptance and use of Federal funds for this Federally-assisted program. Also, the Subrecipient represents and warrants with respect to the Statement of Work specified in **Exhibit B** of this Agreement, that it will comply with all of the provisions of 24 CFR Part 570, as applicable. The Subrecipient further represents and warrants that it will comply with any further amendments or changes to said required assurances and certifications, and that during the term of this Agreement it will maintain current copies of said assurances and certifications at the address of the Subrecipient's representative, as provided in Section 10 (Designated Representative).

XII. Compliance

The Subrecipient agrees that it hereby undertakes the same obligations to Recipient that Recipient has undertaken to HUD pursuant to Recipient's CDBG application and certifications. The obligations undertaken by the Subrecipient include, but are not limited to, the obligation to comply with all federal laws and regulations described in Subpart K of 24 CFR Part 570 and specifically with each of the following:

A. The Housing and Community Development Act of 1974 (Public Law 93-383) as amended, and legislative changes contained in the Housing and Urban-Rural Recovery Act of 1983; and the Housing and Community Development Act of 1987, plus all succeeding revisions and amendments to these Acts.

B. Final regulations of the Department of Housing and Urban Development relating to Community Development Block Grants (Title 24, Chapter V, Part 570 of the Code of Federal Regulations commencing with Section 570.1) dated September 6, 1988; and revisions to 24 CFR Part 570 at Subpart J entitled "Grant Administration" and dated March 11, 1988, plus all succeeding revisions and amendments to these regulations.

C. Land Covenants. This CDBG Subrecipient Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and 24 CFR 570.601 and 602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, the Subrecipient shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the Recipient and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

D. Regulations of the Department of Housing and Urban Development relating to environmental review procedures for the Community Block Grant program (Title 24, Subtitle A, Part 58 of the Code of Federal Regulations, commencing at Section 58.1) except that the Subrecipient does not assume Recipient's environmental responsibilities as described in 24 CFR Part 570.604.

E. Environmental Mitigation: The Subrecipient shall implement and monitor all Project mitigation measures approved in the Project's National Environmental Policy Act (NEPA) document prepared by the Recipient. The staff responsible for implementing and monitoring mitigation measures shall be clearly identified in the Project construction plan(s).

F. Title VI of the Civil Rights Act of 1964 (Public Law 88-352) as amended; Title VIII of the Civil Rights Act of 1968 (Public Law 90-284) (affirmatively furthering fair housing) as amended; Section 104(b) and 109 of Title I of the Housing and Community Development Act of 1974 as amended; Section 3 of the Housing and Urban Development Act of 1968 (employment priorities for new hires); 12 U.S.C. 1701u (Economic opportunities for low- and very low-income persons); Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Age Discrimination Act of 1975; Executive Order 11246 as amended by Executive Order 11375 and 12086; Executive Order 11063 as amended by Executive Order 12259; and HUD regulations heretofore issued or to be issued to implement these authorities relating to civil rights, and pursuant to 24 CFR 570.904(d) and 2 CFR Part 200.321:

1. Contracting with Small and Women and Minority Owned Businesses (W/MBE) (2 CFR 200.321). The Subrecipient will take all necessary affirmative steps to assure that minority owned and/or women owned business enterprises and labor area surplus firms are used when possible. Such firms and businesses have 50% or more ownership by an ethnic minority person(s) and/or by woman/women. All construction projects receiving HUD funds and all contractors and subcontractors who receive $10,000 or more in HUD funds shall fulfill these hiring requirements. These steps are in addition to full and open competition and must include, at a minimum, the following six affirmative steps:

a) Solicitation Lists. Subrecipient must place small and minority businesses and women's business enterprises on solicitation lists (2 CFR 200.321(b)(1);

b) Solicitation. The Subrecipient must assure that it solicits small and minority businesses and women's business enterprises whenever they are potential sources (2 CFR 200.321(b)(2);

c) Dividing Requirements. Subrecipient must divide total requirements when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises (2 CFR 200.321(b)(3);

d) Delivery Schedules. The Subrecipient must establish delivery schedules where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises (2 CFR 200.321(b)(4);

e) Obtaining Services and Assistance. The Subrecipient must use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce (2 CFR 200.321(b)(5); and

f) Prime Contractor Requirements. The Subrecipient must require the prime contractor, if subcontractors are anticipated or let, to take the five affirmative steps as described in (a) through (e) above (2 CFR 200.321(b)(6).

G. Economic Opportunities for Low- and Very Low-Income Persons (24 CFR Part 135) Non-Public Housing Authority entities that obligate or commit to spend over $200,000, or any individual contractor or subcontractor that receives $100,000 of covered funds on projects involving housing construction, demolition, rehabilitation, or other public construction is required to comply with Section 3 of the Housing and Urban Development Act of 1968, hereinafter referred to as "Section 3 (HUD)".

The purpose of the Section 3 (HUD) is to ensure that employment and other economic opportunities generated by the U.S. Department of Housing and Urban Development (HUD) assistance or HUD assisted project covered by Section 3 (HUD), shall, to the greatest extent feasible, be directed to low and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The Subrecipient shall insure that all Section 3 (HUD) covered contracts (where $100,000 or more in HUD funds are used to reimburse a contractor or subcontractor for work) shall include the following clause:

1. The work to be performed under this CDBG Subrecipient Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u and the implementing regulations at 24 CFR 135 (Economic Opportunities for Low-And Very Low-Income Persons). The purpose of Section 3 (HUD) is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3 (HUD), shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

2. As evidenced by its execution of this Agreement, the Subrecipient certifies that it is under no contractual or other impediment that would prevent it from complying with the part 135 regulations.

3. The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Contractor's commitments under this Section 3 (HUD) clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall contain the Section 3 (HUD) preference, shall set forth: (1) the minimum number and job titles subject to hire; (2) availability of apprenticeship and training positions; (3) the qualifications for each, and the name and location of the person(s) taking applications for each of the positions; and (4) the anticipated date the work shall begin.

4. The Contractor agrees to require this Section 3 (HUD) clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 (HUD) clause, upon a finding that a subcontractor is in violation of the regulations in 24 CFR Part 135. The Contractor shall not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

5. By its signature to this Agreement, the Contractor will certifies that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR Part 135.

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

H. The Labor Standards Regulations set forth in Section 570.603 of 24 CFR Part 570; and HUD Handbook 1344.1. If this Agreement involves construction or facility improvements exceeding $2,000 awarded by the Recipient, the Subrecipient agrees to comply with:

Prevailing Wages: Requirements of the Secretary of Labor in accordance with the Davis-Bacon Act (40 USC 276a to 276 a-7) as supplemented in the Department of Labor regulations (29 CFR Part 5) applies. If there is a difference between the minimum wage rates predetermined by the Secretary of Labor and the prevailing wage rates determined to be applicable to this contract by the Director of the California Department of Industrial Relations for similar classifications of labor, the Subrecipient and its contractor and subcontractors shall pay not less than the higher wage rate.

The Subrecipient agrees that, except with respect to the rehabilitation of residential property designed for residential use for less than eight (8) households, all contractors engaged under contracts in excess of $2,000.00 for construction, renovation or repair of any building or work financed in whole or in part with assistance provided under this Agreement, shall comply with federal requirements adopted by the Recipient pertaining to such contract, and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR, Parts 3, 1, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journeymen; provided, that if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph, for such contracts in excess of $10,000.00.

Copeland Anti-Kickback Act: During the performance of this Agreement, the Subrecipient and its contractors and subcontractors agree to comply with the Copeland Anti-Kickback Act (18 USC 874) as supplemented in the Department of Labor regulations (29 CFR Part 3). This act provides that the Subrecipient, its contractor and subcontractors shall be prohibited from inducing any person employed in the construction, completion, or repair of public facilities to give up any part of the compensation which they are otherwise entitled.

The Subrecipient, its contractor and subcontractors shall maintain documentation that demonstrates compliance with hour and wages requirements of this part. Such documentation shall be made available to the Recipient for review upon request. The Subrecipient's contractor and subcontractors agree to include a provision requiring such compliance in its lower tier covered contracts and transactions.

Agreements exceeding $100,000 that involve the employment of mechanics or laborers shall comply with the following:

Contract Work Hours and Safety Standards Act: Where applicable, during the performance of this Agreement, all contracts awarded by the Subrecipient, the prime contractor and subcontractors in excess of $2,000 for construction contracts and in excess of $100,000 are required, pursuant to the Contract Work Hours and Safety Standards Act, to apply the four clauses below. These clauses shall be inserted in addition to the clauses required by 29 CFR Part 5.5(a) or 29 CFR Part 4.6. As used in this section, the terms laborers and mechanics include watchmen and guards.

1. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in Section 1 above , the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a) of this section.

3. Withholding for unpaid wages and liquidated damages. The Recipient shall upon its own action or upon written request of an authorized representative of the U.S. Department of Housing and Urban Development (HUD) or the U.S. Department of Labor (DOL) withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in Section 2 above.

4. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in Sections 1 through 4 of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in Section 1 through 4 of this section.

Bonding Requirements. For construction or facility improvements contracts or subcontracts exceeding the Simplified Acquisition Threshold ($150,000) the Recipient may accept the bonding policy and requirements of the Subrecipient provided that the Recipient has made a determination that the CDBG funds are adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

a) Bid Guarantee. At the submission of a bid to the Subrecipient, the contractor shall furnish a "bid" guarantee equivalent to five percent of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

I. Equal Employment Opportunity. During the performance of this Agreement, the Subrecipient agrees it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, and hereby promises to comply with the provisions on contractor agreements contained in Presidential Executive Order #11246 as amended by Executive Order 11375 and as approved by the Department of Labor Relations (41 CFR Part 61).

J. CFR Part 200 entitled Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards, Administrative regulations, including, but not limited to, applicable Sections of Department of Housing and Urban Development regulations located at: 24 CFR 92.505 – Uniform Administrative Requirements. Pursuant to 24 CFR 92.505, the Subrecipient will comply with the requirements of 2 CFR part 200, except that the following provisions shall not apply: §§ 200.306, 200.307, 200.308 (not applicable to participating jurisdictions), 200.311 (except as provided in § 92.257), 200.312, 200.329, 200.333, and 200.334. The provisions of 2 CFR 200.305 apply as modified by § 92.502(c). If there is a conflict between definitions in 2 CFR part 200 and 24 CFR part 570, the definitions in 24 CFR part 570 shall govern.

K. The following laws and regulations relating to preservation of historic places: Public Law 89-665 the Archaeological and Historical Preservation Act of 1974 (Public Law 93-291), and Executive Order 11593 including the procedures prescribed by Advisory Council on Historic Preservations in 36 Code of Federal Regulations, Part 800.

L. The Architectural Barriers Act of 1968 (42 U.S.C. Section 4151 and the Americans with Disabilities Act of 1990 (ADA).

M. The Hatch Act relating to the conduct of political activities (Chapter 15 of Title 5, U.S.C.).

N. The Flood Disaster Protection Act of 1973 (Public Law 93-234 and the regulations adopted pursuant thereto) Section 202(a) and the regulations in 44 CFR parts 59 through 79.

O. The Clean Air Act (42 U.S.C. Chapter 85) and the Federal Water Pollution Control Act, as amended (33 U.S.C. Section 1251 et seq.) and the regulations adopted pursuant thereto.

P. Executive Order 12372, which requires State Clearinghouse review and comment of any CDBG project for the planning, construction, reconstruction, and/or installation of water or sewer facilities.

Q. Section 401(b) of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831 (b)).

R. Debarment and Suspension. An agreement or contract must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM) database, in accordance with 2 CFR 180 that implements Executive Orders 12549 and 12689, "Debarment and Suspension." Provision of 24 CFR Part 570.609, and 24 CFR 5.105(c) for procurement activities regarding use of debarred, suspended, or ineligible contractors or subcontractors and 24 CFR Part 24 for non-procurement activities, regarding use of debarred, suspended, or ineligible contractors or subcontractors. This Agreement is a covered transaction for purposes of 2 CFR 180 and 2 CFR 3000. As such the Subrecipient is required to verify with the Recipient that the Subrecipient, its contractors, subcontractors, its principles (defined at 2 CFR 180.940), or its affiliates (defined at 2 CFR 180.905) are excluded (defined at 2 CFR 180.940) or disqualified (defined at 2 CFR 180.935).

The Subrecipient must comply with 2 CFR 180, subpart C and 2 CFR 3000, subpart C during the term of this Agreement and any other contract that may arise as a result of this agreement. Subrecipient must include a provision requiring such compliance in its lower tier covered contracts and transactions.

If it is later determined that the Subrecipient did not comply with 2 CFR 1800, Subpart C and 2 CFR 3000, subpart C, in addition to remedies available to the Recipient and the Federal Government, may pursue available remedies, including but not limited to suspension and/or debarment.

Contractors excluded, disqualified or otherwise ineligible (e.g., suspension, debarment, or limited denial of participation) for Federal procurement and non-procurement programs per 24 CFR 570.609 shall not be considered for contract award. This applies to any CDBG-assisted contracts for the procurement of goods and services, professional services, public services, and construction activities (prime and sub-prime contractors).

The Subrecipient shall work with the Recipient to verify eligibility for all contractors and subcontractors, its principles or its affiliates are not excluded or disqualified subject to procurement requirements prior to contract award by the Subrecipient. The Subrecipient shall not use a self-certification letter or form signed by the contractor as a substitute for evidence of their eligibility status.

To verify and document a contractor's eligibility the Subrecipient shall check the General Services Administration System for Award Management site (https://www.sam.gov/portal/SAM/#1#1) to assure the contractor's eligibility and shall submit the verification(s) to the Recipient prior to the notification and award of the contract. The Subrecipient shall retain a copy of the verification(s) for their file to verify results for each contractor.

The Subrecipient further agrees to comply with any environmental, procurement, construction, and other guidelines provided by Recipient. All local code regulations must be recognized and services provided must conform to the said standards.

S. Reporting. The Subrecipient also agrees to submit an annual performance and evaluation report no later than 30 days after the completion of the most recent program year showing the status of all activities as of the end of the program year. The purpose of the performance and evaluation report is to assist the Recipient in complying with its reporting obligations under 24 Code of Federal Regulations section 570.507(a) and under 24 Code of Federal Regulations Part 91. The Recipient shall specify the content and format of this report.

T. Rights to Inventions. Per 2 CFR Appendix II to Part 200(F), if the use of CDBG award meets the definition of "funding agreement" under 37 CFR 401.2(a) and the Agreement includes the performance of experimental, developmental, or research work, the Subrecipient must provide for the rights of the Federal Government and the Recipient in any resulting invention as established by 37 CFR part 401, Rights to Inventions Made by Non-profit Organizations and Small Business Firms under Government Grants, Contracts, and Cooperative Agreements. This contract incorporates by reference the patent and inventions rights as specified within in the 37 CFR §401.14. Contractor must include this requirement in all sub-tier contracts involving experimental, developmental, or research work.

The regulation at 37 C.F.R. § 401.2(a) currently defines "funding agreement" as any contract, grant, or cooperative agreement entered into between any Federal agency, other than the Tennessee Valley Authority, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal government. This term also includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as defined in the first sentence of this paragraph.

U. Clean Air Act and the Federal Water Pollution Control Act. If this Agreement involves construction or facility improvements and exceeds $150,000 the following provision is applicable. The Subrecipient shall comply with all applicable standards, orders, or regulations issued under Section 306 of the Clean Air Act (42 USC 7401 – 7671q), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and EPA regulations (40 CFR Part 15), which prohibit the use under nonexempt federal contracts, grants, or loans of facilities included in the EPA List of Violating Facilities. Violations will be reported to the US EPA Administrator for Enforcement (EN-329).

By execution of this Agreement, the Subrecipient, its contractor and subcontractors will be deemed to have stipulated as follows:

1. The Subrecipient, its contractor and subcontractors hereby declare that no person who will be utilized in the performance of this contract has a violation of Section 508 of the Clean Water Act or Section 306 of the Clean Air Act which prohibits them from perform work on a federally funded project.

2. During the performance of this contract, the Subrecipient, its contractor and/or subcontractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 USC 7401-7671q), and the Federal Water Pollution Control Act as amended (33 USC 1251-1387). Violations must be reported to the EPA.

3. That any facility that is or will be utilized in the performance of this Agreement, unless the Agreement is exempt under the Clean Air Act, as amended (42 USC 7401 – 7671q et seq., as amended by Public Law 91-604), and under the Federal Water Pollution Control Act, as amended (33 USC 1251 et seq., as amended by Public Law 92-500), Executive Order 11738, and regulations in implementation thereof (40 CFR 15) is not listed, on the date of this Agreement award, on the EPA List of Violating Facilities pursuant to 40 CFR 15.20.

4. That the Subrecipient, its contractor and subcontractors agree to comply and remain in compliance with all the requirements of Section 114 of the Clean Air Act and Section 308 of the Federal Water Pollution Control Act and all regulations and guidelines listed thereunder.

5. That the Subrecipient, its contractor and subcontractors shall promptly notify the Recipient of the receipt of any communication from the Director, Office of Federal Activities, EPA, indicating that a facility that is or will be utilized for the Agreement is under consideration to be listed on the EPA List of Violating Facilities.

6. That the Subrecipient, its contractor and subcontractors agree to include or cause to be included the requirements of this article in every nonexempt subcontract, and further agrees to take such action as the government may direct as a means of enforcing such requirements.

V. Procurement of Recovered Materials. During the performance of this Agreement, the Subrecipient, its contractor and subcontractors agree to comply with all of the standards, order, and requirements issued under Section 6002 of the Solid Waste Disposal Act, Pub. L. No. 89-272 (1965) (codified as amended by the Resource Conservation and Recovery Act at 42 USC 6962). See 2 CFR 200, Appendix II (J), or at 2 CFR 200.322.

The Subrecipient, its contractor and subcontractors shall include the provisions of this article in all subcontracts under the Agreement.

The following provides the clause that the Subrecipient, its contractor and subcontractors can include in contracts meeting the above thresholds:

1. In the performance of this contract, the (name of contractor here) shall make maximum use of products containing recovered materials that are EPA- designated items unless the product cannot be acquired:

a) Competitively within a timeframe providing for compliance with the contract performance schedule;

b) Meeting contract performance requirements; or

c) At a reasonable rice.

2. Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web site:

https://www.epa.gov.gov/smm/comprehensive-procurement-guideline-cpg-program.

The requirements of Section 6002 include procuring only items designated in guidelines of the EPA at 40 CFR 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired by the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

W. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and regulations adopted to implement the Act in the Code of Federal Regulations, Title 24, Part 42.

X. The Subrecipient shall comply with all provisions of the Build America, Buy American Act (BABA), as applicable to this project, including but not limited to, ensuring that the construction materials used in the project are produced in the United States. This includes all iron, steel, and manufactured goods, unless an exception is authorized under the law.

XIII. Subcontracts

The Subrecipient shall incorporate the same or substantially equivalent requirements as are contained in this CDBG Subrecipient Agreement in all subcontracts which utilize any CDBG funds and/or support any CDBG program(s) covered by this CDBG Subrecipient Agreement; when program(s) utilize(s) CDBG funds and other funding sources, all funds shall be subject to CDBG regulations. The Subrecipient, by entering into any such subcontract for performance of any portion of the CDBG Program, is not relieved of its responsibilities to Recipient as set forth in this CDBG Subrecipient Agreement.

XIV. Non-Discrimination/Religious Activities

No person with responsibilities in the operation of any project under this CDBG Subrecipient Agreement will discriminate because of race, creed, color, national origin, age, sex, political affiliation, sexual orientation, gender identity, handicap, beliefs, or marital or familial status.

The Subrecipient agrees that funds provided under this CDBG Subrecipient Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

The Subrecipient will ensure that every effort is made to provide equal opportunity to every potential minority and women's business vendor, contractor and subcontractor. The Subrecipient will take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

The Subrecipient agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

XV. Standard of Conduct/Conflict of Interest and Lobbying

No member, officer or employee of the Subrecipient or its designee or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the Project activities during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the process thereof, for work to be performed in connection with the Project activities assisted under this CDBG Subrecipient Agreement.

No member, officer or agent of the Subrecipient shall participate in the selection of the award, or administration of, any Project activities or construction contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any Project activities, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this Section, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or

appointed official of the Recipient, the Subrecipient, or any designated public agency.

By entering into this CDBG Subrecipient Agreement, the Subrecipient certifies:

A. No federal appropriated funds have been paid or will be paid, by or on behalf of the Subrecipient, 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 a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant loan, or cooperative agreement in accordance with the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 Code of Federal Regulations (CFR) 87.

Furthermore, for Agreements of $100,000 or more shall file the required certification in **Exhibit D**. This certification process also applies to the Subrecipient's contractor and subcontractors contracts, of $100,000 or more, who must certify to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 USC 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the Recipient.

B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the Subrecipient shall complete and submit Standard Form LL, "Disclosure Form to Report Lobbying," in accordance with its instructions, and other federal disclosure forms as requested.

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

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

D. Mandatory Disclosures. The Subrecipient must disclose, in a timely manner, in writing to the Recipient all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially effecting the Federal award described in 2 CFR 200.113. Failure to make require disclosures can result in any of the remedies described in 2 CFR 200.338 Remedies for noncompliance, including suspension or debarment.

XVI. Use of Funds for Entertainment, Meals or Gifts

The Subrecipient represents and warrants that it will not use funds provided through the Agreement to pay for entertainment, meals or gifts.

XVII. Fiscal Control

The Subrecipient shall be responsible for the internal control and monitoring of fiscal and programmatic/operational goals and procedures. The Subrecipient shall establish such fiscal controls and fund accounting procedures as required by Federal regulations, or as may be deemed necessary by HUD and Recipient to ensure the proper disbursal of, and accounting for, funds paid to the Subrecipient under the CDBG programs.

Disbursement of Funds: CDBG funds shall generally be disbursed by Recipient to the Subrecipient on a reimbursement basis for actual expenses.

The Recipient agrees to pay the Subrecipient progress payments at the time and in the manner set forth in the Schedule of Compensation, **Exhibit C**. Payment by the Recipient is not to be construed as final in the event HUD disallows reimbursement for the Work or any portion thereof. Source documentation, as specified by the Recipient, supporting the invoice(s) shall be submitted by the Subrecipient with request for payment.

The Subrecipient shall be liable for all amounts which are determined to be due by HUD including, but not limited to, disallowed costs which are the result of the Subrecipient's or its contractor's conduct under this CDBG Subrecipient Agreement.

The Subrecipient shall be notified in writing and shall be permitted to respond regarding any controversy or proceeding between the Recipient and HUD arising from this CDBG Subrecipient Agreement.

All financial transactions must be supported by complete and verifiable source documents. Records shall provide a clear audit trail and shall be maintained as specified in Section 22 (Agreement Responsibility for Monitoring and Records) of this CDBG Subrecipient Agreement.

XVIII. Program Income

Program Income is defined in Subpart J of 24 CFR Part 570.504 and is described as gross income received by the Subrecipient and directly generated from the use of CDBG funds.

Program income includes, but is not limited to, the following:

A. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;

B. Proceeds from the disposition of equipment purchased with CDBG funds;

C. Gross income from the use or rental of real or personal property acquired by the Subrecipient with CDBG funds, less costs incidental to generation of the income;

D. Gross income from the use or rental of real property owned by the Subrecipient that was constructed or improved with CDBG funds, less costs of the non- CDBG portion;

E. Payment of principal and interest on loans made using CDBG funds except as provided in 24 CFR Part 570.500(a)(3);

F. Proceeds from the sale of loans or obligations secured by loans made with CDBG funds;

G. Interest earned on program income pending its disposition; and

H. Funds collected through special assessments made against properties owned and occupied by households not of low or moderate income where the assessments are used to recover all or part of the CDBG programs portion of a public improvement.

During the effective Term of this CDBG Subrecipient Agreement, the Subrecipient shall report all program income as defined in 24 CFR 570.500(a), generated by activities carried out with CDBG funds under this CDBG Subrecipient Agreement. Program Income may be retained by the Subrecipient subject to the provisions of the Cooperative Agreement, the Act, and its regulations. Any program income retained must only be used for eligible activities in accordance with all CDBG requirements.

It shall be the Subrecipient's responsibility to manage and use the program income in compliance with the standards and requirements set forth in section 570.504(a) & (b) (1) through (b)(3). The transfer of CDBG funds from the Recipient to the Subrecipient shall be adjusted to reflect any program income in accordance with the principles set forth in section 570.504(b) (2) (i) and (ii). In addition, all of the provisions of this CDBG Subrecipient Agreement shall apply to the management and use of the program income.

Recipient shall monitor the use of any program income, requiring appropriate record keeping and reporting by the Subrecipient as may be needed for this purpose, and shall report the use of such program income to HUD. In the event of close-out as defined in section 570.509 of the federal regulations or change of status of the Subrecipient, (*i.e.*, from Subrecipient to entitlement), all program income on hand or received by the Subrecipient subsequent to the close-out or change of status shall be paid to the Recipient.

Program income attributable to projects funded under this CDBG Subrecipient Agreement and on hand with the Subrecipient when this CDBG Subrecipient Agreement expires, is terminated with or without cause, or received after the Agreement expiration, shall be paid to the Recipient as required by 24 CFR Part 570.503(b)(8) when the Subrecipient ceases to be under continuous Agreement with the Recipient for the operation of CDBG programs. As long as there is no break in the CDBG Subrecipient Agreement period, program income shall be governed by the provisions of this Section.

The Project shall continue to meet the CDBG program national objective per 24 CFR 570.208 as required by 24 CFR 570.503(b)(7)(i). If the Project is not used in accordance with 24 CFR 570.503(b)(7)(i) the Subrecipient shall reimburse the Recipient to comply with the requirements of 24 CFR 570.503 (b)(7)(ii).

XIX. Reversion of Assets

A. Reversion of Assets. The five (5) year period set forth in 24 CFR 570.503(b)(7) for compliance with one or more national objectives shall be included and contained within the five (5) year compliance period established by the CDBG Covenants.

B. Upon expiration of this CDBG Subrecipient Agreement, the Subrecipient shall transfer to the Recipient any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds. Any real property under the Subrecipient's control that was acquired and/or improved in whole or in part with CDBG funds (including CDBG funds provided to the Subrecipient in the form of a loan) in excess of $25,000 shall:

1. Be used to meet one of the national objectives in 24 CFR Part 570.208 until the end of the five (5) year compliance period established by the CDBG Covenants (pursuant to Section 5.B above – Term of Agreement), or the length of time to be further prescribed by mutual agreement of the Parties.

2. Be disposed of in such manner that the Recipient is reimbursed in the amount of the fair market value of the property at the time of disposition of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition and/or improvement of such property. The payment is Program Income to the Recipient.

3. If the Subrecipient is a private non-profit organization, the Subrecipient further agrees to a voluntary lien / deed of trust on above-reference property as to any CDBG funds received and that such lien / deed of trust will be notarized and recorded in the Office of the County Recorder. The Subrecipient will utilize the lien / deed of trust form specified by the Recipient, and will be subject to provisions listed in this CDBG Subrecipient Agreement and in the CDBG Covenants.

XX. Procurement/Equipment

Equipment, which shall be defined as tangible, nonexpendable, personal property having a useful life of more than one (1) year and an acquisition cost of $1,000 or more per unit, is eligible for purchase using CDBG funds only upon prior approval of the Recipient and subject to 24 CFR Part 570.207(b)(1). Such equipment shall be used by the Subrecipient in the project for which it was acquired as long as needed, regardless of whether such project continues to be supported by Federal funds; at the time, equipment may be used in other activities currently or previously supported by a Federal agency. Use of such equipment is also subject to provisions of 24 CFR Part 200.313(c). If applicable, the Subrecipient shall also establish procedures for managing equipment, which meet the requirements of 24 CFR Part 200.313(d). Further, proceeds from disposition of such equipment shall be treated as program income as specified in Section 18 (Program Income) of this CDBG Subrecipient Agreement.

XXI. Records and Reports

The Subrecipient agrees to supply to the Recipient, on a quarterly and annual basis, any progress reports and/or other reasonable documentation as may be required by the Recipient to audit performance of the Work activities covered by this CDBG Subrecipient Agreement (and the subsequent Property operational activities) and to enable the Recipient to analyze and evaluate utilization of the CDBG funds by the Subrecipient. The Subrecipient shall maintain separate accounting and financial records for each funding (revenue) source in support of the Work.

A. Payment Request Form: Subrecipient shall submit a Payment Request Form (Exhibit “D”) and copies of the original supporting documents for payment to the Recipient.

B. Progress Reports: Progress reports for Work activities shall address project status and, if applicable, explanation of any problems/delays encountered and/or anticipated and measures to be taken to correct such problems; revised milestones including anticipated schedule for Work completion; and a summary of expenditures, obligations, program income, and drawdown to date. In addition, the Subrecipient shall provide as part of the progress report any citizen comments received during the reporting period relative to the Work, and responses to such comments, and additional information, as needed. Subrecipient shall submit such report quarterly within thirty (30) days of the close of report period including in the event that no expenditures occurred, which shall be documented in the quarterly report.

C. The Subrecipient shall use the CDBG Monitoring Checklist – Housing/Rehab., hereinafter referred to as "the Checklist," to collect and retain all Work documents to provide the Recipient for its records.

D. Completion Report: The Subrecipient shall prepare and submit to the Recipient a Completion Report within thirty (30) days of completion of Work activities covered by this CDBG Subrecipient Agreement. Said report shall consist of an overview and evaluation of the Work activities, a comparison of milestones' progress, total costs incurred, listing of files, listing of personnel, and other reasonable information requested by the Recipient. The Completion Report shall be made as part of the Quarterly Report Form.

E. Annual HUD/Recipient Reports: The Subrecipient shall submit to the Recipient in a timely manner other reports as requested/required by the Recipient for HUD compliance including, but not limited to the Contractor/Subcontractor, EEO-4, and Minority Financial Institution Reports (if applicable), the Affirmative Marketing Report, and provide, as requested by HUD and/or Recipient, information necessary to prepare the any other required reports and/or plans.

F. Audit: The Subrecipient shall be responsible for conducting an annual audit of its CDBG program in compliance with Title 2 CFR Part 200.500 – 200.520 issued pursuant to the Single Audit Act of 1984 and the Single Audit Amendments of 1996, P.L. 98-502, as applicable. A copy of said audit shall be forwarded to the Recipient upon completion. Any costs associated with the annual audit shall be the responsibility of and paid for by the Subrecipient.

If the Subrecipient does not exceed the expenditure limits per 2 CFR Part 200.000-520, the Subrecipient shall provide the Recipient with a copy of the Subrecipient's latest Audit Report.

XXII. Agreement Responsibility for Monitoring and Records

HUD, the Office of the Inspector General (OIG), and the designated representatives of the Recipient, and other appropriate officials shall have access to all personnel records, management information, and fiscal data of the Subrecipient and any agency or contractor with whom the

Subrecipient executes a subcontract necessary to carry out any CDBG program(s) for monitoring purposes (24 CFR 200.328, 200.327 and 200.326). The Subrecipient shall respond in a timely manner to all identified corrective action needs as a result of HUD, Recipient, or other monitoring. The Subrecipient shall submit to Recipient all required reports and monitoring corrective action plans on a timely basis, as delineated by the Recipient. Records shall be maintained as follows:

A. The Subrecipient agrees to retain all pertinent records under the CDBG Program, including financial records, until advised by the Recipient that further retention is unnecessary. Generally, records shall be retained for a period for five (5) years from the end of the Term (see Section 5 above – Term of Agreement) or the fiscal year in which the last project covered by the Recipient's annual agreement with HUD is completed. Records shall be open and available for inspection by auditors and/or other staff assigned by HUD and/or the Recipient during the normal business hours of the subrecipient. If at the end of such five (5) year period, there is ongoing litigation, claims, negotiations, audit or other action involving the Subrecipient's or the Recipient's records, which has started before expiration of the five (5) year period, the Subrecipient will retain the records until the completion of the action and resolution of all issues which arise from it as stated in 2 CFR Part 200.333.

B. Consistent with applicable state and local laws regarding privacy and obligations of confidentiality, the Subrecipient shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts to the Recipient, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein The Subrecipient also must provide citizens with reasonable access to records on the past use of CDBG funds (24 CFR 570.508).

C. Records for nonexpendable property shall be retained for a period of five (5) years after final disposition of the property, if applicable.

XXIII. Inspection Rights

The Subrecipient agrees to allow the Recipient to inspect the Work and the Project at reasonable times upon a minimum 24-hour advance notice.

XXIV. Request for Technical Assistance

The Subrecipient shall refer to the Recipient any regulatory or procedural questions regarding operation of its CDBG program. All formal requests for technical assistance shall be submitted in writing. Requests should specify the problem area, particular assistance being requested and proposed solution if applicable. Informal questions regarding day-to-day program operation may be directed to the designated Recipient representative.

XXV. Hold Harmless and Indemnification

The Subrecipient shall hold the Recipient and the Recipient's officers, employees, agents and volunteers harmless and free from any and all claims, liabilities or expenses, including attorney's fees, arising out of or relating to any negligent act, negligent omission, or other wrongful conduct related in any way to the Subrecipient's performance of the Work pursuant to this CDBG Subrecipient Agreement, provided such claims, liabilities or expenses were not the result of the gross negligence, willful misconduct or fraud of the Recipient or the Recipient's officers, employees, agents or volunteers. In the event the Recipient and/or any of the Recipient's officers, employees, agents or volunteers are named in any lawsuit, or should any claim be made against it or any of them by lawsuit or otherwise arising out of or relating to such negligent act, negligent omission or other wrongful conduct, the Subrecipient shall indemnify them for any judgment rendered against them, any sums paid out in settlement or otherwise, and all costs incurred by them in their defense, including, but not limited to attorney's fees.

The Subrecipient also understands and agrees that it is being employed to perform the services provided for by this CDBG Subrecipient Agreement because of the Subrecipient's professed expertise and experience in performing the Work provided for under this CDBG Subrecipient Agreement. In addition, the Subrecipient understands and agrees that while the Recipient and the Recipient's officers or agents may elect to do so, they have no duty to review, inspect, or supervise the Work performed by the Subrecipient pursuant to this CDBG Subrecipient Agreement, except as otherwise expressly provided for by this CDBG Subrecipient Agreement. As a consequence, the Subrecipient waives any right of contribution against the Recipient or any of the Recipient's officers, employees, agents and volunteers arising out of such failure to inspect, review, monitor or supervise the Work performed by the Subrecipient pursuant to this CDBG Subrecipient Agreement.

XXVI. Insurance

Subrecipient shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Subrecipient, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

A. Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury and advertising injury, with limits no less than $1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

B. Automobile Liability: ISO Form Number CA 0001 covering, Code 1 (any auto), or if Subrecipient has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than $1,000,000 per accident for bodily injury and property damage.

C. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease. If Subrecipient will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage shall also include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the City as the Alternate Employer, and the endorsement form shall be modified to provide that City will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Subrecipient's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

If the Subrecipient maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the contractor.

Professional Liability/Errors and Omissions

Insurance covering Subcontractor's liability arising from or related to this Contract, with limits of not less than $1 million per claim and $2 million aggregate. Further, Subrecipient understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this CDBG Subrecipient Agreement's expiration, termination or cancellation.

Additional Insured Status

The City, its officers, officials, employees, and volunteers are to be covered as insureds on the auto policy with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Subrecipient; and on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Subrecipient including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Subrecipient's insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, the Subrecipient's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Subrecipient's insurance and shall not contribute with it.

Notice of Cancellation

Each insurance policy required above shall state that coverage shall not be canceled, except after thirty (30) days' prior written notice (10 days for non-payment) has been given to the City.

Failure to Maintain Insurance

Subrecipient's failure to maintain or to provide acceptable evidence that it maintains the required insurance shall constitute a material breach of the Agreement, upon which the City immediately may withhold payments due to Subrecipient, and/or suspend or terminate this Agreement. The City, at its sole discretion, may obtain damages from Subrecipient resulting from said breach.

Waiver of Subrogation

Subrecipient hereby grants to City a waiver of any right to subrogation which any insurer of said Subrecipient may acquire against the City by virtue of the payment of any loss under such insurance. Subrecipient agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

Deductibles and Self-Insured retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the Subcontractor to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

2. Insurance must be maintained and evidence of insurance must be provided *for at least five (5) years after completion of the contract of work.*

3. If coverage is canceled or non-renewed, and not *replaced with another claims made policy form with a Retroactive Date* prior to the contract effective date, the Subrecipient must purchase "extended reporting" coverage for a minimum of *five (5)* years after completion of contract work.

Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

Verification of Coverage

Subrecipient shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Subrecipient's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

The certificates of insurance and endorsements shall be sent via email. If you have not received your request or are having difficulty with electronic upload, contact insurance@oxnard.org.

Subcontractors

Subrecipient shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

XXVII. Covenants and Conditions

Each term and each provision of this CDBG Subrecipient Agreement to be performed by the Subrecipient shall be construed to be both a covenant and a condition.

XXVIII. Effect of Termination

For Agreements exceeding $10,000 the following applies:

A. Termination of Agreement for Convenience: In accordance with 24 CFR Part 570.509(e) and 2 CFR 200.339, this CDBG Subrecipient Agreement may be terminated by either party after a thirty (30) days written notice of intention to terminate, setting forth the reasons and the effective date of such termination, has been given to the other party, provided, however, that no notice of termination given by the Subrecipient shall be effective unless HUD has agreed to release Recipient from its obligations pursuant to the program activity(ies) in **Exhibit B** – Statement of Work. Alternatively, this CDBG Subrecipient Agreement will automatically terminate in the event that the United States Government terminates the CDBG programs or terminates the program activity(ies) which is the subject of the Agreement.

B. Termination of Agreement for Cause: In accordance with 24 CFR 570.509(f) and 2 CFR 200.339, the Parties hereto understand that pursuant to the Recipient's execution of the HUD application, the Recipient assumed responsibility as to the performance of the Work. If through any cause the Subrecipient fails to fulfill in a timely and proper manner its obligations under this CDBG Subrecipient Agreement to undertake, conduct or perform the Work identified in this CDBG Subrecipient Agreement, or if the Subrecipient violates any of the covenants, agreements, or stipulations of this CDBG Subrecipient Agreement, the Recipient shall thereupon have the right to terminate this CDBG Subrecipient Agreement by giving written notice of such termination and specifying the effective date thereof at least (5) days before the effective date of such termination. Notwithstanding the above, the Subrecipient shall not be relieved of liability to the Recipient for damages sustained by the Recipient by virtue of any payments to the Subrecipient for the purpose of set-off until such time as the exact amount of damages due the Recipient from the Subrecipient is determined.

C. Upon termination, as stated in subsections A or B above of this CDBG Subrecipient Agreement, the Recipient shall be liable to the Subrecipient only for Work done by the Subrecipient up to and including the date of termination of this CDBG Subrecipient Agreement, unless the termination is for cause, in which event the Subrecipient need be compensated only to the extent required by law. The Subrecipient hereby expressly waives any and all claims for damages for compensation arising under this CDBG Subrecipient Agreement except as set forth in this Section in the event of such termination.

D. If this Agreement is terminated pursuant to this Section, the Subrecipient shall remain responsible for compliance with the requirements in 2 CFR 200.343 (Closeout) and 2 CFR 200.344 (Post-closeout adjustments and continuing responsibilities).

XXIX. Taxpayer Identification Number

The Subrecipient shall provide the Recipient with a complete Request for Taxpayer Identification Number and Certification, Form W-9 as issued by the Internal Revenue Service.

XXX. Modification of Agreement

Except as provided in Section 3 (Availability of Funds), the tasks described in this CDBG Subrecipient Agreement and all other terms of this CDBG Subrecipient Agreement may be modified only upon mutual written consent of the Recipient and the Subrecipient.

XXXI. Use of the term "Recipient"

Reference to "Recipient" in this CDBG Subrecipient Agreement includes the designated Recipient representative, or any authorized representative acting on behalf of the Recipient.

XXXII. Notices

All notices given, or required to be given, pursuant to this CDBG Subrecipient Agreement shall be in writing and may be given by personal delivery or by mail. Notice sent by mail shall be addressed to each party's designated representative as set forth above in Section 10 (Designated Representative). When addressed in accordance with Section 10, such notice shall be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices shall be deemed given at the time of actual hand delivery. Changes may be made in the names or addresses of persons to whom notices are to be given by giving notice in the manner prescribed in Section 10.C.

Notices shall be sent to the Recipient and to Subrecipient's representative at the addresses shown in Section 10 (Designated Representative).

XXXIII. Permits and Licenses

The Subrecipient, at its sole expense, shall obtain and maintain during the Term of this CDBG Subrecipient Agreement, all appropriate permits, licenses, and certificates that may be required in connection with the performance of Work under this CDBG Subrecipient Agreement, or as specified in Section 39 (Patents & Royalties).

XXXIV. Waiver

A waiver by the Recipient of any breach of any term, covenant, or condition contained in this CDBG Subrecipient Agreement shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this CDBG Subrecipient Agreement whether of the same or different character.

XXXV. Violation or Breach Agreement Terms

A breach of any of the stipulations contained in this Agreement may be sufficient grounds

for withholding of progress payments, withholding of final payment, termination of the Agreement, suspension/debarment or any other action determined to be appropriate by the Recipient.

XXXVI. Governing Law

The terms, covenants and conditions of this CDBG Subrecipient Agreement shall be interpreted according to the laws of the State of California. Should litigation occur, venue shall be in the County of Ventura.

XXXVII. Integrated Agreement

This CDBG Subrecipient Agreement represents the entire Agreement between the Recipient and the Subrecipient and all preliminary negotiations and agreements are deemed a part of this CDBG Subrecipient Agreement. No verbal agreement or implied covenant shall be held to vary the provisions of this CDBG Subrecipient Agreement. This Agreement shall bind and inure to the benefit of the Parties to this CDBG Subrecipient Agreement and any subsequent successors and assigns.

XXXVIII. No Assignment without Consent

A. Inasmuch as this CDBG Subrecipient Agreement is intended to secure the specialized services of the Subrecipient, unless a transfer is allowed either (i) in the CDBG Note or (ii) pursuant to subsection B below, the Subrecipient shall not have the right to either (l) assign or transfer this CDBG Subrecipient Agreement, or any part hereof or monies payable hereunder, or (II) modify its own organizational structure, without the prior written consent of the City, which consent will not be unreasonably withheld, and any such assignment or transfer without the City's prior written consent shall be considered null and void.

B. A limited partner(s) may remove and replace the managing general partner of the Subrecipient for cause pursuant the Subrecipient / limited partner agreement. However, the Subrecipient's managing general partner shall not be replaced without prior written approval of the City, and the City shall consider then approve or disapprove such replacement without unreasonable delay.

XXXIX. Patents and Royalties

A. Subrecipient shall provide and pay for all licenses and royalties necessary for the legal use and operation of any of the equipment or specialties used in the Project activities. Certificates showing the payment of any such licenses or royalties and permits for the use of any patented or copyrighted devices shall be secured and paid for by Subrecipient and delivered to the Recipient upon completion of the Project activities, if required.

B. Subrecipient shall assume all costs arising from the use of patented materials, equipment, devices, or processes used in or incorporated in the Project activities and agrees to indemnify and hold harmless the Recipient and its duly authorized representatives from all suits of law, or actions of every nature for or on account of the use of any patented materials, equipment, devices, or processes.

XL. Copyright

Any reports, maps, documents or other materials produced in whole or part by the Subrecipient, its contractor or any subcontractor or person responsible to the Subrecipient under this CDBG Subrecipient Agreement shall be the property of the Recipient and none shall be subject to an application for copyright by or on behalf of the Subrecipient, contractor, subcontractors or any person responsible to the Subrecipient during performance of this CDBG Subrecipient Agreement.

This CDBG Subrecipient Agreement may be executed in counterparts and shall be fully effective as if signed by all parties whether or not the signatures of all the parties appear on the original or on any one copy of this CDBG Subrecipient Agreement.

XLI. Subordination.

A. The Deed of Trust and the Regulatory Agreement shall be subordinated to each Senior Lien described below and to other liens approved by the Housing Director or Designee securing financing set forth in the Approved Financing Plan, if any, but only on condition that all of the following conditions are satisfied:

1. All of the proceeds of the proposed Senior Lien, less any transaction costs, must be used to provide construction and/or permanent financing for the Development.

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

B. The subordination(s) described in this section may be effective only during the original term of the Senior Lien (including any extension options set forth in the documents evidencing the Senior Loan) and any refinancing of the Senior Lien.

C. "Senior Liens" shall mean liens securing repayment of and regulatory agreements associated with the following loans:

1. First-Citizens Bank & Trust Company (formerly known as Silicon Valley Bank) $31,535,475 construction loan converting to a permanent loan of approximately $4,175,200
2. California Department of Housing and Community Development ("HCD") Joe Serna construction/permanent loan of $5,000,000
3. HCD Accelerator permanent loan of $26,246,464
4. HCD Veterans Housing and Homelessness Prevention Program (VHHP) permanent loan of $2,788,410
5. City HOME construction/permanent loan of $1,854,000
6. County of Ventura construction/permanent loan of $380,000
7. City In Lieu construction/permanent loan of $631,900

[Signatures appear on the following pages]

NOW, THEREFORE, the Parties hereto have caused this CDBG Subrecipient Agreement to be executed and attested by their proper officer thereunder duly authorized, all as of the day first above written.

RECIPIENT:
THE CITY OF OXNARD

Housing Director

SUBRECIPIENT:
ETTING ROAD LLC, a California limited company

By: Cabrillo Economic Development Corporation, a California non-profit public benefit corporation, its sole member and manager

By: Victoria J Brady
Chief Executive Officer

APPROVED AS TO FORM:

Stephen Fischer
City Attorney

APPROVED AS TO INSURANCE:

Michael More
Human Resources/Risk Manager

EXHIBIT A
LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, DESCRJBED AS FOLLOWS:

A PORTION OF PARCEL H, SUBDIVISION 72 RANCHO EL RIO DE SANTA CLARA O' LA COLONIA, IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF VENTURA COUNTY, IN BOOK 3. MISCELLANEOUS RECORDS AT PAGE 14, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 3/4 INCH IRON PIPE SET IN THE SOUTHERLY LINE OF PLEASANT VALLEY ROAD DISTANT THEREON NORTH 59° 15' 30" EAST 250.73 FEET FROM A 4" X 4" POST SET AT THE MOST WESTERLY CORNER OF SAID PARCEL H; THENCE FROM SAID POINT OF BEGINNING.

1ST: NORTH 59° 15' 30" EAST 424.64 FEET ALONG THE SOUTHERLY LINE OF SAID PLEASANT VALLEY ROAD TO A 3/4 INCH IRON PIPE MARKED WITH A METAL TAG STAMPED SGB LS 1848; THENCE,

2ND: SOUTH 345.13 FEET TO A NAIL AND METAL TAG STAMPED SGB LS 1848 SET IN THE SOUTH SIDE OF A LARGE EUCALYPTUS TREE IN THE NORTH LINE OF ETTING ROAD; THENCE ALONG SAID NORTH
LINE.

3RD: WEST 365.00 FEET TO A 3/4 INCH IRON PIPE MARKED WITH A METAL TAG STAMPED SGB LS 1842; THENCE,

4TH: NORTH 128.2 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL RIGHT, TITLE AND INTEREST OF THE GRANTOR IN AND TO ALL OIL, GAS, MINERALS, HYDROCARBONS AND ASSOCIATED SUBSTANCES IN, UNDER OR PRODUCED AND SAVED FROM SAID LAND, BUT WITHOUT THE RIGHT OF ENTRY TO THE SURFACE OF THE PROPERTY OR THE TOP FIVE HUNDRED (500) FEET OF THE SUBSURFACE THEREOF MEASURED VERTICALLY FROM THE SURFACE (COLLECTIVELY "MINERAL RIGHTS") AS RESERVED IN DEED RECORDED SEPTEMBER 10, 2015 AS INSTRUMENT NO. 2015-00136187, OFFICIAL RECORDS OF SAID COUNTY.

APN: 225-0-014-020

EXHIBIT B
STATEMENT OF WORK

1. Description of Work

(a) Off-Site Improvements: The Subrecipient will use the $268,074 in CDBG Program funds to complete off-site infrastructure related to Subrecipient's development of the Project. The Subrecipient will then develop the Project as an affordable housing project. The Subrecipient will manage the Project for a five (5) year compliance period (pursuant to the CDBG Covenants) as affordable apartment units to provide housing to low- and moderate-income persons / households.

(b) On-going Project Operation: The Subrecipient and the City have executed the CDBG Regulatory Agreement and Restrictive Covenants ("CDBG Covenants") concurrently with this CDBG Subrecipient Agreement. The CDBG Covenants establish a five (5) year compliance period for the Project. During the five (5) year compliance period, the Subrecipient shall operate and maintain the Project development in conformance with the CDBG Covenants and with the requirements of this CDBG Subrecipient Agreement. In case of a conflict between the CDBG Covenants and this CDBG Subrecipient Agreement, the more restrictive covenants, standards, and/or requirements shall apply. Project apartment units shall be occupied by income eligible tenants continuously throughout the five (5) year compliance period (pursuant to the CDBG Covenants), to the satisfaction of the Recipient and HUD.

2. Scope of Work: Off-Site Improvements

(a) This CDBG Subrecipient Agreement shall be executed prior to the disbursement of any CDBG funds to the Subrecipient. The Subrecipient agrees that the CDBG Program funds of $268,074 shall be secured through the establishment of a lien in sixth position during construction phase and eighth position during permanent phase of financing on the title of the Property. The Subrecipient agrees to take any and all actions necessary to secure, retain, and defend the position of the City's CDBG lien on the title of the Property as set forth in this subsection (a) unless the City has agreed in writing to a different arrangement within the chain of title and the City has issued its written consent to such a change prior to any such change in title being initiated or put into effect.

(b) No earlier than January 21, 2025, the Subrecipient shall commence Work activities as described in **Exhibit B**. This commencement date may be extended only with prior written approval by the Housing Director or Designee in conformance with Section 8 (Work Review Conference).

(c) No later than June 30, 2025, the Subrecipient shall complete all Work activities as described in **Exhibit B**. This completion schedule may be extended only with prior written approval by the City Housing Director or Designee in conformance with Section 8 (Work Review Conference) but shall in no event be extended beyond December 31, 2025.

(d) If the City, in its sole discretion, determines that the Work fails to comply with the Scope of Work standards and requirements described herein, such failure shall constitute an event of default under the CDBG Deed of Trust and CDBG Note and also this CDBG Subrecipient Agreement.

3. Reporting.

(a) Construction Phase: During the off-site infrastructure construction phase, the Subrecipient shall submit quarterly progress reports to the City describing the progress made towards such off-site improvements. The quarterly reports shall be submitted to the City within 15 days after the end of each quarter.

(b) On-going reporting: See below – Scope of Work: On-Going Project Operation.

4. Scope of Work: On-Going Project Operation.

(a) For each year of the five (5) year compliance period of the CDBG Covenants the Subrecipient shall own, operate and manage the Property in full compliance with all applicable government codes and laws, and to the full satisfaction of the City. The Subrecipient shall provide housing and related services, benefits and assistance to low- and moderate-income persons / households, in compliance with 24 CFR 570.201 and 24 CFR 570.208 of the federal CDBG regulations, throughout the entire five (5) year compliance period.

(b) The Project shall be occupied by income eligible tenants continuously throughout the five (5) year compliance period of the CDBG Covenants, to the satisfaction of the Recipient and HUD. The five (5) year compliance period shall commence upon the date of the recordation of a notice of completion (of construction) issued for the Project.

(c) In conformance with the CDBG Covenants: (i) throughout the entire five (5) year of the CDBG Covenants, the Subrecipient shall provide all beneficiary information in a report format and time schedule that (1) is acceptable to the City, and (2) that enables the City to meet all reporting requirements of HUD and the CDBG Program, and (ii) the Subrecipient shall fully assist and cooperate with the City as the City monitors and audits the Project during the five (5) years of the CDBG Covenants. The Subrecipient shall promptly address and resolve all shortcomings of the Project or defects identified by the City to the City's satisfaction.

(d) During the Term of this CDBG Subrecipient Agreement, the Subrecipient shall retain legal ownership of the Property and of all rights, royalties, profits and proceeds generated or caused by the Property.

(f) Reversion of Assets. The five (5) year period set forth in 24 CFR 570.503(b)(7) for compliance with one or more national objectives shall be included and contained within the five (5) year compliance period established by the CDBG Covenants.

EXHIBIT C
SCHEDULE OF COMPENSATION

1. **Compensation.** Subject to the terms and conditions of this CDBG Subrecipient Agreement, and pursuant to the CDBG Note, the City shall provide to the Subrecipient the amount of Two Hundred and Sixty-Eight Thousand Seventy-Four Dollars ($268,074) of CDBG Program funds to enable the Subrecipient to pay for eligible off-site improvement costs related to development of the Project. In no instance shall the City be liable for Work costs in excess of $268,074, nor for any unauthorized or ineligible costs. The Subrecipient shall not obligate or expend the funds for any purpose other than for the off-site infrastructure set forth herein. Payment for the foregoing shall be in accordance with the following procedure:

(a) Concurrently with this CDBG Subrecipient Agreement, the Subrecipient shall execute a promissory note in favor of the City in the amount of $268,074 ("CDBG Note"), a deed of trust and assignment of rents ("CDBG Deed of Trust"), and a regulatory agreement and restrictive covenants ("CDBG Covenants"). The CDBG Deed of Trust and the CDBG Covenants shall be recorded prior to any payment of CDBG Program funds from the City to the Subrecipient. The CDBG Deed of Trust and the CDBG Regulatory Agreement shall be subordinated to other liens and regulatory agreements ("Senior Liens") on the Project as described in Section XLI. of this Agreement, but only on condition that all of the following conditions are satisfied:

(i) All of the proceeds of the proposed Senior Lien, less any transaction costs, must be used to provide construction and/or permanent financing for the Development.

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

(iii) The subordination(s) described in this section may be effective only during the original term of the Senior Lien and any refinancing of the Senior Lien.

The Housing Director or Designee is authorized to execute and form of subordination agreement provided by such Senior Lenders and approved as to form by the City Attorney

(b) The Subrecipient shall submit a completed Subrecipient Payment Request Form (see attached **Exhibit D**) with each payment request. Such payment requests may be submitted no more frequently than on a monthly basis. The Subrecipient shall also submit receipts and other documentation that describe the documents, materials, and activities that will be paid for and/or reimbursed with each specific payment request.

(c) The Subrecipient may not request disbursement of CDBG funds until the funds are needed for payment of eligible costs (i.e., reimbursement of eligible off-site improvement costs).

(d) The CDBG Covenants affecting the Project shall provide for the use of the Property as an affordable housing project that benefits low- and moderate-income persons / households for a compliance period of at least five (5) years.

2. Billing. Subrecipient shall submit an invoice and copies of all original supporting documentation to the Recipient at the following address:

CITY OF OXNARD
Housing Department
435 S D Street
Oxnard, CA 93030
Attention: Housing Director

3. Progress Reports. The Subrecipient shall submit quarterly progress reports to the Recipient.

4. Method of Payment. Payment to Subrecipient of the compensation discussed above shall be based on the submittal and approval of an invoice, and based on conformance with this CDBG Subrecipient Agreement during the Term of this CDBG Subrecipient Agreement. The final disbursement of $1 will occur after final inspection and Project is 100% occupied.

5. Sources and Availability of Funds. It is understood by the parties hereto that the funds being used for the purposes of this CDBG Subrecipient Agreement are funds furnished to the City through HUD pursuant to the provisions of Title 1 of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et. seq.) (hereinafter referred to as the "Act"). Notwithstanding any other provision of this CDBG Subrecipient Agreement, the liability of the City shall be limited to the CDBG funds that are available. The Subrecipient understands that the City must wait for the release of funds from HUD before grant funds may be advanced or reimbursed. The City shall incur no liability to the Subrecipient, its officers, agents, employees, suppliers, or contractors for any delay in making any such payments, unless such delay is caused by City's intentional misconduct.

6. Relationship to Grant Agreement. The Subrecipient acknowledges and agrees that this CDBG Subrecipient Agreement is subject to the obligations and limitations imposed on the City by the grant agreement for the CDBG Program ("Grant Agreement") executed by HUD and the City, and by all future amendments to the Grant Agreement, and that this CDBG Subrecipient Agreement is intended to be in conformance and harmony with the Grant Agreement. The Subrecipient further acknowledges that if the Grant Agreement is terminated by the United States Government prior to the implementation by appropriation and/or funding of this CDBG Subrecipient Agreement, then the City shall have the right to terminate or amend this CDBG Subrecipient Agreement by giving

written notice of the termination or amendment of the Agreement to the Subrecipient. The Subrecipient hereby expressly agrees to the provisions of the Grant Agreement and further expressly agrees that nothing in this CDBG Subrecipient Agreement shall be deemed to require the City to perform an obligation in conflict with the Grant Agreement. The Subrecipient further agrees that the City's right to enter into amendments to the Grant Agreement is not, and shall not be restricted or impaired, in any way, by this CDBG Subrecipient Agreement.

4. Reimbursement of Improper Expenditures. If at any time within applicable statutory periods of limitation it is determined by the City or by HUD or its duly authorized representatives, or by the United States Secretary of Treasury or duly authorized representatives that funds provided for under the terms and conditions of this CDBG Subrecipient Agreement have been used by or on behalf of the Subrecipient in a manner or for purposes not authorized or prohibited by the Act or regulations adopted pursuant thereto the Subrecipient shall, at the City's request, pay to the City an amount equal to one hundred percent (100%) of the amount improperly expended.

EXHIBIT D

SUBRECIPIENT PAYMENT REQUEST FORM

ORGANIZATION NAME:

Invoice Number:

Project Name:

Contract Period:

Total Budget:

Billing Period:

Agreement Number: 3XXXXX **HUD Agreement Number: B-XX-MC-06-0534**

Line Item per Category	Budgeted Amount	July 2024	August 2024	September 2024	October 2024	Month Year	Month Year	Month Year	Month Year	Month Year	Month Year	Month Year	Project to date Amount	Balance
Position													0.00	0.00
Salaries/wages													0.00	0.00
Employee Benefits													0.00	0.00
Other:													0.00	0.00
[Enter Line Item]													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
													0.00	0.00
Total													0.00	0.00

Invoice Amount Due: _____

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730 and 3801–3812).

Authorized Signature: _____ **Date:** _____

Title: _____

Agreement # A-8571

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO: CITY OF OXNARD Housing Department 435 S D Street Oxnard, CA 93030 Attention: Housing Director No recording fee pursuant to California Government Code Section 27383	
APN: 225-0-014-020	SPACE ABOVE THIS LINE FOR RECORDER'S USE

CITY OF OXNARD CDBG REGULATORY AGREEMENT AND RESTRICTIVE COVENANTS

These CITY OF OXNARD CDBG REGULATORY AGREEMENT AND RESTRICTIVE COVENANTS ("CDBG Covenants") are made and entered into on or about _____, 2025, by and between the City of Oxnard, a municipal corporation (the "City" or "Recipient"), and Etting Road LLC, a California limited liability company (the "Subrecipient").

RECITALS

A. The City is a Participating Jurisdiction in the funding programs of the federal Department of Housing and Urban Development ("HUD"), and has received funds from HUD pursuant to the Community Development Block Grant program ("CDBG Program") to be used pursuant to applicable federal regulations (24 CFR Part 570).

B. Subrecipient owns that certain real property located at 2161 Etting Road, Oxnard, California 93033, as more particularly described in Exhibit A (the "Property"), upon which Subrecipient intends to construct fifty-eight (58) units of affordable housing, including one (1) manager's unit (the "Project").

C. The City has provided a loan to the Subrecipient in the amount of Two Hundred and Sixty-Eight Thousand Seventy-Four Dollars ($268,074) for the purpose of assisting the Subrecipient with the costs of off-site infrastructure related to Subrecipient's development of the Project (the "Work").

D. The City and the Subrecipient wish to assure that the Project will be rented continuously to income eligible low- and moderate-income persons / households in conformance with these CDBG Covenants for the entire Term of these CDBG Covenants, as defined below.

E. The purpose of these CDBG Covenants is to regulate and restrict the occupancy, rents, operation, ownership, and management of the Project and its affordable housing units. These CDBG Covenants are intended to run with the land and be binding on the Subrecipient and its successors and assigns in the Property.

F. These CDBG Covenants are subject to the terms and conditions of the CDBG Subrecipient Agreement between the Recipient and the Subrecipient of even date herewith.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged the parties and agree as follows:

ARTICLE I. DEFINITIONS

Section 1.01 "Term" means the five (5) year compliance period during which the Project must meet the affordability requirements imposed under the CDBG Program, commencing upon the date of the recordation of a notice of completion issued for the Project. Regarding the reversion of assets, the five (5) year period set forth in 24 CFR 570.503(b)(7) for compliance with one or more national objectives shall be included and contained within the five (5) year compliance period established by these CDBG Covenants.

Section 1.02 "CDBG Loan" means the loan of CDBG Program funds in the amount of Two Hundred and Sixty-Eight Thousand Seventy-Four Dollars ($268,074) made by the City to the Subrecipient to assist with payment of the cost of the Work pursuant to the CDBG Subrecipient Agreement and the CDBG Note.

Section 1.03 "CDBG Subrecipient Agreement" means the Subrecipient Agreement for CDBG Grant Funds Between the City of Oxnard and Etting Road LLC for Off-Site Infrastructure Costs in Support of Affordable Housing Development in the City of Oxnard executed by and between the Subrecipient and the City concurrently herewith and setting forth the terms and conditions governing the CDBG Loan.

Section 1.04 "CDBG Deed of Trust" means that certain Deed of Trust with Assignment of Rents executed by and between the Subrecipient and the City and recorded concurrently herewith as security for the CDBG Loan with the Subrecipient as trustor and the City as beneficiary, as well as any amendments to, modifications of, and restatements thereto.

Section 1.05 "CDBG Loan Documents" are collectively the CDBG Subrecipient Agreement, the CDBG Note, the CDBG Deed of Trust, and these CDBG Covenants as they may be amended, modified, or restated from time to time, along with all exhibits and attachments to these documents.

Section 1.06 "CDBG Note" means the City of Oxnard Community Development Block Grant Program Promissory Note Secured By Deed Of Trust executed by the Subrecipient concurrently herewith in favor of the City in the amount of Two Hundred and Sixty-Eight Thousand Seventy-Four Dollars ($268,074) evidencing the CDBG Loan, which is secured by the CDBG Deed of Trust, as well as any amendments to, modifications of, or restatements thereto.

Section 1.07 "Low income household" means a household having an income equal to or less than the Section 8 very low-income limit established by HUD (i.e. 50% or less of area median income adjusted for family size by the State Department of Housing and Community Development) pursuant to 24 CFR 570.3.

Section 1.08 "Moderate income household" means a household having in income equal to or less than the Section 8 low-income limit and greater than the Section 8 very low-income limit, established by HUD (i.e. 80% to 51% of area median income adjusted for family size by HUD) pursuant to 24 CFR 570.3.

Section 1.09 "Income Eligible" shall mean individuals and households meeting the income definitions under Sections 1.07 and/or 1.08.

Section 1.10 "Area Median Income" shall mean the county wide median income in the then currently published guidelines of the U.S. Department of Housing and Urban Development.

Article II. TERMS AND COMPLIANCE

Section 2.01 The Subrecipient's actions with respect to the Property, the Project and the use of funds from the CDBG Loan shall at all times be in full conformity with all of the requirements of the CDBG Loan Documents.

Section 2.02 These CDBG Covenants shall be effective throughout the Term, as defined above.

Section 2.03 The Subrecipient shall comply with all requirements imposed on projects assisted under the CDBG Program (24 CFR Part 570) in effect on the date that the CDBG Loan is executed by all parties, and as the same may be amended from time to time.

Section 2.04 These affordability requirements shall be covenants running with the land as defined in California Civil Code section 1462. Pursuant to Civil Code section 1468 which governs such covenants, the provisions of these CDBG Covenants shall be binding upon all parties having any right, title, or interest in any of the properties described herein, or any portion thereof and on their heirs, successors in interest and assigns for the Term of these CDBG Covenants. The parties agree that all future deeds or transfers of interest regarding the Property shall show the restrictions of these CDBG Covenants for as long as the Covenants are in effect.

Section 2.05 The Subrecipient, by and for itself and any successors in interest, covenants and agrees that for the entire Term of these CDBG Covenants there shall be no sale, lease, rental, occupancy, removal or other transfer of any of the Project's affordable rental apartment units except for the rental or leasing of individual apartment units to income eligible persons/ households (as defined in Section 1.09 above), or a transfer as permitted in the CDBG Note. The on-site managers' apartment units are not subject to affordability restrictions. Any sale, lease, rental, occupancy, removal or other transfer of any of the Project's affordable rental apartment units in violation of these CDBG Covenants shall be void unless authorized by the prior written consent of the City.

Section 2.06 In the event that the Subrecipient ceases to use the Property as an affordable housing project for income eligible persons / households, or if the Property is transferred, assigned, leased, sold, encumbered or foreclosed whether voluntarily or involuntarily within the Term of these CDBG Covenants, without the prior written consent of the City, the Subrecipient shall repay to the City all CDBG funds loaned to the Subrecipient and invested in the Project, subject to a reasonable notice and cure period.

Article III. PROJECT OCCUPANCY AND RENTS

Section 3.01 During the Term of these CDBG Covenants, the Subrecipient shall rent the units in the Project, excluding the managers' units, to Income Eligible persons / households at rent levels consistent with the requirements of 24 CFR 570.201 and 24 CFR 570.208 of the federal CDBG regulations. Non-compliance under the terms of these CDBG Covenants shall constitute an event of default under the CDBG Note and CDBG Deed of Trust, subject to applicable cure periods.

Section 3.02 Pursuant to 24 CFR 8.22 & 8.23 & 8.32, no less than five percent (5%) of the Project's units shall be constructed as Accessible units (for the physically disabled) and an additional two percent (2%) or more of the Project's units shall be constructed as Sensory units (for the visual and hearing disabled).

Section 3.03 The Project's units, other than the manager's unit, shall be occupied by income eligible persons / households within twelve (12) months from the date of issuance of a certificate of occupancy for the Project. Upon the initial occupancy of each individual unit, other than the manager's unit, the Subrecipient shall provide to the City a Beneficiary Report pursuant to Section 4.01(a) (Beneficiary Report). This 12-month occupancy requirement may not be extended without prior written approval by the City. If all of the Project's units are not occupied within eighteen (18) months of the date of issuance of a certificate of occupancy for the Project, then this shall constitute an event of default, and the Subrecipient shall repay to the City all CDBG funds loaned to the Subrecipient and invested in the Project.

Section 3.04 Marketing Plan. Prior to occupancy of the Project, the Subrecipient shall submit to the City for approval the marketing plan for the Project, including information on affirmative marketing efforts and compliance with both the federal fair housing laws and the City's affirmative marketing policy. The City shall approve or disapprove the Project marketing plan within thirty (30) days. If the City does not respond within such 30 days, the marketing plan shall be deemed approved. If the City disapproves the marketing plan, the City shall specify its reasons for disapproval. The Subrecipient shall submit a revised marketing plan within thirty (30) days of the City's notice of disapproval. The City shall approve or disapprove the revised marketing plan within thirty (30) days of submittal. The City's disapproval of a revised marketing plan shall constitute an event of default under the provisions of the CDBG Note and the CDBG Deed of Trust.

Article IV. REPORTING AND ON-GOING OPERATIONS

Section 4.01 Beneficiary Report. Immediately upon the initial occupancy of all fifty-seven (57) affordable rental units by income eligible households the Subrecipient shall submit to the Recipient a beneficiary report that provides the tenant household information necessary to enable the Recipient to submit a project completion report into the federal Integrated Disbursement and Information System (IDIS). This beneficiary information is required for the households in all fifty-eight (58) affordable housing units, excluding the manager's unit.

Section 4.02 On-Going Project Operation. For each year of the Term of these CDBG Covenants, the Subrecipient shall:

(a) Annually submit to and obtain City approval of the rental rate and utility allowance that is used for each of the Project's affordable housing units.

(b) Provide each tenant household with a minimum 30-day notice prior to implementing any rent increase.

(c) Submit to the City an annual report on the Project's affordable housing units. At a minimum, this annual report shall provide the following information for each unit: tenant household name, size and income amount, the rental unit size (number of bedrooms) and address, and the rental / utility rate that was charged for the reporting year.

(d) Affirmative Marketing: Annual reports shall be submitted by the Subrecipient to the City. Each report shall describe the clientele served by the Project (i.e. total number of clients served with respect to race, ethnicity, gender and disability status). Affirmative steps shall be taken (i.e. targeted marketing) with respects to increasing the participation of any underserved or under-represented group(s).

Section 4.03 Inspection, Records and Monitoring

(a) All required reports and supporting materials that are required by these CDBG Covenants shall be retained by the Subrecipient for a period of no less than five (5) years. The Subrecipient shall make all such reports and materials available to the City or its representative for review and copy within ten (10) days after any request by the City to review such reports.

(b) The Subrecipient shall permit the City or its representative to conduct annual compliance monitoring, including performing on-site records review and inspections of the Project development and Property, as required by regulation or reasonably requested by the City. The City shall provide reasonable notice prior to inspection.

Article V. GENERAL

Section 5.01 These CDBG Covenants shall not be subordinate to any deed of trust, agreement and/or other obligations of the Subrecipient concerning the Property, except for Senior Liens described in Section XLI.C of the CDBG Subrecipient Agreement, and may be subordinated in priority only as to other liens and encumbrances otherwise approved in writing by the City.

Section 5.02 Notices required to be sent to the City hereunder shall be sent by certified mail, return receipt requested, to the following address:

CITY OF OXNARD
Housing Department
435 S D Street
Oxnard, CA 93030
Attention: Housing Director

Notices to Subrecipient shall be to:

Etting Road LLC
c/o Cabrillo Economic Development Corporation
702 County Square Drive, Suite 200
Ventura, CA 93003
Attn: Chief Executive Officer

With copy to:

Goldfarb & Lipman LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attn: Lynn Hutchins

Section 5.03 The Subrecipient hereby specifically acknowledges and agrees to be bound by the covenants contained herein regarding the affordability of the Project and its affordable housing units.

Section 5.04 These CDBG Covenants may be executed in counterparts and shall be fully effective as if signed by all parties whether or not the signatures of all the parties appear on the original or on any one copy of these CDBG Covenants.

[Signature blocks appear on following pages]

IN WITNESS WHEREOF, the parties hereto have executed these CDBG Covenants as of the day and year first above written.

RECIPIENT:
THE CITY OF OXNARD

Housing Director

SUBRECIPIENT:
ETTING ROAD LLC, a California limited company

By: Cabrillo Economic Development Corporation, a California non-profit public benefit corporation, its sole member and manager

By: Victoria J Brady
Chief Executive Officer

APPROVED AS TO FORM:

Stephen Fischer
City Attorney

APPROVED AS TO INSURANCE:

Michael More
Human Resources/Risk Manager

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)
) ss.
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

_____ (Place Notary Seal Above)
Signature of Notary Public

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

_____ (Place Notary Seal Above)
Signature of Notary Public

EXHIBIT A

LEGAL DESCRIPTION

All that certain real property situated in the County of Ventura, State of California, described as follows:

A PORTION OF PARCEL H, SUBDIVISION 72 RANCHO EL RIO DE SANTA CLARA O' LA COLONIA, IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF VENTURA COUNTY, IN BOOK 3. MISCELLANEOUS RECORDS AT PAGE 14, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 3/4 INCH IRON PIPE SET IN THE SOUTHERLY LINE OF PLEASANT VALLEY ROAD DISTANT THEREON NORTH 59° 15' 30" EAST 250.73 FEET FROM A 4" X 4" POST SET AT THE MOST WESTERLY CORNER OF SAID PARCEL H; THENCE FROM SAID POINT OF BEGINNING.

1ST: NORTH 59° 15' 30" EAST 424.64 FEET ALONG THE SOUTHERLY LINE OF SAID PLEASANT VALLEY ROAD TO A 3/4 INCH IRON PIPE MARKED WITH A METAL TAG STAMPED SGB LS 1848; THENCE,

2ND: SOUTH 345.13 FEET TO A NAIL AND METAL TAG STAMPED SGB LS 1848 SET IN THE SOUTH SIDE OF A LARGE EUCALYPTUS TREE IN THE NORTH LINE OF ETTING ROAD; THENCE ALONG SAID NORTH
LINE.

3RD: WEST 365.00 FEET TO A 3/4 INCH IRON PIPE MARKED WITH A METAL TAG STAMPED SGB LS 1842; THENCE,

4TH: NORTH 128.2 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL RIGHT, TITLE AND INTEREST OF THE GRANTOR IN AND TO ALL OIL, GAS, MINERALS, HYDROCARBONS AND ASSOCIATED SUBSTANCES IN, UNDER OR PRODUCED AND SAVED FROM SAID LAND, BUT WITHOUT THE RIGHT OF ENTRY TO THE SURFACE OF THE PROPERTY OR THE TOP FIVE HUNDRED (500) FEET OF THE SUBSURFACE THEREOF MEASURED VERTICALLY FROM THE SURFACE (COLLECTIVELY "MINERAL RIGHTS") AS RESERVED IN DEED RECORDED SEPTEMBER 10, 2015 AS INSTRUMENT NO. 2015-00136187, OFFICIAL RECORDS OF SAID COUNTY.

APN: 225-0-014-020

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO: CITY OF OXNARD Housing Department 435 S D Street Oxnard, CA 93030 Attention: Housing Director No recording fee pursuant to California Government Code Section 27383	
APN: 225-0-014-020	SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST AFFECTING REAL PROPERTY
WITH ASSIGNMENT OF RENTS
(This Deed of Trust contains an acceleration clause)
(Secures CDBG Promissory Note, Subrecipient Agreement,
and Regulatory Agreement)

This DEED OF TRUST WITH ASSIGNMENT OF RENTS (the "Deed of Trust") is made _____,2025 between Etting Road LLC, a California limited liability company, herein called TRUSTOR, whose address is 702 County Square Drive, Suite 200, Ventura, CA 93003, to Commonwealth Land Title Company, a California corporation, as trustee, herein called TRUSTEE, and the City of Oxnard, a municipal corporation (the "City"), herein called BENEFICIARY,

WITNESSETH: That Trustor grants to Trustee in Trust, with Power of Sale, that property located at 2161 Etting Road, in the City of Oxnard, which is located in Ventura County, California, as more particularly described in Exhibit A (the "Property") attached hereto and incorporated herein by this reference;

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits.

This grant is made for the purpose of securing the performance of each agreement of Trustor incorporated by reference or contained herein; and performance of that certain Subrecipient Agreement For CDBG Grant Funds of even date herewith, that certain City of Oxnard CDBG Regulatory Agreement and Restrictive Covenants of even date herewith, and that certain City of Oxnard Community Development Block Grant Program Promissory Note Secured by Deed of Trust dated _____, 2025, in the face amount of $268,074 made by Trustor to the order of the Beneficiary. This Deed of Trust secures all obligations of each of the foregoing agreements. Any default in the performance of obligations under any of such agreements is a default under each of the agreements and is a default hereunder, and entitles Beneficiary and Trustee to exercise all rights and remedies herein described.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange

County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Madera	911	136	San Luis Obispo	1311	137
Alpine	3	130-31	Marin	1849	122	San Mateo	4778	175
Amador	133	438	Mariposa	90	453	Santa Barbara	2065	881
Butte	1330	513	Mendocino	667	99	Santa Clara	6626	664
Calaveras	185	338	Merced	1660	753	Santa Cruz	1638	607
Colusa	323	391	Modoc	191	93	Shasta	800	633
Contra Costa	4684	1	Mono	69	302	San Diego Series 5	1964	149774
Del Norte	101	549	Monterey	357	239	Sierra	38	187
El Dorado	704	635	Napa	704	742	Siskiyou	506	762
Fresno	5052	623	Nevada	363	94	Solano	1287	621
Glenn	469	76	Orange	7182	18	Sonoma	2067	427
Humboldt	801	83	Placer	1028	379	Stanislaus	1970	56
Imperial	1189	701	Plumas	166	1307	Sutter	655	585
Inyo	165	672	Riverside	3778	347	Tehama	457	183
Kern	3756	690	Sacramento	5039	124	Trinity	108	595
Kings	858	713	San Benito	300	405	Tulare	25300	108
Lake	437	110	San Bernardino	6213	768	Toulumne	177	160
Lassen	192	367	San Francisco	A-804	596	Ventura	2607	237
Los Angeles	T-3878	874	San Joaquin	2855	283	Yolo	769	16
						Yuba	398	693

shall inure to and bind the parties hereto, with respect to the property above described. Said Agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and attached hereto), are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein (provided that in the event any said provision is inconsistent with the language in this Deed of Trust, the language of this Deed of Trust shall control), and Beneficiary may charge for a statement regarding the obligation secured hereby; provided the charge therefore does not exceed the maximum allowed by law.

The Trustor acknowledges receipt of a copy of such provisions of such fictitious deed of trust.

If the Trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, in a manner not allowed by the agreements secured by this Deed of Trust or without the written consent of the Beneficiary being first had and obtained, Beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be made to it at its address hereinbefore set forth.

Exhibit A is attached hereto and incorporated herein.

(Signature appears on following page)

SIGNATURE OF TRUSTOR

ETTING ROAD LLC,
a California limited liability company

By: Cabrillo Economic Development Corporation, a California nonprofit public benefit corporation,
Its: sole member and manager

_____
By: Victoria J. Brady
Its: Chief Executive Officer

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)
) ss.
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

(Place Notary Seal Above)

_____
Signature of Notary Public

EXHIBIT A

LEGAL DESCRIPTION

All that certain real property situated in the County of Ventura, State of California, described as follows:

A PORTION OF PARCEL H, SUBDIVISION 72 RANCHO EL RIO DE SANTA CLARA O' LA COLONIA, IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF VENTURA COUNTY, IN BOOK 3. MISCELLANEOUS RECORDS AT PAGE 14, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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APN: 225-0-014-020

CITY OF OXNARD
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROMISSORY NOTE SECURED BY DEED OF TRUST

$268,074 **Oxnard, California** **_____, 2025**

FOR VALUE RECEIVED, Etting Road LLC, a California limited liability company ("Subrecipient"), whose address is 702 County Square Drive, Suite 200, Ventura, California 93003, hereby promises to pay to the order of the City of Oxnard, a municipal corporation ("City"), whose address is 435 South D Street, Oxnard, California 93030, the principal amount equal to Two Hundred and Sixty-Eight Thousand Seventy-Four Dollars ($268,074), or so much thereof as may be advanced by City to Subrecipient, together with interest thereon, as set forth below.

1. **PURPOSE.** In order to assist Subrecipient in developing a fifty-eight (58) unit affordable rental housing development located at 2161 Etting Road, Oxnard, California ("Project"), City has agreed to loan to Subrecipient the amount of Two Hundred and Sixty-Eight Thousand Seventy-Four Dollars ($268,074) to cover the costs of off-site infrastructure in furtherance of the Project, which amount is derived from funds received by the City from the United States Department of Housing and Urban Development through the Community Development Block Grant Program ("CDBG Funds").

2. **SUBRECIPIENT'S OBLIGATION.** This promissory note ("Note") evidences Subrecipient's obligation to pay City the principal amount of Two Hundred and Sixty-Eight Thousand Seventy-Four Dollars ($268,074) ("Loan") for the CDBG Funds loaned to Subrecipient by City for the specific uses designated in that certain Subrecipient Agreement for CDBG Grant Funds by and between Subrecipient and City of even date herewith ("Subrecipient Agreement") and that certain CDBG Regulatory Agreement and Restrictive Covenants by and between Subrecipient and City of even date herewith ("Regulatory Agreement"). This Note is secured by a Deed of Trust and Assignment of Rents by Subrecipient in favor of City of even date herewith ("Deed of Trust," and collectively with this Note, the Subrecipient Agreement and the Regulatory Agreement, the "CDBG Loan Documents").

3. **INTEREST.** Subject to Section 4, this Note shall bear simple interest at the rate of three percent (3%) per annum from the date of the first disbursement under the Subrecipient Agreement. Interest is not compounding.

4. **DEFAULT INTEREST.** In the event of default by Subrecipient of any of its obligations under the CDBG Loan Documents, Subrecipient shall pay to City interest on the outstanding principal of this Note, at an annual rate equal to the lesser of (i) ten percent (10%) or (ii) the highest interest allowed by law, in addition to the interest rate provided in Section 3 above, from the date of the event of default until the date that the event of default is cured or the Loan is repaid in full. The default interest shall be paid monthly and is due to the City on the first day of each month.

5. **AMOUNT AND TIME OF PAYMENT.** The principal and interest of the Loan shall

be due and payable on the earlier of: (a) fifty-five (55) years from the date of the recordation of a notice of completion issued for the Project, or (b) the date the Property is sold or otherwise transferred, except, if Subrecipient is a limited partnership and the affordability covenants are maintained for the duration of the original City affordability period, for a transfer to the general partner(s) of the Subrecipient or, a City approved affiliate thereof, or (c) Subrecipient has failed to commence Project activities as set forth in Section VII of the Subrecipient Agreement, or (d) an event of default by Subrecipient which has not been cured as within thirty (30) days after notice thereof by City or such longer period if so specified by the City. Annual loan payments on the Loan shall be made in accordance with Section 7 hereof. In the event of default by Subrecipient which has not been cured as provided herein, the principal and all current and accrued interest shall be due and payable in accordance with Section 9 of this Note. In any event, the principal and all current and accrued interest shall be due and payable no later than December 31, 2080.

6. **DEFINITIONS.** Unless otherwise defined, all capitalized terms in this Note shall have the definition ascribed to such terms in the Subrecipient Agreement.

a. "**ANNUAL FINANCIAL STATEMENT**" means the financial statement for each calendar year prepared at Subrecipient's expense and prepared under accounting principles generally accepted in the United States of America and audited by Certified Public Accountants reasonably acceptable to City, which shall form the basis for determining the Residual Receipts.

b. **"ANNUAL OPERATING EXPENSES"** means with respect to a particular calendar year the following costs reasonably and actually incurred for operation and maintenance of the Project, using generally accepted accounting principles: debt service currently due on a non-optional basis (excluding debt service due from Residual Receipts, cash flow or surplus cash of the Project) on loans secured by the Senior Liens set forth in Section XLI.C of the Subrecipient Agreement ("Senior Loans") and other loans associated with development of the Project and approved by the City; property and other taxes and assessments imposed on the Project; premiums for property damage and liability insurance; utility services not paid for directly by tenants, including water, sewer, trash collection, gas, and electricity; maintenance and repair, including but not limited to, pest control, landscaping and grounds maintenance, painting and decorating, cleaning, common systems repairs, general repairs, janitorial supplies and maintenance oversight fee; any annual license or certificate of occupancy fees required for operation of the Project; general administrative expenses including, but not limited to, advertising and marketing, security services and systems, professional fees for legal, audit, accounting and tax returns; bookkeeping fees, property management fees not to exceed eight percent (8%) of Gross Revenues from the Project plus reimbursements including on-site manager costs and reimbursements which are standard in the industry; any fees or costs in connection with resident/social services provided to tenants; social services oversight fee in a reasonable amount given comparable fees for such services at that time; cash deposited into a reserve for capital replacements of Project improvements in such reasonable amounts as are approved by lenders of the Senior Loans to the Project ("Senior Lenders"), any current and accrued fee for managing the Subrecipient entity, paid to the manager of the Subrecipient, in an annual

amount of Twenty Thousand Dollars ($20,000) a year (or partial year) of the Project's operations, increasing annually by three percent (3%); payment of any previously unpaid portion of the Development Fee due (with interest at a rate not to exceed the applicable federal rate) not exceeding a cumulative amount of the Development Fee as allowed by the California Department of Housing and Community Development ("HCD"); cash deposited into an operating reserve in such reasonable amounts as are approved by Senior Lenders to the Project; extraordinary operating costs specifically approved by the City; and other ordinary and reasonable operating expenses not listed above. Annual Operating Expenses shall not include the following: depreciation, amortization, depletion or other non-cash expenses or any amount expended from a reserve account. The Annual Operating Expenses shall be reported in the Annual Financial Statement.

c. "**GROSS REVENUE**" means for each calendar year, all revenue, income, receipts, and other consideration actually received by Subrecipient from operation and leasing of the Project. Gross Revenue includes, but is not limited to: (i) all rents, fees and charges paid by tenants, payments or other rental subsidy payments received for the dwelling units, deposits forfeited by tenants, all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements resulting in actual income to Subrecipient; (ii) the proceeds of business interruption or similar insurance; (iii) the proceeds of casualty insurance to the extent not utilized to repair or rebuild the Project (or applied toward the cost of recovering such proceeds); (iv) condemnation awards for a taking of part or all of the Project for a temporary period. Gross Revenue shall exclude tenants' security deposits, loan proceeds, capital contributions or other similar advances.

d. "**RESIDUAL RECEIPTS**" in a particular calendar year shall mean the amount by which Gross Revenue exceeds Annual Operating Expenses.

7. **PAYMENTS**. All accrued interest and principal shall be due and payable in accordance with the terms set forth in Section 5. Commencing on July 1st of the first year after all other Senior Loans have been fully repaid, Subrecipient shall make an annual Loan payment equal to fourteen and eighty-nine hundredths' percent (14.89%) of Residual Receipts for the previous calendar year (each, an "**Annual Payment**"). The Subrecipient shall provide the City with any documentation reasonably requested by the City to substantiate the Subrecipient's determination of the Gross Revenue, Annual Operating Expenses, and Annual Payment. The City shall apply all Annual Payments first to accrued interest, and second to principal. In the event that the City determines that there is an understatement in the amount of an Annual Payment due to City, Subrecipient shall promptly pay to City such understatement, but in any event, no later than within twenty (20) days of notice of such understatement. In the event that City determines that there has been an overpayment in an Annual Payment due to City, City shall pay to Subrecipient the amount of overpayment promptly, but in any event, within twenty (20) days of such determination. If contested, Subrecipient has the right to pay under protest and request an audit by an independent certified public accountant. On or before each Annual Payment the Subrecipient shall submit its Annual Financial Statement to City for the preceding calendar year together with the required Annual Payment for the preceding calendar year and each Payment Date thereafter until the Loan is paid in full or otherwise terminated. City shall review and approve the amount to be paid by Subrecipient and the Annual Financial Statement, or request revisions, within sixty (60) days after

receipt. In the event City fails to approve or disapprove the Annual Financial Statement within the sixty (60) day period, Subrecipient may request a written determination of approval or disapproval following the expiration of such period. In the event City fails to provide a written determination to Subrecipient within ten (10) days following the receipt of Subrecipient's request for determination, the Annual Financial Statement shall be deemed approved.

8. **PLACE AND MANNER OF PAYMENT.** All amounts due and payable under this Note are payable at the office of City at the address set forth above, or at such other place as City may designate to Subrecipient in writing from time to time, in any coin or currency of the United States which on the respective Payment Dates thereof shall be legal tender for the payment of public and private debts.

9. **DEFAULT AND ACCELERATION.** This Note is secured by the Deed of Trust. All covenants, conditions and agreements contained in the Deed of Trust and the Subrecipient Agreement are hereby made a part of this Note. Subrecipient agrees that the principal and all current and accrued interest, shall, at the option of City, be immediately due and payable upon any event of default as defined in the Subrecipient Agreement which has not been cured pursuant to that Subrecipient Agreement, including without limitation the failure of Subrecipient to make any payment when due. Upon any event of default, City may exercise any other right or remedy permitted under this Note and the CDBG Loan Documents. Notwithstanding anything to the contrary contained in the CDBG Loan Documents, City hereby agrees that any cure of any event of default made or tendered by Subrecipient's limited partners shall be deemed to be a cure by Subrecipient and shall be accepted or rejected on the same basis as if made or tendered by Subrecipient.

10. **PREPAYMENT OF LOAN**. No prepayment penalty will be charged to Subrecipient for payment of all or any portion of the Loan amounts prior to the end of the term described herein. However, prepayment of the Loan during the term of the Regulatory Agreement shall require City approval and shall not affect Subrecipient's obligations under the Regulatory Agreement.

11. **NO OFFSET.** Subrecipient hereby waives any rights of offset it now has or may hereafter have against City, its successors and assigns, and agrees to make the payments called for herein in accordance with the terms of this Note.

12. **WAIVERS.** All presentments, notices of dishonor, and protests are waived by all makers, sureties, guarantors, and endorsers of this Note, if any.

13. **CONSENTS AND APPROVALS.** Any consent or approval of City required under this Note shall not be unreasonably withheld or delayed.

14. **NOTICES.** Except as may be otherwise specifically provided herein, any approval, notice, direction, consent request or other action by City shall be in writing and may be communicated to Subrecipient at the principal office of Subrecipient set forth below, or at such other place or places as Subrecipient shall designate in writing, from time to time, for the receipt of communications from City. Copies of all notices which are sent to Subrecipient under the terms of the Loan Documents shall also be sent the additional parties as listed at the address below.

SUBRECIPIENT:	Etting Road LLC c/o Cabrillo Economic Development Corporation 702 County Square Drive, Suite 200 Ventura, CA 93003 Attn: Chief Executive Officer
With copy to:	Goldfarb & Lipman LLP 1300 Clay Street, 11th Floor Oakland, CA 94612 Attn: Lynn Hutchins

15. **BINDING UPON SUCCESSORS.** All provisions of this Note shall be binding upon and inure to the benefit of the successors-in-interest, transferees, and assigns of Subrecipient and City.

16. **GOVERNING LAW.** This Note shall be interpreted under and governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

17. **SEVERABILITY.** Every provision of this Note is intended to be severable. If any provision of this Note shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

18. **TIME.** Time is of the essence in this Note.

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

20. **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this Note must be in writing, and shall be made only if executed by both Subrecipient and City.

21. **NONRECOURSE.** Except as expressly provided in the second paragraph of this Section 21, the Subrecipient, and the Subrecipient's partners, officers, directors, employees and agents shall not have any direct or indirect personal liability for payment of the principal of, or interest on, this Note. The sole recourse of the City with respect to the principal of, or interest on, the Note shall be to the property securing the indebtedness evidenced by the Note. However, nothing contained in the foregoing limitation of liability shall (i) limit or impair the enforcement

against all such security for the Note of all the rights and remedies of the City, or (ii) be deemed in any way to impair the right of the City to assert the unpaid principal amount of the Note as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto.

The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note, except as hereafter set forth; nothing contained herein is intended to relieve the Subrecipient of personal liability to the extent of actual damages for (i) Subrecipient's fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges (which are not contested by the Subrecipient in good faith) which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by the Subrecipient other than in accordance with the Deed of Trust; (iv) the material misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property; (v) the Subrecipient's indemnification obligations under the Subrecipient Agreement; and (vi) payment to the City of any rental income or other income arising with respect to the Property received by the Subrecipient after the City has given notice to the Subrecipient of the occurrence of an event of default and after the expiration of all applicable notice and cure periods, subject to the rights of any City providing a loan secured by the Property to which the City has subordinated the Deed of Trust.

(signature appears on following page)

IN WITNESS WHEREOF, the Subrecipient has executed this Note as of the day and year first above written.

SUBRECIPIENT:

ETTING ROAD LLC,
A California limited liability company

By: Cabrillo Economic Development Corporation, a California nonprofit public benefit corporation,
Its: sole member and manager

_____
By: Victoria J. Brady
Its: Chief Executive Officer

AFFORDABLE HOUSING LOAN AGREEMENT
(DOLORES HUERTA GARDENS)

This Affordable Housing Loan Agreement ("Loan Agreement") is made as of this ___ day of _____, 2025, by and between the City of Oxnard, a municipal corporation ("Lender") and Etting Road LLC, a California limited liability company ("Borrower").

RECITALS

A. Lender wishes to promote the development of more affordable rental housing in neighborhoods in need of revitalization in the City and to provide a greater choice of housing opportunities for persons and families with low incomes.

B. Borrower is constructing a 58-unit multi-family housing development with a community room, community gardens, common courtyards, and private outdoor patios and balconies on a 1.98-acre parcel located in Oxnard, California as more particularly described in Exhibit A attached hereto and incorporated by this reference (the "Property").

C. Lender has "In Lieu Fees" collected by Lender pursuant to the provisions of City of Oxnard Ordinance Nos. 2721 and 2980 for the purpose of expanding the supply of decent, safe, sanitary and affordable housing for low-income persons and families.

D. A total of Six Hundred and Thirty-One Thousand Nine Hundred Dollars ($631,900) of In Lieu Fees will be loaned to Borrower pursuant to this Loan Agreement.

NOW THEREFORE, IN CONSIDERATION of the mutual agreements, obligations, and representations, and in further consideration for the making of the Loan, Borrower and Lender hereby agree as follows:

ARTICLE 1 DEFINITIONS

The following terms have the meanings and content set forth in this section wherever used in this Loan Agreement, attached Exhibits, or documents incorporated into this Loan Agreement by reference.

1.1 "**ANNUAL FINANCIAL STATEMENT"** means the financial statement for each calendar year prepared at Borrower's expense and prepared under accounting principles generally accepted in the United States of America and audited by Certified Public Accountants reasonably acceptable to Lender, which shall form the basis for determining the Residual Receipts.

1.2 **"ASSISTED UNIT"** means any of the six (6) housing units on the Property which are supported by funds under this Loan Agreement.

1.3 **"BORROWER"** is Etting Road LLC, a California limited liability company and its authorized representatives, assigns, transferees, or successors-in-interest thereto.

1.4 **"CITY"** means the City of Oxnard, a municipal corporation.

1.5 **"DEED OF TRUST"** is that certain deed of trust, assignment of rents, and security agreement placed on the Property and the improvements to be constructed thereon as security for the Loan by Borrower as trustor with Lender as beneficiary attached hereto as Exhibit C. The terms of the Deed of Trust have been incorporated into this Loan Agreement.

1.6 **"DISBURSEMENT SCHEDULE"** is the proposed disbursements of loan proceeds as set forth in Exhibit E attached hereto.

1.7 **"EFFECTIVE DATE"** is the execution date of this Agreement.

1.8 **"ESCROW HOLDER"** means the person or entity designated by the Borrower and approved by Lender to hold the Regulatory Agreement and Deed of Trust until receiving written instructions to record the documents.

1.9 **"HAZARDOUS MATERIALS"** means any hazardous or toxic substances, materials, wastes, pollutants, or contaminants which are defined, regulated, or listed as "hazardous substances," "hazardous wastes," "hazardous materials," "pollutants," "contaminants," or "toxic substances," under federal or state environmental and health and safety laws and regulations, including without limitation petroleum and petroleum byproducts, flammable explosives, urea formaldehyde insulation, radioactive materials, asbestos, and lead. 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 legal standards at the time of such use.

1.10 Intentionally left blank.

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

1.12 **"IMPROVEMENTS"** means any improvements and development of the Property.

1.13 **"INSURANCE REQUIREMENTS"** means the insurance coverage which must be in full force and effect during the term of the Regulatory Agreement, as specified in Exhibit F.

1.14 **"LENDER"** means the City of Oxnard, a municipal corporation and its authorized representatives, officers, officials, directors, employees, and agents.

1.15 **"LOAN"** means the loan of funds in the total amount of Six Hundred and Thirty-One Thousand Nine Hundred Dollars ($631,900) from the Lender to the Borrower as provided in this Loan Agreement to provide permanent financing for the Project.

1.16 **"LOAN AGREEMENT"** means this loan agreement entered into between Lender and Borrower.

1.17 "**LOAN DOCUMENTS"** are collectively the Loan Agreement, the Note, the Deed of Trust, and the Regulatory Agreement, as they may be amended, modified, or restated from time to time, along with all exhibits and attachments to these documents.

1.18 "**MEDIAN INCOME"** means the median income for Ventura County Metropolitan Statistical Area as determined by HUD with adjustments for household size.

1.19 "**NOTE"** means the promissory note executed by the Borrower in favor of Lender in the amount of Six Hundred and Thirty-One Thousand Nine Hundred Dollars ($631,900) to evidence the Loan substantially in the form attached hereto as Exhibit B.

1.20 "**NOTICE OF COMPLETION**" shall mean the notice that shall be filed by the Borrower with the Ventura County Recorder at completion of construction. Borrower shall not unreasonably delay filing the Notice of Completion.

1.21 **"OPERATING EXPENSES"** means with respect to a particular calendar year the following costs reasonably and actually incurred for operation and maintenance of the Project, using generally accepted accounting principles: debt service currently due on a non-optional basis (excluding debt service due from Residual Receipts, cash flow or surplus cash of the Development) on loans secured by the Senior Liens set forth in Section 1.30 of this Agreement ("Senior Loans") and other loans associated with development of the Project and approved by the City; property and other taxes and assessments imposed on the Project; premiums for property damage and liability insurance; utility services not paid for directly by tenants, including water, sewer, trash collection, gas, and electricity; maintenance and repair, including but not limited to, pest control, landscaping and grounds maintenance, painting and decorating, cleaning, common systems repairs, general repairs, janitorial supplies and maintenance oversight fee; any annual license or certificate of occupancy fees required for operation of the Project; general administrative expenses including, but not limited to, advertising and marketing, security services and systems, professional fees for legal, audit, accounting and tax returns; bookkeeping fees, property management fees not to exceed eight percent (8%) of Gross Revenues from the Project plus reimbursements including on-site manager costs and reimbursements which are standard in the industry; any fees or costs in connection with resident/social services provided to tenants; social services oversight fee in a reasonable amount given comparable fees for such services at that time; cash deposited into a reserve for capital replacements of Project improvements in such reasonable amounts as are approved by lenders of the Senior Loans to the Project ("Senior Lenders"), any current and accrued fee for managing the Borrower entity, paid to the manager of the Borrower, in an annual amount of Twenty Thousand Dollars ($20,000) a year (or partial year) of the Project's operations, increasing annually by three percent (3%); payment of any previously unpaid portion of the

Development Fee due (with interest at a rate not to exceed the applicable federal rate) not exceeding a cumulative amount of the Development Fee as allowed by the California Department of Housing and Community Development ("HCD"); cash deposited into an operating reserve in such reasonable amounts as are approved by Senior Lenders to the Development; extraordinary operating costs specifically approved by the City; and other ordinary and reasonable operating expenses not listed above. Annual Operating Expenses shall not include the following: depreciation, amortization, depletion or other non-cash expenses or any amount expended from a reserve account. The Operating Expenses shall be reported in the Annual Financial Statement.

1.22 "**PAYMENT DATE**" shall mean July 1st of the year following the issuance of a Notice of Completion for the Project, and each July 1st thereafter until the loan is paid in full or otherwise terminated.

1.23 "**PROJECT"** means the operation and management of the Property according to the terms of this Loan Agreement.

1.24 **"PROPERTY"** means the property commonly referred to as 2161 Etting Road, Street, Oxnard, California, as more particularly described in Exhibit A, which is incorporated into this Loan Agreement by this reference.

1.25 **"QUALIFYING HOUSEHOLD"** means a household having an income equal to or less than the Section 8 very low-income limit established by HUD (i.e. 50% or less of area median income adjusted for family size by the State Department of Housing and Community Development) pursuant to 24 CFR 570.3.

1.26 **"QUALIFYING RENT"** means the total annual charges for rent, utilities, and related services to each Very Low-Income Household which shall not exceed thirty percent (30%) of the income for a Very Low-Income Household.

1.27 **"REGULATORY AGREEMENT"** means the regulatory agreement executed by Borrower and Lender, attached as Exhibit D, and recorded against the Property in the Official Records of Ventura County which regulates the use of the Assisted Units.

1.28 "**RESIDUAL RECEIPTS**" means for any calendar year Revenues reduced by Operating Expenses.

1.29 **"REVENUE"** means for each calendar year, all revenue, income, receipts, and other consideration actually received by Borrower from operation and leasing of the Project. Gross Revenue includes, but is not limited to: (i) all rents, fees and charges paid by tenants, payments or other rental subsidy payments received for the dwelling units, deposits forfeited by tenants, all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements resulting in actual income to Borrower; (ii) the proceeds of business interruption or similar insurance; (iii) the proceeds of casualty insurance to the extent not utilized to repair or rebuild the Project (or applied toward the cost of recovering such proceeds); (iv) condemnation awards for a taking of part or all of the Project for a temporary period. Revenue

shall exclude tenants' security deposits, loan proceeds, capital contributions or other similar advances.

1.30 "**SENIOR LIENS**" means liens securing repayment of and regulatory agreements associated with the following loans: First-Citizens Bank & Trust Company (formerly known as Silicon Valley Bank) $31,535,475 construction loan converting to a permanent loan of approximately $4,175,200; HCD Joe Serna construction/permanent loan of $5,000,00; HCD Accelerator permanent loan of $26,246,464; HCD Veterans Housing and Homelessness Prevention Program (VHHP) permanent loan of $2,788,410; City HOME construction/permanent loan of $1,854,000; and County of Ventura construction/permanent loan of $380,00.

1.31 **"VERY LOW-INCOME HOUSEHOLD"** means a household whose annual income does not exceed fifty percent (50%) of the median income for the Ventura County Metropolitan Statistical Area as determined by HUD with adjustments for household size.

ARTICLE 2 TERMS OF THE LOAN

2.1 **LOAN.** On and subject to the terms and conditions of the Loan Documents, Lender agrees to make and Borrower agrees to accept a loan with the following terms:

2.2 **AMOUNT.** The principal amount of the Loan shall be an amount not to exceed Six Hundred and Thirty-One Thousand Nine Hundred Dollars ($631,900) and shall be evidenced by the Note.

2.3 **INTEREST.** Subject to the provisions of Section 2.4, the Note shall bear interest at a rate of three percent (3%) simple interest from the date on which the principal amount of the Loan is initially advanced to Borrower through the fifty-five (55) year amortizing loan term.

2.4 **DEFAULT INTEREST.** In the event of a default by Borrower of any of its obligations under this Loan Agreement and expiration of applicable cure periods, Borrower shall pay to Lender interest on the outstanding principal of the Loan, at an annual rate equal to the lesser of (i) ten percent (10%) or (ii) the highest interest allowed by law, from the date of the default until the date that the default is cured or the Loan is repaid in full.

2.5 **TERM OF LOAN.** The principal and interest of the Loan shall be due and payable on the earlier of: (a) fifty-five (55) years from the issuance of a Notice of Completion, or (b) the date the Property is sold. In the Event of Default by Borrower, which has not been cured as provided for in this Loan Agreement, all current and accrued interest shall be due and payable.

2.6 **USE OF FUNDS.** Loan proceeds shall be used for construction expenses.

2.7 **SECURITY.** Borrower shall secure its obligation to repay the Loan by executing a Deed of Trust and recording it as a lien against the Property.

2.8 **REPAYMENT OF THE LOAN.** All accrued interest and principal shall be due and payable in accordance with the terms set forth in Section 2.5 of this Agreement. Commencing on July 1st of the first year after the issuance of a Notice of Completion, which shall include a Temporary Certificate of Occupancy for the Project, and on July 1st of each year thereafter and after all Senior Loans have been fully repaid, Borrower shall make an annual Loan payment equal to thirty-five and eleventh hundredths percent (35.11%) of Residual Receipts for the previous calendar year (each, an "**Annual Payment**"). The Borrower shall provide the City with any documentation reasonably requested by the City to substantiate the Borrower's determination of the Revenue, Operating Expenses, and Annual Payment. The City shall apply all Annual Payments first to accrued interest, and second to principal. In the event that the City determines that there is an understatement in the amount of an Annual Payment due to City, Borrower shall promptly pay to City such understatement, but in any event, no later than within twenty (20) days of notice of such understatement. In the event that City determines that there has been an overpayment in an Annual Payment due to City, City shall pay to Borrower the amount of overpayment promptly, but in any event, within twenty (20) days of such determination. If contested, Borrower has the right to pay under protest and request an audit by an independent certified public accountant. On or before each Annual Payment the Borrower shall submit its Annual Financial Statement to City for the preceding calendar year together with the required Annual Payment for the preceding calendar year and each Payment Date thereafter until the Loan is paid in full or otherwise terminated. City shall review and approve the amount to be paid by Borrower and the Annual Financial Statement, or request revisions, within sixty (60) days after receipt. In the event City fails to approve or disapprove the Annual Financial Statement within the sixty (60) day period, Borrower may request a written determination of approval or disapproval following the expiration of such period. In the event City fails to provide a written determination to Borrower within ten (10) days following the receipt of Borrower's request for determination, the Annual Financial Statement shall be deemed approved.

2.9 **PREPAYMENT OF LOAN.** No prepayment penalty will be charged to Borrower for payment of all or any portion of the Loan amount prior to the end of the term described herein. However, prepayment of the Loan shall not affect Borrower's obligations under the Regulatory Agreement.

2.10 **RECORDING.** Escrow Holder shall record with the Recorder for the County of Ventura the following documents concurrently: Deed of Trust, Regulatory Agreement, CDBG Regulatory Agreement and Restrictive Covenants, and CDBG Deed of Trust.

A. For avoidance of doubt, CDBG Regulatory Agreement and Restrictive Covenants is that Agreement executed between the City and Borrower in connection with a Community Development Block Grant ("CDBG") loan in the amount of $268,074.

B. For avoidance of doubt, CDBG Deed of Trust is that Agreement executed between the City and Borrower to secure a CDBG loan in the amount of $268,074.

ARTICLE 3 LOAN DISBURSEMENTS

3.1 **CONDITIONS PRECEDENT TO DISBURSEMENT.** Lender shall not be obligated to make any disbursements of the Loan proceeds or take any other action under the

Loan Documents unless the following conditions precedent are satisfied prior to the disbursement of the Loan:

A. There exists no Event of Default nor any act, failure, omission or condition that with the giving of notice or passage of time would constitute an Event of Default;

B. Borrower has executed and delivered to Lender all documents, instruments, and policies required under the Loan Documents and the Deed of Trust and the Regulatory Agreement have been recorded with the Recorder for the County of Ventura;

C. Borrower has provided to Lender a certificate of insurance or copy of the insurance policy, which policy shall be satisfactory to the Lender and which conforms to Exhibit F; and

D. Borrower has complied with all reporting requirements set forth in this Loan Agreement.

3.2 **DISBURSEMENT OF LOAN PROCEEDS.** Disbursement of Loan proceeds shall not exceed Six Hundred and Thirty-One Thousand Nine Hundred Dollars ($631,900). The disbursement shall be made in accordance with the Disbursement Schedule and each disbursement shall be approved by Lender prior to such disbursement based upon documentation submitted to Lender by Borrower.

ARTICLE 4 DEVELOPMENT OF PROJECT

4.1 **SCOPE OF WORK.** Prior to the date of this Agreement, Borrower submitted to Lender and Lender approved the final scope of work for the Project. Borrower shall develop and construct the Project in substantial conformance with the scope of work and any modifications thereto approved in writing by Lender.

4.2 **COMPLETION OF PROJECT.** Borrower shall diligently prosecute development of the Project to completion. Borrower shall provide proof of completion as evidenced by the recording of a Notice of Completion. The initial lease up of the Assisted Units shall occur within six (6) months of the Project placed in service date. If Borrower fails to lease up the Assisted Units within that time period, Borrower must prepare and submit a marketing plan for approval to the City Housing Director. If initial lease up of the Assisted Units has still not occurred within eighteen (18) months of the Project placed in service date, Developer will be required to repay to Lender, within 30 calendar days of receipt of notice from Lender, a pro rata share of the outstanding principal loan plus interest thereon. The pro rata repayment shall be based upon the total number of Assisted Units that have not been initially leased up during the 18 month period.

4.3 **FINANCING.** Borrower shall promptly inform Lender in writing of any changes in the amount, terms, and/or sources of financing or funding for the Property acquisition and Project development work.

4.4 **CONTRACTS AND SUBCONTRACTS.** All development work and professional services for the Project shall be performed by persons or entities licensed or otherwise authorized to perform the applicable construction work or service in the State of California.

All costs incurred in acquisition of the Property and development, construction and operation of the Project shall be the responsibility and obligation solely of Borrower.

4.5 **ADDITIONS OR CHANGES IN WORK.** Lender must be notified in a timely manner of any changes in the work required to be performed under this Loan Agreement. A written change order authorized by Lender must be obtained before any changes, additions, or deletions may be performed that would modify any line item by more than $50,000 or in the aggregate by $250,000. If Lender has not responded to a written request for a change order by Borrower within ten (10) days of receipt of such request by Lender, such request shall be deemed approved by Lender. Consent to any additions, changes, or deletions to the work shall not release Borrower from any other obligations in the Loan Documents.

4.6 **INSPECTIONS.** Borrower shall permit and facilitate, and require its contractors to permit and facilitate, observation and inspection at the job site by Lender and by public authorities during reasonable business hours for the purposes of determining compliance with this Loan Agreement.

4.7 **SITE SUPERVISION.** During the development of the Project, Borrower shall maintain a full-time site superintendent to supervise all development and construction work on the Property. The site superintendent shall be on-site during all work hours.

4.8 **CONSTRUCTION RESPONSIBILITIES.** Borrower shall be solely responsible for all aspects of Borrower's conduct in connection with the Project, including, but not limited to, the quality and suitability of the construction work, the supervision of construction work, the qualifications, financial condition, and performance of all contractors, subcontractors, suppliers, consultants, and property managers. To ensure compliance with all applicable labor code requirements, Borrower has hired a labor compliance monitor. Any review or inspection undertaken by Lender with reference to the Project is solely for the purpose of determining whether Borrower is properly discharging its obligations to Lender, and should not be relied upon by Borrower or by any third parties as a warranty or representation by Lender as to the quality of the development and construction of the Project.

4.9 **BARRIERS TO THE DISABLED.** The Project shall be developed and the Property shall be maintained to comply with all applicable federal, state, and local requirements for access for disabled persons.

4.10 **LEAD-BASED PAINT AND ASBESTOS REMOVAL.** Borrower and its contractors and subcontractors shall not use lead-based paint or asbestos in the development and construction of the Property and shall comply with Federal Regulations 24 C.F.R., 29 C.F.R., 40 C.F.R., Title X, California O.S.H.A., California health codes, and all County standards. Borrower shall incorporate or cause to be incorporated this provision in all contracts and

subcontracts for work performed on the Property which involves the application of paint and/or other construction-related surfaces.

4.11 **MECHANICS LIENS AND STOP NOTICES.** If any claim of lien is filed against the Property or a stop notice affecting the Loan is served on Lender or any other lender or other third party in connection with the Project, Borrower shall, within sixty (60) days of such filing or service, either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to Lender a surety bond in sufficient form and amount, provide Lender with a lien-free endorsement or provide Lender with other assurance reasonably satisfactory to Lender that the claim of lien or stop notice will be paid or discharged.

If Borrower fails to discharge any lien, encumbrance, charge, or claim referred to herein, then in addition to any other right or remedy, Lender may, but shall be under no obligation to, discharge such lien, encumbrance, charge, or claim at Borrower's expense. Alternatively, Lender may require Borrower to immediately deposit with Lender the amount necessary to satisfy such lien or claim and any costs, pending resolution thereof Lender may use such deposit to satisfy any claim or lien that is adversely determined against Borrower.

Borrower shall file a valid notice of cessation or notice of completion upon cessation of work on the Project for a continuous period of 30 days or more, and take all other reasonable steps to forestall the assertion of claims of lien against the Property. Borrower authorizes Lender, but without any obligation, to record any notices of completion or cessation of labor, or any other notice that Lender deems necessary or desirable to protect its interest in the Project and Property.

4.12 **RELOCATION.** If and to the extent that development of the Project results in the permanent or temporary displacement of residential tenants, homeowners, or businesses, Borrower shall comply with all applicable local, state and federal statutes and regulations with respect to relocation planning, advisory assistance, and payment of monetary benefits. Borrower shall be solely responsible for payment of any relocation benefits to any displaced persons and any other obligations associated with complying with said relocation laws.

4.13 **UNAVOIDABLE DELAY IN PERFORMANCE.** The time for performance of provisions of this Loan Agreement by either party shall be extended for a period equal to the period of any delay directly affecting the Project or this Loan Agreement which is caused by: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; quarantine restrictions; or freight embargoes or other events beyond the reasonable control of the party claiming the delay. An extension of time for any of the above-specified causes will be deemed granted only if written notice by the party claiming such extension is sent to the other party within five (5) calendar days from the commencement of the cause, and such extension of time is either accepted by the other party in writing, or is not rejected in writing by the other party within ten calendar days of receipt of the notice. In any event, construction of the Project must be completed no later than ninety (90) calendar days after the scheduled completion date specified herein, any unavoidable delay notwithstanding. Times of performance under this Loan Agreement may also be extended for any cause for any period of time by the mutual written agreement of Lender and Borrower.

ARTICLE 5 OPERATION

5.1 **OPERATION OF PROJECT.** Borrower shall operate and manage the Project after completion in full conformance with the terms of the Regulatory Agreement.

Borrower shall agree to maintain and operate the Assisted Units so as to provide decent, safe, and sanitary housing and provide each of the Assisted Units in the Project with the same level of services (including security), amenities, and maintenance as are applied to the other dwelling units in the Project. Borrower shall provide supportive services as required by the provision of any project-based Section 8 vouchers. Any optional services provided must be available to all residents under the same terms and conditions.

5.2 **ASSISTED UNITS.** The six (6) designated Assisted Units, all of which shall be reserved for Very Low Income Households, shall meet the following standards:

A. Units, similarly constructed and of comparable quality and size to all other units in the Project; and

B. Provide tenants access and enjoyment of all common areas and facilities of the Project on the same basis as tenants of other units.

5.3 **INCOME CERTIFICATION.** Borrower shall limit for the full term of the Regulatory Agreement the rental of Assisted Units to Qualifying Households according to the schedule contained in Regulatory Agreement. The income levels and other qualifications of applicants for Assisted Units shall be certified within sixty (60) business days of the household's expected occupancy of one of the Assisted Units and annually thereafter.

5.4 **AFFORDABILITY RESTRICTIONS.** Six (6) units in the Project shall be designated as Assisted Units. The Assisted Units must be occupied, or reserved for occupancy by Qualifying Households.

5.5 **ASSISTED UNIT RENTS.** Rents for Assisted Units shall be limited to Qualifying Rents and as further set forth in the Regulatory Agreement. At least sixty (60) calendar days prior to increasing rents on any Assisted Unit on the Project, Borrower shall submit to the Lender for review and approval a written request for such increase. Qualifying Households shall be given at least thirty (30) days written notice prior to any rent increase. Provided such increased rent does not exceed the Qualifying Rents for such year, Lender shall approve such request.

5.6 **CERTIFICATION OF HOUSEHOLD INCOME.**

Borrower shall annually certify each tenant household's gross income and make any rent adjustment pursuant to the terms of the Regulatory Agreement.

5.7 **CONFLICTS BETWEEN COVENANTS OR RESTRICTIONS AFFECTING THE PROPERTY.** Any conflicts between the restrictive provisions contained in

this Loan Agreement, Note, Deed of Trust, Regulatory Agreement, and any other agreements in connection with the Loan which affect the Property, are to be resolved by applying the more restrictive covenants or restrictions which affect the Property.

5.8 **NONDISCRIMINATION.** Borrower shall not discriminate or segregate in the rehabilitation, use, enjoyment, occupancy, conveyance, lease, sublease, or rental of any part of the Property on the basis of race, color, ancestry, national origin, religion, sex, sexual preference or orientation, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC) acquired or perceived, or any other arbitrary basis. Borrower shall otherwise comply with all applicable local, state, and federal laws concerning discrimination in housing.

5.8 **RECORDS.** Borrower shall be accountable to Lender for all funds disbursed to Borrower pursuant to the Loan Documents. Borrower agrees to maintain records that accurately and fully show the date, amount, purpose, and payee of all expenditures drawn from Loan funds, and to keep all invoices, receipts, and other documents related to expenditures from said Loan funds for not less than five years after completion of the Project. Records must be kept accurate and current. Lender shall notify Borrower of any records it deems insufficient. Borrower shall have fifteen (15) calendar days from the date of said notice to correct any deficiency in the records specified by Lender in said notice, or, if more than fifteen (15) days shall be reasonably necessary to correct the deficiency, Borrower shall begin to correct the deficiency within fifteen (15) days and correct the deficiency as soon as reasonably possible.

Borrower shall promptly comply with all requirements or conditions of the Loan Documents relating to notices, extensions, and other events required to be reported or requested. Borrower shall promptly supply, upon the request of Lender, any and all information and documentation which involves the Project and cooperate with Lender in the development and construction of the Project.

5.9 **AUDITS.** Borrower shall make available for examination at reasonable intervals and during normal business hours to Lender all books, accounts, reports, files, and other papers or property with respect to all matters covered by these Loan Documents, and shall permit Lender to audit, examine, and make excerpts or transcripts from such records. Lender may make audits of any conditions relating to this Loan.

5.10 **ENCUMBRANCE OF PROPERTY.** Except as otherwise provided in this Loan Agreement for the Senior Loans (and any refinancing thereof) and the CDBG Loan, Borrower shall not engage in any financing or any other transaction creating any security interest or other encumbrance or lien upon the Property, whether by express agreement or operation of law, or allow any encumbrance or lien to be made on or attached to the Property, except with the prior written consent of Lender. Borrower shall notify Lender in writing in advance of any financing secured by any deed of trust, mortgage, or other similar lien instrument that it proposes to enter into with respect to the Project or Property, and of any encumbrance or lien that has been created on or attached to the Property whether by voluntary act of Borrower or otherwise.

5.11 **SUBORDINATION**. Lender shall subordinate the obligations of this Loan Agreement, and the attached Regulatory Agreement and Deed of Trust to be recorded on the Property, to the Senior Loans and any refinancing thereof. Borrower and Lender shall cooperate in the execution of any such subordination agreement required to perfect such subordinations. Such subordination agreements may be executed by the City Housing Director or Designee on behalf of the City.

5.12 **TRANSFER OF PROPERTY.** Borrower has not made or created, and shall not, make or permit any sale, assignment, conveyance, lease (other than the leasing of units in the Project pursuant to an approved lease), or other transfer of this Loan Agreement, the Project, or the Property, or any part thereof, without the prior written consent of Lender.

5.13 **FEES, TAXES, AND OTHER LEVIES.** Borrower shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property or the Project, and shall pay such charges prior to delinquency. However, Borrower shall not be required to pay and discharge any such charge so long as (a) the legality thereof is being contested diligently and in good faith and by appropriate proceedings, and (b) if requested by Lender, Borrower deposits with Lender any funds or other forms of assurance Lender in good faith from time to time determines appropriate to protect Lender from the consequences of the contest being unsuccessful.

5.14 **DAMAGE TO PROPERTY.** If any building or structure on the Property is damaged or destroyed by an insurable cause, Borrower shall, at its cost and expense, diligently undertake to repair or restore said buildings and structures consistent with the original scope of work for the Project approved by the Lender pursuant to Section 4.1 if Borrower reasonably determines that such restoration or repair is economically feasible. Such work or repair shall be commenced within 120 days after the damage or loss occurs and shall be complete within one year from such commencement, subject to any extensions of time granted pursuant to the provisions of Section 4.13. Subject to Borrower's election to rebuild, all insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, Borrower shall make up the deficiency.

ARTICLE 6 INDEMNITY AND INSURANCE

6.1 **INDEMNITY AND INSURANCE.** The Borrower agrees to indemnify, defend (with counsel reasonably approved by Lender) and hold harmless the Lender and its authorized elected officials, officers, employees, agents and volunteers ("Indemnities") from any and all claims, actions, losses, damages, and/or liability arising out of this agreement from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the Lender on account of any claim except where such indemnification is prohibited by law. The Borrower's indemnification obligation does not apply to the Lender's gross negligence or willful misconduct. Borrower hereby agrees to procure and maintain insurance in accordance with the provisions of **Exhibit F** attached hereto and incorporated herein by reference.

6.2 **NON-LIABILITY OF OFFICIALS, EMPLOYEES AND AGENTS.** No officials, employees and agents of Lender shall be personally liable to Borrower for any obligation created under the terms of these Loan Documents.

ARTICLE 7 HAZARDOUS MATERIALS

7.1 **REPRESENTATIONS AND WARRANTIES.** After reasonable investigation and inquiry, Borrower hereby represents and warrants to the best of its knowledge, as of the date of this Loan Agreement and except as previously disclosed and acknowledged in writing by Lender or as disclosed by the reports based on environmental audit(s) performed on the Property and submitted to Lender, that (a) the Property is not and has not been a site for the use, generation, manufacture, transportation, storage, or disposal of Hazardous Materials in violation of Federal or State law; (b) the Property is in compliance with all applicable environmental and health and safety laws, regulations, ordinances, administrative decisions, common law decisions (whether federal, state, or local) with respect to Hazardous Materials, including those relating to soil and groundwater conditions ("Hazardous Materials Laws"); (c) there are no claims or actions pending or threatened with respect to the Property by any governmental entity or agency or any other person relating to Hazardous Materials; and (d) there has been no release or threatened release of any Hazardous Materials on, under, or near the Property (including in the soil, surface water, or groundwater under the Property) or any other occurrences or conditions on the Property or on any other real property that could cause the Property or any part thereof to be subject to a land use restriction as set forth under California Health and Safety Code Sections 25220, et seq., or regulations adopted therewith.

7.2 **NOTIFICATION TO LENDER.** Borrower shall promptly notify Lender in writing of: (a) the discovery of any concentration or amount of Hazardous Materials of which Borrower becomes aware on or under the Property requiring notice to be given to any governmental entity or agency under Hazardous Materials Laws; (b) any knowledge by Borrower (after verification of the veracity of such knowledge to Borrower's reasonable satisfaction) that the Property does not comply with any Hazardous Materials Laws; (c) the receipt by Borrower of written notice of any Hazardous Materials claims; and (d) the discovery by Borrower of any occurrence or condition on the Property that could cause the Property or any part thereof to be subject to a land use restriction as set forth under California Health and Safety Code Sections 25220, et seq., or regulations adopted therewith.

7.3 **USE AND OPERATION OF PROPERTY.** Neither Borrower, nor any agent, employee, or contractor of Borrower, nor any authorized user of the Property shall use the Property or allow the Property to be used for the generation, manufacture, storage, disposal, or release of Hazardous Materials. Borrower shall comply and cause the Project to comply with Hazardous Materials Laws.

7.4 **REMEDIAL ACTIONS.** If Borrower has actual knowledge of the presence of any Hazardous Materials on or under the Property, Borrower shall take, at no cost or expense to Lender, all handling, treatment, removal, storage, decontamination, cleanup, transport, disposal or other remedial action, if any, required by any Hazardous Materials Laws or by any orders or requests of any governmental entity or agency or any judgment, consent decree, settlement or

compromise with respect to any Hazardous Materials claims. The foregoing, however, shall be subject to Borrower's right of contest below.

7.5 **RIGHT OF CONTEST.** Borrower may contest in good faith any claim, demand, levy or assessment under Hazardous Materials Laws if (a) the contest is based on a material question of law or fact raised by Borrower in good faith, (b) Borrower promptly commences and thereafter diligently pursues the contest, (c) the contest will not materially impair the taking of any remedial action with respect to such claim, demand, levy or assessment, and (d) if requested by Lender, Borrower deposits with Lender any funds or other forms of assurance Lender in good faith from time to time determines appropriate to protect Lender from the consequences of the contest being unsuccessful and any remedial action then reasonably necessary. No Event of Default shall be deemed to exist with respect to any claim, demand, levy or attachment being contested by Borrower under the conditions of this section.

7.6 **ENVIRONMENTAL INDEMNITY.** Borrower shall defend, indemnify, and hold Lender free and harmless against any claims, demands, administrative actions, litigation, liabilities, losses, damages, response costs, and penalties, including all costs of legal proceedings and reasonable attorney's fees, that Lender may directly or indirectly sustain or suffer as a consequence of any inaccuracy or breach of any representation, warranty, agreement, or covenant contained in this Loan Agreement with respect to Hazardous Materials, or as a consequence of any use, generation, manufacture, storage, release, or disposal (whether or not Borrower knew of same) of any Hazardous Materials occurring prior to or during Borrower's use or occupancy of the Property.

ARTICLE 8 DEFAULT AND REMEDIES

8.1 **EVENTS OF DEFAULT.** The occurrence of any of the following events shall constitute an "Event of Default" under this Loan Agreement:

A. Monetary. (1) Borrower's failure to pay when due any sums payable under the Note or any advances made by Lender under the Deed of Trust or this Loan Agreement; (2) Borrower's use of Loan funds for costs other than approved costs or for uses inconsistent with other terms and restrictions in the Loan Documents; (3) Borrower's failure to obtain and maintain the insurance coverage required under this Loan Agreement; (4) Borrower's failure to make any other payment or assessment due under the Loan Documents; (5) Borrowers failure to pay taxes owed; and (6) Borrower's default under other debt secured by the Property after the applicable notice and cure periods have expired;

B. Project Development and Construction. (1) Borrower's substantial deviation in the development and construction work specified in the scope of work submitted to Lender, without Lender's prior written consent; (2) Borrower's use of defective or unauthorized materials or defective workmanship in development and construction of the Project; (3) Borrower's failure to commence or complete construction work according to the schedule specified in this Loan Agreement; (4) the cessation of construction work prior to completion of the Project for a period of more than thirty (30) continuous calendar days without proper justification; (5) Borrower's failure to remedy any deficiencies in recordkeeping or failure to

provide records to Lender upon Lender's reasonable request; and (6) Borrower's failure to substantially comply with any applicable federal, state, or local laws or Lender policies governing Project development and construction;

C. Operation. (1) Discrimination by Borrower on the basis of characteristics prohibited by applicable law or (2) the imposition of any encumbrances or liens on the Property without Lender's prior written approval that are prohibited under this Loan Agreement or that have the effect of reducing the priority of or invalidating the Deed of Trust;

D. General performance of Loan obligations. Any substantial breach by Borrower beyond applicable notice and cure periods of any material obligations on Borrower imposed in the Loan Documents;

E. General performance of other obligations. Any substantial or continuous breach by Borrower beyond applicable notice and cure periods of any material obligations on Borrower imposed by any other agreements, including any grant agreements, with respect to the financing, construction, or operation of the Project or the Property, whether or not Lender is a party to such agreement which may materially impair Lender's security;

F. Representations and warranties. A determination by Lender that its security has or will be materially impaired due to the fact that any of Borrower's representations or warranties made in the Loan Documents, or any certificates, documents, or schedules supplied to Lender by Borrower were untrue in any material respect when made, or that Borrower concealed or failed to disclose a material fact from Lender;

G. Damage to Property. Material damage or destruction to the Property by fire or other casualty, if Borrower does not take steps to reconstruct the Property as required by the Loan Documents;

H. Bankruptcy, dissolution, and insolvency. Borrower's (1) filing for bankruptcy, dissolution, or reorganization, or failure to obtain a full dismissal of any such involuntary filing brought by another party before the earlier of final relief or ninety (90) days after the filing; (2) making a general assignment for the benefit of creditors; (3) applying for the appointment of a receiver, trustee, custodian, or liquidator, or failure to obtain a full dismissal of any such involuntary application brought by another party before the earlier of final relief or ninety (90) days after the filing; (4) insolvency; and (5) failure, inability or admission in writing of its inability to pay its debts as they become due.

8.2 **NOTICE OF DEFAULT AND OPPORTUNITY TO CURE.** For all Events of Default, Lender shall give written notice to Borrower of any Event of Default by specifying: (a) the nature of the event or deficiency giving rise to the Default, (b) the action required to cure the deficiency, if an action to cure is possible, and (c) a date, which shall not be less than thirty (30) calendar days from the date of receipt of the notice or the date the notice was refused, by which such action to cure must be taken or if a cure is not possible within thirty (30) days, to begin such cure and diligently prosecute such to completion which shall, in any event, not exceed

ninety (90) days from the date of receipt of the notice to cure. The Lender has the sole discretion to determine whatever additional reasonable time is needed to cure.

8.3 **LENDER'S REMEDIES.** Upon the happening of an Event of Default by Borrower and a failure to cure said Event of Default within the time specified in Section 8.2 above, Lender's obligation to disburse Loan proceeds shall terminate, and Lender may also, in addition to other rights and remedies permitted by the Loan Documents or applicable law, proceed with any or all of the following remedies in any order or combination Lender may choose in its sole discretion:

A. Terminate this Loan Agreement, in which event the entire principal amount outstanding and all accrued interest under the Note, as well as any other monies advanced to Borrower by Lender under the Loan Documents including administrative costs, shall immediately become due and payable at the option of Lender;

B. Bring an action in equitable relief (1) seeking the specific performance by Borrower of the terms and conditions of the Loan Documents, and/or (2) enjoining, abating, or preventing any violation of said terms and conditions, and/or (3) seeking declaratory relief;

C. Accelerate the Loan, and demand immediate full payment of the principal amount outstanding and all accrued interest under the Note, as well as any other monies advanced to Borrower by Lender under the Loan Documents;

D. Enter the Property and take any actions necessary in its judgment to complete development of the Project, including without limitation (1) making changes in the Scope of Work or other work or materials with respect to the Project, (2) entering into, modifying, or terminating any contractual arrangements (subject to Lender's right at any time to discontinue work without liability), and (3) taking any remedial actions with respect to Hazardous Materials that Lender deems necessary to comply with Hazardous Materials Laws or to render the Property suitable for occupancy;

E. Seek appointment from a court of competent jurisdiction of a receiver with the authority to complete development of Project as needed to preserve Lender's interest in seeing the Project completed in a timely manner (including the authority to take any remedial actions with respect to Hazardous Materials that Lender or the receiver deems necessary to comply with Hazardous Materials Laws or to render the Property suitable for occupancy);

F. Order immediate stoppage of development of Project and demand that any condition leading to the Event of Default be corrected before development of Project may continue;

G. Disburse from Loan proceeds any amount necessary to cure any monetary default;

H. Enter upon, take possession of, and manage the Property, either in person, by agent, or by a receiver appointed by a court, and collect rents and other amounts specified in

the assignment of rents in the Deed of Trust and apply them to operate the Property or to pay off the Loan or any advances made under the Loan Documents, as provided for by the Deed of Trust;

I. Initiate and pursue any private and/or judicial foreclosure action allowed under applicable law and the power of sale provision in the Deed of Trust;

J. With respect to defaults under Hazardous Materials provisions herein, pursue the rights and remedies permitted under California Civil Code Section 2929.5, and California Code of Civil Procedure Sections 564, 726.5, and 736; or

K. Pursue any other remedy allowed at law or in equity. Nothing in this section is intended or shall be construed as precluding Lender from proceeding with a nonjudicial foreclosure under the power of sale contained in the Deed of Trust in the Event of Default by Borrower.

ARTICLE 9 GENERAL PROVISIONS

9.1 **BORROWER'S WARRANTIES.** Borrower represents and warrants (1) that it has access to professional advice and support to the extent necessary to enable Borrower to fully comply with the terms of these Loan Documents and the Regulatory Agreement, and to otherwise carry out the Project, (2) that it is duly organized, validly existing and in good standing under the laws of the State of California, (3) that it has the full power and authority to undertake the Project and to execute the Loan Documents, (4) that the persons executing and delivering the Loan Documents are authorized to execute and deliver such documents on behalf of Borrower, (5) that there has been no substantial adverse change in Borrower's financial condition since the date of application for this loan such as judgment liens, tax liens, mechanic's liens, bankruptcy, etc.; and (6) that all representations in the Borrower's loan application (including all supplementary submissions) are true, correct and complete in all material respects and are offered to induce Lender to make this loan.

9.2 **MONITORING AND EVALUATION.** Except as otherwise provided for in this Loan Agreement, Borrower shall maintain and submit records to Lender within ten (10) business days of Lender's request which clearly document Borrower's performance under each requirement of the Loan Documents. Borrower shall pay to Lender an annual monitoring fee on January 1 of the year following issuance of the Notice of Completion and every January 1 during the term of the Regulatory Agreement in the amount of One Hundred Fifteen Dollars ($115) per Assisted Unit.

9.3 **CONFLICTS OF INTEREST.** Borrower covenants that:

A. Except for approved eligible administrative or personnel costs, no person described in subsection (B) below who exercises or has exercised any functions or responsibilities with respect to the activities funded pursuant to this contract or who is in a position to participate in a decision-making process or gain inside information with regard to

such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during, or at any time after, such person's tenure. The Borrower shall exercise due diligence to ensure that the prohibition in this Section is followed.

B. The conflict of interest provisions of Section 9.3(A) above apply to any person defined in California Government Code section 1090 and an employee, agent, consultant, officer, or any immediate family member of such person, or any elected or appointed official of the City, or any person related within the third (3rd) degree of such person.

9.4 **POLITICAL ACTIVITY.** None of the funds, materials, property or services contributed by Lender or Borrower under this Loan Agreement shall be used for any partisan political activity or the election or defeat of any candidate for public office.

9.5 **TERM OF THIS AGREEMENT.** This Loan Agreement shall commence on the Effective Date and remain in full force and effect throughout the term of this Loan.

9.6 **GOVERNING LAW.** The Loan Documents shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law or those provisions preempted by federal law.

9.7 **STATUTORY REFERENCES.** All references in the Loan Documents or Regulatory Agreement to particular statutes, regulations, ordinances, or resolutions of the United States, the State of California, or the City of Oxnard shall be deemed to include the same statute, regulation, ordinance, or resolution as hereafter amended or renumbered, or if repealed, to such other provisions as may thereafter govern the same subject as the provision to which specific reference was made.

9.8 **TIME.** Time is of the essence in these Loan Documents.

9.9 **CONSENTS AND APPROVALS.** Any consent or approval of Lender or Borrower required under the Loan Documents shall not be unreasonably withheld or conditioned. Any approval required under the Loan Documents shall be in writing and executed by an authorized representative of the party granting the approval.

9.10 **NOTICES, DEMANDS AND COMMUNICATIONS.** Formal notices, demands and communications between Borrower and Lender shall be sufficiently given and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of Borrower and Lender as follows:

LENDER: City of Oxnard
Affordable Housing Program
435 South D Street
Oxnard, CA 93030

Attn: Housing Director

BORROWER: Etting Road, LLC
c/o Cabrillo Economic Development Corporation
702 County Square Drive, Suite 200
Ventura, CA 93003
Attn: Chief Executive Officer

With copy to: Goldfarb & Lipman LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attn: Lynn Hutchins

9.11 **BINDING UPON SUCCESSORS.** All provisions of these Loan Documents shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of each of the parties; provided, however, that this section does not waive the prohibition on assignment of this Loan Agreement by Borrower without Lender's consent.

9.12 **RELATIONSHIP OF PARTIES.** The relationship of Borrower and Lender for this Project under this Loan Agreement is and at all times shall remain solely that of a debtor and a creditor, and shall not be construed as a joint venture, equity venture, partnership, or any other relationship. Lender neither undertakes nor assumes any responsibility or duty to Borrower (except as provided for herein) or any third party with respect to the Project, the Property, or the Loan.

9.13 **ASSIGNMENT AND ASSUMPTION.** Borrower shall not assign any of its interests under this Loan Agreement or the Loan Documents to any other party, except as specifically permitted under the terms of the Loan Documents, without the prior written consent of Lender. Any unauthorized assignment shall be void.

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

9.15 **INTEGRATION.** This Loan Agreement and the other Loan Documents, including exhibits, executed by Borrower for the Property, if any, contain the entire agreement of the parties and supersede any and all prior negotiations.

9.16 **OTHER AGREEMENTS.** Borrower represents that it has not entered into any agreements that are inconsistent with the terms of the Loan Documents. Borrower shall not enter into any agreements that are inconsistent with the terms of the Loan Documents without an express waiver by Lender in writing.

9.17 **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to the Loan Documents must be in writing, and shall be made only if executed by both Borrower and Lender.

9.18 **SEVERABILITY.** Every provision of this Loan Agreement is intended to be severable. If any provision of this Loan Agreement shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

[Signatures on Following Page]

IN WITNESS WHEREOF, Lender and Borrower have caused this Loan Agreement to be executed by their duly authorized representatives.

LENDER:
THE CITY OF OXNARD

Housing Director

APPROVED AS TO FORM:

Stephen Fischer
City Attorney

APPROVED AS TO INSURANCE:

Michael More
Human Resources/Risk Manager

BORROWER:
ETTING ROAD LLC, a California limited company

By: Cabrillo Economic Development Corporation, a California nonprofit public benefit corporation, its sole member and manager

By: Victoria J Brady
Chief Executive Officer

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

All that certain real property situated in the County of Ventura, State of California, described as follows:

A PORTION OF PARCEL H, SUBDIVISION 72 RANCHO EL RIO DE SANTA CLARA O' LA COLONIA, IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF VENTURA COUNTY, IN BOOK 3. MISCELLANEOUS RECORDS AT PAGE 14, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 3/4 INCH IRON PIPE SET IN THE SOUTHERLY LINE OF PLEASANT VALLEY ROAD DISTANT THEREON NORTH 59° 15' 30" EAST 250.73 FEET FROM A 4" X 4" POST SET AT THE MOST WESTERLY CORNER OF SAID PARCEL H; THENCE FROM SAID POINT OF BEGINNING.

1ST: NORTH 59° 15' 30" EAST 424.64 FEET ALONG THE SOUTHERLY LINE OF SAID PLEASANT VALLEY ROAD TO A 3/4 INCH IRON PIPE MARKED WITH A METAL TAG STAMPED SGB LS 1848; THENCE,

2ND: SOUTH 345.13 FEET TO A NAIL AND METAL TAG STAMPED SGB LS 1848 SET IN THE SOUTH SIDE OF A LARGE EUCALYPTUS TREE IN THE NORTH LINE OF ETTING ROAD; THENCE ALONG SAID NORTH
LINE.

3RD: WEST 365.00 FEET TO A 3/4 INCH IRON PIPE MARKED WITH A METAL TAG STAMPED SGB LS 1842; THENCE,

4TH: NORTH 128.2 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL RIGHT, TITLE AND INTEREST OF THE GRANTOR IN AND TO ALL OIL, GAS, MINERALS, HYDROCARBONS AND ASSOCIATED SUBSTANCES IN, UNDER OR PRODUCED AND SAVED FROM SAID LAND, BUT WITHOUT THE RIGHT OF ENTRY TO THE SURFACE OF THE PROPERTY OR THE TOP FIVE HUNDRED (500) FEET OF THE SUBSURFACE THEREOF MEASURED VERTICALLY FROM THE SURFACE (COLLECTIVELY "MINERAL RIGHTS") AS RESERVED IN DEED RECORDED SEPTEMBER 10, 2015 AS INSTRUMENT NO. 2015-00136187, OFFICIAL RECORDS OF SAID COUNTY.

APN: 225-0-014-020

EXHIBIT B

PROMISSORY NOTE

PROMISSORY NOTE
Affordable Housing Assistance
(Secured by Deed of Trust)

$631,900 Oxnard, California
_____, 2025

FOR VALUE RECEIVED, the undersigned, Etting Road LLC, a California limited liability company ("Borrower"), hereby promises to pay to the order of the City of Oxnard, a municipal corporation ("Lender"), the principal sum of Six Hundred and Thirty-One Thousand Nine Hundred Dollars ($631,900) with interest on the unpaid balance thereof from the date of each advance evidenced by this Note set forth above until repaid at the rate of three percent (3%) simple interest (except as otherwise provided herein). The term Loan as used herein, means the Loan evidenced by this Note. The Loan is made pursuant to the terms of an Affordable Housing Loan Agreement (the "Loan Agreement") dated as of _____, 2025, and Regulatory Agreement ("Regulatory Agreement") executed concurrently herewith between Borrower and Lender. Both principal and interest are payable as hereinafter provided, to Lender at 435 South D Street, Oxnard, California 93030, Attention: Housing Director, or at such other place as from time to time may be designated by the holder of this Note.

All of the provisions of this Note are agreements which are secured by the Deed of Trust securing this Note. A default in observance of any of the provisions is a default with consequences under the Deed of Trust. All terms not otherwise defined in this Note have the meaning assigned to such terms in the Agreement.

1. **DEFINITIONS.** Any term not defined herein shall have the meanings set forth in the Loan Agreement.

2. **PAYMENT PROVISIONS**: The following payment provisions apply to this Note:

A. Promise to Pay. Borrower promises to pay to the order of Lender the principal sum of Six Hundred and Thirty-One Thousand Nine Hundred Dollars ($631,900), plus interest thereon and other charges due under this Note, all in the manner provided below. Interest shall accrue at the rate of 3% simple interest on funds advanced, commencing on the date of each advance.

B. Payments. Borrower promises to pay interest, principal, and all other sums which may become due on the Note as follows:

(1) All sums outstanding under this Note shall be due and payable 55 years from the issuance of a Notice of Completion for the Project.

(2) All sums outstanding under this Note shall without any reduction become immediately due and payable upon any default under this Note, upon any transfer (including hypothecation) of the Property securing payment of this Note not permitted by the Loan Agreement, upon any change in

ownership or composition of the Borrower not permitted under the Loan Agreement or Regulatory Agreement, or upon any other breach or default of the Loan Agreement or the Regulatory Agreement.

(3) All other payments shall be made annually ("Annual Payment"), commencing on July 1st of the year following the issuance of a Notice of Completion for the Project, and each July 1st thereafter;

i. Borrower shall make an Annual Payment equal to thirty-five and eleventh hundredths percent (35.11%) of Residual Receipts for the previous calendar year commencing on the July 1st after all Senior Loans have been fully repaid and on every July 1st thereafter. The Borrower shall provide the City with any documentation reasonably requested by the City to substantiate the Borrower's determination of the Revenue, Operating Expenses, and Annual Payment. The City shall apply all Annual Payments first to accrued interest, and second to principal. In the event that the City determines that there is an understatement in the amount of an Annual Payment due to City, Borrower shall promptly pay to City such understatement, but in any event, no later than within twenty (20) days of notice of such understatement. In the event that City determines that there has been an overpayment in an Annual Payment due to City, City shall pay to Borrower the amount of overpayment promptly, but in any event, within twenty (20) days of such determination. If contested, Borrower has the right to pay under protest and request an audit by an independent certified public accountant. On or before each Annual Payment the Borrower shall submit its Annual Financial Statement to City for the preceding calendar year together with the required Annual Payment for the preceding calendar year and each Payment Date thereafter until the Loan is paid in full or otherwise terminated. City shall review and approve the amount to be paid by Borrower and the Annual Financial Statement, or request revisions, within sixty (60) days after receipt. In the event City fails to approve or disapprove the Annual Financial Statement within the sixty (60) day period, Borrower may request a written determination of approval or disapproval following the expiration of such period. In the event City fails to provide a written determination to Borrower within ten (10) days following the receipt of Borrower's request for determination, the Annual Financial Statement shall be deemed approved.

3. **PAST DUE PRINCIPAL AND INTEREST**. Any amount of principal or interest on the Loan or any fee or expense or other amount payable hereunder shall, to the extent permitted

by law, bear interest from such payments due date until paid at the rate of 10% per annum, which interest shall be immediately due and payable.

4. **NO DEDUCTIONS, NO OFFSETS**. All payments of principal and interest hereunder shall be made without deduction of any present and future taxes, levies, duties, imposts, deductions, charges or withholdings imposed by any existing or future law, rule, regulation, treaty, directive or requirement whether or not having the force of law, which amounts shall be paid by Borrower. Borrower will pay the amounts necessary such that the gross amount of the principal and interest received by Lender is not less than that required by this Note. All stamp and documentary taxes shall be paid by Borrower. If, notwithstanding the foregoing, Lender pays any such taxes, Borrower will reimburse Lender for the amount paid, as additional interest, within five (5) days of Lender's demand for payment. Borrower will furnish Lender official tax receipts or other evidence of payment of all such amounts.

5. **ABSENCE OF USURY**. Borrower and Lender intend that the Loan be exempt from the restrictions contained in the California usury law, or if not exempt, that the Loan shall be in compliance with any applicable usury law. In furtherance thereof, Borrower and Lender agree that none of the terms and provisions contained in this Note, or in any other instrument executed in connection herewith, shall ever be construed to create a contract to pay for the use, forbearance or detention of money, or interest at a rate in excess of the maximum interest rate permitted to be charged by applicable law. Therefore, if a court ultimately determines that the Loan is not exempt from the California usury law, or if a court determines that the usury law of another jurisdiction should be applied to the Loan: (a) neither Borrower nor any endorsers or other parties now or hereafter becoming liable for payment of this Note shall ever be required to pay interest on this Note at a rate in excess of the maximum interest that may be lawfully charged under applicable law, and the provisions of this Section shall control over all other provisions of this Note and any other instruments now or hereafter executed in connection herewith; (b) if the maturity hereof shall be accelerated for any reason or if the principal of this Note is paid prior to the end of the term of this Note, and as a result thereof the interest received for the actual period of existence of the Loan would be unlawful, the holder of this Note shall refund to Borrower the amount of such excess or shall credit the amount of such excess against the principal balance of the Note then outstanding; and (c) in the event that Lender or any other holder of this Note shall collect monies which are deemed to constitute interest which would increase the effective interest rate on this Note to a rate in excess of that permitted to be charged by applicable law, all such sums deemed to constitute interest in excess of the legal rate shall, upon such determination, at the option of the holder of this Note, be first, credited against the principal balance of this Note then outstanding, and second, returned to the Borrower.

6. **PREPAYMENT**. This Note may be prepaid in whole or in part without penalty or charge.

7. **ATTORNEY'S FEES**. Should the indebtedness represented by this Note or any part thereof be collected at law or in equity or through any bankruptcy (including, without limitation, any action for relief from the automatic stay or any other bankruptcy proceeding) receivership, probate or other court proceedings or by any judicial or non-judicial foreclosure proceeding, or if this Note is placed in the hands of attorneys for collection after default, the Borrower and all

endorsers, guarantors and sureties of this Note jointly and severally agree to pay, in addition to the principal and interest due and payable hereon, reasonable attorneys' fees and collection costs and expenses. Should any action be brought to construe, clarify, or obtain a declaration as to the terms of this Note or the parties' obligations under it, the prevailing party in such action shall recover its reasonable attorneys' fees.

8. **WAIVER OF PRESENTMENT**. Borrower, and any and all endorsers, guarantors and sureties of this Note, and all other persons liable or to become liable on this Note, jointly and severally waive presentment for payment, demand, notice of demand and of dishonor and nonpayment of this Note, notice of intention to accelerate the maturity of this Note, protest and notice of protest, diligence in collecting, and the bringing of suit against any other party, and agree to all renewals, extensions, modifications, partial payments, releases or substitutions of security, in whole or in part, with or without notice, before or after maturity. The pleading of any statute of limitations as a defense to any demand against the makers, endorsers, guarantors and sureties is expressly waived by each and all such parties to the extent permitted by law.

9. **LOSS OF NOTE**. Upon notice from any holder to Borrower of the loss, theft, destruction or mutilation of this Note and, upon receipt of indemnity reasonably satisfactory to Borrower from any holder of this Note (except that if Lender is the holder of this Note, an indemnification from Lender shall be sufficient) or, in the case of mutilation hereof, upon surrender of the mutilated Note, Borrower will make and deliver a new note of like tenor in lieu of this Note.

10. **SUCCESSORS AND ASSIGNS**. This Note shall be binding upon and shall inure to the benefit of Borrower and Lender, and their successors and assigns.

11. **SEVERABLE PROVISIONS**. Every provision of this Note is intended to be severable. If any term or provision hereof is declared by a court of competent jurisdiction to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity or enforceability shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

12. **NOTICES**. Notices, demands, requests, elections, approvals, disapprovals, consents or other communications given under this Note shall be in writing and shall be given by personal delivery, mail or telegram or facsimile and addressed, if to Lender, 435 South “D” Street, Oxnard, California 93030, or if to Borrower, at 702 County Square Drive, Suite 200, Ventura, CA 93003, Attn: Chief Executive Officer. Notice by personal delivery shall be deemed effective upon the delivery of such notice to the party for whom it is intended at the recipient's address. Notice by mail shall be deemed effective two (2) business days after depositing such notice, certified or registered mail, postage prepaid, properly stamped and sealed, with the United States Postal Service, properly addressed regardless of whether or when the notice is actually received by the addressee. Either party may give notice of any change of address in accordance with the notice procedures described above.

13. **DEFAULT**. Any failure to perform any obligation of Borrower under this Note, the Deed of Trust, the Loan Agreement, or the Regulatory Agreement shall be considered a default hereunder.

14. **JOINT AND SEVERAL**. The obligations of Borrower in this Note shall be joint and several obligations of Borrower and of each Borrower, if more than one, and of each of Borrower's heirs, devisees, legatees, administrators, executors, personal representatives, successors and assigns.

15. **GENDER**. In this Note, whenever the context so requires, the masculine gender includes feminine and/or neuter, and the singular number includes the plural.

16. **TIME OF ESSENCE**. Time is of the essence in this Note and the performance of each of the covenants and agreements contained herein.

17. **GOVERNING LAW**. This Note shall be construed and enforced in accordance with the laws of the State of California.

18. **AUTHORITY**. The person executing this Note represents and warrants that such person has the authority to execute this Note and bind borrower to its provisions.

19. **CAPTIONS AND REFERENCES**. The captions of the Paragraphs of this Note are for the purposes of convenience only and are not intended to be part of this Note and shall not be deemed to modify, explain, enlarge or restrict any of the provisions hereof. All "Paragraph" references are to the paragraphs of this Note, unless otherwise indicated.

20. **SECURITY**. This Note is secured by a deed of trust executed concurrently herewith, encumbering the property described therein.

21. **NONRECOURSE OBLIGATION.** Except as expressly provided in the second paragraph of this section, the Borrower, and the Borrower's officers, directors, employees and agents shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the Note or the performance of the covenants of the Borrower under the Deed of Trust securing the Note. The sole recourse of the Beneficiary with respect to the principal of, or interest on, the Note shall be to the property securing the indebtedness evidenced by the Note. However, that nothing contained in the foregoing limitation of liability shall (a) limit or impair the enforcement against all such security for the Note of all the rights and remedies of the Beneficiary, or (b) be deemed in any way to impair the right of the Beneficiary to assert the unpaid principal amount of the Note as demand for money within the meaning and intendment of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto.

The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note, except as hereafter set forth; nothing contained herein is intended to relieve the Borrower of personal liability for (a) fraud or willful misrepresentation; (b) the failure to pay taxes, assessments or other charges (which are not contested by Borrower in good faith) which may create liens on the Property that are payable or

applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (c) the fair market value of any personal property or fixtures removed or disposed of by Borrower other than in accordance with the Deed of Trust; (d) the misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property; and (e) payment to the Beneficiary of any rental income or other income arising with respect to the Property received by the Borrower after the Beneficiary has given notice to the Borrower of the occurrence of an Event of Default, subject to the rights of any lender providing a loan secured by the Property to which the Lender has subordinated the Deed of Trust.

DISCLOSURES. BORROWER HEREBY ACKNOWLEDGES THAT INTEREST IN THIS NOTE MAY AT TIMES TO BE CALCULATED BY HOLDER ON THE BASIS OF A THREE HUNDRED SIXTY (360) DAY YEAR AND IS FULLY AWARE THAT SUCH CALCULATIONS MAY RESULT IN AN ACCRUAL AND/OR PAYMENT OF INTEREST IN AMOUNTS GREATER THAN CORRESPONDING INTEREST CALCULATIONS BASED ON A THREE HUNDRED SIXTY-FIVE (365) DAY YEAR.

ETTING ROAD LLC,

A California limited liability company

By: Cabrillo Economic Development Corporation, a California nonprofit public benefit corporation,
Its: sole member and manager

_____

By: Victoria J. Brady
Its: Chief Executive Officer

EXHIBIT C

DEED OF TRUST

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO: CITY OF OXNARD Housing Department 435 S D Street Oxnard, CA 93030 Attention: Housing Director No recording fee pursuant to California Government Code Section 27383	
APN: 225-0-014-020	SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST AFFECTING REAL PROPERTY WITH ASSIGNMENT OF RENTS

(This Deed of Trust contains an acceleration clause)
(Secures Promissory Note, Affordable Housing Loan Agreement, and Regulatory Agreement)

This DEED OF TRUST is made _____, 2025, between Etting Road LLC, a California limited liability company, herein called TRUSTOR, whose address is 702 County Square Drive, Suite 200, Ventura, CA 93003, to Commonwealth Land Title Company, a California corporation, as trustee, herein called TRUSTEE, and the City of Oxnard, a municipal corporation (the "City"), herein called BENEFICIARY,

WITNESSETH: That Trustor grants to Trustee in Trust, with Power of Sale, that property located at 2161 Etting Road, in the City of Oxnard, which is located in Ventura County, California, as more particularly described in Exhibit A (the "Property") attached hereto and incorporated herein by this reference;

Together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits.

This grant is made for the purpose of securing the performance of each agreement of Trustor incorporated by reference or contained herein; and performance of that certain Affordable Housing Loan Agreement dated _____, 2025, that certain Regulatory Agreement dated _____, 2025, and Promissory Note dated _____, 2025, in the face amount of Six Hundred Thirty One Thousand Nine Hundred Dollars ($631,900) made by Trustor to the order of the Beneficiary. This Deed of Trust secures all obligations of each of the foregoing agreements. Any default in the performance of obligations under any of such agreements is a default under each of the agreements and is a default hereunder, and entitles Beneficiary and Trustee to exercise all rights and remedies herein described.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange

County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Madera	911	136	San Luis Obispo	1311	137
Alpine	3	130-31	Marin	1849	122	San Mateo	4778	175
Amador	133	438	Mariposa	90	453	Santa Barbara	2065	881
Butte	1330	513	Mendocino	667	99	Santa Clara	6626	664
Calaveras	185	338	Merced	1660	753	Santa Cruz	1638	607
Colusa	323	391	Modoc	191	93	Shasta	800	633
Contra Costa	4684	1	Mono	69	302	San Diego Series 5	1964	149774
Del Norte	101	549	Monterey	357	239	Sierra	38	187
El Dorado	704	635	Napa	704	742	Siskiyou	506	762
Fresno	5052	623	Nevada	363	94	Solano	1287	621
Glenn	469	76	Orange	7182	18	Sonoma	2067	427
Humboldt	801	83	Placer	1028	379	Stanislaus	1970	56
Imperial	1189	701	Plumas	166	1307	Sutter	655	585
Inyo	165	672	Riverside	3778	347	Tehama	457	183
Kern	3756	690	Sacramento	5039	124	Trinity	108	595
Kings	858	713	San Benito	300	405	Tulare	25300	108
Lake	437	110	San Bernardino	6213	768	Toulumne	177	160
Lassen	192	367	San Francisco	A-804	596	Ventura	2607	237
Los Angeles	T-3878	874	San Joaquin	2855	283	Yolo	769	16
						Yuba	398	693

shall inure to and bind the parties hereto, with respect to the property above described. Said Agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and attached hereto), are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein (provided that in the event any said provision is inconsistent with the language in this Deed of Trust, the language of this Deed of Trust shall control), and Beneficiary may charge for a statement regarding the obligation secured hereby; provided the charge therefore does not exceed the maximum allowed by law.

The Trustor acknowledges receipt of a copy of such provisions of such fictitious deed of trust.

If the Trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of its title or any interest therein in any manner or way, whether voluntarily or involuntarily, in a manner not allowed by the agreements secured by this Deed of Trust or without the written consent of the Beneficiary being first had and obtained, Beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any note evidencing the same, immediately due and payable.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be made to it at its address hereinbefore set forth. Exhibit A is attached hereto and incorporated herein.

(Signature appears on following page)

SIGNATURE OF TRUSTOR

ETTING ROAD LLC,
a California limited liability company

By: Cabrillo Economic Development Corporation, a California nonprofit public benefit corporation,
Its: sole member and manager

_____

By: Victoria J. Brady
Its: Chief Executive Officer

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)
) ss.
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

_____
Signature of Notary Public

(Place Notary Seal Above)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

All that certain real property situated in the County of Ventura, State of California, described as follows:

A PORTION OF PARCEL H, SUBDIVISION 72 RANCHO EL RIO DE SANTA CLARA O' LA COLONIA, IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF VENTURA COUNTY, IN BOOK 3. MISCELLANEOUS RECORDS AT PAGE 14, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 3/4 INCH IRON PIPE SET IN THE SOUTHERLY LINE OF PLEASANT VALLEY ROAD DISTANT THEREON NORTH 59° 15' 30" EAST 250.73 FEET FROM A 4" X 4" POST SET AT THE MOST WESTERLY CORNER OF SAID PARCEL H; THENCE FROM SAID POINT OF BEGINNING.

1ST: NORTH 59° 15' 30" EAST 424.64 FEET ALONG THE SOUTHERLY LINE OF SAID PLEASANT VALLEY ROAD TO A 3/4 INCH IRON PIPE MARKED WITH A METAL TAG STAMPED SGB LS 1848; THENCE,

2ND: SOUTH 345.13 FEET TO A NAIL AND METAL TAG STAMPED SGB LS 1848 SET IN THE SOUTH SIDE OF A LARGE EUCALYPTUS TREE IN THE NORTH LINE OF ETTING ROAD; THENCE ALONG SAID NORTH
LINE.

3RD: WEST 365.00 FEET TO A 3/4 INCH IRON PIPE MARKED WITH A METAL TAG STAMPED SGB LS 1842; THENCE,

4TH: NORTH 128.2 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL RIGHT, TITLE AND INTEREST OF THE GRANTOR IN AND TO ALL OIL, GAS, MINERALS, HYDROCARBONS AND ASSOCIATED SUBSTANCES IN, UNDER OR PRODUCED AND SAVED FROM SAID LAND, BUT WITHOUT THE RIGHT OF ENTRY TO THE SURFACE OF THE PROPERTY OR THE TOP FIVE HUNDRED (500) FEET OF THE SUBSURFACE THEREOF MEASURED VERTICALLY FROM THE SURFACE (COLLECTIVELY "MINERAL RIGHTS") AS RESERVED IN DEED RECORDED SEPTEMBER 10, 2015 AS INSTRUMENT NO. 2015-00136187, OFFICIAL RECORDS OF SAID COUNTY.

APN: 225-0-014-020

EXHIBIT D

REGULATORY AGREEMENT

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO: CITY OF OXNARD Housing Department 435 S D Street Oxnard, CA 93030 Attention: Housing Director No recording fee pursuant to California Government Code Section 27383	
APN: 225-0-014-020	SPACE ABOVE THIS LINE FOR RECORDER'S USE

REGULATORY AGREEMENT AND RESTRICTIVE COVENANTS (CITY OF OXNARD)

THIS REGULATORY AGREEMENT (CITY OF OXNARD) ("Regulatory Agreement") is entered into effective _____, 2025, by Etting Road LLC, a California limited liability company ("Developer") in favor of the City of Oxnard, a municipal corporation ("City") pursuant to and in evidence of an "Affordable Housing Loan Agreement" executed by Developer concurrently herewith (the "Loan Agreement").

RECITALS

WHEREAS, Developer is the owner of that certain real property in the City of Oxnard ("City"), County of Ventura, State of California ("Property") described in Exhibit "A" attached hereto and incorporated herein by this reference; and

WHEREAS, Developer and City have entered into the Loan Agreement in which Developer has agreed to construct and operate the Property as an affordable housing project, and City has loaned Six Hundred and Thirty-One Thousand Nine Hundred Dollars ($631,900) to assist in the development of the assisted units within the affordable housing project (the "Project").

NOW, THEREFORE, IN CONSIDERATION FOR CITY'S ASSISTANCE, DEVELOPER COVENANTS AND AGREES FOR THE BENEFIT OF CITY AS FOLLOWS:

AGREEMENT

1. Definitions.

   a. "AMI" the Ventura County Metropolitan Statistical Area as determined by HUD, adjusted for family size.
   b. "Assisted Units" means any six (6) housing units on the Property which are supported by funds under the Loan Agreement.
   c. "Household" means a household having an income equal to or less than the Section 8 very low-income limit established by HUD (i.e. 50% or less of area

median income adjusted for family size by the State Department of Housing and Community Development) pursuant to 24 CFR 570.3.

d. "HUD" means the United States Department of Housing and Urban Development.
e. "Rent" means the total charges for rent, utilities, and related services to each qualifying Household which shall not exceed thirty percent (30%) of fifty percent (50%) of Median Income for the Assisted Units occupied by Very Low-Income Households. Annual rent increases shall be calculated by Lender based on the change in the AMI.
f. "Very-Low Income Household" is a Household with an income not greater than fifty 50% of the AMI.

2. Term. The provisions of this Regulatory Agreement shall remain in effect for a period of 55 years from the issuance of a Notice of Completion for the Project.

3. City Contributions. The City has provided funds for development costs of six (6) affordable apartment units ("Assisted Units").

4. City Conditions. The Project shall meet all City conditions rules and regulations and shall be required to have approval of the Oxnard Planning Commission and City Council as required by City ordinances, resolutions, regulations and requirements.

5. Affordability Requirements. Six (6) units shall be designated as Assisted Units. All of the Assisted Units shall be made available and rented only to Very Low-Income Households. The Assisted Units will be rented at Rent set forth in the definition of Rent. The Assisted Units shall include two (2) one-bedroom units, two (2) two-bedroom units, and (2) three-bedroom units.

6. Construction. All work on the Project shall be performed by contractors, licensed under the laws of the State of California, as Developer may employ from time to time to execute such work. Developer shall comply with all federal, State and local laws and regulations pertaining to construction of the Project, including laws relating to competitive bidding and payment of prevailing wages, to the extent the same may be applicable. All work shall be performed in a workmanlike and quality fashion, free of encumbrances and liens, in full compliance with all applicable requirements of the Uniform Building Code and the Oxnard City Code. In addition to all other obligations of Developer as set forth in this Regulatory Agreement, Developer shall seek and obtain all necessary governmental approvals for the Project and shall pay all permit application fees and development exactions then prescribed by city ordinance or resolution at the time of submittal, unless such fees or exactions are waived by City. Nothing herein excuses compliance by Developer with any or all City ordinances, resolutions or procedures in connection with development of the Project.

7. Maintenance. Developer shall, at all times during the term of this Regulatory Agreement, cause the Property and the Project to be maintained in good condition and repair regardless of cause of the disrepair. Developer shall be fully and solely responsible for costs of maintenance, repair, addition and improvements. City and any of its employees, agents, contractors or

designees shall have the right to enter upon the Project at reasonable times and in reasonable manner to inspect the project.

8. Reports. Developer will provide City with reports and records as follows:

a. Developer understands and agrees that City may, at any time, request information that may be required for the purpose of making necessary reports to HUD and State Department of Housing and Community Development, or for otherwise evaluating Developer's progress and performance pursuant to this Regulatory Agreement. In the event of such requests, Developer shall comply by providing the appropriate data within 15 calendar days from the date of any such request.

b. Developer further understands and agrees that the records and additional information described in this paragraph are required to be retained on a continuing basis for a period of 5 years after this Regulatory Agreement has expired.

c. Developer further understands and agrees that its failure to comply with any and all reporting and data submission requirements of this paragraph 8 may be deemed by City to be evidence of cessation of operation under the Regulatory Agreement or conversion to an unapproved change in use, requiring recovery of loan funds pursuant to the Regulatory Agreement, provided, however, that a failure to comply with the reporting and data submission requirements shall not be deemed to be cessation of operation under the Regulatory Agreement or a conversion to an unapproved change unless Developer has failed to cure such failure to comply within 30 days after City gives Developer a "notice to cure", or if the failure cannot be cured within 30 days, fails to commence to cure within 30 days and thereafter diligently pursue such cure.

d. All financial transactions must be supported by complete and verifiable source documents. Records shall provide a clear audit trail.

The affordability requirements contained in this Regulatory Agreement constitute covenants, conditions and restrictions that run with the land. Subject to the provisions of paragraph 16 below, if Developer fails to perform any obligation under this Regulatory Agreement, and fails to cure the default within 30 days after City has notified Developer in writing of the default or if the default cannot be cured within 30 days, fails to commence to cure within 30 days and thereafter diligently pursue such cure, City shall have the right to enforce this Regulatory Agreement by any means permitted by law, including an action at law or in equity to compel Developer's performance of its obligations, and/or for damages.

9. Monitoring Fee. In accordance with the Loan Agreement, Developer shall pay to City an annual monitoring fee on January 1 of the year following issuance of the Notice of Completion and every January 1 thereafter during the term of this Regulatory Agreement in the amount of One Hundred Fifteen Dollar ($115) per each Assisted Unit.

10 Hold Harmless Indemnification.

a. Developer shall at all times defend, indemnify and save City and the City of Oxnard Housing Authority ("Housing Authority"), including their boards, council members, commissioners, agencies, departments, officers, employees, agents and volunteers, harmless against any and all claims, lawsuits, judgment, demands and liability against City, or the Housing Authority, all of their boards, council members, commissioners, agencies, departments, officers, employees, agents and volunteers, including those arising from injuries or death of persons and for damages to property, arising directly or indirectly out of the operations conducted or subsidized in whole or in part by City related to this Regulatory Agreement, save and except claims or litigation arising through the sole negligence or wrongdoing and/or sole willful misconduct of City or any other indemnitee. Developer is not obligated to indemnify City or others for claims based upon their use of information provided by Developer, provided the information itself is accurate. Developer shall at all times indemnify and hold harmless City, its officers and employees, from all loss, litigation, liability, damage, or expense, including, without limitation, potential tenant relocation costs arising under this Regulatory Agreement and/or any subcontract which Developer enters into relating to implementation of the Project.

b. Developer's obligation to defend shall arise when a claim, demand or action is made or filed, whether or not such claim, demand or action results in a determination of liability or damages as to which Borrower is obligated to indemnify and hold harmless.

11. Modifications. All modifications to this Regulatory Agreement must be in written form and approved by both parties. To the extent that any lender to, or equity investor in, the Project requires changes to this Regulatory Agreement, which changes do not materially affect the basic affordability, reporting, and enforcement provisions hereof, the City agrees to cooperate to effect such changes within a reasonable time.

12. Sale Of Property/Change Of Use. Developer agrees and declares that the Property and the Project shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, operated, sold, and approved subject to all obligations set forth or incorporated in this Regulatory Agreement, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property and the Project. All of the obligations set forth or incorporated in this Regulatory Agreement shall constitute covenants which run with the land and shall be binding on Developer and its successors and assigns, and all parties having or acquiring any right, title or interest in, or to any part of the Property or Project. Developer further understands and agrees that the loan funds provided to Developer under this Regulatory Agreement are made on the condition that Developer and all subsequent owners, or other successors and assigns of the Property and/or Project lease and rent the Units in accordance with the terms and conditions stipulated in paragraph 5 of this Regulatory Agreement, for a term of 55 consecutive years commencing upon issuance of Notice of Completion for the Project. In the event that Developer or any of its successors and assigns violates any of these covenants, following reasonable notice

and opportunity to cure, the total amount of the Loan funds shall become immediately due and payable.

13. Authority To Bind. By entering into this Regulatory Agreement, Developer certifies it is qualified and licensed to conduct business in the State of California.

14. Notice. All notices given or required to be given to this Regulatory Agreement, shall be in writing and may be given by personal delivery or by mail. Notice sent by mail shall be addressed as follows:

TO CITY:
City of Oxnard
Housing Director
435 South D Street
Oxnard, California 93030

TO DEVELOPER:
Etting Road LLC
c/o Cabrillo Economic Development Corporation
702 County Square Drive, Suite 200
Ventura, CA 93003
Attn: Chief Executive Officer

With copy to:

Goldfarb & Lipman LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attn: Lynn Hutchins

and, when addressed in accordance with this paragraph, shall be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices shall be deemed given at the time of actual delivery. Changes may be made in the name and addresses of persons to whom notices are to be given by giving notice in the manner prescribed in this paragraph.

15. Compliance With Law. Developer shall comply with all applicable laws and regulations in the implementation of this Regulatory Agreement.

16. Contractual Relationship. The contractual relationship between City and Developer is independent and under no circumstances shall Developer be considered an agent or partner of City.

17. Enforced Delay; Extension Of Times Of Performance. In addition to specific provisions of this Regulatory Agreement, performance by any of the parties hereunder shall not be deemed to be in default, and all performance and other dates specified in this Regulatory Agreement shall be extended, where delays or defaults are due to: war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, epidemics,

quarantine restrictions, freight embargos, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor or supplier, acts or omissions of another party, acts or failures to act of any public or governmental agency or entity (other than the acts or failures to act of City which shall not excuse performance by City), or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. Notwithstanding anything to the contrary in this Regulatory Agreement, an extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of the commencement of the cause. Times of performance under this Regulatory Agreement may also be extended in writing by the mutual agreement of City's Housing Director and Developer.

18. Benefit Of Agreement. This Regulatory Agreement and every provision hereof is for the exclusive benefit of Developer and City and not for the benefit of any other party. There shall be no incidental or other beneficiaries of any of Developer's or City's obligations under this Regulatory Agreement.

19. Enforcement Of Agreement. If any terms, provisions, conditions or covenants in this Regulatory Agreement, or the application thereof to any party or circumstances, shall to any extent be held invalid or unenforceable, the remainder of this Regulatory Agreement, or the application of such terms, provisions, conditions or covenants to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Regulatory Agreement shall be valid and enforceable to the fullest extent permitted by law.

20. Governing Law. The terms of this Regulatory Agreement shall be interpreted according to the laws of the State of California.

21. Rights of Mortgage Holders. The provisions of these Covenants do not limit the right of the holder of any mortgage, deed of trust or other lien or encumbrance to exercise any of its remedies for the enforcement of any pledge or lien upon the Property, recorded prior in time to this Regulatory Agreement or to which this Regulatory Agreement has been subordinated in writing. In the event of any foreclosure under any such mortgage, deed of trust, or other lien or encumbrance, or a sale pursuant to any power of sale included in any such mortgage or deed of trust, the purchaser or purchasers and their successors and assigns and the Property shall not be subject to this Regulatory Agreement.

22. City Successors. City, its successors and assigns, is deemed the beneficiary of the covenants contained herein, without regard to technical classification and designation. The covenants shall run in favor of City, its successors and assigns, without regard to whether City has been, remains, or is an owner of any land or interest therein.

23. Modification. City and its successors and assigns, and Developer and its successors and assigns shall have the right to consent and agree to changes in, or to eliminate in whole or in part, any of the covenants or restrictions contained in these covenants without the consent of any

tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under a deed of trust or any other person or entity having any interest less than a fee in the Property: provided, however, that the obligations set forth in paragraph 21 shall not be subject to modification without the consent of any affected lienholder.

24. No Discrimination. There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, religion, national origin, sex, age, disability, marital status, sexual preference, creed, ancestry, familial status, medical condition, or retaliation for having filed a discrimination complaint, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall Developer itself or any person claiming under or through it, establish or permit any such practice or practices or discrimination or segregation with reference to the selection, location, number use or occupancy of buyers, tenants, lessees, subtenants, sublessees, or vendees of the Property.

The Developer shall refrain from restricting the rental, sale or lease of the Property to any person on the basis of race, color, religion, ancestry, familial status, national origin, sex, age, disability, marital status, sexual preference, creed, ancestry, medical condition, or retaliation for having filed a discrimination complaint. All deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

> "The transferee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.0 of the Government Code, in the sale, lease sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or though him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublesses, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

25. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, all of which shall constitute one in the same instrument. Such counterparts shall be deemed have the same effect as if the signatures were in a single original document.

(Signatures appear on next page)

IN WITNESS WHEREOF, City and Developer have executed this Regulatory Agreement.

(NOTARIZATION REQUIRED)

CITY:	**DEVELOPER:**
THE CITY OF OXNARD	ETTING ROAD LLC, a California limited company By: Cabrillo Economic Development Corporation, a California non-profit public benefit corporation, its sole member and manager
Housing Director	By: Victoria J Brady Chief Executive Officer

APPROVED AS TO FORM:

Stephen Fischer
City Attorney

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)
) ss.
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

_____
Signature of Notary Public

(Place Notary Seal Above)

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)
) ss.
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

_____
Signature of Notary Public

(Place Notary Seal Above)

EXHIBIT "A"

All that certain real property situated in the County of Ventura, State of California, described as follows:

A PORTION OF PARCEL H, SUBDIVISION 72 RANCHO EL RIO DE SANTA CLARA O' LA COLONIA, IN THE CITY OF OXNARD, COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF ON FILE IN THE OFFICE OF THE COUNTY RECORDER OF VENTURA COUNTY, IN BOOK 3. MISCELLANEOUS RECORDS AT PAGE 14, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 3/4 INCH IRON PIPE SET IN THE SOUTHERLY LINE OF PLEASANT VALLEY ROAD DISTANT THEREON NORTH 59° 15' 30" EAST 250.73 FEET FROM A 4" X 4" POST SET AT THE MOST WESTERLY CORNER OF SAID PARCEL H; THENCE FROM SAID POINT OF BEGINNING.

1ST: NORTH 59° 15' 30" EAST 424.64 FEET ALONG THE SOUTHERLY LINE OF SAID PLEASANT VALLEY ROAD TO A 3/4 INCH IRON PIPE MARKED WITH A METAL TAG STAMPED SGB LS 1848; THENCE,

2ND: SOUTH 345.13 FEET TO A NAIL AND METAL TAG STAMPED SGB LS 1848 SET IN THE SOUTH SIDE OF A LARGE EUCALYPTUS TREE IN THE NORTH LINE OF ETTING ROAD; THENCE ALONG SAID NORTH
LINE.

3RD: WEST 365.00 FEET TO A 3/4 INCH IRON PIPE MARKED WITH A METAL TAG STAMPED SGB LS 1842; THENCE,

4TH: NORTH 128.2 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ALL RIGHT, TITLE AND INTEREST OF THE GRANTOR IN AND TO ALL OIL, GAS, MINERALS, HYDROCARBONS AND ASSOCIATED SUBSTANCES IN, UNDER OR PRODUCED AND SAVED FROM SAID LAND, BUT WITHOUT THE RIGHT OF ENTRY TO THE SURFACE OF THE PROPERTY OR THE TOP FIVE HUNDRED (500) FEET OF THE SUBSURFACE THEREOF MEASURED VERTICALLY FROM THE SURFACE (COLLECTIVELY "MINERAL RIGHTS") AS RESERVED IN DEED RECORDED SEPTEMBER 10, 2015 AS INSTRUMENT NO. 2015-00136187, OFFICIAL RECORDS OF SAID COUNTY.

APN: 225-0-014-020

EXHIBIT E

DISBURSEMENT SCHEDULE

1. **Payment Requests.** Payment requests from Borrower may be submitted no more frequently than on a monthly basis. The Borrower shall also submit receipts and other documentation that describe the documents, materials, and activities that will be paid for and/or reimbursed with each specific payment request.

   Borrower may not request disbursement of funds until the funds are needed for payment of eligible costs (i.e., reimbursement of eligible construction costs). Borrower must provide evidence of compliance with insurance requirements satisfactory to the City before disbursement of any funds.

   Payment to Borrower shall be based on the submittal and approval of an invoice, and based on conformance with this Agreement.

2. **Billing.** Borrower shall submit an invoice and copies of all original supporting documentation to the Lender at the following address:

   CITY OF OXNARD
   Housing Department
   435 S D Street
   Oxnard, CA 93030
   Attention: Housing Director

3. **Final Disbursement.** Final 10% Disbursement to occur after issuance of Certificate of Occupancy of the Project. Borrower must provide evidence of compliance with insurance requirements satisfactory to the City before disbursement of any funds.

Eligible Loan Costs: Construction Costs

EXHIBIT F

INSURANCE REQUIREMENTS

Exhibit INS-E

INSURANCE REQUIREMENTS FOR CONSTRUCTION PROJECTS (WITH BUILDER'S RISK REQUIREMENT)

1. Contractor shall obtain and maintain during the performance of any services under this Contract the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by Contractor, its agents, representatives, employees or subcontractors.

a. Commercial General Liability Insurance, including Contractual Liability, in an amount not less than $2,000,000 combined single limit for bodily injury and property damage for each claimant for general liability with coverage equivalent to Insurance Services Office Commercial General Liability Coverage (Occurrence Form CG 0001). If a general aggregate limit is used, that limit shall apply separately to the project location or shall be twice the occurrence amount;

b. Business Automobile Liability Insurance in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant for automobile liability with coverage equivalent to Insurance Services Office Automobile Liability Coverage (Occurrence Form CA0001) covering Code No. 1, "any auto;"

c. If architectural, engineering, or electrical work will be performed under the Contract, Professional Liability/Errors and Omissions Insurance appropriate to the work being done in an amount not less than $1,000,000, with neither Contractor nor listed subcontractors having less than $500,000 individually. The Professional Liability/Errors and Omissions Insurance must be project specific with at least a one-year extended reporting period, or longer upon request.

d. Course of Construction Insurance providing coverage for "all risks" of loss in an amount not less than the completed value of the project, with City named as Owner and Insured.

e. Workers' Compensation Insurance in compliance with the laws of the State of California, and Employer's Liability Insurance in an amount not less than $1,000,000 per claimant. Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City.

1. Contractor shall, prior to performance of any services, file with the Risk Manager certificates of insurance with original endorsements effecting coverage required by this Exhibit INS-E. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be on the attached forms or on other forms approved by the Risk Manager. All certificates and endorsements are to be received and approved by the Risk Manager before work commences. City reserves the right to require complete certified copies of all required insurance

policies at any time. The certificates of insurance and endorsements shall be sent via email. If you have not received your request or are having difficulty with electronic upload, contact insurance@oxnard.org

2. Contractor agrees that all insurance coverages shall be provided by a California admitted insurance carrier with an A.M. Best rating of A:VII or better and shall be endorsed to state that coverage may not be suspended, voided, canceled by either party, or reduced in coverage or limits without 30 days' prior written notice to the Risk Manager. The Risk Manager shall not approve or accept any endorsement if the endorsement contains "best effort" modifiers or if the insurer is relieved from the responsibility to give such notice.

3. Contractor agrees that the Commercial General Liability and Business Automobile Liability Insurance policies shall be endorsed to name City, its City Council, officers, employees and volunteers as additional insureds as respects: liability arising out of activities performed by or on behalf of Contractor; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, its City Council, officers, employees and volunteers. **The General Liability Special Endorsement Form and Automobile Liability Special Endorsement Form attached to this Exhibit INS-E or substitute forms containing the same information and acceptable to the Risk Manager shall be used to provide the endorsements (ISO form CG 2010 11/85 or if not available, CG 2010 with an edition date prior to 01/04 and CG 2037).**

4. The coverages provided to City shall be primary and not contributing to or in excess of any existing City insurance or self-insurance coverages **(this must be endorsed)**. Additionally, the workers' compensation policy shall include a waiver of all rights of subrogation which the insurer may have against the City. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its City Council, officers, employees and volunteers. The insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5. Any deductibles or self-insured retentions must be declared to and approved by the Risk Manager. At the option of the Risk Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its City Council, officers, employees and volunteers, or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

6. All insurance standards applicable to Contractor shall also be applicable to Contractor's subcontractors. Contractor agrees to maintain appropriate agreements with subcontractors and to provide proper evidence of coverage upon receipt of a written request from the Risk Manager.

INSTRUCTION FOR SUBMITTING INSURANCE CERTIFICATES AND ENDORSEMENT FORMS

Certificates of Insurance

The sample accord form on the following page is provided to facilitate your preparation and submission of certificates of insurance. You may use this or any industry form that shows coverage as broad as that shown on the attached sample. **Please note the certificate holder address must be as shown on the attached sample accord form with the contract number and insurance exhibit identification information completed.** Improperly addressed certificates may delay the contract start-up date because the City's practice is to return unidentifiable insurance certificates to the insured for clarification as to the contract number. **Cancellation**

provisions must be endorsed to the policy. Modifying the certificate does not change coverage or obligate the carrier to provide notice of cancellation.

Endorsement Forms

Original endorsements are required for general liability and automobile liability insurance policies and must be attached to the applicable certificate of insurance. City preference is that you use the endorsement forms which are attached. Substitute forms will be accepted, however, as long as they include provisions comparable to the sample accord form.

INS-E.doc

ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

PRODUCER	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
CODE SUB-CODE	**COMPANIES AFFORDING INSURANCE COVERAGE**
INSURED	COMPANY LETTER A SPECIFY COMPANY NAMES IN THIS SPACE
	COMPANY LETTER B

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	**GENERAL LIABILITY** [x] COMMERCIAL GENERAL LIABILITY [x] CLAIMS MADE [x] OCCUR. [x] OWNER'S & CONTRACTOR'S PROT.				GENERAL AGGREGATE $2,000,000 PRODUCTS COMP/OP AGG. $2,000,000 PERSONAL & ADV. INJURY $2,000,000 EACH OCCURRENCE $2,000,000 FIRE DAMAGE (Any one fire) $ MED. EXPENSE (Any one person) $
A	**AUTOMOBILE LIABILITY** [x] ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY				COMBINED SINGLE LIMIT $1,000,000 BODILY INJURY (Per person) $ BODILY INJURY (Per accident) $ PROPERTY DAMAGE $
A	**EXCESS LIABILITY** UMBRELLA FORM OTHER THAN UMBRELLA FORM				EACH OCCURRENCE $ AGGREGATE $
A	**WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY**				STATUTORY LIMITS EACH ACCIDENT $1,000,000 DISEASE-POLICY LIMIT $1,000,000 DISEASE-EACH EMPLOYEE $1,000,000
A	**OTHER** Errors and omissions insurance or malpractice insurance available for the insured's profession; if architectural, engineering or electrical work will be performed under the Contract, Course of Construction Insurance				Minimum coverage $1,000,000 Each consultant/ & listed sub-consultant $500,000 Course of Construction Completed Value of Project

SAMPLE

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

CERTIFICATE HOLDER	CANCELLATION
CITY OF OXNARD % Evident ID, Inc. 8520 Allison Pointe Blvd. Ste 223 PMB 5210 Indianapolis, Indiana 462500-4299 US	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ~~ENDEAVOR TO~~ MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, ~~BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.~~ AUTHORIZED REPRESENTATIVE

EXHIBIT F

GENERAL LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

POLICY INFORMATION:

Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ☐ Included in Limits ☐ In Addition to Limits

☐ Deductible ☐ Self-Insured Retention (check which) of $ _____
with an Aggregate of $_____ applies to _____
coverage. ☐ Per Occurrence ☐ Per Claim (which)

APPLICABILITY This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

GENERAL LIABILITY
☐ COMMERCIAL GENERAL LIABILITY ☐ Claims Made
☐ COMPREHENSIVE GENERAL LIABILITY Retroactive Date _____
☐ OWNERS & CONTRACTORS PROTECTIVE ☐ Occurrence

OTHER PROVISIONS

COVERAGES	LIABILITY LIMITS IN THOUSANDS $ EACH OCCURRENCE	AGGREGATE
☐ GENERAL		
☐ PRODUCTS/COMPLETED OPERATIONS		
☐ PERSONAL & ADVERTISING INJURY		
☐ FIRE DAMAGE		
☐ _____		
☐ _____		

Underwriter's representative for claims pursuant to this insurance.

CLAIMS:
Name: _____
Address: _____
_____
Telephone: (___) _____

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, employees and volunteers are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.

2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.

3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.

4. **CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.

5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.

6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
   a. Insurance Services Office Commercial General Liability Coverage, "occurrence" form CG0001; or
   a. If excess, affords coverage which is at least as broad as the primary insurance form CG0001.

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD % Evident ID, Inc.
8520 Allison Pointe Blvd. Ste 223
PMB 5210
Indianapolis, Indiana 462500-4299 US

AUTHORIZED REPRESENTATIVE

☐ Broker/Agent ☐ Underwriter ☐ _____

I _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature _____
(original signature required)

Telephone: ( ) Date Signed _____

Rev. 1/23 INS-E.doc

AUTOMOBILE LIABILITY SPECIAL ENDORSEMENT
FOR THE CITY OF OXNARD (the "City")

SUBMIT IN DUPLICATE

ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)

PRODUCER

Telephone:

NAMED INSURED

POLICY INFORMATION:

Insurance Company:
Policy No.:
Policy Period: (from) (to)
LOSS ADJUSTMENT EXPENSE ☐ Included in Limits ☐ In Addition to Limits

☐ Deductible ☐ Self-Insured Retention (check which) of $ _____
with an Aggregate of $_____ applies to _____
coverage. ☐ Per Occurrence ☐ Per Claim (which)

APPLICABILITY. This insurance pertains to the operations, products and/or tenancy of the named insured under all written agreements and permits in force with the City unless checked here ☐ in which case only the following specific agreements and permits with the City are covered:

CITY AGREEMENTS/PERMITS

TYPE OF INSURANCE

☐ COMMERCIAL AUTO POLICY
☐ BUSINESS AUTO POLICY
☐ OTHER

OTHER PROVISIONS

LIMIT OF LIABILITY

$ _____ per accident, for bodily injury and property damage.

CLAIMS: Underwriter's representative for claims pursuant to this insurance.

Name: _____

Address: _____

Telephone: (____) _____

In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, insurance company agrees as follows:

1. **INSURED.** The City, its officers, agents, volunteers and employees are included as insureds with regard to liability and defense of suits arising from the operations, products and activities performed by or on behalf of the named insured.
2. **CONTRIBUTION NOT REQUIRED.** As respects: (a) work performed by the named insured for or on behalf of the City; or (b) products sold by the named insured to the City; or (c) premises leased by the named insured from the City, the insurance afforded by this policy shall be primary insurance as respects the City, its officers, agents, employees or volunteers; or stand in an unbroken chain of coverage excess of the named insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the City, its officers, agents, employees or volunteers shall be in excess of this insurance and shall not contribute with it.
3. **SEVERABILITY OF INTEREST.** This insurance applies separately to each insured against whom claim is made or suit is brought except with respect to the company's limits of liability. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
4. **CANCELLATION NOTICE.** With respect to the interests of the City, this insurance shall not be canceled, or materially reduced in coverage or limits except after thirty (30) days prior written notice by receipted delivery has been given to the City.
5. **PROVISIONS REGARDING THE INSURED'S DUTIES.** Any failure to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the City, its officers, agents, employees or volunteers.
6. **SCOPE OF COVERAGE.** This policy, if primary, affords coverage at least as broad as:
   a. Insurance Services Office Automobile Liability Coverage, "occurrence" form CA0001, code ("any auto"); or
   b. If excess, affords coverage which is at least as broad as the primary insurance form referenced in the preceding section (1).

Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.

ENDORSEMENT HOLDER

CITY OF OXNARD % Evident ID, Inc.
8520 Allison Pointe Blvd. Ste 223
PMB 5210
Indianapolis, Indiana 462500-4299 US

AUTHORIZED REPRESENTATIVE

☐ Broker/Agent ☐ Underwriter ☐ _____

I _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement.

Signature _____

(original signature required)

Telephone: ( ) Date Signed _____

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EXHIBIT F

650\156\3896658.3

CDBG and In-Lieu Loan Agreement for Dolores Huerta Gardens Apartments, a 58-Unit Affordable Rental Project located at 2161 Etting Road.

Brenda Lopez, Interim Housing Director
Community Services, Public Safety, Housing & Development Committee

February 11, 2025

CITY OF OXNARD CALIFORNIA

1) The Dolores Huerta Gardens (DHG) Apartments, formally known as the Etting Road Apartments, is a 58-unit new construction affordable housing project located at 2161 Etting Road.

2) The developer of DHG is Cabrillo Economic Development Corporation (CEDC), a non-profit housing organization that works to provide affordable for sale or for rent housing to low-income households.

3) DHG will house 42 farmworker families and 15 veterans with incomes between 30% - 50% of the area median income for Ventura County, and 1 property manager. All units will adhere to a 55 year affordability restriction.

4) CEDC first acquired the DHG project site in September 2015 and received Design Development Review Permit approval for 42-units on June 27, 2018.

5) On July 1, 2021, the DHG returned to the Planning Commission and received approval for a major modification to their Design Development Review and Density Bonus Permits to increase the number of units from 42-units to 58-units.

6) Cabrillo Economic Development Corporation (CEDC) formed Etting Road LLC, a limited corporation, with CEDC acting as its sole member and manager, to apply for financing.

7) In September 2022 construction financing was finalized. Construction began on May 15, 2023 with an anticipated construction completion date of August 2024.

8) The project has faced numerous challenges since the project began which has now delayed the completion of the project to May 2025. As a result, the original development budget of $42,144,074 has increased to $43,699,487.

9) The project now has a $1,555,413 gap in financing.

Estimated Development Budget: $43,699,487

Gap: $1,555,413

Project Sources:	
Perm Loan Tranche A	$1,493,900
Perm Loan Tranche B	$2,681,300
CA HCD – Joe Serna Farmworker	$5,000,000
CA HCD – VHHP	$2,788,410
City of Oxnard HOME Loan	$1,854,000
County of Ventura Loan	$380,000
Home Depot Grant	$200,000
General Partner Equity	$1,500,000
HCD Accelerator	$26,246,464
Total Sources	**$42,144,074**

CDBG FUNDING

1) CEDC requested $899,974 in financing from the City to close the $1,555,413 financial gap.

2) Staff originally recommended $883,749.80 in CDBG funding for the project based on available CDBG funds at the time; unfortunately, there are not enough remaining CDBG eligible project expenses to allow for the use of that amount in CDBG funding.

3) Therefore, staff recommends $268,074 in CDBG funding - the amount CEDC's estimates of CDBG eligible expenses remaining after January 21, 2025. In addition, staff recommends that the remaining requested amount of $631,900 be funded from the Affordable Housing In-Lieu Fund.

4) To close the remaining gap of $655,439, CEDC will either defer their developer fee or apply for Federal Home Loan Bank of San Francisco financing.

The Loan Agreements provide the following terms:

CDBG Loan Agreement

1. Loan Amount of $268,074;
2. The loan will carry a fifty-five year term and charge 3% simple interest;
3. Regulatory Agreement term of five-years; and
4. Repayment of the City Loan will be on a residual receipt's basis.

In-Lieu Loan Agreement:

1. Loan Amount of $631,900;
2. The loan and Regulatory Agreement will carry a fifty-five year term and charge 3% simple interest;
3. Repayment of the City Loan will be on a residual receipt's basis

RECOMMENDATION

That the Community Services, Public Safety, Housing & Development Committee recommend that the City Council:

1. Adopt a resolution authorizing the Housing Director or Designee to execute a $268,074 CDBG Loan Agreement and a $631,900 In-Lieu Loan Agreement, and any and all related documents thereto, with Etting Road LLC for the construction of fifty-eight affordable rental units located at 2161 Etting Road; and

2. Approve and authorize a budget appropriation of $631,900 from the Affordable Housing In-Lieu Fees Fund to support the $631,900 In-Lieu Loan Agreement.

CITY OF OXNARD CALIFORNIA

End of Presentation