

EXHIBIT D**MORE PROGRAM GENERAL TERMS AND CONDITIONS****1. Effective Date, Commencement of Work and Completion Dates**

This Agreement is effective upon the date of the Department representative's signature on page one of the fully executed Standard Agreement, STD Form 213. The Recipient agrees that Work has not commenced as of the execution of this Agreement and shall not commence before the closing of the Loan, nor shall Recipient expend Program funds for any costs incurred prior to execution of this Agreement by the Department. Recipient further agrees that the Work must be completed as and when specified in this Agreement and is subject to the specified expiration date for this Agreement unless a written request for an extension is submitted and approved by the Department in writing at least ninety (90) calendar days prior to the expiration date of this Agreement. Any extension to the termination date shall require an amendment to this Agreement be executed by all parties prior to the operative expiration date hereof.

2. Disputes

In the event of a conflict between this Agreement or the Program Requirements and any Recipient documents or side agreements, this Agreement and the Program Requirements shall prevail, are applicable and shall be enforceable by the Department, notwithstanding any prior conduct of the Department, including without limitation, the Department's preliminary review of any such documents before, during, or after disbursement of Program funds.

3. Consent

The parties agree that wherever the consent of, approval of, or acceptance by the Department or the Recipient is required under this Agreement, such consent, approval, or acceptance means prior express written consent, approval, or acceptance. The consent, approval, or acceptance of any party, where required, will not be unreasonably withheld, conditioned, or delayed, unless the same is specified as being in that party's sole and absolute discretion or other words of similar import.

4. Mandatory Contractual Obligations

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When used in this Agreement, the term “**must**” and “**shall**” denote a mandatory contractual obligation and is not permissive.

5. **Representations and Warranties**

Recipient represents and warrants as follows:

- A. **Organization:** Recipient is duly organized, validly existing as a legal entity and is in good standing under the laws of the State of California and has the power and authority to engage in the Activities and perform the Work which is the subject of this Agreement. The copies of the documents evidencing the organization of Recipient delivered to the Department are true, complete, and correct copies of the originals, as amended to the date of this Agreement.
- B. **Authority of Recipient:** Recipient has full power and authority to execute and deliver the Loan Documents and all other instruments, agreements and documents 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:** The Loan Documents and all other instruments, agreements and documents 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. All actions required under Recipient's Organizational Documents and applicable governing law for the authorization, execution, delivery and performance of the Loan Documents and all other instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken.
- D. **No Breach of Law or Agreement:** None of the execution or delivery of the Loan Documents and other instruments, agreements and documents executed and delivered, or to be executed or delivered, pursuant to this Agreement, or 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 the Recipient or any provision of the Organizational Documents of the Recipient, or conflict with

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or constitute a breach of or a default under any agreement to which Recipient is a party.

- E. Compliance with Laws; Consents and Approvals: The Work performed pursuant to this Agreement will comply with all applicable laws, ordinances, rules and regulations of federal, state and local governments and agencies having jurisdiction over either the Recipient, the Mobilehome(s), and the property on which the Residents shall reside in the Mobilehome(s) and/or where the Work shall be performed (the "**Property**"), and with all applicable directions, rules and regulations of the fire marshal, health officer, building inspector and other officers of any such government or agency. All permits, consents, permissions and licenses required by any federal, state or local government or agency to which Recipient, the Property, the Mobilehome(s), or the Work is subject, which may be necessary in relation to this Agreement or the Work, at or prior to the commencement of Work, have been, or will be, obtained, and none of such consents, permissions and licenses are subject to appeal or to conditions which have not been met.
- F. Pending Proceedings: The Recipient is not in default under any law or regulations 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, the Property, or the Mobilehome(s), 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 perform its obligations under this Agreement.
- G. Financial Statements: The financial statements of Recipient and other financial data and information if requested by the Department and furnished by Recipient, fairly represents the financial information contained therein.
- H. Adequacy of Program Funds: The amount of the Program funds allocated to a Mobilehome by Recipient, together with any other funds provided by the recipient or from any other source, shall be adequate to pay for and complete all Work contemplated in connection with the Mobilehome.

6. Use of Funds

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Recipient agrees that Program Funds shall be expended only in accordance with applicable statutes and guidelines governing the Program and only for purposes and Activities permitted by this Agreement. Upon Loan closing, Recipient shall accept applications from Low-Income Residents for assistance under the Program and do all of the following:

- A. Collect applications for a period of thirty (30) days before disbursing any Loan proceeds. After thirty (30) days, Recipient shall evaluate applications and make funding determinations.
- B. Recipient shall first fund all eligible applications from Low-Income Residents who own a Mobilehome and who have received one or more notices of violation from the Mobilehome Park's enforcement agency for a substandard condition or nuisance pursuant to 25 CCR section 1606, which requires repair and/or alteration to the Mobilehome;
- C. After funding all eligible applications described in section 6(B) above, Recipient shall fund all eligible applications from Low-Income Residents who own a Mobilehome for which one of the licensed professional listed in MORE Guidelines section 400.5(b), or an equivalent for projects located in Indian Country, has issued a report which details one or more substandard conditions or nuisances and the associated subsections of 25 CCR section 1606, remediation of which requires repair and/or alteration of the Mobilehome;
- D. After funding all eligible applications described in section 6(B) and 6(C) above, Recipient shall fund all other applications which are eligible for assistance under the Program.
- E. After completing this initial evaluation and funding of applications received during the first thirty (30) days, Recipient shall repeat the steps set forth above in Sections (6)(A) through (6)(D) until all Loan proceeds have been awarded to Low-Income Residents who are eligible for assistance under the Program.

7. Contractors and Subcontractors

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For all Work to be completed on Mobilehomes assisted with Program funds, Recipient agrees to use contractors who are appropriately licensed to perform the Work which the Recipient has authorized contractor to perform and perform the Work pursuant to a written contract executed by both the Recipient and contractor. Recipient shall act with due diligence to ensure each such contractor is in good standing with the California State Contractors' License Board or an equivalent licensing entity with jurisdiction over the Project.

Where applicable, the Recipient shall only contract with contractors who are so licensed. If Recipient relies on the Low-Income Resident to select the contractors to perform the Work, Recipient shall require the Low-Income Resident to use only contractors who are so licensed and require that the Work be performed pursuant to a written contract executed by the Resident and the contractor.

8. Oversight & Management of Work

Recipient shall be solely responsible for all aspects of the administration of the Local Program, including without limitation, ensuring completion of the Work on the Mobilehomes, the qualifications of the persons performing the Work, the accuracy of all invoices and demands for payment, and proper application of all disbursements. Recipient shall monitor the performance of Grant Agreements with Residents, if any, to ensure compliance with Program Requirements and this Agreement.

9. Purchase of Materials Under Title Retention Agreement

The Recipient shall not purchase or install or permit to be purchased or installed any materials, equipment, fixtures, or other components in the performance of the Work under any agreements or arrangements wherein the supplier or seller reserves or purports to reserve the right to remove or to repossess any such items or to consider them personal property after their incorporation into a Mobilehome, unless authorized in writing by the Department.

10. Resident Debt, Liens, and Judgements

Recipient shall not expend Program funds on any portion of a Resident's consumer debt, liens, or judgments except as may be permitted under Section 202(d) of the MORE Guidelines, and in each instance, only with the express written consent of the Department.

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11. Maximum Amount of Assistance Per Unit

The maximum amount of each grant awarded to a Low-Income Resident shall be the minimum amount needed to complete the Activities for which the grant was awarded.

12. Fair Housing and Nondiscrimination

The Recipient shall comply with all applicable state and federal laws, rules, guidelines, and regulations that pertain to nondiscrimination and fair housing. Such laws include, without limitation, the requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. section 2000d et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. section 12010 et seq.); the Fair Housing Act at Title VIII of the Civil Rights Act of 1968 (42 U.S.C. section 3601 et seq.) as amended by the Fair Housing Amendments Act of 1988; the California Fair Employment and Housing Act (Government Code section 12900, et seq.); the Unruh Civil Rights Act (Civil Code section 54, et seq.); Government Code section 11135; the Rehabilitation Act of 1973 (29 U.S.C. section 794); and all regulations promulgated pursuant to those statutes, as applicable. These requirements do not apply to Local Programs located in Indian Country.

DISBURSEMENTS AND DRAW REQUESTS

13. General Conditions of Disbursement

Disbursement of Program funds shall be subject to the following conditions:

- A. All conditions to disbursement set forth any other part of this Agreement have been satisfied.
- B. There exists no Event of Default, as defined in this Agreement, or event, omission or failure of condition which would constitute a default or Event of Default after notice or lapse of time, or both that will not be cured concurrently with the funding of the Program Funds.
- C. Recipient has satisfied all requirements for receipt of Program funds in accordance with the applicable statutes and MORE Guidelines.

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- D. The Department shall have the right to condition any disbursement upon receipt and approval of such documentation, evidence, or information that the Department may request, including, but not limited to, vouchers, invoices, and architect's, inspector's and/or engineer's periodic certifications.
- E. Recipient has submitted for Department review and approval:
 - 1) Recipient's Local Program guidelines.
 - 2) Application forms for use by Low-Income Residents seeking Program assistance.
 - 3) Grant Agreement templates for disbursements to be made directly to Residents; and
 - 4) Any other forms and templates for use in the Local Program.

14. Conditions Precedent to Individual Disbursements

The Department shall not be obligated to make any disbursement of Program Funds or take any other actions under this Agreement unless all the following conditions precedent are satisfied:

- A. Recipient confirms that the individuals whom Recipient is assisting with Program funds are Low-Income Residents as that term is defined in the MORE Guidelines.
- B. Recipient confirms that the individuals whom Recipient is assisting own the Mobilehomes for which they are seeking assistance.
- C. Recipient has executed and provided to the Department a Certification and Legal Disclosure which includes a complete disclosure of all persons, entities, and affiliates who will be paid with Program funds for performing

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Work who also qualify as a "Related Party" under California Code of Regulations Title 4, Section 10302.

- D. Recipient has obtained all permits and approvals required for the performance of the Work or has received from the owner of the Mobilehome copies of all permits and approvals required for the performance of the Work.
- E. Where approval by a local public works department, or its equivalent, is required for the Work, Recipient has submitted a statement from that department, or other documentation acceptable to the Department, indicating that the Work has received that approval.
- F. Recipient has obtained all applicable CEQA and NEPA clearances and submitted evidence thereof as required by the Department.
- G. Recipient has provided evidence of financing commitments from other sources for the completion of the Work demonstrating adequate funding is available to complete the Work contemplated in connection with the Mobilehome.
- H. Recipient has provided evidence acceptable to the Department of ongoing compliance with State Prevailing Wage Law to the extent it is applicable to the Work.
- I. Recipient has completed, executed, and submitted to the Department, on a form provided by the Department, a request for disbursement of Program Funds which complies with Section 15 of this Exhibit D.

15. Draw Requests

- A. Application for Payment: Recipient shall request Program funds by submitting a written itemized statement or draw request in a form that is acceptable to the Department (the "**Draw Request**"), subject to the conditions set forth below. A Draw Request for payment shall be submitted to the Department not more frequently than once monthly. The Department

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shall determine whether the conditions precedent to its obligation to advance Program funds have been satisfied or, if the Department determines any conditions precedent to its obligations to advance its Program have not been satisfied, whether to waive any of them.

- B. Contents of Application for Payment: Each Draw Request shall set forth the following for each Mobilehome for which disbursement is requested: (i) a description of Work performed, material supplied and/or costs incurred or due; (ii) the total amount incurred, expended and/or due for the Mobilehome, less prior disbursements; and (iii) the percentage of completion of all the Work contemplated to be done on the Mobilehome.
- C. Delivery of Draw Request: Recipient shall deliver each Draw Request to the Department at its address set forth in Section 7 of Exhibit A to this Agreement, or such other address designated by the Department in writing. Each Draw Request shall be subject to the approval of the Department.
- D. Documentation: Each Draw Request shall be accompanied by the following for each Mobilehome for which disbursement is requested: (i) copies of paid invoices and unconditional lien releases for costs of Work paid with the proceeds of prior Draw Requests (except for the first Draw Request), and conditional (upon receipt of payment) lien releases for costs of Work to be paid with the proceeds of the present Draw Request, which invoices and lien releases shall be considered a part of each Draw Request; (ii) a copy of inspection report or other documentation from localities, municipalities, or other lenders indicating the percentage of Work completed pertaining to present Draw Request; (iii) submission of all lien waivers required by the Department or passage of the applicable statutory periods for filing mechanic and other similar liens; and (iv) any applicable change order(s) that affect or alter the scope of Work.

16. Approval of Draw Request

- A. Procedure: The Department shall within thirty (30) business days after receipt of a Draw Request containing all items described in Section 15, above, determine the amount of the Draw Request to be approved, notify

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Recipient of such amount, and disburse the approved amount, by state warrant, to the Recipient or designated payee approved by the Department.

- B. Disapproval: Any item in a Draw Request which is not specifically approved within thirty (30) business days shall be deemed disapproved. On the basis of the progress of work performed on the Mobilehome and the conditions precedent to making disbursements in this Agreement, and the applicable statutes and MORE Guidelines, the Department may disapprove all or part of a Draw Request. In the event the Department disapproves any portion of the amount requested by Recipient in a Draw Request, the Department shall promptly notify the Recipient in writing of the disapproved amount and the reason, therefore.
- C. Concurrent Review of Draw Request: In the event any item shall be disapproved or deemed disapproved, the Recipient and the Department shall meet and in good faith attempt to resolve the matter to their mutual satisfaction.
- D. Disbursement of Undisputed Amounts: In the event of any dispute, the Department shall disburse the amount of the Draw Request not in dispute and fund any disputed amount promptly upon resolution of the dispute. Disputed amounts shall not be deducted from the Loan but shall be available for disbursement for other approved costs in accordance this Agreement. The Department and Recipient shall seek to resolve any disputes promptly and in good faith.

COMPLETION OF WORK

17. Completion of Work on a Mobilehome

Upon completion of Work on each Mobilehome, Recipient may close out the Grant to the Low-Income Resident who owns the Mobilehome. To close out the Grant, the Recipient must have in its records the following:

- A. Copies of paid invoices and unconditional lien releases for costs of all Work performed in connection with the Mobilehome and paid with the Loan proceeds.

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- B. A copy of the certificate of occupancy or equivalent documentation issued by the agency with jurisdiction over such certificates which establishes that the Mobilehome has been approved for human occupancy.
- C. Submission of all lien waivers required by the Department or passage of the applicable statutory periods for filing mechanic and other similar liens for the Work on the Mobilehome.
- D. A Certificate issued by the Recipient certifying that the Work has been completed on the Mobilehome in accordance with this Agreement.

18. Program Files

If Recipient assisting Low-Income Residents pursuant to Section 400(a) of the MORE Guidelines, Recipient shall maintain records of all Work and expenditures made with the Loan proceeds, including without limitation, a file for each Resident who is assisted (the "**Program File**"). In addition to the documents described in Section 17, above, each Program File must include, at a minimum, the following documents:

- A. Documentation establishing that the Resident is a Low-Income Resident within the meaning of the MORE Guidelines.
- B. Documentation demonstrating that the Resident owns the Mobilehome.
- C. Documentation of the Activities for which the Grant is requested and the projected cost of Work. For Residents who are eligible for assistance under Section 400.5(a) of the MORE Guidelines, include a copy of the notice(s) of violation from the enforcement agency requiring the Work to be done on the Mobilehome. For Residents who are eligible for assistance under Section 400.5(b) of the MORE Guidelines, include a copy of the report from an appropriate professional which details the conditions and associated subsections of 25 CCR Section 1606 which are to be remediated with Program funds.
- D. A copy of any application form submitted by the Resident for Program funds; and

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- E. A copy of a written contract with each contractor who performed any portion of the Work in connection with the Mobilehome.

19. Grant Files

If Recipient is assisting Low-Income Residents pursuant to Section 400(b) of the MORE Guidelines, Recipient shall maintain records of all Work and expenditures made by the Resident with the Loan proceeds. Such records must include, without limitation, a file for each Low-Income Resident who applies for a Grant of Program funds (the “**Grant File**”). The Grant Files of successful grant applicants must include at a minimum, the following documents:

- A. Documentation establishing that the Resident is a Low-Income Resident within the meaning of the MORE Guidelines.
- B. Documentation demonstrating that the Resident owns the Mobilehome.
- C. Documentation of the Activities for which the Grant is requested and the projected cost of Work. For Residents eligible for assistance under Section 400.5(a) of the MORE Guidelines, include a copy of the notice(s) of violation from the enforcement agency requiring the Work to be done on the Mobilehome. For Residents who are eligible for assistance under Section 400.5(b) of the MORE Guidelines, include a copy of the report from an appropriate professional which details the conditions and associated subsections of 25 CCR Section 1606 which are to be remediated with Program funds.
- D. A copy of the Grant application submitted by the Resident.
- E. A copy of a written notice of award delivered to the Resident which sets forth the amount of the grant and date of the award.
- F. A copy of the fully executed Grant Agreement detailing the Work to be completed on the Mobilehome.
- G. A copy of a written contract with each entity employed by the Resident to perform any portion of the Work in connection with the Mobilehome.

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- H. Invoices for Work completed in connection with the Mobilehome and any proof of payment of such invoices.
- I. A final certificate of occupancy for the Mobilehome (or an equivalent form of occupancy certification or approval) issued by the local agency having jurisdiction over such certificates.

DEFAULTS & REMEDIES

20. Events of Default

The occurrence of any of the following events shall constitute an "Event of Default" hereunder following written notice to the Recipient by the Department, specifying (i) the applicable event, (ii) the action required to prevent such event from becoming an Event of Default, and (iii) a date, which shall be no fewer than fifteen (15) after the date the notice is mailed to Recipient, by which such action must be taken:

- A. Monetary: Recipient's failure to use or apply Program funds in the manner specified by, or consistent with the purposes of this Agreement.
- B. Use:
 - 1) recipient's failure to remedy, within fifteen (15) days of the Department's written demand to do so, any material deviation in the Work from that which is permitted under this Agreement, or defective workmanship, or materials, in each case to the Department's satisfaction; or
 - 2) the cessation of Work on a Mobilehome prior to completion for a continuous period of more than thirty (30) days (unless caused by war, rebellion, insurrection, strike, lockout, boycott or act of God, or other event beyond the Recipient's control as determined in the sole discretion of the Department).
- C. Performance of Obligations: Recipient's failure to perform its obligations under this Agreement, or Recipient's default under any other agreement between the Department and Recipient in connection with the Loan.
- D. Representations and Warranties:

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- 1) any of Recipient's representations or warranties in this Agreement or any other agreement with the Department in connection with the Loan, or any statements, certificates or schedules furnished by Recipient to the Department, shall prove to have been untrue in any material respect when made or the Recipient shall have concealed any material fact from the Department;
- 2) any of the Recipient's representations or warranties in this Agreement or any other agreement with the Department in connection with the Loan, or any statements, certificates or schedules furnished by Recipient to the Department, other than representations, warranties, statements and certificates as to the financial condition of Recipient or any other person, shall cease to be true and shall remain untrue for thirty (30) days after notice of such change to Recipient by the Department; or
- 3) any material adverse change in the financial condition of Recipient from the financial condition represented to the Department as of the date of this Agreement which alters or affects the scope of work.

E. Voluntary Bankruptcy; Insolvency; Dissolution: Recipient's or any general partner of Recipient's:

- 1) filing of a petition for relief under any state or federal law regarding bankruptcy, reorganization, or other relief to debtors;
- 2) filing any pleading in any involuntary proceeding under any state or federal law regarding bankruptcy, reorganization or other relief to debtors which admits the jurisdiction of the court or the petition's material allegations regarding the Recipient's insolvency;
- 3) making a general assignment for the benefit of creditors;
- 4) applying for, or the appointment of, a receiver, trustee, custodian or liquidator of Recipient, any general partner of Recipient or any of their respective properties;

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- 5) inability or admission in writing of its inability to pay its debts as they are due; or
 - 6) death, if an individual; or the filing by Recipient or any general partner of Recipient of a petition seeking the liquidation or dissolution of Recipient or any general partner of Recipient or the commencement of any other procedure to liquidate or dissolve Recipient or any general partner of Recipient.
- F. Involuntary Bankruptcy: Recipient's or any general partner of Recipient's failure to affect a full dismissal of any of the following involuntary proceedings:
- 1) petition under any state or federal law regarding bankruptcy, reorganization, or other relief to debtors;
 - 2) proceeding for the appointment of a receiver, trustee or liquidator for Recipient or any general partner of Recipient or all or a material part of the assets of the Recipient or any general partner of Recipient, or
 - 3) petition or proceeding under other state or federal law regarding bankruptcy, reorganization or other relief to debtors that is filed against Recipient or any general partner of Recipient or in any way restrains or limits Recipient or any general partner of Recipient or the Department regarding the Program funds in any event prior to the earlier of the entry of any order granting relief sought in the involuntary petition or proceeding, or sixty (60) days after the date of filing of the petition or beginning of the proceeding.
- G. Attachment: levy, execution, or other judicial seizure of any substantial portion of the assets of Recipient, or any control person or general partner of Recipient, that is not released, expunged, bonded, discharged, or dismissed within thirty (30) calendar days after the attachment, levy, execution, or seizure.

- H. Pendency: of any proceeding challenging the legal existence or authority of Recipient, or any control person or general partner of Recipient.

21. Remedies Upon an Event of Default

Upon the happening of an Event of Default, the Department's obligation to disburse Program funds shall terminate and the Department shall have the right to withhold any further disbursement of Program funds until the default has been cured. Upon the occurrence of an Event of Default, the Department may also, in addition to all other rights and remedies available to the Department hereunder or under the Loan Documents or applicable law, at its option, proceed with any or all remedies set forth herein:

- A. Terminate this Agreement.
- B. Reimbursement of all sums paid or advanced under the Program due and payable, all without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notice or demand of any kind of character.
- C. Seek an order for specific performance in any court of competent jurisdiction.
- D. Seek any other remedy available in law or at equity.

22. Rights Cumulative, No Waiver

All the Department's rights and remedies provided in this Agreement, granted by law or otherwise, are cumulative and, except as provided herein, may be exercised by the Department at any time. No waiver shall be implied from any failure of the Department to take, or any delay by the Department in taking, action concerning any Event of Default or failure of condition under this Agreement or any Loan Documents, or from any previous waiver of any similar or unrelated Event of Default or failure of condition. Any waiver or approval under any of the Loan Documents must be in writing and shall be limited to its specific terms.

23. Disencumbrance and Negative Points Assessments

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Recipient is required to expend all Loan proceeds within the deadlines set forth in this Agreement. If Recipient fails to expend at least ninety-five percent (95%) of the total Loan amount within required deadlines, Recipient's next application for Program funding may receive a penalty which adversely impacts Recipient's ability to qualify for Program funding. Failure to meet the deadlines set forth in this Agreement may also be grounds for the Department to disencumber the remaining unused funds pursuant to the Department's Disencumbrance Policy.

24. Termination by Recipient

- A. Recipient may terminate this Agreement before disbursement of any Loan proceeds upon written request to the Department provided that the Recipient repays the Department the full amount of the award and the Department determines that the Activity is no longer feasible because there are an insufficient number of eligible Residents interested in participating in the Program.
- B. Recipient and the Department may terminate the Loan in whole or in part when both parties agree that the continuation of the Activity would not produce beneficial results commensurate with further expenditure. The parties shall agree upon the conditions of the termination and the portion of the Loan terminated. Recipient shall not incur new obligations for the terminated portion of the Loan after the termination becomes effective and shall cancel as many outstanding obligations as possible. All funds disbursed to the Recipient in connection with a termination shall be returned to the Department within fourteen (14) days of the termination.

25. Indemnification and Waiver

- A. Indemnification: Recipient agrees to indemnify the Department and its agents, employees, and officers against, and hold the Department and its agents, employees, and officers harmless from, any losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including attorneys' fees), of every name, kind and description, which the Department may incur as a direct or indirect consequence of:

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- 1) the making of the Loan to the Recipient, except for violations of banking laws or regulations by the Department;
 - 2) Recipient's failure to perform any obligations as and when required by this Agreement or any of the Loan Documents;
 - 3) any failure at any time of any of Recipient's representations or warranties to be true and correct;
 - 4) any act or omission by Recipient, any contractor, subcontractor, material supplier, engineer, architect or other person or entity with respect to the Property, Work or Mobilehome(s); or
 - 5) the presence of hazardous substances on or at the property, the Mobilehome.
- B. Recipient shall indemnify and hold harmless the Department and its agents, officers and employees as set forth herein regardless of the existence or degree of fault or negligence whether active or passive, primary or secondary on the part of the Department or the Recipient or their respective agents, officers, employees, contractors or subcontractors; provided, however, that Recipient's duty to indemnify and hold harmless hereunder shall not extend to liability arising from gross negligence or willful misconduct of the Department. Recipient's duty to indemnify the Department shall survive the term of this Agreement or the cancellation of the Standard Agreement.
- C. Recipient shall pay immediately upon the Department's demand any amounts owing under this indemnity together with interest from the date the indebtedness arises until paid at the rate of ten percent (10%) per annum. The duty of the Recipient to indemnify and hold harmless includes the duties to defend as set forth in Section 2778 of the Civil Code.
- D. Waiver and Release: The Recipient waives and releases any and all rights to any types of express or implied indemnity against the Department or its agents, officers, or employees.

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- E. Waiver: The Recipient expressly waives the protections of Section 1542 of the Civil Code in relation to subparagraphs (a) and (b) above.

LOAN CLOSING REQUIREMENTS

The Department shall not be obligated to close or fund the Loan unless the Recipient has complied with and satisfied all Program Requirements and all the terms and conditions of this Agreement, all in a manner satisfactory to the Department in its sole and absolute discretion, on or before the earlier of the Program Loan closing, the Program Loan closing deadline, or such earlier time, all as indicated herein.

26. Insurance

- A. Prior to the disbursement of funds under this Agreement and thereafter during the term hereof, the Recipient shall obtain, carry, and maintain in force, comprehensive general liability insurance in the amount not less than one million dollars (\$1,000,000) for injury to or death of one person, one million dollars (\$1,000,000) for injury to or death of more than one person in one accident, and adequate property damage insurance. All insurance carriers must meet the requirements of the State of California Department of Insurance.
- B. Upon demonstration of cause satisfactory to the Department, the requirements in Section 26.A above may be satisfied by the Recipient providing evidence of an alternative to conventional insurance sufficient to provide equivalent protection.

27. Loan Documents

- A. Recipient must enter into this Agreement and a MORE program Promissory Note with the Department, which shall govern the encumbrance and disbursement of the Loan funds to the Recipient.
- B. Recipient must execute and enter into such additional agreements and documents, as the Department may deem reasonable and necessary to satisfy all applicable Program Requirements and the terms and conditions of this Agreement.

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

The Recipient agrees to comply with all applicable state and federal laws, rules, guidelines, and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity, and all other matters applicable to the Work, the Recipient, its contractors or subcontractors, and any Loan Activity.

29. Survival of Obligations

The obligations of the Recipient as set forth in this Agreement shall survive all Loan closings and the Recipient shall continue to cooperate with the Department and perform acts and provide documents as provided herein.

30. Litigation

A. The Recipient must notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement, the Department, the Mobilehome, or the Work, and must take such action with respect to the claim or action as is consistent with the terms of this Agreement, the Program Requirements, the interests of the Department and the objectives of the Program.

B. If any provision of this Agreement, or an underlying obligation, is held invalid by a court of competent jurisdiction, such invalidity, at the sole and absolute discretion of the Department, shall not affect any other provisions of this Agreement and the remainder of this Agreement shall remain in full force and effect as the provisions of this Agreement are, and shall be, deemed severable.

31. Obligations of Recipient with Respect to Certain Third-Party Relationships

The Recipient agrees it shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Work with respect to which assistance is being provided under this Agreement. The Recipient must comply with all lawful requirements of the Department necessary to ensure the completion of Work, occupancy, and use of the Mobilehome in accordance with this Agreement.

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32. Modification or Waiver under AB 1010

The Department reserves the right to waive or modify any requirement under this Agreement, or any Program Requirement, as authorized by and in accordance with Assembly Bill No. 1010 (Chapter 660, Statutes of 2019) ("AB 1010"), which is codified at Health and Safety Code section 50406, subdivision (p). Any special conditions that result from an AB 1010 will be further described in Exhibit E of this Agreement. Recipient must be aware that AB 1010 cannot be used to modify or waive federal and state NHTF statutory requirements or federal NHTF regulatory requirements.

33. Audit/Retention and Inspection

- A. Recipient agrees that the Department, its representatives, employees, or its delegates shall have the right to review, obtain, and copy all records pertaining to performance of the Agreement. Recipient must provide the Department or its delegates with any relevant information requested and must permit the Department or its delegates access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees for the purpose of determining compliance with California Government Code § 8546.7, and inspecting and copying such books, records, accounts, and other material as determined by the Department. Recipient further agrees to maintain such records for a minimum period of four (4) years after final payment under the Agreement unless a longer period of records retention is stipulated.
- B. At any time during the term of this Agreement, the Department may perform or cause to be performed a financial audit of all phases of the Work. At the Department's request, the Recipient must provide, at its own expense, a financial audit prepared by a certified public accountant.
- C. The audit shall be performed by a qualified State, Department, local or independent auditor. The Agreement for audit shall include a clause which permits access by the Department to the independent auditor's working papers.
- D. If there are audit findings, the Recipient must submit a detailed response to the Department for each audit finding. The Department will review the

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response and, if it agrees with the response, will conclude the audit process, and notify the Recipient in writing. If the Department is not in agreement, the Recipient will be contacted in writing and will be informed as to the corrective actions required to cure any audit deficiencies. This action could include the repayment of disallowed costs or other remediation.

- E. If so, directed by the Department upon termination of this Agreement, the Recipient must cause all records, accounts, documentation, and all other materials relevant to this Agreement to be delivered to the Department as depository.

34. Reporting Requirements

Recipient must comply with all reporting requirements set forth in the Program Requirements and applicable law, all if, as, and to the fullest extent applicable to the Work. Additionally, Recipient shall submit for Department review and approval, no later than July 1st of each year, an annual report on forms provided by the Department which shall include, but not limited to, the following information:

- A. Recipient's progress in completing the Work and status of all funded Activities.
- B. A description of the Work to be undertaken during the next reporting period.
- C. A description of obstacles encountered which affected completion of any portion of the Work and actions undertaken by Recipient to overcome such obstacles.
- D. A description of actions taken to ensure completion of the Work within expenditure deadlines.
- E. A summary of the Local Program fiscal status including, but not limited to, the total amount of the award; funds drawn; and remaining balance of the award.
- F. Information on the total number of Mobilehomes assisted; and

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- G. Information on the total number of Mobilehomes for which Work has been fully completed.

35. Assignment Prohibited

This Agreement must not be assigned, in whole or in part, to any other person without the consent of the Department, in its sole and absolute discretion. The Recipient is the only beneficiary of this Agreement.

36. Invalidity of Statute, Regulation or Use

A. If a state or federal governmental entity, which has the authority to do so, determines that any use of Loan funds contemplated by this Agreement is unlawful or contrary to any applicable provision of federal or state law, this Agreement shall be deemed modified to eliminate such unlawful use or application and/or to add necessary restrictions or requirements.

B. In the event of such determination, the Department shall notify Recipient, in writing, of the specific modifications to this Agreement, which are required by such determination. Recipient shall have fifteen (15) calendar days after receipt of such notice to terminate this Agreement and return any and all funds advanced including interest earned on such funds. If Recipient fails to so act within the fifteen (15) day period, the modification shall become part of this Agreement effective on the date of receipt of notice and binding on the parties hereto.

37. Attorney's Fees, Costs

In any action to enforce or relating to this Agreement, the prevailing party shall be entitled to recover from the other party, its costs and expenses, including attorneys' fees. The term "costs and expenses" as used herein shall include all costs and expenses actually and reasonably incurred, including, but not limited to, attorneys' fees; filing, motion, and jury fees; juror food and lodging; taping, videotaping, and transcribing depositions and travel expenses to attend depositions; service of process by a public officer, registered process server, or other means; expenses of attachment including keeper's fees; premiums on surety bonds; ordinary witness fees pursuant to section 68093 of the Government Code; fees of expert witnesses

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whether or not ordered by the court; transcripts of court proceedings whether or not ordered by the court; court reporters fees as established by statute; investigation expenses in preparing the case for trial; postage, telephone and photocopying charges; costs in investigation of jurors or in preparation for voir dire; models, blowups and photocopies of exhibits; and any other item that is required to be awarded to the prevailing party pursuant to statute as an incident to prevailing in the action at trial or on appeal. Such costs and expenses shall be recoverable whether the services were rendered by a salaried employee of the party or by an independent contractor.

38. Governing Law

This Agreement shall be construed with and be governed by the laws of the State of California, except where Recipient is a Tribal Entity and the Local Program is located in Indian Country then applicable Tribal Law and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by the Department and the Recipient in the State of California. All references to codes refer to the California Codes.

39. Integration

This Agreement, together with Exhibit A through Exhibit E attached hereto, incorporating references herein, and enclosures herewith, sets forth all of the promises, agreements, and understandings to date among the parties hereto with respect to the Loan, and there are no promises, agreements, or understandings, oral or written, express or implied, other than as set forth or incorporated herein. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto., except as expressly authorized in this Agreement.

40. Amendment of this Agreement

No amendment or modification of this Agreement shall be valid unless set forth in an express writing and executed by authorized representatives of all the parties. Any amendment or modification shall become effective as of the date of the authorized Department representative's signature thereto or as of the date specified in the amendment. This paragraph does not apply to amendments or modifications of this Agreement if another paragraph of this Agreement expressly

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authorizes amendments or modifications in a manner inconsistent with this paragraph.

41. Construction

Each party hereto acknowledges and agrees that each has had opportunity to have independent counsel review this Agreement and each hereby fully waives the application of any law, statute or rule of construction or interpretation, including without limitation California Civil Code Section 1654, to the effect that any ambiguities are to be construed against the drafting party.