

**HOMELESS EMERGENCY AID PROGRAM
FUNDING AGREEMENT**

by and between

SONOMA COUNTY COMMUNITY DEVELOPMENT COMMISSION

and

**CITY OF SANTA ROSA,
a municipal corporation**

for

**CATHOLIC CHARITIES OF THE DIOCESE OF SANTA ROSA,
a California Nonprofit Public Benefit Corporation**

**SAMUEL L. JONES HOMELESS SHELTER
SANTA ROSA, California**

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HOMELESS EMERGENCY AID PROGRAM FUNDING AGREEMENT

This Funding Agreement (the "Agreement") is made and entered into as of June _____, 2020 by and between the Sonoma County Community Development Commission, a public body, corporate and politic (the "Commission") and the City of Santa Rosa, a municipal corporation (the "Recipient").

RECITALS

A. On January 3, 2019, State of California Housing and Community Development ("HCD") awarded \$12,111,291.50 of Homeless Emergency Aid Program ("HEAP") funds to the Sonoma County Continuum of Care as one-time assistance to address immediate homelessness emergency needs of homeless individuals and individuals at imminent risk of becoming homeless in Sonoma County.

B. The Sonoma County Continuum of Care is made up of the Home Sonoma County Leadership Council (the "Leadership Council") and the Commission administers the Homeless Emergency Aid Program funds on behalf of the Leadership Council.

C. On April 17, 2019, the Leadership Council awarded financial assistance to Recipient (as defined herein) to pay a portion of the capital improvement costs for the Samuel L. Jones Homeless Shelter located at 4020 Finley Ave. Santa Rosa, CA 95407 in the form of a grant to the Project for an amount not to exceed One Million Two Hundred Fifty-Five Thousand One Hundred Eighty-Five Dollars and 00/100 (\$1,255,185) (the "Grant") using HEAP funds.

D. The Samuel L. Jones Homeless Shelter (SJH) operated by Catholic Charities of the Diocese of Santa Rosa provides a low barrier shelter for up to 213 year-round beds for single adults. It is the largest emergency shelter in Sonoma County and serves approximately 600 individuals. The HEAP funds require the assisted properties to remain affordable to families and individuals with very-low income not to exceed 50% of AMI for not less than Ten (10) years. This Agreement is intended to implement this requirement.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE 1 DEFINITIONS AND EXHIBITS

Section 1.1 Definitions

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

- (a) "Commission" shall mean the Sonoma County Community Development Commission, a public body, corporate and politic.
- (b) "Agreement" shall mean this Funding Agreement.

(c) "Approved Development Budget" shall mean the development budget, including sources and uses of funds, as approved by the Commission, and attached hereto and incorporated herein as Exhibit B, but which may be amended with the approval of the Commission as set forth in this Agreement.

(d) "Approved Financing" shall mean such other financing as may be approved by the Commission Executive Director in her reasonable discretion, for the purpose of financing a portion of the capital improvement costs for each property.

(e) "Recipient" shall mean the City of Santa Rosa, a municipal corporation, and its successors and assigns to the Development.

(f) "County" shall mean the County of Sonoma, a political subdivision of the State of California.

~~(g) "Construction Loan" shall mean a loan to the Recipient for construction of the improvements for the Development, in an amount approved by Commission in writing, which approval shall not be unreasonably withheld.~~

~~(h) "Deed of Trust" shall mean the deed of trust that will encumber the Development to secure repayment of the Grant. The form of the Deed of Trust shall be provided by the Commission.~~

(i) "Default" shall have the meaning set forth in Section 5.1 below.

(j) "Grant" shall mean the Commission's provision of HEAP funds to Recipient in the total principal amount of One Million Two Hundred Fifty-Five Thousand One Hundred Eighty-Five Dollars and 00/100 (\$1,255,185).

(k) "Grant Documents" shall mean this Agreement.

(l) "Hazardous Materials" shall have the meaning set forth in Section 3.5 below.

(m) "Hazardous Materials Claim" shall have the meaning set forth in Section 3.5 below.

(n) "Hazardous Materials Law" shall have the meaning set forth in Section 3.5 below.

~~(o) "Lender's Share of Residual Receipts" shall mean the portion of Residual Receipts payable to the Commission as determined under the HCD Uniform Multifamily Regulations (the "Regulations"), which is a proportionate share of 50% of the Residual Income based on the Loan's size relative to all deferred payment loans with provisions for residual receipt payments.~~

~~(p) "Note" shall mean the promissory note that will evidence Recipient's obligation to repay the Loan. The form of the Note shall be provided by the Commission.~~

(q) "Parties" shall mean the Commission and Recipient.

(r) "Program Guidelines" shall mean Sonoma County Community Development Commission County Fund for Housing Policy.

(s) "Project" shall mean the capital improvements of the Samuel L. Jones Homeless Shelter located at 4020 Finley Ave. Santa Rosa, CA 95407.

(t) "Properties" shall mean the real properties located in Santa Rosa, California, more particularly described in the attached Exhibit A.

~~(u) "Residual Receipts" means, in a particular calendar year, the amount by which Gross Revenue (as defined below) exceeds Annual Operating Expenses (as defined below), or as otherwise determined by the Commission CFH Funding Policies.~~

~~(i) "Gross Revenue," with respect to a particular calendar year, shall mean all revenue, income, receipts, and other consideration actually received from operation and leasing of the Development. "Gross Revenue" shall include, but not be limited to: all rents, fees and charges paid by tenants, Section 8 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; proceeds from vending and laundry room machines; the proceeds of business interruption or similar insurance; the proceeds of casualty insurance to the extent not utilized to repair or rebuild the Development (or applied toward the cost of recovering such proceeds); and condemnation awards for a taking of part or all of the Development for a temporary period. "Gross Revenue" shall also include the fair market value of any goods or services provided in consideration for the leasing or other use of any portion of the Development. "Gross Revenue" shall not include tenants' security deposits, loan proceeds, capital contributions or similar advances.~~

~~(ii) "Annual Operating Expenses," with respect to a particular calendar year shall mean the following costs reasonably and actually incurred for operation and maintenance of the Development to the extent that they are consistent with an annual independent audit performed by a certified public accountant using generally accepted accounting principles: property taxes and assessments imposed on the Development; debt service currently due on a non optional basis (excluding debt service due from residual receipts or surplus cash of the Development) on loans associated with development of the Development and approved by the Commission; property management fees and reimbursements, not to exceed fees and reimbursements which are standard in the industry and pursuant to a management contract approved by the Commission; resident services fee, if any, with prior Commission approval of scope of services and amount of fee; partnership management fees (including any asset management fees), if any, not to exceed a total of Thirty two Thousand Five Hundred Dollars (\$32,500) per year, all as approved by the Commission at the time the tax credit syndication occurs, increasing annually at a rate not exceeding the lesser of the increase in the Consumer Price Index (as published for San Francisco by the Bureau of Labor Statistics) or 3%; any Tax Credit~~

~~Adjuster Distributions to the Investor Limited Partner as permitted in the Partnership Agreement; all costs associated with organization, accounting, tax return preparation of the Recipient, including tax preparation fees, annual franchise tax fees of the Recipient, premiums for property damage and liability insurance; utility services not paid for directly by tenants, including water, sewer, and trash collection; maintenance and repair; any annual license or certificate of occupancy fees required for operation of the Development; security services; advertising and marketing; cash deposited into reserves for capital replacements of the Development in an amount not to exceed six tenths of one percent (.6%) of the construction costs of improvements in the Development; cash deposited into an operating reserve in an amount not to exceed 3% of Annual Operating Expenses or the amount required in connection with the permanent financing and the tax credit syndication, whichever is greater (or any greater amount approved by the Commission) but with the operating reserve capped at six (6) months gross rent from the Development (as such rent may vary from time to time); payment of any previously unpaid portion of the developer fee due Recipient (without interest) not exceeding a cumulative developer fee due Recipient in the maximum amount set forth in the Agreement; extraordinary operating costs specifically approved by the Commission; payments of deductibles in connection with casualty insurance claims not normally paid from reserves, the amount of uninsured losses actually replaced, repaired or restored, and not normally paid from reserves, and other ordinary and reasonable operating expenses approved by the Commission and 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.~~

(v) "Term" shall mean the term of this Agreement, commencing on the date of this Agreement and continuing for ten (10) years.

(w) "Transfer" shall have the meaning set forth in Section 3.11 below.

(x) "Unit" means certain property located in the City of Santa Rosa.

(y) Exhibits.

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

EXHIBIT A: Legal Description of the Property

EXHIBIT B: Approved Development Budget

EXHIBIT C: Insurance Requirements

EXHIBIT D: Environmental Standards

ARTICLE 2 GRANT PROVISIONS

Section 2.1 Grant.

The Commission shall provide to the Recipient the Grant in the principal amount of One Million Two Hundred Fifty-Five Thousand One Hundred Eighty-Five Dollars and 00/100 (\$1,255,185). For the purposes set forth in Section 2.3 of this Agreement.

~~Section 2.2 Interest.~~

~~(a) Subject to the provisions of Section 2.2(b) below, the outstanding principal balance of the Grant shall accrue simple interest at the rate of three percent (3%) per annum, commencing on the date of disbursement.~~

~~(b) In the event of a Default, interest on the Grant shall begin to accrue, as of the date of Default and continuing until such time as the Grant funds are repaid in full or the Default is cured, at the default rate of the lesser of ten percent (10%), compounded annually, or the highest rate permitted by law.~~

Section 2.3 Use of Grant Funds.

(a) The Recipient shall use the Grant to pay for a portion of capital improvement costs for certain property located in Santa Rosa at the Samuel L. Jones Homeless Shelter, consistent with the Approved Project Budget.

(b) Funds for eligible uses shall be subject to review and approval by the Sonoma County Community Development Commission.

(c) The Recipient shall not use the Grant for any other purpose.

~~Section 2.4 Security.~~

~~Recipient shall secure its obligation to repay the Loan, as evidenced by the Note, by executing the Deed of Trust, and recording it as a lien against the Property. The Commission may subordinate the Deed of Trust to other financing as is approved by the Commission Executive Director, subject to the Commission's approval of subordination agreement evidencing such subordination and the Commission approval of the deeds of trust to which the Deed of Trust and this Agreement are to be subordinated.~~

~~Section 2.5 Subordination of the Regulatory Agreement.~~

~~Upon a determination by the Commission Executive Director that a proposed future loan that would be senior to the Affordable Sales Housing Agreement contains provisions that will protect the Commission's interest in the continued affordability of the units in the event of default under such proposed future loan, then the Commission Executive Director may subordinate the Affordable Sales Housing Agreement to the deed of trust securing such proposed future loan.~~

Section 2.6 Conditions Precedent to Disbursements.

The Commission shall not be obligated to make any disbursements of the Grant or take any other action unless the following conditions precedent are satisfied prior to each such disbursement of the Grant:

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

(b) Recipient has executed and delivered to Commission all documents, instruments, and policies required under the Grant Documents.

~~(c) A title insurer reasonably acceptable to the Commission is unconditionally and irrevocably committed to issuing an ALTA Lender's Policy of insurance insuring the priority of the Deed of Trust in the amount of the Loan, subject only to such exceptions and exclusions as may be reasonably acceptable to the Commission, and containing such endorsements as the Commission may reasonably require.~~

~~(d) The Deed of Trust and the Regulatory Agreement have been recorded against the Property in the Office of the Recorder of the County of Sonoma.~~

(e) Recipient has furnished the Commission with evidence of the insurance coverage meeting the requirements of Section 3.12 below.

(f) For disbursements, Recipient has satisfied the conditions set forth in Section

Section 2.7 Repayment Schedule

The Grant shall be immediately due in full on the earliest to occur of the following:

(a) The Grant shall be due in full on the earliest to occur of (i) the date of any Transfer not authorized by the Commission, (ii) the date of any Default, or (iii) the end of the Term.

~~(b) In any year in which the cash flow from operations of the Development results in Residual Receipts, Recipient shall pay Commission an amount equal to 100% of 50% of Residual Receipts (subject to adjustment per Section 1.1 n of this agreement if additional residual receipt loans are recorded against the property). Payment is due within sixty (60) days of completion of an audited financial statement documenting cash flow from the Development, but in any event not later than six (6) months after the end of the Recipient's fiscal year.~~

(c) The Recipient shall have the right to prepay the Grant at any time. However, the Funding Agreement shall remain in effect for its entire Term, regardless of any prepayment or the termination of the Grant and this Agreement.

Section 2.8 Non Recourse.

Except as provided below, neither the Recipient nor any partner of the Recipient shall have any direct or indirect personal liability for payment of the Grant, or the performance of the covenants of the Recipient under the Grant documents. ~~The sole recourse of the Commission with respect to the principal of, or interest on, the Note and defaults by Recipient in the performance of its covenants under the Deed of Trust shall be to the property described in the Deed of Trust; provided, 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 Commission thereunder, or (b) be deemed in any way to impair the right of the Commission to assert the unpaid principal amount of the Note as demand for money within the meaning and intent 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 and the performance of the Recipient's obligations under the Grant, except as hereafter set forth; nothing contained herein is intended to relieve the Recipient of its obligation to indemnify the Commission under Sections 3.5 and 6.4 of this Agreement, or liability for (i) fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges 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 Recipient ~~other than in accordance with the Deed of Trust~~; and (iv) the misappropriation 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.

ARTICLE 3 GRANT REQUIREMENTS

Section 3.1 Applicability.

The Recipient shall comply with this Article Three throughout the Term.

~~Section 3.2 Rental of Housing Units.~~

~~Pursuant to the requirements set forth in this Agreement and in consideration for the Grant of funds approved by the HEAP Board, Recipient hereby agrees to rehabilitate and make structural improvements to the Properties and make them Affordable to individuals at or below 30% AMI.~~

~~Section 3.3 Income and Rent Limits.~~

~~Annually, when the U.S. Department of Housing and Urban Development issues updates of the income limits for Sonoma County, adjusted by household size ("Area Median Income" or "AMI"), the Commission shall issue to Recipient new gross rent limits for the occupants designated in Section 3.2 for the following calendar year. Commission shall calculate gross rents in compliance with the County Fund for Housing Program Guidelines, using the~~

~~income limits for the imputed household size applicable to the size of each Affordable Housing Unit.~~

~~The monthly gross rent limit for each unit reserved for a household at or below 30% of AMI shall be equal to one-twelfth (1/12th) of the product of 30% of 30% of the median income for the household size imputed for that unit.~~

~~Rents established in conjunction with a Housing Assistance Payments Contract under Section 8 Project Based Vouchers may supersede the rent limits defined in the paragraph above, so long as the tenant households are income-qualified according to the table above and pay no more than 30% of their income for their portion of the rent.~~

~~The gross rents shall be subject to deduction of a utility allowance, approved and issued by Commission, and shall be consistent with the definitions of rent referenced in this Section 3.3. The utility allowance schedule includes monthly figures for utility expenses that the tenant is required to pay in addition to the rent and may include the costs associated with cooking, space heating, water heating, lights, other electrical, water, sewer, garbage, and renting a stove and refrigerator.—~~

~~Section 3.4 Assurance of Continued Affordability.~~

~~The Grant made to Recipient and recited in this Agreement constitutes a "subsidy" for affordable housing. In order for Commission to meet the requirements of this Agreement and ensure the continued affordability of the affordable housing units priced for affordability for households at the income levels specified in this Agreement, Recipient agrees that for the term of this Agreement, it will not rent the affordable housing units identified in this Agreement at rents exceeding those established pursuant to Section 3.2 and 3.3 of this Agreement.~~

~~Annually during the Term of this Agreement, on a schedule determined by the Commission, the Recipient agrees to submit a copy of each compliance report submitted to another monitoring agency such as the California Housing Finance Agency or the U.S. Department of Housing and Urban Development.~~

~~The annual compliance report that the Recipient submits to the Commission will include a tenant roster listing household size, income and rent for each tenant in an affordable housing unit. The Commission shall review reports for compliance with the program requirements, shall require the recipient to correct violations of those requirements, and may request additional documentation from the borrower, as the situation dictates.~~

~~The Commission may inspect the Property and all of Recipient's books and records pertaining to the properties for purposes of determining Recipient's compliance with the terms of this Agreement. Upon a minimum of three business days' notice, Recipient shall provide Commission with access to the Property and to all books and records pertaining to the Property and the affordable housing units upon request of the Commission. During the inspections, Commission representatives will interview the resident manager, review a sample of the on-site tenant files, inspect a sample of the units of varying size and affordability, and tour the common~~

~~areas and grounds of the property. The Commission will prepare a written report of each site visit and provide a copy of the report to the Recipient.~~

Section 3.5 Monitoring Fees.

In accordance with the Commission's Loan Policies, Section IV. I., Commission shall charge Recipient an annual monitoring fee for each assisted unit to defray the expenses that the Commission shall incur fulfilling the responsibilities to monitor Recipient's compliance with the program requirements. As of the Effective Date, Commission has established an annual fee of \$100 each year for the development, with said fee subject to periodic cost of living adjustments. Recipient shall pay the fee to Commission on or before June 1st of each year of the ten (10) year term described in Recital D of this Agreement.

In the event that the assisted properties become subject to one or more administrative fees that the Commission administers pursuant to another Commission or County program, the Commission shall recover only one fee for each assisted project subject to this Agreement, and the fee shall be the higher or highest of the fees that the Commission may assess for the unit.

If the Development is subject to monitoring by another agency, such as the California Department of Housing and Community Development, the California Housing Finance Agency, the U.S. Department of Housing and Urban Development, and other federal, state or local public agencies, and the other agency's affordability requirements are the same or more restrictive than the Commission's affordability requirements, the borrower may be able to reduce Commission monitoring fees. Annually on or before June 1st, during the term of the affordability period, the borrower will submit evidence of the other agency's affordability requirements and monitoring of the development's compliance with those requirements. The submitted documentation must be sufficiently detailed for the Commission to confirm whether the other agency's requirements for the development or units are in compliance with the Commission's affordability requirements.

Section 3.6 Information.

Recipient shall provide any information reasonably requested by the Commission in connection with the Project.

Section 3.7 Records.

(a) Recipient shall maintain complete, accurate, and current records pertaining to the Project for a period of five (5) years after the creation of such records, and shall permit any duly authorized representative of the Commission to inspect and copy records. Such records shall include all invoices, receipts, and other documents related to expenditures from the grant funds. Records must be kept accurate and current.

(b) The Commission shall notify Recipient of any records it deems insufficient. Recipient shall have twenty-one (21) calendar days after the receipt of such a notice to correct any deficiency in the records specified by the Commission in such notice, or if a period longer

than twenty-one (21) days is reasonably necessary to correct the deficiency, then Recipient shall begin to correct the deficiency within twenty-one (21) days and correct the deficiency as soon as reasonably possible.

Section 3.8 Audits.

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

Section 3.9 Reconciliation of Program Requirements.

In the event that Recipient receives financial assistance from two or more of the Commission's programs, or other funding sources, the most restrictive requirements among those programs and incentives shall prevail.

Section 3.10 Hazardous Materials.

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

(b) Recipient shall immediately advise the Commission in writing if at any time it receives written notice of (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Recipient or the Property pursuant to any applicable federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, ("Hazardous Materials Law"); (ii) all claims made or threatened by any third party against Recipient or the Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i) and (ii) above are hereinafter referred to as "Hazardous Materials Claims"); or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Law.

(c) The Commission shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorneys' fees in connection therewith paid by Recipient. Recipient shall indemnify and hold harmless the Commission and the County and their

supervisors, board members, officers, employees, agents, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal, or presence of Hazardous Materials on, under, or about the Properties including without limitation: (a) all foreseeable consequential damages; (b) the costs of any required or necessary repair, cleanup or detoxification of the Properties and the preparation and implementation of any closure, remedial or other required plans; and (c) all reasonable costs and expenses incurred by the Commission in connection with clauses (a) and (b), including but not limited to reasonable attorneys' fees. This obligation to indemnify shall survive termination of this Agreement.

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

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

Section 3.11 Maintenance and Damage.

(a) During the course of both construction and operation of the Development, Recipient shall maintain the Properties in good repair and in a neat, clean and orderly condition, reasonable wear and tear excepted. If there arises a condition in contravention of this requirement, and if Recipient has not cured such condition within thirty (30) days after receiving a notice of such a condition from the Commission, then in addition to any other rights available

to the Commission, the Commission shall have the right to perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Properties.

(b) If economically feasible in the Commission's reasonable judgment, if any improvement now or in the future on the Property is damaged or destroyed, then Recipient shall, at its cost and expense, diligently undertake to repair or restore such improvement. Such work or repair shall be commenced no later than the later of one hundred twenty (120) days after the damage or loss occurs or thirty (30) days following receipt of the insurance proceeds, and shall be complete within one (1) year thereafter (or such longer period for the commencement and completion as may be extended by the Commission in its reasonable discretion). Any 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, then Recipient shall make up the deficiency.

Section 3.12 Fees and Taxes.

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

Section 3.13 Notice of Litigation

Recipient shall promptly notify the Commission in writing of any litigation materially affecting Recipient or the Properties and of any claims or disputes that involve a material risk of such litigation.

Section 3.14 Nondiscrimination.

The Recipient covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age, disability, sex, sexual orientation, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Recipient or any person claiming under or through the Recipient establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Property. ~~The foregoing covenant shall run with the land.~~

Section 3.15 Transfer or Assignment.

(a) For purposes of this Agreement, "Transfer" shall mean any sale, assignment, or transfer, whether voluntary or involuntary, of any rights and/or duties under this Agreement.

Section 3.16 Insurance Requirements.

With respect to performance of work under this Agreement, Borrower shall maintain and shall require all contractors and subcontractors to maintain insurance as described in the attached Exhibit C.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF RECIPIENT

Section 4.1 Representations and Warranties.

Recipient hereby represents and warrants to the Commission as follows:

(a) Organization. Recipient is duly organized, validly existing and in good standing under the laws of the State of California and has the power and authority to own its property and carry on its business as now being conducted.

(b) Authority of Recipient. Recipient has full power and authority to execute and deliver this Agreement and to make and accept the borrowings contemplated hereunder, to execute and deliver the Grant Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

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

(d) Valid Binding Agreements. This Agreement and the Grant Documents and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of Recipient enforceable against it in accordance with their respective terms, subject to laws affecting creditors rights and principles of equity.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of this Agreement and the Grant Documents or of any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on Recipient, or any provision of the organizational documents of Recipient, or will conflict with or constitute a breach of or a default under any

agreement to which Recipient is a party, or will result in the creation or imposition of any lien upon any assets or property of Recipient, other than liens established pursuant hereto.

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

(g) Pending Proceedings. Recipient is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of Recipient, threatened against or affecting Recipient or the Development, at law or in equity, before or by any court, board, commission or agency whatsoever which might, if determined adversely to Recipient, materially affect Recipient's ability to repay the Grant or impair the security to be given to the Commission pursuant hereto.

~~(h) Title to Land. At the time of recordation of the Commission Deed of Trust, Recipient will have good and marketable fee title to the Development and there will exist thereon or with respect thereto no mortgage, lien, pledge or other encumbrance of any character whatsoever other than those liens approved by the Commission and described in Section 1.1(d) of this Agreement (including but not limited to any regulatory agreements executed in connection with the financing described in Section 1.1(d)), liens for current real property taxes and assessments not yet due and payable, and liens in favor of the Commission or approved in writing by the Commission.~~

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

(j) Sufficient Funds. Recipient intends to use its best efforts to acquire sufficient funds and/or binding commitments for sufficient funds to complete the renovation of the Properties in accordance with the project description consisting of roof replacement and HVAC system capital improvements.

ARTICLE 5 DEFAULT AND REMEDIES

Section 5.1 Events of Default.

Each of the following shall constitute a "Default" by Recipient under this Agreement:

(a) Failure to Draw Grant Funds. Subject to HCD Standard Agreement with Commission, failure of Recipient to fully expend all Grant proceeds by June 30, 2021.

(b) Failure to Construct. Subject to Section 6.13, failure of Recipient to commence and complete the capital improvement of the property, to the point of initial occupancy, by June

1, 2024. Recipient may request a six month extension if needed, approval required by Commission.

(c) Failure to Make Payment. Failure to repay the Grant within ten (10) days of receipt of written notice for the Commission that such payment is due pursuant to the Grant Documents.

(d) Breach of Covenants. Failure by Recipient to duly perform, comply with, or observe any of the conditions, terms, or covenants of any of the Grant Documents, and such failure having continued uncured for thirty (30) days after receipt of written notice thereof from the Commission to the Recipient or, if the breach cannot be cured within thirty (30) days, the Recipient shall not be in breach so long as Recipient is diligently undertaking to cure such breach and such breach is cured within ninety (90) days; provided, however, that if a different period or notice requirement is specified under any other section of this Article 5, the specific provisions shall control.

(e) Default Under Other Funding. Failure to make any payment or perform any of Recipient's covenants, agreements, or obligations under the documents evidencing and securing the Approved Financing following expiration of all applicable notice and cure periods.

~~(f) Insolvency. A court having jurisdiction shall have made or entered any decree or order (i) adjudging Recipient or Recipient's general partner to be bankrupt or insolvent, (ii) approving as properly filed a petition seeking reorganization of Recipient or Recipient's general partner or seeking any arrangement for Recipient or Recipient's general partner under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction, (iii) appointing a receiver, trustee, liquidator, or assignee of Recipient or Recipient's general partner in bankruptcy or insolvency or for any of their properties, or (iv) directing the winding up or liquidation of Recipient or Recipient's general partner, if any such decree or order described in clauses (i) to (iv), inclusive, shall have continued unstayed or undischarged for a period of ninety (90) days; or Recipient or Recipient's general partner shall have admitted in writing its inability to pay its debts as they fall due or shall have voluntarily submitted to or filed a petition seeking any decree or order of the nature described in clauses (i) to (iv), inclusive. The occurrence of any of the events of Default in this paragraph shall act to accelerate automatically, without the need for any action by the Commission, the indebtedness evidenced by the Grant Documents.~~

~~(g) Assignment; Attachment. Recipient shall have assigned its assets for the benefit of its creditors or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon shall have been returned or released within ninety (90) days after such event or, if sooner, prior to sale pursuant to such sequestration, attachment, or execution. The occurrence of any of the events of default in this paragraph shall act to accelerate automatically, without the need for any action by the Commission, the indebtedness evidenced by the Grant Documents.~~

~~(h) Suspension; Termination. Recipient shall have voluntarily suspended its business.~~

~~(i) Liens on Property and the Project. There shall be filed any claim of lien (other than liens approved in writing by the Commission) against the Development or any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the Grant and the continued maintenance of said claim of lien or notice to withhold for a period of ten (10) days without discharge or satisfaction thereof or provision therefor (including, without limitation, the posting of bonds) satisfactory to the Commission.~~

(j) Unauthorized Transfer. Any Transfer other than as permitted by Section 3.11.

(k) Representation or Warranty Incorrect. Any Recipient representation or warranty contained in this Agreement, or in any application, financial statement, certificate, or report submitted to the Commission in connection with any of the Grant Documents, proving to have been incorrect in any material and adverse respect when made.

Notwithstanding anything to the contrary herein any cure of any violation of or default under this Agreement made or tendered by any limited partner of Recipient shall be deemed to be a cure tendered by Recipient and shall be accepted or rejected on the same basis as if made or tendered by the Recipient.

Section 5.2 Remedies.

The occurrence of any Default hereunder following the expiration of all applicable notice and cure periods will, either at the option of the Commission or automatically where so specified, relieve the Commission of any obligation to make or continue the Grant and shall give the Commission the right to proceed with any and all remedies set forth in this Agreement and the Grant Documents, including but not limited to the following:

(a) Acceleration of Grant. The Commission shall have the right to cause all indebtedness of the Recipient to the Commission under this Agreement and the Grant Documents, together with any accrued interest thereon, to become immediately due and payable. The Recipient waives all right to presentment, demand, protest or notice of protest or dishonor. The Commission may proceed to enforce payment of the indebtedness and to exercise any or all rights afforded to the Commission as a creditor and secured party under the law including the Uniform Commercial Code, including foreclosure under the Commission Grant. The Recipient shall be liable to pay the Commission on demand all reasonable expenses, costs and fees (including, without limitation, reasonable attorney's fees and expenses) paid or incurred by the Commission in connection with the collection of the Grant and the preservation, maintenance, protection, sale, or other disposition of the security given for the Grant.

(b) Specific Performance. The Commission shall have the right to mandamus or other suit, action or proceeding at law or in equity to require Recipient to perform its obligations and covenants under the Grant Documents or to enjoin acts on things which may be unlawful or in violation of the provisions of the Grant Documents.

(c) Right to Cure at Recipient's Expense. The Commission shall have the right (but not the obligation) to cure any monetary default by Recipient under a Grant other than the Grant. The Recipient agrees to reimburse the Commission for any funds advanced by the Commission

to cure a monetary default by Recipient upon demand therefor, together with interest thereon at the lesser of the maximum rate permitted by law or ten percent (10%) per annum from the date of expenditure until the date of reimbursement.

Notwithstanding anything to the contrary herein, Commission hereby agrees that any cure of any default offered by partners of the Recipient, or by any lender shall be accepted or rejected on the same basis as if cure was offered by the Recipient.

Section 5.3 Right of Contest.

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

Section 5.4 Remedies Cumulative.

Subject to the non-recourse provisions contained in this Agreement, no right, power, or remedy given to the Commission by the terms of this Agreement or the Grant Documents is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the Commission by the terms of any such instrument, or by any statute or otherwise against Recipient and any other person. Neither the failure nor any delay on the part of the Commission to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the Commission of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

Section 5.5 Return of Work Product

In the event any default is not cured as prescribed above, Recipient shall deliver to Commission all documents and other related work product that was paid for with the proceeds of the HEAP Grant except to the extent a senior lender has a security interest in such work product.

ARTICLE 6 GENERAL PROVISIONS

Section 6.1 Relationship of Parties.

Nothing contained in this Agreement shall be interpreted or understood by any of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the Commission and Recipient or its agents, employees or contractors, and Recipient shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement. Recipient has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the Agreement. ~~In regards to the purchase of the Property, construction of the Improvements, and operation of the Development, Recipient shall be solely responsible for all matters relating to payment of its employees,~~

~~including compliance with Social Security, withholding, and all other laws and regulations governing such matters, and shall include requirements in each contract that contractors shall be solely responsible for similar matters relating to their employees.~~ Recipient shall be solely responsible for its own acts and those of its agents and employees.

Section 6.2 No Claims.

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

Section 6.3 Amendments.

No alteration or variation of the terms of this Agreement shall be valid unless made in writing by the Parties.

Section 6.4 Indemnification.

The Recipient shall indemnify, defend and hold the County of Sonoma and the Commission, their supervisors, board members, officers, employees, agents, successors and assigns harmless against all claims made against it and expenses (including reasonable attorneys' fees) which arise out of or in connection with the construction and operation of the Project, except to the extent such claim arises from the gross negligence or willful misconduct of the County of Sonoma and the Commission, their supervisors, board members, officers, employees, agents, successors and assigns. The provisions of this Section 6.4 shall survive the expiration of the Term and the reconveyance of this Agreement.

Section 6.5 Non-Liability of County and Commission Officials, Employees and Agents.

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

Section 6.6 No Third Party Beneficiaries.

There shall be no third party beneficiaries to this Agreement, except that the investor limited partner of the Recipient shall be a third party beneficiary with respect to notice and cure rights granted the limited partner in this Agreement.

Section 6.7 Discretion Retained By County.

The Commission's execution of this Agreement in no way limits the discretion of the County or the Commission in the permit and approval process in connection with development of the Development.

Section 6.8 Notices, Demands and Communications.

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

Commission: Sonoma County Community Development Commission
Attn: Executive Director
P.O. Box 12025
Santa Rosa, CA 95406

Recipient: City Of Santa Rosa
Attn: City Manager
90 Santa Rosa Ave.
Santa Rosa, CA 95404

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section. Receipt shall be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable). Copies of notice, sent to Recipient shall also be sent to any limited partner of Recipient who requests such notice in writing and provides its address.

Section 6.9 Applicable Law.

This Agreement shall be governed by California law.

Section 6.10 Parties Bound.

Except as otherwise limited herein, the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement shall bind Recipient and its successors and assigns in the Property and the Development for the entire Term, and the benefit hereof shall inure to the benefit of the Commission and its successors and assigns.

Section 6.11 Attorneys' Fees.

If any lawsuit is commenced to enforce any of the terms of this Agreement, the prevailing Party will have the right to recover its reasonable attorneys' fees and costs of suit from the other Party.

Section 6.12 Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 6.13 Force Majeure.

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

Section 6.14 Commission Approval.

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

Section 6.15 Waivers.

Any waiver by the Commission of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by the Commission to take action on any breach or default of Recipient or to pursue any remedy allowed under this Agreement or applicable law. Any extension of time granted to Recipient to perform any

obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by the Commission to any act or omission by Recipient shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the Commission's written consent to future waivers.

Section 6.16 Title of Parts and Sections.

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

Section 6.17 Entire Understanding of the Parties

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

Section 6.18 Multiple Originals; Counterpart.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

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

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SIGNATURE PAGE FOLLOWS

COMMISSION:

SONOMA COUNTY COMMUNITY
DEVELOPMENT COMMISSION, a public body,
corporate and politic

By: _____
Barbie Robinson

Its: Interim Executive Director

APPROVED AS TO FORM:

By: _____
Alegria De La Cruz,
Chief County Counsel

RECIPIENT:

CITY OF SANTA ROSA

By: _____
David E. Gouin

Its: Director of Housing and Community Services

APPROVED AS TO FORM:

By: _____
Office of the City Attorney

EXHIBIT A

Legal Description of the Property

(Samuel L Jones Homeless Shelter
4020 Finley Ave. Santa Rosa, CA 95407)

The land referred to herein is situated in the State of California, County of Sonoma, City of Santa Rosa and is described as follows:

PARCEL ONE:

PARCEL ONE, AS SHOWN UPON THAT CERTAIN SURVEY MAP FILED FOR RECORD April 21, 1961 IN BOOK 84 OF MAPS, AT PAGE 12, SONOMA COUNTY RECORDS.

EXCEPTING THEREFROM THAT PORTION DESCRIBED IN THAT CERTAIN DEED RECORDED September 20, 1963 IN BOOK 1989 OF OFFICIAL RECORDS, AT PAGE 1, SONOMA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED IN THAT CERTAIN DEED RECORDED April 3, 1972 IN BOOK 2616 OF OFFICIAL RECORDS, AT PAGE 264, SONOMA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCEL:

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID PARCEL ONE AND RUNNING THENCE ALONG THE EASTERLY LINE OF SAID PARCEL ONE, SOUTH 5° 49' EAST 50.00 FEET; THENCE SOUTH 5° 56' 19" EAST 137.68 FEET; THENCE NORTH 84° 01' 43" EAST 15.00 FEET; THENCE SOUTH 5° 56' 19" EAST 1164.13 FEET; THENCE NORTH 84° 10' 40" EAST 296.85 FEET; THENCE SOUTH 5° 52' 46" EAST 41.00 FEET; THENCE SOUTH 84° 10' 40" WEST, 341.85 FEET, MORE OR LESS, TO A POINT ON THE EASTERLY BOUNDARY LINE OF THAT CERTAIN PARCEL DESCRIBED IN THAT CERTAIN DEED RECORDED September 20, 1963 IN BOOK 1989 OF

OFFICIAL RECORDS, AT PAGE 1, SONOMA COUNTY RECORDS; THENCE ALONG SAID EASTERLY BOUNDARY LINE OF 1989 OF OFFICIAL RECORDS AT PAGE 1, AND THE NORTHERLY EXTENSION OF SAID LINE NORTH 5° 56' 19" WEST 1392.78 FEET TO THE NORTHERLY LINE OF SAID PARCEL ONE; THENCE ALONG SAID NORTHERLY LINE OF PARCEL ONE, NORTH 84° 11' EAST 30.11 FEET TO THE POINT OF BEGINNING.

PARCEL TWO:

EASEMENTS FOR POWER, WATER, AND SANITARY SEWER LINE PURPOSES, AS SET FORTH AND DESCRIBED IN THAT CERTAIN DEED RECORDED September 20, 1963 IN BOOK 1989 OF OFFICIAL RECORDS, AT PAGE 1, SONOMA COUNTY RECORDS.

APN: 035-141-013

EXHIBIT B
Approved Development Budget

HOMELESS EMERGENCY AID PROGRAM
FUNDED ACTIVITY

HEAP grant fee to Commission	\$ 12,552
HEAP eligible capital improvement costs for Samuel L. Jones Homeless Shelter	<u>\$ 1,242,633</u>
TOTAL:	\$ 1,255,185

TOTAL PROJECT SOURCES AND USES

Sources:

HEAP Grant	\$ 1,255,185
City of Santa Rosa General Fund	<u>\$ 753,348</u>
	\$ 2,008,533

Uses:

HEAP grant fee to Commission	\$ 12,552
HEAP eligible capital improvement costs	
Hard Costs - Roof Replacement	\$ 867,296
Hard Costs – HVAC	\$ 476,204
Construction Contingency	\$ 403,050
Architect	\$ 94,045
Building Permit Fees	\$ 2,865
Additional Soft Costs	<u>\$ 152,521</u>
TOTAL:	\$ 2,008,533