



BOARD OF SUPERVISORS AGENDA ITEM REPORT CONTRACTS / AWARDS / GRANTS

☐ Award ☒ Contract ☐ Grant

Requested Board Meeting Date: October 6, 2020 Agenda or Addendum
or Procurement Director Award

* = Mandatory, information must be provided

***Contractor/Vendor Name/Grantor (DBA):**

La Frontera Partners, Inc. (Developer) and Center of Hope Apartments, LP (Owner)

***Project Title/Description:**

Center of Hope Apartments - Permanent Supportive Housing

The contract can be found in OnBase by searching Contracts CT-CR-21*104 in Doc_ID_AMS.

***Purpose:**

Provide U.S. Dept. of Housing and Urban Development (HUD) HOME Investment Partnership Grant Funds ("HOME Program Funds") for the rehabilitation of a 250 room hotel into a 100-unit permanent supportive rental housing development for very-low income homeless households, or households at risk of homelessness; and authorize the Board Chair to sign related legal documents identified in the contract.

Attachment: Contract Number CT-CR-21-104.

***Procurement Method:**

This Subrecipient contract is a non-procurement contract and not subject to procurement rules.

***Program Goals/Predicted Outcomes:**

One-hundred (100) units of affordable rental housing with permanent supportive services for homeless households, or households at risk of homelessness.

***Public Benefit:**

During the HOME Grant Program Affordability Period (20 years), 100 units of affordable, permanent and supportive rental housing units will house homeless, or those at risk of homelessness.

***Metrics Available to Measure Performance:**

During rehabilitation and construction, Owner and Developer will provide monthly progress reports; upon 100% lease-up, Owner and Developer will provide HUD HOME Completion Report; and during Period of Affordability, County will monitor development for compliance with HOME Program requirements (i.e. tenant protections; property upkeep; tenant eligibility; fair housing).

***Retroactive:**

This is not a retroactive contract.

To: COB- 9-30-20
Ver. 1
pgs. 84 (11)

Addendum

Contract / Award InformationDocument Type: CT Department Code: CR Contract Number (i.e., 15-123): 21*104Commencement Date: 10/15/2020 Termination Date: 06/30/2022 Prior Contract Number (Synergen/CMS): _____☒ Expense Amount: \$* \$906,850.00 ☐ Revenue Amount: \$ _____*Funding Source(s) required: U.S. Department of Housing and Urban Development HOME Investment Partnership Program ("HOME Program")Funding from General Fund? ☐ Yes ☒ No If Yes \$ _____ % _____Contract is fully or partially funded with Federal Funds? ☒ Yes ☐ NoIf Yes, is the Contract to a vendor or subrecipient? SubrecipientWere insurance or indemnity clauses modified? ☐ Yes ☒ No

If Yes, attach Risk's approval.

Vendor is using a Social Security Number? ☐ Yes ☒ No

If Yes, attach the required form per Administrative Procedure 22-10.

Amendment / Revised Award Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____

Amendment No.: _____ AMS Version No.: _____

Commencement Date: _____ New Termination Date: _____

Prior Contract No. (Synergen/CMS): _____

☐ Expense or ☐ Revenue ☐ Increase ☐ Decrease Amount This Amendment: \$ _____Is there revenue included? ☐ Yes ☐ No If Yes \$ _____

*Funding Source(s) required: _____

Funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____**Grant/Amendment Information** (for grants acceptance and awards) ☐ Award ☐ Amendment

Document Type: _____ Department Code: _____ Grant Number (i.e., 15-123): _____

Commencement Date: _____ Termination Date: _____ Amendment Number: _____

☐ Match Amount: \$ _____ ☐ Revenue Amount: \$ _____

*All Funding Source(s) required: _____

*Match funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____*Match funding from other sources? ☐ Yes ☐ No If Yes \$ _____ % _____

*Funding Source: _____

*If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)? _____

Contact: Marcos Ysmael/Ana DurazoDepartment: Community and Workforce Development Telephone: 724-2462/4-2696Department Director Signature/Date: Marcos Ysmael 9/23/2020Deputy County Administrator Signature/Date: see 28 Sep 20County Administrator Signature/Date: C. Durazo 9/28/2020

(Required for Board Agenda/Addendum Items)

Pima County Department of Community & Workforce Development

PROJECT: Center of Hope Apartments
Permanent Supportive Housing

DEVELOPER: La Frontera Partners, Inc.
504 West 29th Street
Tucson, AZ 85713

OWNER: Center of Hope Apartments, LP
504 West 29th Street
Tucson, AZ 85713

AMOUNT: \$906,850.00

CONTRACT NO.: CT-CR-21*104

FUNDING: U.S. Department of Housing and Urban Development

CONTRACT TERM: October 15, 2020 to June 30, 2022

LA FRONTERA PARTNERS, INC.

DUNS No.: 965737179

**Research or
Development:**☐ Yes ☒ No**Federal Contract No.:****Required Match:**☐ Yes ☒ No**Match Amount:**

None

Indirect Cost Rate:☐ Federal☐ NICR☐ de minimis☒ None**Status of Contractor:**☒ DEVELOPER (HUD HOME Program
Designation; Not a Subrecipient)☐ Contractor**CENTER OF HOPE APARTMENTS, LP**

DUNS No.: 117575500

**Research or
Development:**☐ Yes ☒ No**Federal Contract No.:****Required Match:**☐ Yes ☒ No**Match Amount:**

None

Indirect Cost Rate:☐ Federal☐ NICR☐ de minimis☒ None**Status of Contractor:**☒ OWNER (HUD HOME Program
Designation; Not a Subrecipient)☐ Contractor

CFDA	Grant Program	FY	National Funding	Pima County/City of Tucson Consortium Award
14.239	HOME Investment Partnerships Program (HOME)	2019	\$1,250,000,000	\$3,263,501

HOME FUNDING AGREEMENT

1.0 PARTIES, BACKGROUND AND PURPOSE

- 1.1 This Agreement is entered into by and between Pima County, a body politic and corporate of the State of Arizona (“County”), Center of Hope Apartments, LP, an Arizona limited partnership (“Owner”), and La Frontera Partners, Inc., an Arizona nonprofit corporation doing business in the State of Arizona (“Developer”).
- 1.2 In 1992 County and the City of Tucson (“City”) formed the Pima County/City of Tucson Consortium (“the Consortium”) pursuant to an intergovernmental agreement authorized by City of Tucson, in Resolution No. 16501, dated July 6, 1992, and by Pima County, the Urban County, in Resolution No. 1992-16, dated July 21, 1992, for the purpose of obtaining HOME Program funds. The 2019-2020 Consortium agreement is Pima County Contract No. CTN-CD-19*217.
- 1.3 The Consortium annually receives HOME funds from the U.S. Department of Housing and Urban Development (“HUD”) for homeownership assistance and affordable housing programs in Pima County.
- 1.4 County may distribute its allocation of the Consortium’s 2019-2020 HOME funds for qualified projects within its jurisdiction.
- 1.5 In November 2018, the County issued a Notice of Funding Availability (Announcement No. “HOME 11.01.18”) seeking applications for projects qualified for 2019-2020 HOME funds.
- 1.6 Developer, on behalf of Owner, submitted a proposal to use 2019-2020 HOME funds for adaptive re-use and rehabilitation of the six-story building (south tower) of the Palo Verde Hotel (formerly known as the Holiday Inn, Clarion and Radisson) located at 4554 South Palo Verde Road, Tucson, Arizona 85714. Upon completion of the rehabilitation, the building will be a permanent supportive housing development of 100 one-bedroom apartments and will have space for supportive services. The facility will be known as the Center of Hope Apartments (the “Project”).
- 1.7 In anticipation of receiving Low-Income Housing Tax Credits from the Arizona Department of Housing, Owner executed an Option Agreement with HSL Center of Opportunity LLC, an Arizona limited liability company, to acquire the property defined in paragraph 1.6 above. No HOME funds will be used for the acquisition.
- 1.8 Developer is a qualified, eligible HOME Program Developer for purposes of this specific allocation of HOME funds, and the Project qualifies as a HOME eligible “Developer” activity under 24 CFR §92.504(c)(3).
- 1.9 The Pima County Board of Supervisors finds that the Project is an appropriate and beneficial use of the County’s HOME funding. City has agreed to transfer a portion of its allocation to County for the Project.
- 1.10 The required environmental review was completed and submitted to HUD. On January 24, 2020, HUD issued the Authority to Use Grant Funds for the Project.
- 1.11 The Pima County Board of Supervisors further finds that this use of HOME funds is consistent with the Consolidated Plan and Annual Action Plan of the Consortium that was submitted to and approved by HUD.

2.0 TERM AND EXTENSIONS

- 2.1 Original Term. This agreement will commence on October 15, 2020 and will terminate on June 30, 2022 (the “Initial Term”). “Term” when used in this Agreement, means the Initial Term plus any exercised Extension Options.

- 2.2 Extension Options. County may renew this Agreement for up to one (1) additional year or any portion thereof (an "Extension Option"). An Extension Option will be effective only upon execution by the Parties of a formal written amendment.
- 2.3 The term of this Agreement may be modified, amended, altered or extended only by a written amendment signed by the parties. Any amendments to the Agreement must be approved by the County before any services under the amendment commences.
- 2.4 Minor modifications may be made by written memorandum approved and signed by the Director of the Pima County Department of Community & Workforce Development ("CWD") or designee. Minor modifications are changes in the scope or budget, which do not change the specified purpose, outcomes or the total compensation provided through this Agreement and do not in any way increase the direct or indirect liability of the County under this Agreement.
- 2.5 Notwithstanding paragraphs 2.1 and 2.2 above, the terms of this Agreement will survive and remain in effect during any period that Developer has control over HOME funds, including program income.

3.0 SCOPE OF SERVICES

3.1 Developer and Owner will:

- 3.1.1 Provide the County with the services described in the attached **Exhibit A**.
- 3.1.2 Employ suitably trained and skilled personnel to perform all services under this Agreement.
- 3.1.3 Perform its duties in a humane and respectful manner and in accordance with any applicable professional standards.
- 3.1.4 Unless otherwise provided for herein, the personnel delivering Agreement services will:
 - 3.1.4.1 Be employees or volunteers of the Developer;
 - 3.1.4.2 Satisfy any qualifications set forth in this Agreement; and
 - 3.1.4.3 Be covered by personnel policies and practices of the Developer.
- 3.1.5 Obtain and maintain all required licenses, permits and authority required for performance under this Agreement.
- 3.1.6 Maintain an accounting manual that describes its financial procedures in sufficient detail to ensure that its financial practices are easily understood.

3.2 Confidentiality. Developer and Owner:

- 3.2.1 Understand that client and applicant files and information collected pursuant to the terms of this Agreement are private and the use or disclosure of such information, when not directly connected with the administration of County's or Developer's responsibilities with respect to services provided under this Agreement is prohibited, unless written consent is obtained from the individual or, in the case of a minor, from the responsible parent or guardian.
- 3.2.2 Will provide access to these files only to persons with a specific HOME-related need for the information.
- 3.2.3 Will observe and abide by all applicable State and Federal statutes and regulations regarding use or disclosure of information including, but not limited to, information concerning applicants for and recipients of contract services.

- 3.3 Developer and Owner certify that no individual or agent has been employed or retained to solicit or secure this Agreement for commission, percentage, brokerage or contingent fee except a bona fide employee whose job duties include securing business.
- 3.4 No program funded under this Agreement may impair existing contracts for services or collective bargaining agreements or be inconsistent with the terms of a collective bargaining agreement without the written concurrence of the labor organization and employer concerned.

4.0 MONITORING AND EVALUATION

- 4.1 County will monitor all activities and information sources in the management, fiscal, and services systems of Developer and Owner and any subcontracted parties relating to performance of duties and obligations under this Agreement to ensure that Developer and Owner are:
 - 4.1.1 Making adequate and acceptable progress in the provision of services;
 - 4.1.2 Maintaining adequate and acceptable systems to document services and expenditures; and
 - 4.1.3 Using the funds provided pursuant to this Agreement effectively and efficiently to accomplish the purposes for which funds were made available.
- 4.2 Developer and Owner must cooperate in the monitoring and evaluation process by County and/or HUD.
- 4.3 Developer and Owner must assist County in providing reports and documentation related to Developer and Owner's performance and, where applicable, the impact of the HOME-funded activities on the community, to HUD.
- 4.4 If monitoring and evaluation finds that Developer and Owner's performance is substandard, Developer and Owner will be in default of this Agreement. If Developer and Owner fail to take appropriate actions to correct the default within fifteen (15) calendar days from date of notice, this Agreement may be suspended or terminated.
- 4.5 To the greatest extent permissible by law, County, and any authorized federal, state or local agency, including, but not limited to, the U.S. Department of Housing and Urban Development, and the Comptroller of the United States will at all reasonable times have the right of access to Developer and Owner's facility, books, documents, papers, or other records which are pertinent to this Agreement, in order to make audits, examinations, excerpts and transcripts for the purpose of evaluating Developer and Owner's performance and Developer and Owner's compliance with this Agreement.

5.0 COMPENSATION AND PAYMENT

- 5.1 In consideration for services specified in **Exhibit A** of this Agreement, County agrees to pay Owner **up to \$906,850.00** ("the Maximum Allocated Amount"), \$156,850.00 of which will be provided to County by the City of Tucson from City's allocated portion of the HOME funds received by the Consortium.
- 5.2 Payment will be made from the HOME Grant received by the Consortium from HUD ("the awarding agency").
- 5.3 Payment of the full Maximum Allocated Amount is subject to the HOME funds being made available to County from either HUD or the City of Tucson for this Agreement. The Maximum Allocated Amount may be decreased at any time due to reduction, termination, or any other changes in funding. Unless specifically authorized by County, unexpended funds will not be carried over into another fiscal year.

- 5.4 Owner **must submit a request for reimbursement every month**, even if no funds are being requested for the prior month. Requests for reimbursement are due as follows:

Contract Month	Due date for Request for Reimbursement
May 2020 through December 2020	30 calendar days from end of month
January 2021 through May 2021	30 calendar days from end of month
June 2021	July 15

- 5.5 Requests for reimbursement must:

5.5.1 Reference this contract number.

5.5.2 Be approved and signed by an authorized representative of Owner.

5.5.3 Be for services and costs as identified in **Exhibit A**.

5.5.4 Be accompanied by documentation which must include, but is not limited to:

5.5.4.1 A payment request and summary report of monthly expenditures by expense categories as shown in **Exhibit B** of this Agreement.

5.5.4.2 Copies of the Application and Certificate for Payment and Schedule of Values from the General Contractor, including the notarized signatures of the General Contractor and Architect.

5.5.4.3 Copies of unconditional progress payment lien waivers (general contractor) and for the final payment request - unconditional final payment lien waivers from the general contractor **and all sub-contractors**.

5.5.4.4 A schedule of all funding sources showing amounts allocated and expended for each source over the same payment period.

5.5.4.5 Any other documentation requested by County.

- 5.6 If Owner is required to provide matching funds under the terms of the awarding agency, Owner must also provide the documentation described in Paragraph 5.5 for the matching funds.

- 5.7 **Owner must utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.** Owner may not bill the County for costs that are paid by another source. Owner must notify County within ten (10) days of receipt of alternative funding for costs that would otherwise be subject to payment pursuant to this Agreement.

- 5.8 If each request for payment includes adequate and accurate documentation, County will generally pay Owner within thirty (30) days from the date invoice is received. Owner should budget cash needs accordingly.

- 5.9 County may, at its sole discretion:

5.9.1 Determine the acceptability and progress of work performed and determine the resulting entitlement to payment of each request for reimbursement.

5.9.2 Liquidate funds available under this Agreement for costs incurred by County on behalf of Developer or Owner.

5.9.3 **Deny full payment** for requests for reimbursement that are submitted to County after the date set forth in paragraph 5.4. County may deduct its processing costs or delay-related damages in connection with a request for payment submitted after that date.

5.9.4 **Deny payment** for any request for reimbursement.

- 5.10 Pursuant to A.R.S. § 11-622, COUNTY **will deny reimbursement completely** for requests for payment made later than six months after the last item of the account accrues.
- 5.11 **FINAL PAYMENTS – WILL BE DISBURSED AS FOLLOWS:**
- 5.11.1 Ten percent (10%) of the Maximum Allocated Amount (\$90,685.00) will be withheld until the occurrence of the following:
- 5.11.1.1 Five percent (5%) of the Maximum Allocated Amount (\$45,343.00) will be disbursed upon receipt of the Certificates of Occupancy for all the housing units in the Project; and
- 5.11.1.2 Five percent (5%) of the Maximum Allocated Amount (\$45,342.00) will be disbursed upon receipt of the HOME Program Completion Report attached as **Exhibit C**.
- 5.11.2 The final request must be submitted to the County no later than **15 working days after the end of the contract term**. The request must meet the requirements set forth in Paragraph 5.5 and include a report summarizing Developer's performance during the term of the Agreement.
- 5.12 **NO PAYMENTS WILL BE MADE TO OWNER UNTIL ALL OF THE FOLLOWING CONDITIONS ARE MET:**
- 5.12.1 Owner has completed and submitted a W-9 Taxpayer Identification Number form;
- 5.12.2 Owner has registered as a Pima County Vendor at the following web address -- <https://secure.pima.gov/procurement/vramp/login.aspx>;
- 5.12.3 This Agreement is fully executed;
- 5.12.4 Construction Documents. Owner has provided County with copies of fully executed construction contracts including all pertinent bid notices, bid tabulation & award documents, construction drawings, construction schedules, updates and amendments;
- 5.12.5 Execution of Liens. Owner has properly executed and County has recorded the Affordability Restrictions in the forms attached to this Contract as follows:
- 5.12.5.1 **Exhibit D** - Declaration of Covenants, Conditions, and Restrictions for Center of Hope, LP, Center of Hope Apartments Permanent Supportive Housing Project; and
- 5.12.5.2 **Exhibit E** – Deed of Trust and Assignment of Rents – Center of Hope Apartments, LP, Center of Hope Apartments Permanent Supportive Housing Project.
- 5.12.6 Proof of Insurance. Owner shall have furnished to County proof that it has in place all the insurance policies required by Section 6 herein; and,
- 5.12.7 Adequate and accurate documentation is provided with each request for payment or invoice.
- 5.13 Owner will report to County:
- 5.13.1 Accrued expenditures; and
- 5.13.2 All other fiscal resources applied to expenses incurred in providing services under this Agreement.
- 5.14 Changes between budget line items may only be made as follows:
- 5.14.1 Changes of LESS than fifteen percent (15%) of the total budget amount may be granted by and at the sole discretion of the Director of CWD or designee. Owner must submit a written request and show that any proposed increase is offset by a decrease of equal value to the remaining line items. No increase to the total operating budget will be allowed. **The change**

will not be effective, nor will compensation under the change be provided, until the date set forth in the written approval of the Director or designee.

- 5.14.2 Changes of MORE than fifteen percent (15%) of the total budget will require a contract amendment. **The change will not be effective, nor will compensation under the change be provided, until the contract amendment is fully executed by both parties.**

5.15 Disallowed Charges or Cost principles:

- 5.15.1 Pursuant to 2 CFR §2400.101, unless excepted under 24 CFR chapters I through IX, the cost principles set forth in 2 CFR part 200, Subpart E, as may be modified by amendments and additions, will be used to determine whether an incurred cost will be reimbursed under this Agreement.

- 5.15.2 **Owner must reimburse County for improper, unallowable or unsubstantiated costs discovered as a result of audit or otherwise within thirty (30) days following demand for reimbursement by County.**

- 5.16 For the period of record retention required under Section 20.0 -- Books and Records, County reserves the right to question any payment made under this Section 20.0 and to require reimbursement by setoff or otherwise for payments determined to be improper or contrary to the Agreement or law.

6.0 INSURANCE

- 6.1 Owner shall procure and maintain, until all contractual obligations have been discharged, the insurance coverage with limits of liability not less than stated below. Pima County in no way warrants that the minimum limits contained herein are sufficient to protect Owner from liabilities that might arise out of the performance of the work under this Agreement by Owner, its agents, representatives, employees or subcontractors, and Owner is free to purchase additional insurance.

- 6.2 Minimum Scope and Limits of Insurance: Owner must have coverage with limits of liability not less than those stated below. Policy shall include bodily injury, property damage, broad form contractual liability coverage, personal and advertising injury and projects – completed operations.

6.2.1 Commercial General Liability (CGL) – Occurrence Form

- 6.2.1.1 Policy must include bodily injury, property damage, personal injury and broad form contractual liability.

General Aggregate	\$2,000,000.00
Products – Completed Operations Aggregate	\$1,000,000.00
Personal and Advertising Injury	\$1,000,000.00
Blanket Contractual Liability – Written and Oral	\$1,000,000.00
Fire Legal Liability	\$ 50,000.00
Each Occurrence	\$2,000,000.00

- 6.2.1.2 Policy must be endorsed to **include coverage for sexual abuse and molestation.**

- 6.2.1.3 Policy must be endorsed to include the following additional insured language:
“Pima County is named an additional insured with respect to liability arising out of the activities performed by or on behalf of the Primary Insured”.

- 6.2.1.4 Policy must contain a waiver of subrogation against Pima County, its departments, agencies, boards, commissions, and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Developer.

- 6.2.2 Automobile Liability: Policy must include Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Agreement.

- 6.2.2.1 Combined Single Limit (CSL) \$1,000,000.00 Each Accident
- 6.2.2.2 Policy must be endorsed to include the following additional insured language: **"Pima County is named an additional insured with respect to liability arising out of the activities performed by or on behalf of the Owner, involving automobiles owned, leased, hired or borrowed by the Owner".**
- 6.2.2.3 Policy must contain a waiver of subrogation against Pima County, its departments, agencies, boards, commissions and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of Owner.
- 6.2.3 Worker's Compensation and Employers' Liability: Statutory requirements and benefits for Workers' Compensation (WC). In Arizona, WC coverage is compulsory for employers of one or more employees.
 - 6.2.3.1 Workers' Compensation: Amount required by statute.
 - 6.2.3.2 Employers' Liability:

Each Accident	\$1,000,000.00
Disease – Each Employee	\$1,000,000.00
Disease – Policy Limit	\$1,000,000.00
 - 6.2.3.3 Policy must contain a waiver of subrogation against Pima County, its departments, agencies, boards, commissions and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of Owner.
 - 6.2.3.4 This requirement will not apply separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.
- 6.2.4 Professional Liability (Errors and Omissions) Insurance: This insurance is required when the Professional Liability or any other coverage is excluded from the above GCL policy. The policy limits shall be not less than \$2,000,000 Each Claim and \$2,000,000 Annual Aggregate. The insurance policy shall cover professional misconduct or negligent acts of anyone performing any services under this Agreement and during the Affordability Period defined in **Exhibit A**.
- 6.3 Additional Insurance Requirements: The policies must contain, or be endorsed to contain, the following provisions:
 - 6.3.1 Additional Insured: The General Liability and Business Automobile Liability Policies shall each be endorsed to include Pima County, its departments, districts, boards, commissions, officers, agents, and employees as additional insured with respect to liability arising out of the activities performed by or on behalf of Owner.
 - 6.3.2 Primary Insurance: Owner's insurance coverage will be primary insurance and non-contributory with respect to all other available sources and any insurance carried by Pima County, its agents, officials, or employees shall be excess and not contributory insurance.
 - 6.3.3 Subrogation: The General Liability, Business Automobile Liability and Workers' Compensation Policies shall each contain a waiver of subrogation endorsement in favor of Pima County, and its departments, districts, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of Owner.
 - 6.3.4 Coverage provided by Owner will not be limited to the liability assumed under the indemnification provisions of this Agreement.

6.3.5 The Project Name, Agreement Number, appropriate County Department and project description must be noted on the Certificate of Insurance. Pima County reserves the right to require complete copies of all insurance policies required by this Agreement at any time.

6.3.6 All Certificates of Insurance are to be received and approved by Pima County before work commences.

- 6.4 Notice of Cancellation: Each insurance policy required by the insurance provisions of this Agreement must provide the required coverage and must not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to Pima County. Such notice must be sent by certified mail, return receipt requested directly to:

Pima County Department of Community & Workforce Development Attn: HOME Program Manager 801 W. Congress ST. Tucson, AZ 85745
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- 6.5 Verification of Coverage: Owner shall furnish Pima County with certificates of insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

6.5.1 All certificates and endorsements, as required by this written agreement, are to be received and approved by Pima County before work commences.

6.5.2 Neither the County's failure to obtain a required insurance certificate or endorsement, the County's failure to object to a non-complying insurance certificate or endorsement, or the County's receipt of any other information from Owner, its insurance broker(s) and/or insurer(s), constitutes a waiver of any of the Insurance Requirements.

- 6.6 Acceptability of Insurers: Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona and County in no way warrant that the above-required minimum insurer rating is sufficient to protect Owner from potential insurer insolvency.

- 6.7 Approval and Modifications: Pima County Risk Management reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary. Such action will not require a formal Agreement amendment, but the approval must be in writing.

7.0 INDEMNIFICATION

- 7.1 To the fullest extent permitted by law, Developer and Owner will defend, indemnify and hold harmless Pima County, and any related taxing district, and the officials and employees and each of them (collectively, "Indemnatee") from and against any and all claims, actions, liabilities, losses, and expenses (including reasonable attorney fees)(collectively, "Claims") arising out of actual or alleged injury of any person (including death) or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by any act or omission of Developer and Owner or any of Developer's and Owner's directors, officers, agents, employees, volunteers, or subcontractors. This indemnity includes any claim or amount arising or recovered under the Workers' Compensation law or arising out of the failure of Developer and Owner to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. The Indemnatee will, in all instances, except for Claims arising solely from the acts or omissions of the Indemnatee, be indemnified by Developer and Owner from and against any and all claims. Developer and Owner are responsible for primary loss investigation, defense and judgement costs for any claim to which indemnity applies. This indemnity will survive the expiration or termination of this Agreement.

- 7.2 Developer and Owner warrant that services provided under this Agreement are non-infringing. Developer and Owner will indemnify, defend and hold County harmless from any claim of infringement arising from services provided under this Agreement or from the provision, license, transfer or use for their intended purpose of any products provided under this Agreement.

8.0 COMPLIANCE WITH LAWS

- 8.1 Compliance with Laws; Changes. Developer and Owner will comply with all applicable federal, state, and local laws, rules, regulations, standards and Executive Orders, without limitation to those designated within this Agreement. Any changes in the governing laws, rules, and regulations during the terms of this Agreement will apply, but do not require an amendment.
- 8.2 Choice of Law; Venue. The laws and regulations of the State of Arizona will govern the rights of the parties, the performance of this Agreement, and any disputes hereunder. Any action relating to this Agreement must be brought in a court of the State of Arizona in Pima County.
- 8.3 Licensing. Developer and Owner warrant that they are appropriately licensed to provide the services under this Agreement and that its subcontractors will be appropriately licensed.
- 8.4 Compliance with 24 CFR Part 92. Developer and Owner will comply with the requirements of 24 CFR Part 92, including subpart H of these regulations, except that Developer and Owner do not assume:
- 8.4.1 County's environmental responsibilities described in 24 CFR 92.352; and
 - 8.4.2 County's responsibility for initiating the review process under the provisions of 24 CFR Part 52.
- 8.5 Use of HOME Funds. Developer and Owner warrant that HOME funds provided or personnel employed in the administration of the Project funded under this Agreement will not be used for:
- 8.5.1 Political activities;
 - 8.5.2 Inherently religious activities;
 - 8.5.3 Lobbying to influence the outcome of any election or the award of any federal contract, grant, loan or cooperative agreement (*see* Federal Standard Form LLL, "Disclosure of Lobbying Activities);
 - 8.5.4 Political patronage; or
 - 8.5.5 Nepotism activities.
- 8.6 Compliance with Federal Law, Rules and Regulations. Developer and Owner will comply with the applicable provisions of:
- 8.6.1 Davis-Bacon Act (Public Law 107-217), as amended;
 - 8.6.2 Contract Work Hours and Safety Standards Act (40 USC 327 *et seq.*);
 - 8.6.3 Copeland Anti-Kick Back Act (18 USC 874 *et seq.*);
 - 8.6.4 Section 3 of the HUD Act of 1968 as amended;
 - 8.6.5 Fair Housing Act (42 U.S.C. 3601-3620) and Presidential Executive Orders;
 - 8.6.6 Section 504 of the Rehabilitation Act of 1973;
 - 8.6.7 Section 202 of the Flood Disaster Protection Act of 1973 (U.S.C. 4106);
 - 8.6.8 Project Based Section 8 Program (24 CFR 983);
 - 8.6.9 Low-Income Housing Tax Credit Program (IRC Section 42);

8.6.10 Affirmative marketing; minority outreach;

8.6.11 Lead-based paint;

8.6.12 Violence Against Women Act (VAWA) 42.U.S.C.13925 requirements; and

8.6.13 All rules and regulations applicable to the Acts set forth above.

8.7 Cooperation. Developer and Owner will fully cooperate with County, HUD and any other federal agency in the review and determination of compliance with the above provisions.

9.0 INDEPENDENT CONTRACTOR

9.1 The status of Developer and Owner will be that of an independent contractor. Neither Developer and Owner nor Developer's and Owner's officers, agents, or employees will be considered an employee of Pima County or be entitled to receive any employment-related fringe benefits under the Pima County Merit System.

9.2 Developer and Owner will be responsible for payment of all federal, state and local taxes associated with the compensation received pursuant to this Agreement and will indemnify and hold County harmless from any and all liability that County may incur because of Developer's and Owner's failure to pay such taxes.

9.3 Owner will be solely responsible for its program development, operation, and performance.

10.0 SUBCONTRACTORS

10.1 Except as provided in paragraph 10.2, Owner will not enter into any subcontracts for any services to be performed under this Agreement without County's prior written approval of the subcontract. Owner must follow all applicable Federal, State, and County rules and regulations for obtaining subcontractor services.

10.2 Prior written approval is not required for the purchase of supplies that are necessary and incidental to Owner's performance under this Agreement.

10.3 Owner will be fully responsible for all acts and omissions of any subcontractor and of persons directly or indirectly employed by any subcontractor and of persons for whose acts, any of them, may be liable to the same extent that Owner is responsible for the acts and omissions of persons directly employed by it. Nothing in this contract will create any obligation on the part of County to pay or see to the payment of any money due any subcontractor, except as may be required by law.

10.4 Owner must include the provision set forth in paragraph 4.5 in all contracts between Owner and its subcontractors providing goods or services pursuant to this Agreement. Owner will be responsible for subcontractors' compliance with that provision and for any disallowances or withholding of reimbursements resulting from noncompliance of said subcontractors with the provision.

11.0 ASSIGNMENT

Developer and Owner will not assign their rights to this Agreement in whole or in part, without prior written approval of the County. Approval may be withheld at the sole discretion of the County, provided that such approval will not be unreasonably withheld.

12.0 NON-DISCRIMINATION

12.1 Developer and Owner agree to comply with all provisions and requirements of Arizona Executive Order 2009-09 including flow down of all provisions and requirements to any subcontractors.

12.2 During the performance of this contract, Developer and Owner will not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

12.3 Unless exempt under federal law, Developer and Owner will comply with:

12.3.1 Titles VI and VII of the Civil Rights Act of 1964 as amended;

12.3.2 The Age Discrimination in Employment Act;

12.3.3 Section 504 of the Rehabilitation Act of 1973, as amended; and

12.3.4 The requirements of the Fair Labor Standards Act of 1938, as amended.

13.0 AMERICANS WITH DISABILITIES ACT

Developer and Owner will comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36. If Developer or Owner is carrying out a government program or services on behalf of County, then Developer and Owner will maintain accessibility to the program to the same extent and degree that would be required by the County under 28 CFR Sections 35.130, 35.133, 35.149 through 35.151, 35.160, 35.161 and 35.163. Failure to do so could result in the termination of this Agreement.

14.0 AUTHORITY TO CONTRACT

Developer and Owner warrant their right and power to enter into this Agreement, subject to the approval of the Arizona Department of Housing. If any court or administrative agency determines that County does not have authority to enter into this Agreement, County will not be liable to Developer or Owner or any third party by reason of such determination or by reason of this Agreement.

15.0 FULL AND COMPLETE PERFORMANCE

The failure of either party to insist on one or more instances upon the full and complete performance of any of the terms or conditions of this Agreement to be performed on the part of the other, or to take any action permitted as a result thereof, will not be construed as a waiver or relinquishment of the right to insist upon full and complete performance of the same, or any other covenant or condition, either in the past or in the future. The acceptance by either party of sums less than may be due and owing it at any time will not be construed as an accord and satisfaction.

16.0 CANCELLATION FOR CONFLICT OF INTEREST

16.1 This Agreement is subject to cancellation for conflict of interest pursuant to ARS § 38-511, the pertinent provisions of which are incorporated into this Agreement by reference.

16.2 Developer and Owner agree to comply with all applicable conflict of interest provisions contained in Federal laws and regulations that govern the awarding agency including 24 CFR §92.356.

17.0 TERMINATION AND SUSPENSION

17.1 Without Cause: County reserves the right to terminate this Agreement at any time and without cause by serving upon Developer and Owner thirty (30) days' advance written notice of such intent to terminate. In the event of such termination, the County's only obligation to Developer and Owner will be payment for services rendered prior to the date of termination.

- 17.2 With Cause: Except as set forth in paragraph 4.4, County may terminate this Agreement at any time without advance notice and without further obligation to County finds Developer or Owner to be in default of any provision of this Agreement.
- 17.3 Insufficient Funds: Notwithstanding Paragraphs 17.1 and 17.2 above, if any state or federal grant monies used to pay for performance under this Agreement are reduced or withdrawn, County will have the right to either reduce the services to be provided and the total dollar amount payable under this Agreement or terminate the Agreement. To the extent possible, County will endeavor to provide fifteen (15) days written notice of such reduction or termination. In the event of a reduction in the amount payable, County will not be liable to Owner for more than the reduced amount. In the event of a termination under this paragraph, County's only obligation to Owner will be payment for services rendered prior to the date of termination to the extent that grant funds are available.
- 17.4 Non-Appropriation: Notwithstanding any other provision in this Agreement, this Agreement may be terminated if for any reason, there are not sufficient appropriated and available monies for the purpose of maintaining County or other public entity obligations under this Agreement. In the event of such termination, County will have no further obligation to Developer or Owner, other than for services rendered prior to termination.
- 17.5 Suspension: County reserves the right to suspend Developer's or Owner's performance and payments under this Agreement immediately upon notice delivered to Developer's or Owner's designated agent in order to investigate Developer's or Owner's activities and compliance with this Agreement. In the event of an investigation by County, Developer and Owner will cooperate fully and provide all requested information and documentation. At the conclusion of the investigation, or within forty-five (45) days, whichever is sooner, Developer and Owner will be notified in writing that the contract will be immediately terminated or that performance may be resumed.

18.0 NOTICE

- 18.1 Developer and Owner must give written notice of any change of corporate or entity status as promptly as possible and, in any event, within fifteen (15) days after the change is effective. A change in corporate or entity status includes, but is not limited to, change from unincorporated to incorporated status and vice versa and any suspension or termination of corporate status based on failure to comply with all applicable federal, state, and local reporting requirements.
- 18.2 Any notice required or permitted to be given under this Agreement must be in writing and must be served by delivery or by certified mail upon the other party as follows:

County:

Daniel Tylutki, Deputy Director
Pima County Department of Community &
Workforce Development
2797 E. Ajo Way
Tucson, AZ 85713
(520) 724-6754

Developer:

Daniel J. Ranieri, President and CEO
La Frontera Partners, Inc.
502 West 29th Street
Tucson, AZ 85713
(520) 838-5600

Owner:

Daniel Ranieri, President and CEO
LF Center of Hope, Inc.
502 West 29th Street
Tucson, AZ 85713
(520) 838-5600

19.0 OTHER DOCUMENTS

- 19.1 In entering into this Agreement, Developer, Owner and County have relied upon information provided in Developer's proposal submitted in response to Pima County Solicitation identified in the recitals of this Agreement ("the RFP") including the Instructions to Bidders, Standard Terms and Conditions, Specific Terms and Conditions, Solicitation Addenda, Developer's Proposal, other information and documents submitted by Developer in its' response to said Solicitation.
- 19.2 The documents set forth in Paragraph 19.1 are hereby incorporated into and made a part of this Agreement as if set forth in full herein, to the extent not inconsistent with the provisions of this Agreement, including all exhibits. Developer and Owner will promptly bring any provisions that Developer or Owner believes are inconsistent to County's attention, and County will provide Developer and Owner with its interpretation of the provisions in question. In the event of an irreconcilable inconsistency, the provisions of the awarding agency documents will govern over the conditions of this Agreement, unless otherwise required by law.

20.0 BOOKS AND RECORDS

- 20.1 Developer and Owner will keep and maintain all records specified in 24 CFR § 92.508 that are pertinent to the activities funded under this Agreement. All such records will be open for inspection and audit by duly authorized representatives of County during normal business hours. Records include, but are not limited to:
- 20.1.1 A full description of each action or activity taken to comply with this Agreement;
 - 20.1.2 Demonstration that the actions and activities meet the intent of the HOME program;
 - 20.1.3 Eligibility documentation and determination;
 - 20.1.4 Documentation of compliance with the fair housing and equal opportunity components of the HOME program;
 - 20.1.5 Documentation of down payment assistance including homebuyer eligibility, property eligibility and long-term affordability;
 - 20.1.6 Disbursements of funds;
 - 20.1.7 Financial records required under 24 CFR §92.508(a)(5); and
 - 20.1.8 Documentation of compliance with Subpart H of 24 CFR Part 92.
- 20.2 Developer and Owner must retain all records pertaining to this Agreement for five (5) years after the end of the HOME Affordability Period or until completion of any action and resolution of all issues that arise from any related litigation, claim, negotiations, audit or other action involving the records that was started before the expiration of the 5-year period, whichever is later.

21.0 AUDIT REQUIREMENTS

- 21.1 Developer and Owner will:
- 21.1.1 Comply with the applicable provisions of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Parts 200 and 2400).
 - 21.1.2 **Establish and maintain a separate, identifiable accounting of all funds provided by County under this Agreement.** The accounting must record all expenditures that are used to support invoices and requests for payment from the County.
 - 21.1.3 Establish and maintain accounting records which identify the source and application of any funds not provided under this Agreement used to support these Agreement activities.

- 21.1.4 Ensure that all accounting records meet the requirements of the Federal, State, County, and generally accepted accounting principles laws and regulations.
- 21.1.5 Upon written notice from County, provide a program-specific or financial audit. Such notice from County will specify the period to be covered by the audit, the type of audit and the deadline for completion and submission of the audit.
- 21.1.6 Assure that any audit conducted pursuant to this Agreement is performed by a qualified, independent accounting firm and submitted to County within six (6) months of completion of the audit required pursuant to this Section 21.0, unless a different time is specified by County. The audit submitted must include Developer's or Owner's responses, if any, concerning any audit findings.
- 21.1.7 Pay all costs for any audit required or requested pursuant to this Section 21.0, unless the cost is allowable for payment with the grant funds provided pursuant to this Agreement under the appropriate federal or state grant law and the cost was specifically included in budget approved by County in this Agreement.

21.2 Developer or Owner status:

- 21.2.1 If Developer or Owner is a "nonprofit corporation" that meets the definition of "corporation" in A.R.S. §10-3140, Developer will comply with the applicable audit requirements set forth in A.R.S. § 11-624, "Audit of Non-Profit Corporations Receiving County Monies".
- 21.2.2 If Developer or Owner meets or exceeds the single audit threshold set forth in 2 C.F.R. Part 200, Developer or Owner will comply with federal single audit requirements and, upon request from County, provide County with a copy of the required audit document within ninety (90) days following the end of Developer's or Owner's fiscal year.

21.3 Developer and Owner must timely submit the required or requested audit(s) to:

Pima County HOME Program
Attn: HOME Program Manager
Pima County Housing Center
801 W Congress Street
Tucson, AZ 85745

22.0 COPYRIGHT

Neither, Develop, Owner nor their officers, agents or employees will copyright any materials or products developed through contract services provided or contract expenditures made under this Agreement without prior written approval by the County. Upon approval, the County will have a non-exclusive and irrevocable license to reproduce, publish or otherwise use or authorize the use of any copyrighted material.

23.0 PROPERTY OF THE COUNTY

- 23.1 Developer and Owner are not the agent of County for any purpose and will not purchase any materials, equipment or supplies on the credit of County.
- 23.2 Any materials, including reports, computer programs and other deliverables, created under this Agreement are the sole property of County. Developer and Owner are not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. Developer and Owner will not use or release these materials without the prior written consent of County.

24.0 DISPOSAL OF PROPERTY

Termination of this Agreement will not relieve any party from liabilities or costs already incurred under this Agreement, nor affect any ownership of property pursuant to this Agreement.

25.0 COORDINATION

On matters relating to the administration of this Agreement, County will be the contact with all Federal, State and local agencies that provide funding for this Agreement.

26.0 PUBLIC INFORMATION

26.1 Disclosure. Pursuant to Arizona Public Records law, A.R.S. § 39-121 *et seq.*, and A.R.S. § 34-603(H) in the case of construction or architectural and engineering services procured under A.R.S. Title 34, Chapter 6, all documents submitted in response to the solicitation resulting in an award of this Agreement, including, but not limited to pricing schedules, product specifications, work plans, and any supporting documents, are public records. As such, those documents are subject to release and/or review by the general public upon request, including competitors.

26.2 Records Marked Confidential; Notice and Protective Order.

26.2.1 If Developer or Owner reasonably believes that some of the records described in paragraph 26.1 above contain proprietary, trade-secret or otherwise-confidential information, Developer or Owner must prominently mark those records "CONFIDENTIAL."

26.2.2 In the event that a public records request is submitted to County for records marked "CONFIDENTIAL," County will notify Developer or Owner of the request as soon as reasonably possible.

26.2.3 County will release the records ten (10) business days after the date of notice provided pursuant to paragraph 26.2.2 unless Developer or Owner has, within that period, secured an appropriate order from an Arizona court of competent jurisdiction, enjoining the release of the records.

26.2.4 County will not, under any circumstances, be responsible for securing such an order, nor will County be in any way financially responsible for any costs associated with securing such an order.

27.0 ELIGIBILITY FOR PUBLIC BENEFITS

Developer and Owner will comply with applicable provisions of A.R.S. §§1-501 and 1-502 regarding public benefits, which are hereby incorporated as provisions of this Agreement.

28.0 LEGAL ARIZONA WORKERS ACT COMPLIANCE

28.1 Compliance with Immigration Laws. Developer and Owner hereby warrant that they will at all times during the term of this Agreement comply with all federal immigration laws applicable to Developer's and Owner's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Developer and Owner will further ensure that each subcontractor who performs any work for Developer and Owner under this Agreement likewise complies with the State and Federal Immigration Laws.

28.2 Books and Records. County has the right at any time to inspect the books and records of Developer and Owner and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

28.3 Remedies for Breach of Warranty. Any breach of Developer's and Owner's, or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this Section 28.0, is a material breach of this Agreement subjecting Developer and Owner to penalties up to and including suspension or termination of this Agreement. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Developer and Owner will be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor, as soon as possible so as not to delay project completion. Any additional costs attributable directly or indirectly to such remedial action are the responsibility of Owner.

28.4 Subcontractors. Developer and Owner will advise its Prime Contractor and each subcontractor of County's rights, and the Prime Contractor's and subcontractor's obligations, under this Section 28.0 by including a provision in each subcontract substantially in the following form:

"Subcontractor hereby warrants that it will at all times during the term of this Agreement comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to ensure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this Agreement."

29.0 REMEDIES

Either party may pursue any remedies provided by law for the breach of this Agreement. No right or remedy is intended to be exclusive of any other right or remedy and each will be cumulative and in addition to any other right or remedy existing at law or at equity or by virtue of this Agreement.

30.0 SEVERABILITY

Each provision of this Agreement stands alone, and any provision of this Agreement found to be prohibited by law will be ineffective to the extent of such prohibition without invalidating the remainder of this Agreement.

31.0 NON-EXCLUSIVE AGREEMENT

Developer and Owner understand that this Agreement is nonexclusive and is for the sole convenience of County. County reserves the right to obtain like services from other sources for any reason.

32.0 NO THIRD PARTY BENEFICIARIES

Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not parties to this Agreement or affect the legal liability of either party to the Agreement by imposing any standard of care with respect to the maintenance of public facilities different from the standard of care imposed by law.

33.0 ISRAEL BOYCOTT CERTIFICATION

Pursuant to A.R.S. § 35-393.01, if Developer or Owner engages in for-profit activity and has 10 or more employees, and if this Contract has a value of \$100,000.00 or more, Developer and Owner certify they are not currently engaged in, and agrees for the duration of this Agreement to not engage in, a boycott of goods or services from Israel. This certification does not apply to a boycott prohibited by 50 U.S.C. § 4842 or a regulation issued pursuant to 50 U.S.C. § 4842.

34.0 ENTIRE AGREEMENT

- 34.1 This document constitutes the entire agreement between the parties pertaining to the subject matter hereof.
- 34.2 No verbal agreements or conversations with any officer, agent or employee of County prior to or after the execution of this Agreement will affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Any such verbal agreement will be considered as unofficial information and in no way binding upon County and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein.
- 34.3 This Agreement may be modified, amended, altered or extended only by a written amendment signed by the parties.

IN WITNESS THEREOF, the parties have affixed their signatures to this Agreement on the date written below.

PIMA COUNTY

Chairman, Board of Supervisors

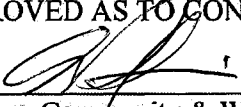
Date: _____

ATTEST:

Clerk of the Board

Date: _____

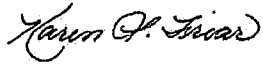
APPROVED AS TO CONTENT:



Director, Community & Workforce Development
or designee

Date: 9-30-20

APPROVED AS TO FORM:

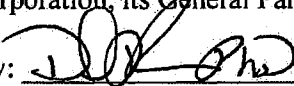


Karen S. Friar, Deputy County Attorney

OWNER

Center of Hope Apartments, LP, an Arizona
limited partnership

By: LF Center of Hope, Inc., an Arizona
corporation, its General Partner


By: 

Daniel J. Ranieri, President & CEO

Date: 9/23/20

DEVELOPER

La Frontera Partners, Inc., an Arizona nonprofit
corporation

By: 

Daniel J. Ranieri, President & CEO

Date: 9/23/20

EXHIBIT A

SCOPE OF WORK

1.0 Project Overview.

1.1. Title. Center of Hope Apartments (“the Project”) developed, owned and operated by Center of Hope Apartments, LP (“Owner”).

1.2. Location.

1.2.1. Street Address: 4554 South Palo Verde Road, Tucson, AZ

1.2.2. Legal description: **Attachment 1** of this Exhibit A.

1.3. Purpose. The rehabilitation of a 252-room hotel into a 100 unit permanent supportive rental housing development for very-low and low-income families. Eighty (80) units will be HOME-assisted units subject to the eligibility restrictions set forth in this Exhibit A.

1.4. Definitions.

AMI	Area Median Income as determined by HUD
Homeless or at risk of homelessness	People who are living in a place not meant for human habitation, in an emergency shelter, in transitional housing, or are exiting an institution where they resided. People who are losing their primary nighttime residence. Families with children or unaccompanied youth who are unstably housed and likely to remain so. People who are fleeing or attempting to flee domestic violence, have no other residence, and lack the resources or support networks to obtain other permanent housing.
Low-income	Household income at or below 60% AMI.
PBV	Project-Based Vouchers issued by County, City, State or Federal governments.
Project completion	The date Certificates of Occupancy have been issued for all 100 units.
SMI	Seriously mentally ill.
Very-low income	Household income at or below 50%AMI.

1.5. Funding. Owner warrants that it has secured sufficient funds from sources other than those provided pursuant to this Agreement to timely complete construction and obtain certificates of occupancy for all 100 units in the Project.

1.6. Supportive Services.

1.6.1. Owner must make supportive services that meet or exceed the threshold requirements of the Arizona Department of Housing, State Housing Fund Supportive Housing Program available to all tenants in the Center of Hope Apartments.

1.6.2. Owner may not:

- 1.6.2.1. Require an applicant to participate in the offered supportive services as a condition of the lease.
- 1.6.2.2. Require a tenant to participate in the offered supportive services as a condition of continued residency.
- 1.6.2.3. Refuse to provide offered supportive services to any tenant who wishes to obtain such services.

1.6.3. Owner will provide the Supportive Services set forth in the Service Plan attached hereto as **Attachment 2**. Any amendments to the plan, must be submitted to County prior to implementation and must provide, at a minimum, the following services:

Activity	When offered
Job training, job search assistance and job placement	At least every two (2) months
Financial literacy classes	At least quarterly
Benefits counseling by a benefits specialist	Ongoing
Food pantry	Ongoing
Resident Services Coordinator assistance	Ongoing
Transportation	Ongoing
Information on available supportive services	When lease is signed and at least quarterly thereafter

2.0 General Project Requirements.

2.1. Unit specifications. In accordance with the designs in the HOME Program Application submitted to County on April 11, 2019, and in compliance with zoning requirements, Owner will:

2.1.1. Convert the 252 hotel guest rooms into 100 rental units that:

- 2.1.1.1. Are about 600 square feet;
- 2.1.1.2. Have one (1) bedroom and one (1) bath;
- 2.1.1.3. Meet or exceed the housing rehabilitation standards and specifications set forth in the most recent Arizona Department of Housing Handbook;
- 2.1.1.4. Meet all applicable state and local codes and ordinances; and
- 2.1.1.5. Meet applicable disaster mitigation standards.

2.1.2. Build-out space on the ground floor for supportive services activities, as shown in **Attachment 3** of this Exhibit A.

2.2. HOME-Assisted Units.

2.2.1. A **minimum of 80 units** will be attributed to the Pima County HOME Program. Of the 80 units:

- 2.2.1.1. A minimum of five (5) will be fully accessible to individuals with mobility impairments; and
- 2.2.1.2. A minimum of two (2) will be accessible to individuals with sensory (visual or hearing) impairments.

2.2.2. All County HOME-Assisted Units will be “fixed.”

2.3. Tenant eligibility. The 100 rental units will be rented pursuant to the following requirements:

2.3.1. 80 HOME-Assisted Units.

2.3.1.1. A minimum of sixty-eight (68) units will be rented to households that are:

2.3.1.1.1. Very-low income; and

2.3.1.1.2. Either:

2.3.1.1.2.1. Homeless; or

2.3.1.1.2.2. At risk of homelessness.

2.3.1.2. No more than twelve (12) of the units will be rented to households that are:

2.3.1.2.1. Very-low income; and

2.3.1.2.2. Either:

2.3.1.2.2.1. Homeless;

2.3.1.2.2.2. At risk of homelessness; or

2.3.1.2.2.3. SMI.

2.3.2. 20 unassisted units. Twenty (20) units will not be HOME-assisted and will be rented to households that are low-income. Preference for these units will be given to households that meet one of the criteria set forth in paragraph 2.3.1.2 above.

2.4. Affordability Period.

2.4.1. All 80 HOME-assisted units will remain affordable to eligible tenants for a minimum of twenty (20) years from Project completion.

2.4.2. Affordability must be secured through regulatory agreements against the property in favor of Pima County in the amount of **\$906,850.00**. These regulatory agreements are the Declaration of Covenants, Conditions and Restrictions ("CCRs") – **Exhibit D** and the Deed of Trust -- **Exhibit E**. **Both Exhibits D and E must be executed and recorded in the Office of the Pima County Recorder prior to any payments being made under this Agreement.**

3.0 Owner Activities.

3.1. Construction. Owner will:

3.1.1. Obtain all necessary approvals, permissions, and permits required to complete the construction of the Project.

3.1.2. Provide construction management and supervise all aspects of the Project.

3.1.3. Ensure that construction work meets all standards and specifications set forth herein and in local codes and federal HOME rules and regulations.

3.1.4. Adhere to the requirements set forth in the Supplemental Contract Conditions posted on the County's website at:

<https://webcms.pima.gov/cms/one.aspx?portalId=169&pageId=24388>. The requirements set forth therein are incorporated into and made a part of this Agreement. These requirements include, but are not limited to:

3.1.4.1. Davis Bacon Act;

3.1.4.2. The Wage Determination for Construction-Building in effect for the State of Arizona and Pima County in effect at the time County issues the Notice to Proceed; and

3.1.4.3. HUD Section 3 Economic Opportunities requirements.

3.1.5. Secure the construction site from vandalism and keep the grounds free of trash and debris.

3.2. Timing.

3.2.1. Project Completion. Owner will complete construction and obtain certificates of occupancy for all 100 units in the Project on or before the termination date of this Agreement.

3.2.2. Lease-Up. As set forth in 24 CFR § 92.252, Developer must:

3.2.2.1. Rent every HOME-assisted unit to an eligible tenant within six (6) months of Project completion. If this deadline is not met, Developer will immediately submit a new marketing plan to County and County will submit marketing information and, if appropriate, a marketing plan to HUD.

3.2.2.2. Pursuant to 24 CFR § 504(c)(ii), if any HOME-Assisted unit has remained vacant for eighteen (18) months from the date of project completion, Developer and Owner will repay to County 1/80th of the total HOME funds provided pursuant to this Agreement for each unoccupied HOME-Assisted unit.

3.3. Marketing. Developer and Owner will:

3.3.1. Develop, maintain and adhere to an Affirmative Marketing Plan ("the Marketing Plan") throughout the Affordability Period. The Marketing Plan must, at a minimum:

3.3.1.1. Conform to affirmative fair marketing guidelines set forth in 24 CFR § 92.351;

3.3.1.2. Comply with the requirements of the Fair Housing Act;

3.3.1.3. Meet the requirements and procedures provided in the CCRs; and

3.3.1.4. Include specific methodologies to reach the homeless and those at risk of homelessness.

3.3.2. Submit the Marketing Plan to County for review and comment at least 120 days prior to beginning marketing activities.

3.3.3. Begin marketing the Project at least ninety (90) days prior to project completion.

3.3.4. In addition to the Marketing Plan, contact community resources to reach potential tenants. Resources should include, but are not limited to:

3.3.4.1. Community organizations;

3.3.4.2. Housing counseling agencies;

3.3.4.3. Places of worship;

3.3.4.4. Social service centers;

3.3.4.5. Tucson Pima Coalition to End Homelessness;

3.3.4.6. Homeless centers and shelters;

3.3.4.7. Employment centers;

3.3.4.8. Medical service providers; and

3.3.4.9. Fair housing organizations.

- 3.3.5. Prominently display Equal Opportunity Fair Housing posters, in English and Spanish, in the leasing offices.
- 3.3.6. Advertise in minority-owned newspapers, on minority radio and/or television stations and with local and affiliate newspapers, television and radio stations.
- 3.3.7. Include the Equal Housing Opportunity logo, slogan or statement in all advertisements.
- 3.4. Rental of HOME-Assisted Units. Developer and Owner will:
 - 3.4.1. Follow HOME guidelines to verify household composition and income.
 - 3.4.2. Ensure that, **at the time the lease is signed**, the tenant's household income does not exceed 50% AMI.
 - 3.4.3. Rents. Rents charged for the HOME-Assisted Units must:
 - 3.4.3.1. Comply with rent and income limits set forth in the Schedule of HOME Program Rent Limits, Utility Allowances and HOME Program Income Limits set by the Tucson/Pima County HOME Consortium in effect at the time of rental;
 - 3.4.3.2. Set rent at Low HOME rent, less the applicable Utility Allowance approved by County; or
 - 3.4.3.3. If the unit receives Federal or State project-based rental subsidy and the very low-income household pays as a contribution toward rent of not more than 30 percent of the household's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program in accordance with 24 CFR 92.252 (b)(2).
 - 3.4.4. Utilities. The Project will feature 100% owner paid utilities including electric, gas, water, sewer and trash.
 - 3.4.4.1. Owner's consultant, D.R. Wastchak, LLC completed a Home Estimated Energy Use (HERS) report, dated November 9, 2018, that estimates a total monthly utility consumption of \$69.00 including electric heating, electric cooling, gas hot water, and electric lighting and appliances.
 - 3.4.4.2. Utility allowances must be calculated by owner or county per 24 CFR 92.252(d).
 - 3.4.5. Annual tenant income recertification and rent adjustment for HOME-Assisted Units. Household income for all tenants must be reviewed annually in accordance with HUD eligibility guidelines. The following conditions apply:
 - 3.4.5.1. Developer and Owner must develop, and consistently apply to each tenant, a method for determining the household income of the tenants. The method must meet the requirements of the HOME Program.
 - 3.4.5.2. If the annual review finds that the tenant's household income exceeds 50% AMI (Low HOME Program Income limits), the following conditions apply:
 - 3.4.5.2.1. The lease may not be terminated or otherwise restricted from renewal, except if tenant chooses to move from the complex.
 - 3.4.5.2.2. If a PBV subsidizes the unit, rent may be increased up to, but not in excess of, 30% of the adjusted gross household income up to the maximum rent allowed by the specific PVB program.
 - 3.4.5.2.3. If there is no PBV, rent may be increased up to, but not in excess of, 30% of the adjusted gross household income.

- 3.4.5.2.4. The Project will be considered temporarily out of compliance until the fixed HOME-Assisted unit is vacated and rented to a new eligible tenant. Non-compliance based on a tenant's increased income will not result in Developer's obligation to repay the HOME contribution.

4.0 County Responsibilities. County will provide Developer and Owner:

- 4.1. Technical assistance, as needed, to carry out HOME program objectives;
- 4.2. Documents for execution, including the Deed of Trust and CCRs; and
- 4.3. HOME Rent guidelines, as updated by HUD.

5.0 Center for Hope Apartment Management and Operations.

5.1. Plans and Procedures. In addition to the Affirmative Marketing Plan required pursuant to paragraph 3.3.1 above, Developer and Owner will establish and adhere to the following:

- 5.1.1. Tenant Selection Criteria, which comply with the requirements set forth in the CCRs, paragraph 2.9.4;
- 5.1.2. Tenant Lease Protections which include, at a minimum, those set forth in the CCRs, Section 2.9;
- 5.1.3. Tenant Grievance Procedures;
- 5.1.4. Tenant Participation Criteria; and
- 5.1.5. Operating Procedures that demonstrate effective budgeting for capital repairs and improvements to ensure:
 - 5.1.5.1. Long-term physical viability of the property;
 - 5.1.5.2. Performance of routine and preventative maintenance;
 - 5.1.5.3. Response protocol for tenant maintenance requests;
 - 5.1.5.4. Adequate security to protect the property and tenants;
 - 5.1.5.5. Maintenance of property and liability insurance; and
 - 5.1.5.6. Establishment of a sufficiently funded operating deficit account.
- 5.1.6. Guidelines for the plans and procedures may be found on the HUD Exchange website.
- 5.1.7. The Plans and Procedures set forth in paragraphs 5.1.1 through 5.1.4 above must be provided to County at least sixty (60) days prior to the beginning of marketing activities. The Operating Procedures must be provided to County within thirty (30) days from the effective date of this Agreement.
- 5.1.8. Developer and Owner will update and adhere to these Plans and Procedures throughout the Affordability Period. All amendments and updates must comply with HUD HOME rules and regulations, Fair Housing Act requirements and the terms of this Agreement. Developer and Owner must provide a copy of the updated plan or procedure to County for review prior to implementation.

5.2. Management and Operations. Developer and Owner will:

- 5.2.1. Administer the leases and manage the use of the property in compliance with the terms and conditions of this Agreement.
- 5.2.2. Collect rents.

- 5.2.3. Resolve resident disputes in accordance with the Tenant Grievance Procedures.
- 5.2.4. For the retention period set forth in Section 20.0 of the Agreement, retain all evidence of HOME Program compliance, including, but not limited to:
 - 5.2.4.1. Documentation of tenant eligibility and annual review;
 - 5.2.4.2. Rents charge and collected;
 - 5.2.4.3. Utility allowances provided;
 - 5.2.4.4. Lease agreements; and
 - 5.2.4.5. Affirmative marketing efforts.
- 5.2.5. Establish and maintain a schedule for property maintenance and ensure that all units and common areas meet HUD HQS and applicable state, county and local codes and standards at all time. Individual units, building structure, physical plant, sidewalks, parking areas and landscaping must be maintained to ensure marketability and prevent deterioration, destruction or wasting.
- 5.2.6. Keep grounds and common areas of the building free of trash and debris.

6.0 Project Goal and Predicted Outcomes.

- 6.1. Goal. Provide 100 units of affordable housing for very-low- and low-income households pursuant to the requirements set forth in paragraph 2.3 above.
- 6.2. Predicted outcomes. A minimum of eighty (80) very-low income eligible households will have safe, affordable housing and access to various onsite supportive services for at least twenty (20) years.

7.0 Monitoring and Reports. Throughout completion of the Project and the Affordability Period, Developer will be responsible for responding to monitoring and reporting.

- 7.1. Completion Report. Developer will promptly complete and submit the HUD HOME Program Completion Report in the format set forth in **Exhibit C**.
- 7.2. Monthly Progress Reports. Within fifteen (15) days of the end of each month, Owner will submit a Monthly Progress Report in the format set forth in **Exhibit B**. These reports must be submitted regardless of whether Owner is seeking reimbursement for the month's activities.
- 7.3. Annual Reports. On or before January 31 of each year, Developer or Owner will submit the following reports for the previous calendar year:
 - 7.3.1. HOME Rent and Occupancy Report in the format set forth in **Exhibit F**;
 - 7.3.2. Affirmative Marketing Report in the format set forth in **Exhibit G**;
 - 7.3.3. Affordability Certification Report in the format set forth in **Exhibit H**;
 - 7.3.4. Annual Audited Financial Statement of Developer and Owner; and
 - 7.3.5. Current Certificates of Insurance.
- 7.4. Monitoring.
 - 7.4.1. Annual monitoring. Following receipt of the annual reports set forth in paragraph 8.3 above, County will schedule and conduct annual tenant file and site monitoring visits as required by 24 CFR Part 92.

- 7.4.2. Special monitoring. County may schedule and conduct tenant file and site monitoring visits at any time it deems appropriate to resolve potential compliance issues. County will give Developer advance notice of any such monitoring and the reason(s) for the monitoring.
- 7.4.3. Developer and Owner will cooperate with all County HOME compliance monitoring activities and will promptly provide any information requested for or during monitoring.
- 7.4.4. All reporting and monitoring provisions will survive the termination of the Agreement and remain in full force and effect for a full twelve (12) months following the end of the Affordability Period.

8.0 Budget. County will pay Owner for actual costs incurred, provided that Owner has complied with all conditions precedent to payment set forth in this Agreement and **Exhibit A**:

Reimbursable Cost	HOME funds available prior to report submission¹	Retention Final Payment²	Maximum Allocated HOME funds
Vertical construction	\$816,165.00	\$90,685.00	\$906,850.00

¹Amount available for construction prior to the completion and filing of the HOME Program Rental Completion Report attached as **Exhibit C**.

²Retention will be paid after the completion and filing of the HOME Program Rental Completion Report.

END OF EXHIBIT A

EXHIBIT A – Attachment 1

Parcel Descriptions: [Portions of 132-20-004Q and 132-20-004R] (depicted on the map on the next page as “New Parcel 2”)

Physical Addresses: 4554 South Palo Verde RD, Tucson, Arizona, 85714-1943

Legal Description:

LEGAL DESCRIPTION OF NEW PARCEL 2

A PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 14 SOUTH, RANGE 14 EAST, GILA AND SALT RIVER BASE AND MERIDIAN, PIMA COUNTY, ARIZONA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND 3” BRASS-CAP MONUMENT STAMPED “RLS#19862” MARKING THE CENTER OF SAID SECTION 33 AND ALSO BEING INTERSECTION OF THE WESTERLY RIGHT OF WAY LIMIT OF PALO VERDE ROAD (150’ WIDE) WITH THE NORTH LINE OF THE SAID NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 33 AND FROM WHICH A FOUND 2” BRASS-CAP MONUMENT STAMPED “RLS 12214” MARKING THE WEST QUARTER-CORNER OF SAID SECTION 33 BEARS SOUTH 89°29’03” WEST AT A DISTANCE OF 2632.10 FEET, BEING THE BASIS OF BEARINGS FOR THIS PARCEL DESCRIPTION;

THENCE SOUTH 1°02’39” EAST, 45.00 FEET INTERSECTION OF THE SAID WESTERLY RIGHT OF WAY LIMIT AND THE SOUTHERLY RIGHT OF WAY LIMIT OF MICHIGAN STREET (45’ SOUTH R.O.W.);

THENCE SOUTH 1°02’52” EAST ALONG SAID WESTERLY RIGHT OF WAY LIMIT A DISTANCE OF 411.81 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 1°02’52” EAST, 219.00 FEET TO A FOUND 2” ALUMINUM CAP AND THE SOUTH LINE OF THE SAID NORTH-HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER;

THENCE DEPARTING SAID WESTERLY RIGHT-OF-WAY LIMIT SOUTH 89°33’03” WEST, 385.50 FEET;

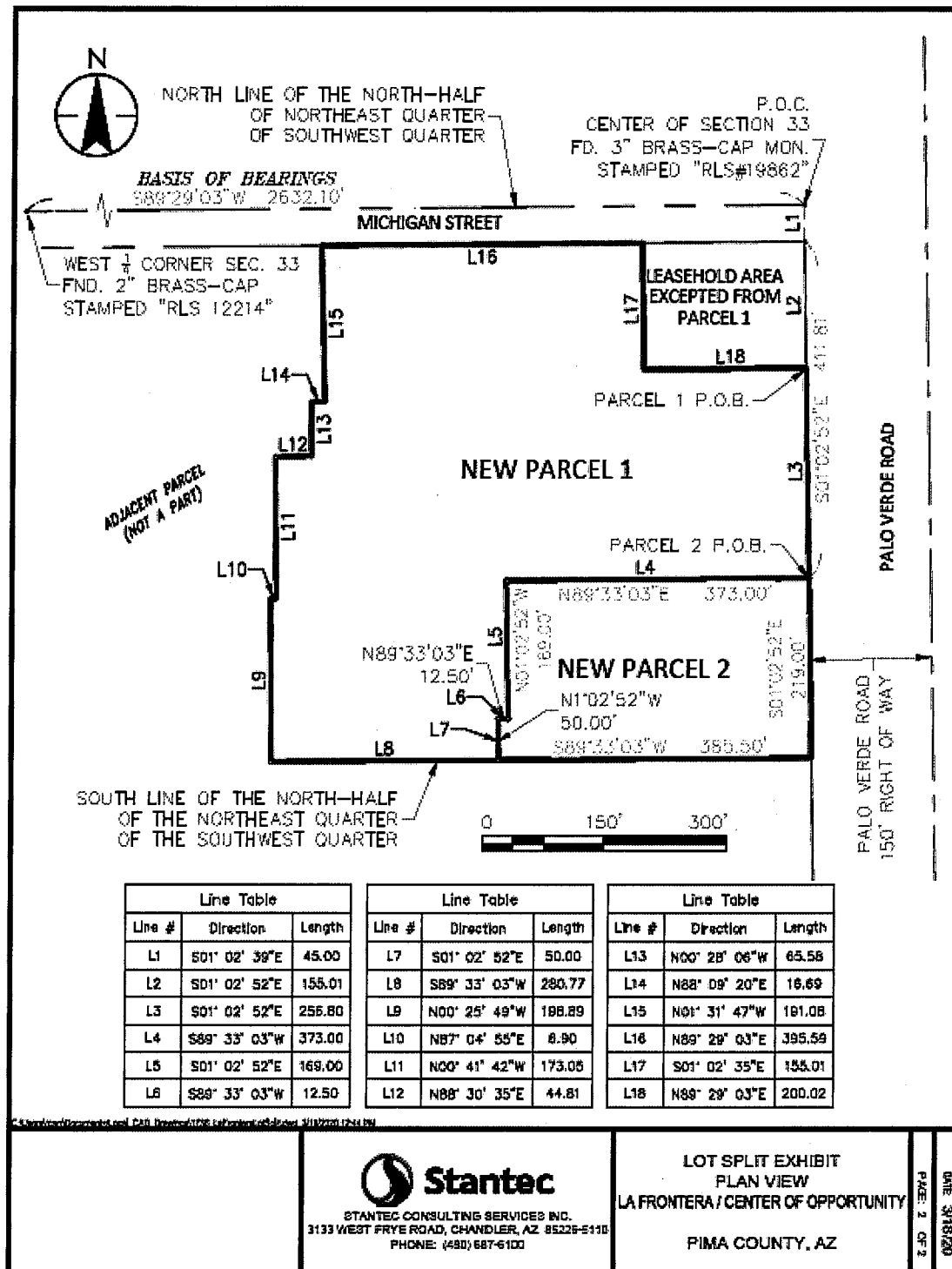
THENCE DEPARTING SAID SOUTH LINE NORTH 1°02’52” WEST, 50.00 FEET;

THENCE NORTH 89°33’03” EAST, 12.50 FEET;

THENCE NORTH 1°02’52” WEST, 169.00 FEET;

THENCE NORTH 89°33’03” EAST, 373.00 FEET TO THE SAID WESTERLY RIGHT OF WAY LIMIT OF PALO VERDE ROAD AND THE POINT OF BEGINNING.

CONTAINING 82,308 SQUARE FEET (1.890 ACRES) OF LAND, MORE OR LESS.



END OF EXHIBIT A – ATTACHMENT 1

EXHIBIT A – ATTACHMENT 2

SUPPORTIVE SERVICES PLAN – CENTER OF HOPE

Center of Hope Apartments Supportive Services Plan

Target Population:

Center of Hope Apartments includes one-hundred (100) one-bedroom Permanent Supportive Housing units. La Frontera Center, Inc. will provide the following supportive services thru a Supportive Services Agreement between La Frontera Center, Inc. and Center of Hope Apartments, LP, the project Owner.

- 1) Job training, search assistance and/or placement every two months; All residents are eligible to participate.
- 2) Quarterly Financial Literacy classes; All residents are eligible to participate.
- 3) Benefits specialist, upon intake and as needed; All residents are eligible to participate.
- 4) Food pantry; All residents are eligible to participate.
- 5) Resident Services Coordinator;

Supportive services will be offered on-site to all residents to promote independence, choice, and empower them and improve their quality of life.

A Resident Services Coordinator will continually screen to assess the changing needs of residents. This measure takes into consideration any disabilities the residents may have when they come to live at Center of Hope Apartments and any new disabilities they may face during their residency.

The Resident Services Coordinator will ensure residents are informed of and welcomed to use the supportive services that will be made available. Residents will be notified on a regular basis of upcoming events and calendars will be posted and distributed regularly. While participation will be encouraged, participation in the services is voluntary and not a condition of qualifying for residency.

The Resident Services Coordinator will be responsible for posting signs and circulating brochures in the common areas to encourage participation in special events. La Frontera Center and Property Management staff will work together to ensure events are accessible to physically disabled residents.

The Resident Services Coordinator and the on-site property manager will work together to mitigate resident issues as needed. The objective of the Resident Services Coordinator will be to establish significant and meaningful connections with the residents to better connect them to various community services including those offered by La Frontera Center, Inc.

Chronically Homeless Population/Special Needs Population:

Short term objectives include the following: 1) connecting residents to case management services offered by community providers, including La Frontera Center, Inc. so they may begin addressing their behavioral and mental health challenges; 2) connecting residents to benefits such as SSI/SSDI and other entitlements so they begin receiving financial assistance and access to medical care; and 3) connecting residents to community resources that provide donated items such as food and clothing.

Long term objectives include the following: 1) providing empowering services such as financial classes, computer skills, and connections to job training and placement for long term success in permanent independent living.

Success will be measured in part, by exceeding the average stay of a tenant. Several of La Frontera's properties have residents with tenure of over twenty years.

About La Frontera

Mission and Goals

The Board and staff of La Frontera Arizona are guided by the following mission and vision:

"Providing innovative solutions to complex problems, we work with community partners to build a safe, strong, and healthy Arizona."

La Frontera provides behavioral health services to children, adults, and families. An array of outpatient and inpatient services are available, including but not limited to counseling, psychiatric services, substance abuse treatment, trauma healing, crisis intervention, supportive services, and services for adults with a serious mental illness. Services vary in type and level of intensity, depending on the person's needs and strengths. Education and prevention services are also available. La Frontera's major interventions have been in the area of behavioral health; however, La Frontera has grown significantly in the area of affordable housing development and has also established strong partnerships with school districts as well as businesses and community leaders.

Values

The employees of La Frontera Arizona are committed to the following values:

- *Compassion:* Caring for our clients, our co-workers, and our community.
- *Service Excellence:* A commitment to providing services in a respectful, timely, and courteous manner, with awareness of the richness of individual and cultural diversity.
- *Integrity:* We strive to do the right thing by creating an atmosphere of trust, openness, confidentiality, and accountability.
- *Optimal Care:* Care that is consistent, effective and efficient.
- *Creativity:* An approach toward continuous improvement that encourages open-mindedness, innovation, and a willingness to take risks.
- *Positive Workplace:* An environment of cooperative teamwork where we are accessible, flexible, and listen to and acknowledge one another.
- *Fiscal Management:* The responsibility of each employee to support the economic well-being of the organization.

- *Philosophy:* Our tenured and dedicated staff-help residents foster a true "home" environment by maintaining high quality facilities, consciously promoting choices that allow residents to live independently, providing active listening and mediation services, direct delivery of services and proactively connecting residents to other available community services.

Experience

La Frontera Center, Inc., a community behavioral health center, has been serving residents of Arizona, for approximately 50 years. Originally established as Tucson Southern Counties Mental Health Services, the center was founded in 1966 by four Tucson organizations: St. Mary's Hospital, Arizona Children's Home, Tucson Child Guidance Clinic, and the Vocational Rehabilitation Department of the University of Arizona. The Mental Health Steering Committee of the Tucson Community Council (known as United Way of Tucson) and the Junior League of Tucson supported the initial formation, and on July 3, 1968, the center was incorporated as a private, nonprofit organization. A grant from the National Institute of Mental Health (NIMH) in 1969 provided staffing funds to initiate services. The name was changed to La Frontera Center, Inc., on January 8, 1979.

As a federally funded comprehensive community mental health center, La Frontera was originally charged with responsibility for providing a coordinated network of mental health and substance abuse services that were relevant and responsive to the needs of the residents of the Pima South service area (a largely Hispanic community). Since then, as community needs have been identified and as programs and funding sources have increased, the center has assumed responsibility for providing services in a larger geographic area. As part of this growth, La Frontera was selected by the Arizona Department of Health Services (ADHS) in July 1981 to function as the "core service agency" to plan, develop, and implement services for chronically mentally ill persons residing throughout Pima County. In July 1982, ADHS awarded La Frontera a contract to provide mental health services for residents of the Pima East service area.

The agency's current service continuum includes the following: 1) children and families: emphasizes the importance of family and the community in a child's health and development; 2) adults (elderly included): thorough clinical assessment identifies the person's strengths, needs, abilities, and preferences with an emphasis on living a healthy lifestyle; 3) prevention services engage individuals, families, schools, and communities from a strengths-based perspective to reduce risk factors; 4) adult crisis services support all clients' ability to reside in the community with support services; 5) provision of supportive housing (development/management/supportive services) for low income families, individuals and seniors under rental and ownership programs; 6) employment through vocational rehabilitation, training and job placement.

Supportive services include case management; assessment, evaluation, and diagnosis; outpatient mental health counseling for individuals, families, and groups; substance abuse identification and treatment, including outpatient, opioid treatment, emergency/crisis, and residential services; therapeutic preschool; therapeutic after-school program; and services for persons with a serious mental illness, consisting of psychiatric acute care (Psychiatric Health Facility and crisis beds), long-term residential (group homes), community housing, vocational rehabilitation, safe haven, and home-based counseling and supportive services. Other available services include outreach and referral, and education, prevention, and early intervention.

La Frontera Center, Inc. receives funding from various sources including federal grants, Cenpatico Integrated Care, Department of Economic Security, United Way, and several other organizations.

In fiscal year 2017–2018 La Frontera, as the largest community behavioral health center in Southern Arizona, provided assistance to approximately 9,500 children, youth, and adults while employing 515 people. Clients and employees represented a wide range of ethnic and cultural groups, in keeping with La Frontera's commitment to diversity. The agency has high visibility within the community and a comprehensive view on the many ways in which it is working to provide innovative solutions to complex problems.

Rally Point Arizona is a veterans' initiative of La Frontera Arizona. Rally Point Arizona (RPA) is a Navigator Program that is staffed by individuals who specialize in community resource navigation and veteran's advocacy. Rally Point staff have received specialized training in veteran services and community mental health supportive services. While the majority of RPA's staff are military veterans, some are veterans of the Social Work field, familiar with the Greater Tucson's community support resource network. Rally Point Arizona works with Active Duty, Guard and Reservists, Male and Female Veterans, OIF/OEF/OND-Post 911/Gulf War, Vietnam/Korean/ WWII, Cold War and their family units and supports as a whole. Rally Point Arizona helps all the above with whatever navigational needs that each veteran may be faced with on a daily basis.

Rally Point navigators work with community partners including the Veterans Administration, VA Hospital, national, state and local government entities and officials, as well as multiple community support service providers to achieve the best possible results for veterans, military members, and/or their families or support network. Navigation involves working directly with individuals and acting as a guide or assistant in the attempt to help them achieve their stated objectives/goals.

In 1983 La Frontera sponsored the first Tucson International Mariachi Conference, which has become the agency's primary fund-raising activity. As a result of the first conference's success, LFC, Inc. (later changed to TIMC, Inc., and now known as La Frontera Mariachi, Inc.), was founded the following year as a separate corporation dedicated to raising funds for La Frontera.

Vocational rehabilitation services for seriously mentally ill (SMI) adults also began in 1984, and in 1985 site preparation began for La Frontera's Child/Family Center. The agency continued to expand into the 1990s, and services are now offered at twenty-one sites and in the Phoenix and Maricopa County area through EMPACT-SPC.

Experience in Service-Enriched Housing

La Frontera Partners, Inc. is a sister organization of La Frontera Center, Inc., La Frontera Arizona, Inc. is the parent organization to both La Frontera Center, Inc. and La Frontera Partners, Inc. La Frontera Arizona, Inc. is also an Arizona 501(c)(3) nonprofit corporation.

La Frontera Partners, Inc., is 501(c)(3) non-profit corporation certified by the State of Arizona and the City of Tucson as a Community Housing Development Organization (CHDO) whose purpose is to promote social welfare, including developing and operating of low-income housing. La Frontera Partners, Inc. staff are experienced in acquiring, developing and managing over 500 units funded with Low Income Housing Tax

Credits, federal funds such as HUD 811, HOME, HTF, NSP, and other programs such as Pima County GO Bonds, AHP, Section 8 Project Based Vouchers, tax exempt bonds and conventional financing. La Frontera Partners, Inc. is experienced in managing Project Based Voucher units and currently has over 125 units with Project Based Section 8, HUD 811 PRAC and Mod Rehab Agreements.

La Frontera Partners and La Frontera Center are experienced in acquiring, managing and providing services at 24 facilities located throughout Tucson, including administrative offices, outpatient services offices, emergency short term stabilization housing, permanent housing for families and individuals, Section 8 apartments, transitional housing for families in need, transitional group homes, transitional housing for men, transitional housing for homeless persons and persons with serious mental illness, and independent living for persons with serious mental illness. Below is a list of service-enriched housing programs under La Frontera:

Projects Currently Owned and Managed by La Frontera:

- Casa Alegre, 1441 No Le Hace, Tucson-Transitional Housing
- Casa De Vida, 1900 West Speedway, Tucson-Transitional Housing
- Chapel Apartments, 3366 North Chapel, Tucson- Permanent Housing for SMI
- Flores Apartments, 113 E. Flores, Tucson- Section 8 -Permanent Housing for SMI
- Mountain Rose Ranch, 10841 North Thornydale, Tucson- Transitional Housing/Supportive Housing
- Nueva Vida Center, 1200 East Ajo Way, Tucson- Transitional Housing/Supportive Housing
- Sonora House, 1367 West Miracle Mile, Homeless-Save Haven/Supportive Services
- Sueño Nuevo Apartments, 50 East Thoroughbred, Permanent Housing/HUD Section 811 Housing for Disabled Persons
- Glenn Verde Apartments, Family/low income rental-Neighborhood Stabilization Program
- Kingman Place Apartments, Family/low income, Permanent Housing/ State HTF
- Bella Vista Apartments, Permanent Housing/HUD 811 Housing for Disabled Persons
- Sunnyside Point Villas I & II, Permanent Senior Housing/LIHTC/City HOME/State HTF
- Rally Point Apartments, Chronically Homeless with preference for Veterans

Community Partners

La Frontera Center, Inc., coordinates with various agencies, such as the ones listed below, to provide supportive services at various La Frontera Partners, Inc. developed housing projects. However, La Frontera Center has both the capacity and staff to provide all supportive services in house. La Frontera Center currently provides supportive services to various housing projects including those funded under the Low Income Housing Tax Credit program. La Frontera Center currently provides supportive services at the following LIHTC projects: Sunnyside Point Villas I and II (elderly & DD populations totaling 182 units), Rally Point Apartments (30 units for chronically homeless veterans), and Bella Vista Apartments (HUD Section 811 14 units).

The following are examples of agencies that participate with La Frontera Center in providing services to the greater community and supportive housing projects as needed:

- 1) Community hospitals for emergency services;
- 2) For physical medical care, routine check-ups, flu shots, etc- LFC partners with low income medical providers;
- 3) Information & Referral Services for specific services as needed;
- 4) Help on call/warm line/crisis calls;
- 5) Payee services who provide representative payee services and assistance with development and maintenance of a budget;
- 6) Community Food Bank for donated food items;
- 7) Arizona Department of Economic Security for benefits- SSI/SSDI;
- 8) Pima One Stop-for employment/job services, benefits- food stamps, food boxes, and health insurance;

Personnel

La Frontera Center, Inc. has over 500 employees. Specific staff will be assigned to the Project to provide the required services and the number of hours worked on-site by service coordinators will be determined by the resident's level of need and their level of enrollment with La Frontera Center, Inc.

Key Staff

Daniel J. Ranieri, Ph.D., President and CEO
Kathy Wells, Vice President and CEO
Michael Prudence, CFO
Douglas Long, Ph.D., Executive Director
James D. McDaniel, MD
Daniella Zepeda, Director of Housing Development
Guillermo Andrade, Director of Housing, U.S. Army, Veteran
Carmen Carlone, Clinical Supervisor/Housing Supportive Services Supervisor
Rally Point Arizona Staff:
James Grover, Supervisor, US Special Forces, Veteran
Robert Kayser, U.S. Navy, Veteran

Housing Supportive Services Supervisor

La Frontera employs a Housing Supportive Services Supervisor, job description attached, whose responsibility is to develop, implement, and supervise ongoing systems for providing the required supportive services across La Frontera housing projects. This position will provide services and ensure all housing projects under La Frontera are adequately staffed. The person filling this position has extensive clinical experience and supervises the Resident Services Housing Coordinators.

Training

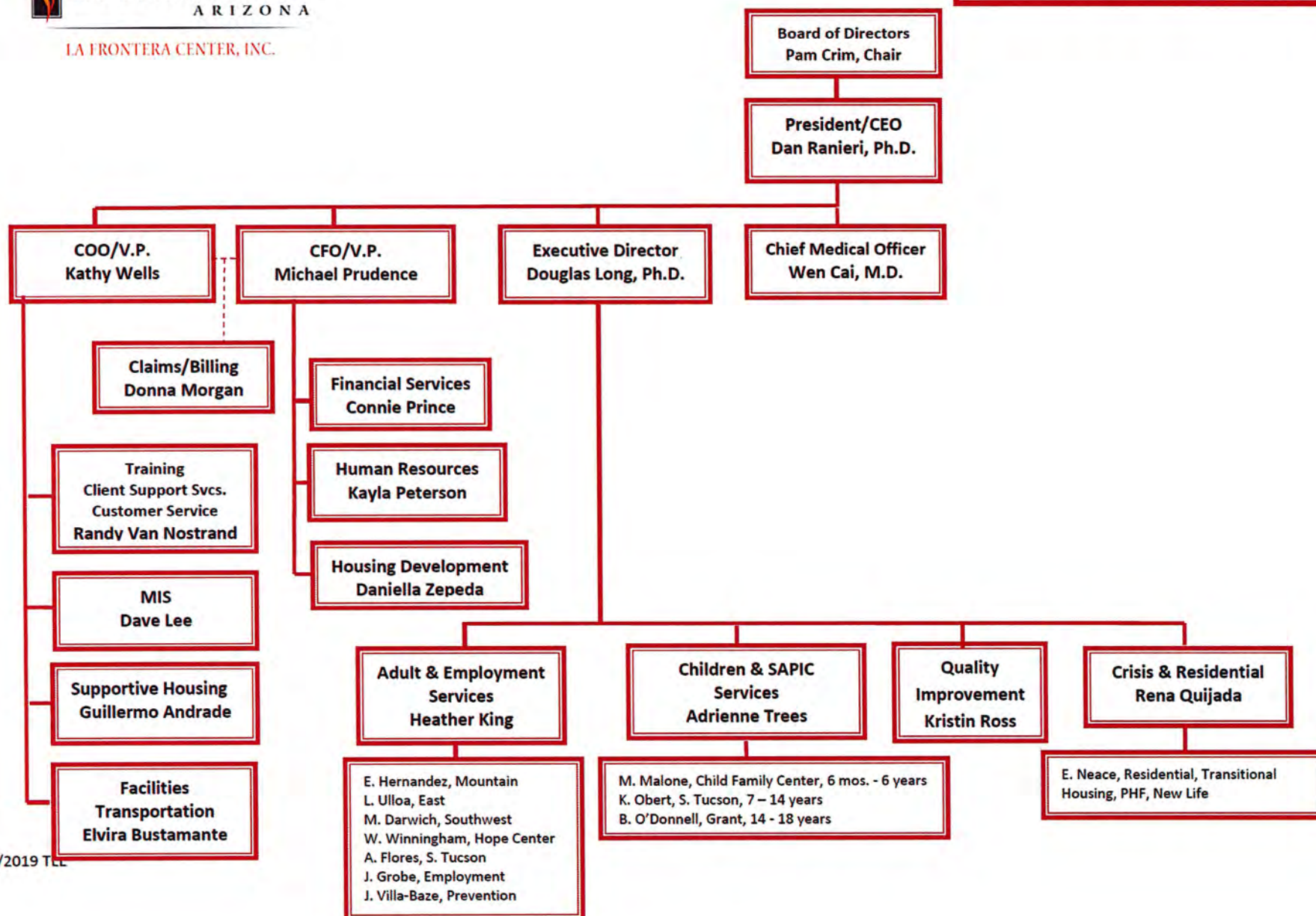
All employees must complete 40 hours of New Employee Orientation and complete yearly renewals. Additionally, staff must attend continuous training courses for professional licensure and organizational licensure requirements as noted per applicable job description.

Staff also attends the Arizona Department of Housing's compliance trainings as offered.



LA FRONTERA CENTER, INC.

LA FRONTERA CENTER, INC.
May 2019





Adult Services

La Frontera Center

General mental health services are provided to adults experiencing difficulties with depression, anxiety, relationships, personality, work, and daily living.

Adults diagnosed with a serious mental illness can access a wide array of recovery support services:

- Case management
- Supervised residential living
- Dual diagnosis treatment
- Medication management

Adults with alcohol and substance abuse dependence receive recovery services:

- Assessment and referral
- Outpatient counseling
- Case management
- Opioid treatment
- Pregnant client services
- Residential treatment
- Methamphetamine outpatient program

Employment services are provided to adults with behavioral health and/or substance abuse disorders and include:

- Resume writing, mock interviews, bus training, and education on building positive work relationship
- Job development and placement
- Computer skills classes

Homeless services to those who may be mentally ill:

- Outreach
- Evaluation
- Community resource referral
- Case management

Child and Family Services

La Frontera Child & Family Services Children ages birth–17 and their families

A team approach is used to create a service plan for each child and parent(s) or caregiver.

A child/family may benefit from a variety of services offered:

- Child and family therapy
- Child/adolescent groups
- Parenting classes
- Assistance in accessing community resources
- In-home family therapy and support services
- Specialized outpatient substance abuse groups
- Young Adult Program assists youth ages 16 to 22 in the transition to adulthood
- Assistance with multi-agency involvement
- Psychiatrist or nurse practitioner available for evaluation and medication
- Nurses available for phone consults



Child Services and Therapeutic Preschool

Dr. Nelba Chavez La Frontera Child/Family Center Children ages birth to school age

Staff at the Child/Family Center are trained and have experience in infant and early childhood mental health, including the effect of different kinds of trauma and stress on children.

Specialized therapeutic services are offered:

- Individual, group, and family therapy (clinic, school, and home based)
- Parent education programs
- Therapeutic preschool
- Summer program for children with developmental delays
- Psychiatrist or nurse practitioner available for evaluation and medication
- Year-round daycare

Veterans' Services

Rally Point Arizona

La Frontera's Rally Point Arizona is a community of veterans, service members, and military family members who provide support and promote healthy living. Services may include:

- Family and one-on-one counseling
- Community resource referrals
- Peer groups
- Camaraderie and support through recovery



Experienced and Trained Staff

La Frontera Center has been a licensed mental health provider since 1968 and is a member of the Community Partnership of Southern Arizona (CPSA) provider network.

All therapists are qualified mental health professionals with clinical supervision provided by a Licensed Clinical Psychologist or Licensed Early Childhood Clinical Social Worker.

La Frontera Center provides services that respect the client's cultural background, including his or her race and ethnicity, family composition, religious beliefs, age, and sexual orientation, among other factors. Whenever possible, services are provided in the client's preferred language.



La Frontera Center has been accredited for the following programs/services: case management/services coordination, integrated, ACDMHI (adults, children and adolescents), inpatient treatment, integrated, ACDMHI (adults), outpatient treatment, family services (children and adolescents), outpatient treatment, integrated, ACDMHI (adults, children and adolescents), prevention/diversion, family services (adults, children and adolescents), residential treatment, integrated, ACDMHI (adults), employment services, community employment services, job development and job supports, employment services, employee development services, outpatient treatment—opioid treatment program (adults).

La Frontera Center is licensed by the Arizona Department of Health Services (ADHS). La Frontera Center complies with all federal, state, and municipal legislation, regulations, and guidelines regarding non-discrimination in employment.



Eligibility

To see if you might be eligible for services through La Frontera, contact an Intake Specialist at **(520) 838-3804**.

Payment

La Frontera accepts individuals enrolled in the Arizona Health Care Cost Containment System (AHCCCS) and some other insurance plans.

Locations

Adult Outpatient Clinics

Appointments available Monday–Friday • 8:30 a.m.–4:00 p.m.

South Tucson Clinic

502 West 29th St.
Tucson, AZ 85713
(520) 884-9920

East Clinic

4891 East Grant Rd.
Tucson, AZ 85712
(520) 296-3296

Child & Families Outpatient Clinics

Appointments available Monday–Friday • 8:30 a.m.–4:00 p.m.

South Tucson Clinic

502 West 29th St.
Tucson, AZ 85713
(520) 884-9920

Grant Clinic

1141 West Grant Rd. #100
Tucson, AZ 85705
(520) 206-8600

Hope Center Opioid Treatment Services

206 South Scott Avenue • Tucson, AZ 85701 • (520) 884-8470

Dispensing Hours

Monday–Friday
5 a.m. – 12 p.m.
Saturday
6–9 a.m.

Office Hours

Monday–Thursday
7 a.m.–3:30 p.m.
Friday
7 a.m.–12 p.m.

Rally Point Arizona Veterans' Services

1101 East Broadway #130 • Tucson, AZ 85719
Office (520) 838-5703
Rally Point 24/7 Hotline (855) 725-5948
rallypointaz@lafrontera.org • www.rallypointaz.org

RAPP Homeless Services

1101 East Broadway #130 • Tucson, AZ 85719 • (520) 882-8422



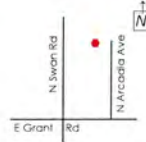
South Tucson Clinic

Adult • Child & Families
Child/Family Services
502 West 29th St.
Tucson, AZ 85713



East Clinic

Adult Services
4891 East Grant Road #100
Tucson, AZ 85705



Grant Road Clinic

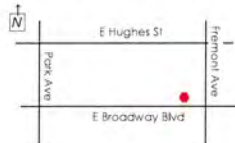
Child & Families
Child/Family Services
1141 W. Grant Rd. #100
Tucson, AZ 85705



RAPP

Rally Point Arizona

Homeless Outreach
Veterans Services
1101 East Broadway #130
Tucson, AZ 85719



Hope Center

Opioid Treatment Services
206 South Scott Ave.
Tucson, AZ 85701



LA FRONTERA
ARIZONA

LA FRONTERA CENTER

GUIDE TO SERVICES

Providing mental health services to southern Arizona's children, adults, and families since 1968

Adult Services

- La Frontera Center

Child/Family Services

- Child and Family Services

Child Services and Therapeutic Preschool

- Child/Family Center

Veterans Services

- Rally Point Arizona



www.lafronteraaz.org

EXHIBIT A – ATTACHMENT 3

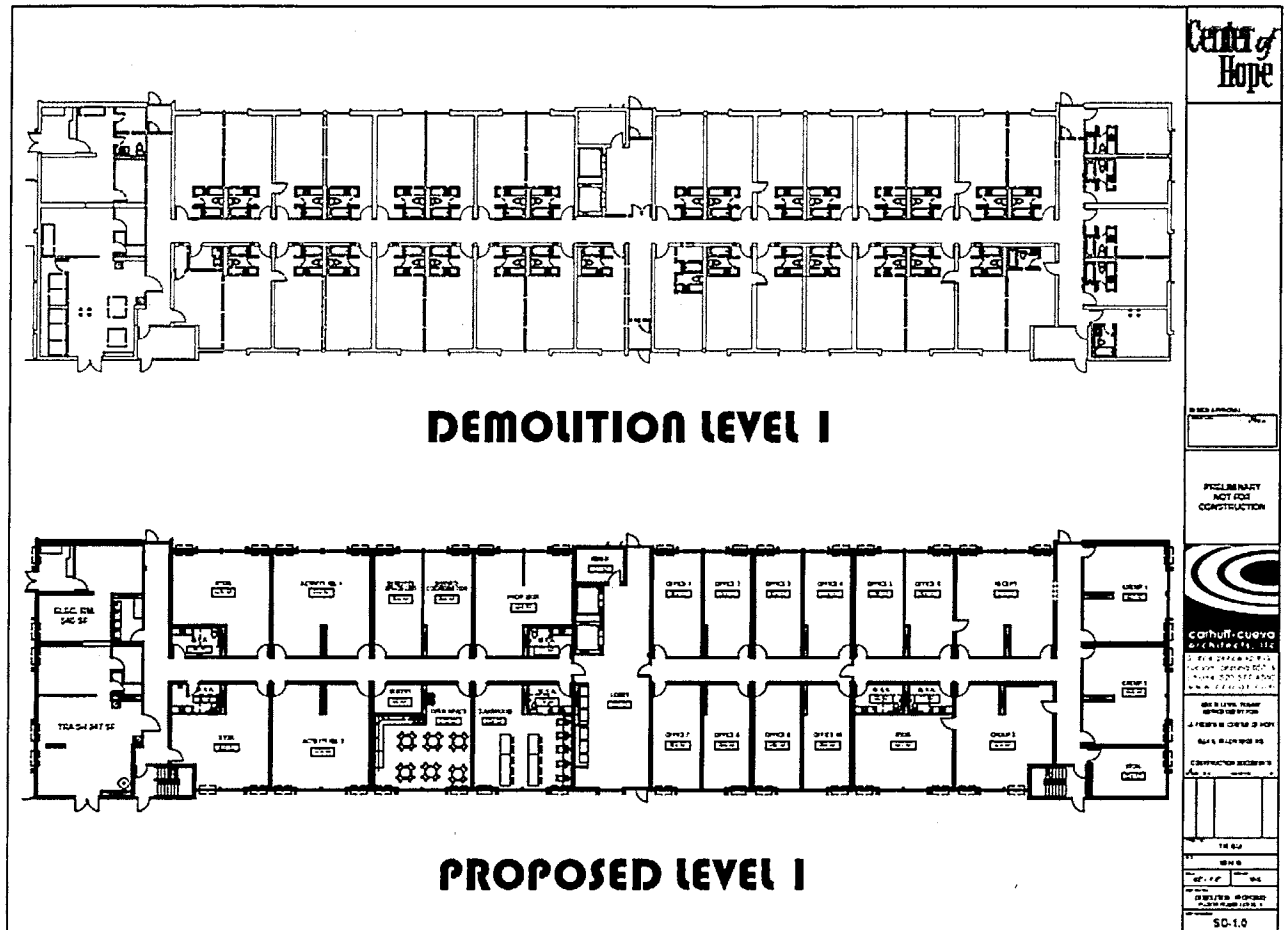


EXHIBIT B

PAYMENT REQUEST FORM & MONTHLY REPORT

CENTER OF HOPE APARTMENTS, LP – CENTER OF HOPE APARTMENTS

For the Month of _____, 202__

HOME Contract No. CT-CR 21*104 Request for Payment				
Description	Total HOME Budget	HOME Funds Expended This Month	HOME Funds Expended Prior Month(s)	HOME Funds Expended to Date
Vertical Construction	\$816,165.00			
Retention Final Payment	\$ 90,685.00			
Total	\$906,850.00			

- ☐ **Attach a detailed project development budget** showing all costs incurred to date under all funding sources. A copy of the most current Application and Certification for Payment [AIA Document G702] or other similar form will meet this requirement.

ADDITIONAL PROJECT INFORMATION FOR REPORTING PERIOD:

- Monthly Activity Summary:
- Milestones completed:
- Problems encountered:
- Changes requested for Construction or Reimbursement Schedule:

EXHIBIT C

HOME Program Rental Completion Report HUD Form 40097

A fillable form is available on HUD's website at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/forms/hud4

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Rental Completion Report
HOME Program

U.S. Department of Housing
and Urban Development
Office of Community Planning
And Development

OMB Approval No. 2506-0171
(Exp. 8/31/2009)

	Mark the appropriate box: <input type="checkbox"/> Original Submission <input type="checkbox"/> Revision
--	---

Part A: Activity Information

1. Activity Number	2. Name of Participant	3. Participant's Tax ID Number	
4. CHDO Tax ID Number	5. Name & Phone Number (including Area Code) of person completing form		
6. Type of Property (check one): (1) <input type="checkbox"/> Condominium (2) <input type="checkbox"/> Cooperative (3) <input type="checkbox"/> SRO (4) <input type="checkbox"/> None of the Above	7. Does Activity Have Rent Exemption? (1) <input type="checkbox"/> Yes (2) <input type="checkbox"/> No	8. Mixed Income Activity? (1) <input type="checkbox"/> Yes (2) <input type="checkbox"/> No	9. Mixed Use Activity? (1) <input type="checkbox"/> Yes (2) <input type="checkbox"/> No

Part B: Financial Structure of Activity

Type of Activity Financed (check one): (1) <input type="checkbox"/> Rehabilitation Only (3) <input type="checkbox"/> Acquisition Only (5) <input type="checkbox"/> Acquisition & New Construction (2) <input type="checkbox"/> New Construction Only (4) <input type="checkbox"/> Acquisition & Rehabilitation			
Activity Costs			
1. HOME Funds			
(1) Direct Loan	Annual Interest Rate %	Amortization Period Yrs.	\$
(2) Grant			\$
(3) Deferred Payment Loan (DPL)	Annual Interest Rate %	Amortization Period Yrs.	\$
(4) Community Housing Development Organization (CHDO) Loan			\$
a. TA Loan			\$
b. Seed Loan			\$
Total CHDO Loan (Total items 4a and 4b)			\$
(5) Other			\$
Total HOME Funds (Total items 1-5)			\$
2. Public Funds			
(1) Other Federal Funds			\$
(2) State/Local Appropriated Funds			\$
(3) State/Local Tax Exempt Bond Proceeds			\$
Total Public Funds (Total items 1-3)			\$
3. Private Funds			
(1) Private Loan Funds	Annual Interest Rate %	Amortization Period Yrs.	\$
(2) Owner Cash Contribution			\$
(3) Net Syndication Proceeds (No low income tax credit)			\$
(4) Private Grants			\$
Total Private Funds (Total items 1-4)			\$
4. Low Income Tax Credit Syndication Proceeds			\$
5. HOME Program Income			\$
6. Total Activity Costs (Total All items)			\$

Activity Address	Activity Number
------------------	-----------------

[illegible]

1-1 Bedroom
2-2 Bedrooms
3-3 Bedrooms
4-4 Bedrooms
5-5 or more Bedrooms

1 - Tenant
2 - Owner
9 - Vacant

1- 0-30%
2- 30-50%
3- 50-60%
4- 60-60%

Испанск
у – yes
п – no

11 - White
12 - Black or African American
13 - Asian
14 - American Indian or Alaska Native
15 - Native Hawaiian or Other Pacific Islander
16 - American Indian or Alaska Native & White
17 - Asian & White
18 - Black or African American & White
19 - American Indian or Alaska Native & Black or African American
20 - Other Multi Racial

1 - Single/non-Elderly
2 - Elderly
3 - Related/Single Parent
4 - Related/Parent
5 - Other

1 - Section 8
2 - HOME TERA
3 - Other
4 - No Assistance

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

The HOME statute imposes a significant number of data collection and reporting requirements. This includes information on assisted properties, on the owner or tenants of the properties, and on other programmatic areas. The information will be used: 1) to assist HOME participants in managing their programs; 2) to track performance of participants in meeting fund commitment and disbursement deadlines; 3) to permit HUD to determine whether each participant meets the HOME statutory income targeting and affordability requirements; and 4) to permit HUD to determine compliance with other statutory and regulatory program requirements. This data collection is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act or related authorities. Access to Federal grant funds is contingent on the reporting of certain activity-specific elements. Records of information collected will be maintained by the recipients of the assistance. Information on activities and disbursements of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

Sensitive Information: Some of the information collected on this form is considered sensitive and is protected by the Privacy Act. The Privacy Act requires that these records be maintained with appropriate administrative, technical, and physical safeguards to ensure their security and confidentiality. In addition, these records should be protected against any anticipated threats or hazards to their security or integrity which could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom the information is maintained. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

Instructions for Completing the Rental Completion Report

HOME Program

Read the instructions for each item carefully before completing the form. Use a typewriter or print carefully with a ballpoint pen. Prepare an original and one copy. Retain the copy.

Applicability. This report is to be completed for each rental activity assisted with HOME funds. It is to be used only for an activity having no owner occupants or for an activity with an owner occupant and 4 or more rental units. **Note:** Completion of an activity with one owner occupant and zero to three rental units should be reported on the Homebuyer/Homeowner Rehab Completion Report. Completion of an activity with two or more homeowners should be reported on the Multi-Address Completion Report.

Timing. The Rental Completion Report data are to be input in IDIS within 120 days of requesting the final disbursement of HOME funds for the activity. If the completion report data are not input within 120 days of the final disbursement for the activity, the PJ's (or State Recipient's) access to the HOME IDIS System may be suspended. An amended completion report should be submitted when all units initially reported vacant are occupied, and the change should be highlighted in yellow.

Part A: Activity Information

1. **Activity Number.** Enter the activity number assigned by IDIS.
2. **Name of Participant.** Enter the name of the participant or, for State recipient activities, the name of the State recipient.
3. **Participant's Tax ID Number.** Enter the Tax (Employer) Identification Number for the participant; for a State recipient project, enter the State recipient's Tax ID Number.
4. **CHDO Tax ID Number.** Complete only for activities assisted with funds reserved for Community Housing Development Organizations (CHDOs). Enter the Tax (Employer) Identification Number for the CHDO.
5. **Name & Phone Number of Person Completing Form.** Enter the name and phone number, including area code, of the person to contact for further information regarding this report form.
6. **Type of Property.** Check one box to indicate the type of property assisted:
 - (1) Condominium
 - (2) Cooperative
 - (3) Single Room Occupancy
 - (4) None of the Above
7. **Rent Exception.** HUD may adjust the qualifying rent established for an activity under §2.252(g) if HUD finds

an adjustment is necessary to maintain the financial viability of the activity. Mark one box to indicate whether or not the activity has a rent exception.

8. **Mixed-Income Activity.** Mark "yes" where less than 100 percent of the activity's housing units qualify as affordable housing as defined in section 2.252 of the HOME regulations. Mark "no" if the activity is not mixed-used.
9. **Mixed-Use Activity.** Mark "yes" for an activity that is designated in part for uses other than residential but where residential living space must constitute at least 51 percent of the activity space. Mark "no" if the activity is not mixed-use.

Part B: Financial Structure of Activity

1. **Type of Activity Financed.** Mark only one of the 5 available boxes for naming the HOME-assisted activity. **Note:** Even though the property may have HOME Tenant-Based Rental Assistance, do not include the TBRA in Part B.
 - (1) **Rehabilitation Only.** A HOME-assisted rehabilitation activity that did not include acquisition of real property. Such activities may have involved (a) repairs or improvement of residential unit(s) to bring the unit(s) up to the property standards required by 24 CFR 2.252; (b) the reconfiguration of a structure to reduce the total units in order to increase the number of large family units; (c) the addition of a room or rooms (e.g., bedroom or bathroom) outside the existing walls for purposes of meeting occupancy or code standards and (d) the adding of a unit or units within the existing structure.
 - (2) **New Construction Only.** Any activity that involved (a) the addition of units outside the existing walls of the structure and (b) the construction of a new residential unit(s). **Note:** When activities have combined new construction in one building(s) on one parcel of land, the projects, by type of activity (i.e. rehabilitation or new construction), must be administratively set up as separate activities in IDIS.
 - (3) **Acquisition Only.** Acquisition of a structure that received a certificate of occupancy at least 13 months before acquisition, which did not

require rehabilitation and which is being used to provide affordable rental housing.

- (4) **Acquisition and Rehabilitation.** A HOME-assisted rehabilitation activity, which included the acquisition of real property.
- (5) **Acquisition and New Construction.** A HOME-assisted new construction activity, which included the acquisition of real property. This includes acquisition of a structure that has received an initial certificate of occupancy within a one-year period prior to acquisition.

Activity Costs. Include all HOME funds used for the activity and all other funds (public and private) with one exception. **Do not double count.** If private funds are used for construction financing and those funds are later replaced by permanent financing, **do not report both.** Report all HOME funds expended on the activity. *(Note: Federal regulations specifically prohibit paying back HOME funds with HOME funds.)* For funds other than HOME, to the extent a choice must be made to avoid double counting, report permanent financing rather than construction financing. The total amount reported on line 6 of Part B should be the total cost of the activity. The total amount of HOME funds reported in the block titled "Total HOME funds (Total Items (1)-(5))" of Part B must equal the total amount disbursed through IDIS for this activity.

- 1. **HOME Funds.** Include HOME program income on line 5, below, title "HOME Program Income" only. Do not include HOME program income in any of the following 5 HOME categories.

- (1) **Direct Loan.** Enter the amount of HOME funds provided for this activity in the form of a direct loan. Enter the loan's interest rate and amortization period. If there are multiple loans, enter the interest rate and term of the largest loan.
- (2) **Grant.** Enter the amount of HOME funds provided without any repayment requirements. *(Note: A grant may be used to reduce the principal amount borrowed, a principal reduction payment, or the effective interest rate, an interest subsidy payment, on a privately originated loan.)*
- (3) **Deferred Payment Loan (DPL).** Enter the amount of HOME funds provided through loans where payment of principal and interest is deferred until a future time and enter the interest rate and amortization period, if any. A DPL is sometimes called a conditional grant (e.g., repayment is required when the property is sold, or is forgiven if the owner does not sell the property for a specified number of years or repayment of principal and interest starts after the bank loan is repaid.)
- (4) **Community Housing Development Organization (CHDO) Loan.**

- a. **Technical Assistance (TA) Loan.** Enter the amount of HOME funds provided as a CHDO TA loan for the activity. Reference 24 CFR 92.301(a).

- b. **Seed Money Loan.** Enter the amount of HOME funds provided as a CHDO seed loan. Reference 24 CFR 92.301(b).

Total CHDO Loan. Enter the total of the amounts entered on cited on 4a and 4b.

- (5) **Other.** Enter the total amount of HOME funds provided for subsidy funding that is other than the type of loan/grant assistance identified in the above items listed as (1) through (4).

Total HOME Funds. Enter the total of items (1) through (5) as the amount of HOME funds expended.

- 2. **Public Funds.** Enter in blocks (1) through (3), the total amount of public funds expended.

- (1) **Other Federal Funds.** Exclude any HOME funds expended.

- (2) **State/Local Appropriated Funds.**

- (3) **State/Local Tax Exempt Bond Proceeds.**

Total Public Funds. Enter the total of items (1) through (3) as the amount of Public Funds expended.

- 3. **Private Funds.**

- (1) **Private Loan Funds.** Enter the amount of all of the costs that have been paid with funds obtained from private financial institutions, such as banks, savings and loans, and credit unions, and enter the interest rate and amortization period of the loan. If there are multiple loans, enter the interest rate and term of the largest loan. *(Do not double count.)*

- (2) **Owner Cash Contributions.** Enter the amount of all cash contributions provided by the project owner.

- (3) **Net Syndication Proceeds.** Enter the net amount of syndication proceeds, excluding low-income tax credits, provided in financing this activity.

- (4) **Private Grants.** Enter the amount of cash contributions provided by private organizations, foundations, donors, etc.

Total Private Funds. Enter the total of items (1) through (4) as the amount of Private Funds expended.

- 4. **Low Income Tax Credit Syndication Proceeds.** Enter the total amount of syndicated Low Income Tax Credits provided.

- 5. **HOME Program Income.** Enter the total amount of funds provided from HOME repayment income.

- 6. **Total Activity Cost.** Enter the sum of totals for HOME funds, Public funds and Private funds, Low Income Tax Credit Syndication Proceeds, and HOME Program Income. *(Totals from above lines 1 through 5.)*

Part C. Household Characteristics.

Complete one line for each unit assisted with HOME funds and enter one code only in each block. For activities which include multiple addresses, complete Part C for each address. For an unoccupied unit, enter unit number, number of bedrooms and occupancy code as 9 vacant.

Unit Number. Enter the unit number of each unit assisted with HOME funds.

Number of Bedrooms. Enter "0" for a single room occupancy (SRO) unit or for an efficiency unit, 1 for 1 bedroom, 2 for 2 bedrooms, 3 for 3 bedrooms, 4 for 4 bedrooms, and 5 for 5 or more bedrooms.

End of Exhibit C

EXHIBIT D

BEGINS ON THE FOLLOWING PAGE

TO BE EXECUTED AND RECORDED AT A LATER DATE

Exhibit D

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR CENTER OF HOPE APARTMENTS, LP - CENTER OF HOPE APARTMENTS PERMANENT SUPPORTIVE HOUSING PROJECT

OWNER: Center of Hope Apartments, LP, an Arizona limited partnership and operating in Pima County, Arizona.

COUNTY: Pima County, a body politic and corporate of the State of Arizona.

PROPERTY: 4554 South Palo Verde Road, Tucson, Arizona 85714, specifically described in **Attachment 1**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS IS MADE IN FAVOR OF COUNTY BY OWNER AND IS EVIDENCE OF OWNER'S AGREEMENT TO COMPLY WITH CERTAIN RESTRICTIONS IN CONSIDERATION OF RECEIVING A LOAN OF FEDERAL HOME PROGRAM GRANT FUNDS FOR USE IN THE DEVELOPMENT OF IMPROVEMENTS ON THE PROPERTY.

RECITALS

- A. Owner applied for grant funds available through the U.S. Department of Housing and Urban Development ("HUD") HOME Investment Partnerships Program ("HOME") as defined in Part 92 of title 24 of the Code of Federal Regulations, as amended, to construct new rental housing units for very low- and low-income households that are homeless or at risk of homelessness in Pima County.
- B. County agreed to loan Owner HUD HOME funds in the amount of \$906,850.00 ("the HOME funds"), under Pima County Contract No. CT-CR 21*104, from the allocation of HOME Program monies County receives as a member of the Tucson-Pima County HOME Consortium.
- C. Owner must use the HOME funds to rehabilitate a eighty (80) of a total of one-hundred (100) permanent supportive affordable rental housing units for very low-income and low-income households as follows:
 - i. A minimum of sixty-eight (68) units will be HOME-assisted and rented to households with a household income at or below 50% Area Median Income ("AMI") and that are either homeless or at risk of homelessness.
 - ii. An additional twelve (12) units will be HOME-assisted and rented to households with a household income at or below 50% AMI and that are either homeless, at risk of homelessness or seriously mentally ill.
 - iii. Twenty (20) units will not be HOME-assisted and will be rented to households with a household income at or below 60% AMI, with preference given to households that are homeless, at risk of homelessness or seriously mentally ill.

D. The HOME-assisted units will be subject to several restrictions and regulations established by HUD, and set forth with particularity in the Contract between Owner and County, for at least 20 years.

NOW THEREFORE, Owner hereby makes this Declaration and declares that the covenants, conditions and restrictions set forth herein shall run with the land:

1. Definitions

The following words, phrases or terms used in this Declaration will have the following meanings:

Adjusted income	Annual household income, adjusted pursuant to 24 CFR § 5.611, of tenants or potential tenants.
AMI	Area Median Income established by HUD
Annual income	As defined in 24 CFR § 5.609
Center of Hope Apartments Declaration	<i>See Project</i> This Declaration of Covenants, Conditions and Restrictions
Extremely low-income household	A very-low-income household whose annual income does not exceed the higher of (1) the poverty guidelines established by the Department of Health and Human Services applicable to the family size or (2) thirty (30) percent of the Area Median Income as defined in 24 CFR 5.603. Also defined by 24 CFR Parts 5, 943 and 982.
Fixed HOME units	County HOME-assisted units are designated and never change as defined in 24 CFR § 92.252(j.)
High HOME rent	Rent published by HUD based on the lower of 30% of 65% of adjusted area median income and fair market rent
HOME-assisted units	Residential units constructed using HOME funds attributed to County as part of the Tucson/Pima County HOME Consortium
HOME funds	Monies available for the Project pursuant to 24 CFR Part 92 including repayments and interest or other return on the investment of such funds
HOME Program	HOME Investment Partnerships Program set forth in 24 CFR Part 92, as it currently exists and as it may be amended in the future.
HQS	HUD Housing Quality Standards set forth in 24 CFR §982.401
HUD	United States Department of Housing and Urban Development
Loan Agreement	Collectively, Pima County Contract No. <u>CT CR-21-104</u> between Owner and County establishing the terms and conditions for the receipt and use of the \$906,850.00 of HOME funds for the Project and the Promissory Note executed by

- | | |
|---|--|
| | Developer setting forth the conditions for repayment of said funds. |
| Low HOME rent | Rent published by HUD based the lower of 30% of 50% of adjusted AMI or 30% of household's adjusted income or the high HOME rent if the low HOME rent is greater |
| Low income | Annual household income below 80% AMI. May be adjusted by HUD from time to time. |
| Low Income Housing Tax Credits (LIHTC) | An affordable rental housing program created by the U.S. Congress, administered by the Internal Revenue Service through states which allocate, annually, tax credits to eligible affordable housing projects. |
| Over-income tenant | Current HOME-assisted unit tenant whose household income meets or exceeds 80% AMI after initial occupancy. |
| Project | Center of Hope Apartments - A one-hundred-unit, rental housing project, including seven County HOME units, located at 4554 South Palo Verde, Tucson, Arizona 85713 subject to the terms of this Declaration. |
| Project Based Vouchers | Administered by the City of Tucson Public Housing Authority, Pima County Housing Choice Vouchers were awarded to qualified project owners and developers pursuant to a Public Notice Number CDNC 11-9-18-PBV dated November 9, 2018 (first round) and CDNC-03-25-2020-PBV dated March 25, 2020 (second round). |
| UPCS | Uniform Physical Condition Standards established by HUD at 24 CFR Parts 5 and 200 |
| Very Low Income | Annual household income below 50% AMI as defined in 24 CFR § 92.2. |
| Veteran | A household with at least one member who has served, but is not currently serving or on active duty, in the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, or who served in the U.S. Merchant Marines during World War II. A veteran household may be an individual veteran. |
- 2. Covenants, Conditions and Restrictions:** The following restrictions apply to the Project for the Affordability Period (set forth in paragraph 2.2 below):
- 2.1. HOME-Assisted Units:** Eighty (80) rental units in the Project are designated as “fixed HOME-assisted units” for very-low-income households. The following conditions apply to the HOME-assisted units:
- 2.1.1. Each unit will have one bedroom and one bath with approximately 600 square feet of living area;
- 2.1.2. All HOME-assisted units will be “fixed”, as defined in 24 CFR § 92.252, for purposes of compliance with the above restrictions.

- 2.1.3. Each unit will be Energy Star® qualified and have Energy Star® rated appliances and lighting;
- 2.1.4. Each unit will have an open floor plans to accommodate walkers, wheelchairs and other mobility aids;
- 2.1.5. Each unit must be leased to a very low-income household that meets the following criteria at initial occupancy:
 - 2.1.5.1. A minimum of sixty-eight (68) units will be rented to households with a household income at or below 50% Area Median Income (“AMI”) and that are either homeless or at risk of homelessness.
 - 2.1.5.2. The remaining twelve (12) units will be rented to households with a household income at or below 50% AMI and that are either homeless, at risk of homelessness or seriously mentally ill.
- 2.2. **Affordability Period:** The HOME-assisted units are subject to all terms, conditions and restrictions set forth in this Declaration for **twenty (20) years** from the date the project completed, which shall be defined as the date that Certificates of Occupancy have been issued for all 100 units in the Project.
- 2.3. **Use of Property:** All HOME-Assisted units will:
 - 2.3.1. Be rented only to households that meet the eligibility requirements set forth in paragraph 2.1.5; and
 - 2.3.2. Remain subject to this Declaration, the terms and conditions of the Loan Agreement and the Deed of Trust recorded in the Office of the Pima County Recorder. **The covenants set forth in these documents run with the land, regardless of any change in ownership.**
- 2.4. **Rent Limitation:** Rent for each HOME-assisted unit in the Project:
 - 2.4.1. Must be the lesser of:
 - 2.4.1.1. Fair market rent for existing comparable units in the area as established by HUD under 24 CFR § 888.111; or
 - 2.4.1.2. LOW HOME rent published annually by HUD HOME Program, as noted in paragraph 2.5.
 - 2.4.2. In addition to the rent limitations set forth in paragraph 2.4.1 above, tenants in HOME-assisted units subsidized by Pima County-City of Tucson Project Based, Section 8 Vouchers cannot exceed the lesser of:
 - 2.4.2.1. 30% of the tenant’s adjusted income; or
 - 2.4.2.2. The rent allowable under the project-based rental subsidy program.
 - 2.4.3. Must be determined by subtracting a monthly allowance for any utilities and services (excluding telephone) paid by tenant as provided in Paragraph 2.5.
- 2.5. **Rent Schedule and Utility Allowances:** In addition to the limitations set forth in paragraph 2.4, the following provisions apply to the establishment of rent for the HOME-assisted units:
 - 2.5.1. Initial rent must be established in accordance with the **Initial Rent and Utility Allowance Schedules** attached hereto as **Attachment 2 and Attachment 3.**

- 2.5.1.1. Owner will pay 100% of the utilities (excluding tenant telephone costs).
- 2.5.1.2. The amounts set forth in these schedules are the maximum rents and minimum utility allowances for the HOME-assisted units, except for units designated under a project-based rental subsidy program as stated in section 2.4.1.3, throughout the Affordability Period.
- 2.5.1.3. HUD may amend the schedules at any time and the amended schedules will apply without need for an amendment to this Declaration. County will provide any updated rents to Owner upon publication, however, failure of County to do so, will not excuse Owner's non-compliance with the amended schedules.
- 2.5.1.4. If tenants are required to pay for utilities and services (other than telephone), a credit against total rent must be provided according to the utility allowances determined by the Owner's consultant and provided to County and listed in **Attachment 3**.
- 2.5.1.5. Initial rent schedule and any subsequent revisions will be provided by County to Owner.
- 2.5.1.6. Initial utility allowance schedule and any subsequent revisions will be provided by Owner to County.
- 2.5.2. Subsequent rent increases, if any, are subject to the following:
 - 2.5.2.1. Owner must provide County with an explanation of the applicable gross rent amounts, household income adjustments, or the monthly allowance for utilities and services that warrant an increase;
 - 2.5.2.2. Credit for utilities paid by tenant must conform to the Utility Allowance Schedule in effect at the time the increase is sought;
 - 2.5.2.3. May not be increased until the end of the then current lease term;
 - 2.5.2.4. May not be increased unless and until the new rent is approved by County; and
 - 2.5.2.5. May not be imposed until after tenant is provided with at least 30 days' prior written notice.
 - 2.5.2.6. Unit rents may not include the costs of any supportive services. Program service agreements and personal responsibility agreements are not leases.
- 2.5.3. Supportive services provided by Owner:
 - 2.5.3.1. Must be non-mandatory; and
 - 2.5.3.2. No tenant may be excluded from, or denied participation in, any activity or program because of the tenant's handicap.

2.6. Tenant Income Limitations: Owner must:

- 2.6.1. Determine whether each potential tenant meets household the income eligibility requirements in accordance with the Initial HOME Program Income Limits attached hereto as **Attachment 4**. Subsequent revisions will be provided by County to Owner.
- 2.6.2. Maintain documentation that details the household income eligibility of each tenant.

- 2.6.3. Not refuse to lease a HOME-assisted unit to a certificate or voucher holder under the Section 8 Program because of the status of the prospective tenant as a holder of such certificate, voucher or comparable document.
- 2.6.4. Not refuse to lease a HOME-assisted unit because the prospective tenant is a holder of a Rental Voucher Program certificate of family participation under 24 CFR part 887 or to the holder of a comparable document evidencing participation in a HOME tenant-based assistance program.

2.7. Increases in Tenant Income:

- 2.7.1. Owner must certify tenant income annually in accordance 24 CFR § 92.252 on forms approved by County.
- 2.7.2. Temporary non-compliance with income eligibility requirements will not jeopardize the HOME Program status of the Project, provided that such non-compliance:
 - 2.7.2.1. Is due to an increase in the household income of an existing tenant; and
 - 2.7.2.2. Owner is taking actions satisfactory to HUD to ensure that all vacancies are filled with income eligible households until the non-compliance is corrected.
- 2.7.3. Subject to the notice provisions set forth in paragraph 2.5.2, if, at the annual review, a tenant's household income exceeds 80% AMI, tenant must pay rent for the HOME-assisted that is the lesser of fair market value or 30% of the household's adjusted monthly income. However, this requirement will not apply for units with funding under 24 CFR Part 92 and allocated a low-income housing tax credit by a housing credit agency pursuant to section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) and will not apply for units with Project Based Vouchers. In units with both HOME and low-income housing tax credits, a household is not deemed over income until 140% of the tax program income limit.

2.8. Property Standards: Owner must:

- 2.8.1. Construct and maintain the Project in accordance with all applicable state and local standards, codes, ordinances, and zoning requirements including any applicable disaster mitigation standards state and local codes;
- 2.8.2. Ensure continuing compliance with HQS and UPCS; and
- 2.8.3. Keep the Project in good repair and free of trash and debris.

2.9. Tenant Protections: All HOME-assisted units in the Project must comply with the following:

- 2.9.1. The lease must be for not less than one year, unless by mutual agreement between the tenant and Owner.
- 2.9.2. The following lease terms are **prohibited**:
 - 2.9.2.1. Agreement to be Sued: Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the Owner in a lawsuit brought in connection with the lease;
 - 2.9.2.2. Treatment of the Property: Agreement by the tenant that Owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition,

however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the unit after the tenant has moved out of the unit. In that event, Owner may dispose of this personal property in accordance with state law;

- 2.9.2.3. Excusing Owner from Responsibility: Agreement by the tenant not to hold Owner or Owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
- 2.9.2.4. Waiver of Notice: Agreement of the tenant that Owner may institute a lawsuit without notice to the tenant;
- 2.9.2.5. Waiver of Legal Proceedings: Agreement by the tenant that Owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
- 2.9.2.6. Waiver of a Jury Trial: Agreement by the tenant to waive any right to a trial by jury;
- 2.9.2.7. Waiver of right to appeal court decision: Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
- 2.9.2.8. Tenant Chargeable with Cost of Legal Actions regardless of Outcome: Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

2.9.3. Termination of Tenancy:

- 2.9.3.1. Owner will not terminate the tenancy or refuse to renew the lease of a tenant of a HOME -assisted unit in the Project except for:

- 2.9.3.1.1. Serious or repeated violations of the terms and conditions of the lease; or

- 2.9.3.1.2. A violation of applicable federal, state, or local laws.

- 2.9.3.2. Any allowed termination or refusal to renew must be preceded by Owner's service upon the tenant of at least 30 days' advance written notice specifying the grounds for the action.

2.9.4. Tenant Selection: Owner of the Project must adopt written tenant selection policies and criteria that:

- 2.9.4.1. Are consistent with the purpose of providing housing for households that are homeless or at risk of homelessness with household incomes at the levels set forth in paragraph 2.1.5;
- 2.9.4.2. Are reasonably related to program eligibility and the applicant's ability to perform the obligations of the lease;
- 2.9.4.3. Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
- 2.9.4.4. Provide for the prompt written notification to any rejected applicant explaining the grounds for any rejection.

2.9.5. Violence Against Women Reauthorization Act of 2013: Implementation in HUD Housing Programs, 81 FR 80724 effective December 16, 2016: Owner of the Project must comply with the requirements of this act.

2.9.6. **Religious Organizations**: The Project will not be provided for rental or use to any primarily religious organizations, such as churches, for any activity including secular activities. The Project must be used exclusively by Owner for secular purposes, available to all persons regardless of religion. In particular, there must be no religious or membership criteria for tenants of the Project.

2.10. Affirmative Marketing: For all HOME-Assisted units in the Project Owner will:

2.10.1. Comply with the following Affirmative marketing requirements and procedures:

2.10.1.1. All correspondence and notices will contain either the Equal Housing Opportunity logo or slogan. The logo is available on HUD's website at:

<http://portal.hud.gov/hudportal/HUD?src=/library/bookshelf11/hudgraphics/fheologo>

2.10.1.2. Prominently displaying Equal Opportunity Fair Housing Posters in English and Spanish in all leasing and housing counseling offices. The posters are available by contacting County or on HUD's website at:

http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_7802.pdf

2.10.1.3. Advertising availability of HOME-assisted units in minority-owned newspapers, on minority radio and/ or television stations and with other local and affiliate newspapers, television and radio stations.

2.10.1.4. Including the equal housing opportunity logo or slogan in all advertisements.

2.10.1.5. Soliciting applications for vacant HOME-assisted units from the homeless, or at risk of homelessness population, particularly to persons who are least likely to apply for the HOME-assisted units absent special outreach efforts. In general, persons who are not of the race/ethnicity of the residents in the neighborhood surrounding the Project, as indicated in U.S. Census documents, shall be considered those least likely to apply.

2.10.1.6. Using available resources to reach potential clients, including, but not limited to:

2.10.1.6.1. Community organizations;

2.10.1.6.2. Housing counseling agencies;

2.10.1.6.3. Places of worship;

2.10.1.6.4. Social service centers;

2.10.1.6.5. Tucson Pima Coalition to end Homelessness;

2.10.1.6.6. Homeless centers and shelters;

2.10.1.6.7. Employment centers;

2.10.1.6.8. Medical service providers; and

2.10.1.6.9. Fair housing organizations.

2.10.1.7. Maintaining files containing all marketing efforts (i.e. copies of newspaper ads, memos of phone calls, copies of letters) and the results of

these various marketing efforts. All such documentation shall be available for inspection by County.

2.10.1.8. Maintaining a listing of all tenants residing in each HOME-assisted unit at the time of application submittal through the end of the Affordability Period.

2.10.2. County will assess the following activities by Owner:

2.10.2.1. Affirmative marketing efforts; by comparing predetermined occupancy goals (based upon the area from which potential tenants will be drawn) to actual occupancy data that Owner is required to maintain.

2.10.2.2. Outreach efforts; by reviewing marketing efforts.

2.10.2.3. Marketing efforts during the rent-up period and marketing of the HOME-assisted units by use of, at a minimum, an annual compliance certification and/or personal monitoring visit to the Project.

2.10.3. Should Owner fail to follow the affirmative marketing requirements, corrective actions County deems appropriate will be taken including, but is not limited to, requiring more extensive outreach efforts to appropriate contacts to achieve full occupancy.

2.11. Period of Record Retention: All pertinent documents, books, papers, accounts, reports, files, tenant lists, applications, leases, waiting lists, income examinations, and other records relating to the Project and Property specified herein shall be retained for five (5) years following expiration of the Affordability Period set forth in this Declaration. Notwithstanding the foregoing, if any litigation, claim, negotiation, audit, or other action has been started before the expiration of the period of affordability specified herein, the records must be retained for five years following completion of the action and resolution of all issues which arise from it, or for five years following the end of the Affordability Period, whichever is later.

2.12. Inspection and Audit of Records: Owner shall make available at all reasonable times, for inspection, transcription, excerpting, examination, copying, and audit by County, the State, the State Auditor General, HUD, the Comptroller General of the United States, or any of their representatives and designees, all pertinent books, documents, papers, accounts, reports, files, tenant lists, applications, leases, waiting lists, income examinations, and other records (hereinafter referred to as "Records") relating to the Project and Property specified herein. Upon request by such inspecting or auditing entity, a legible copy of all such Records shall be produced by the owner at the specified office of Commerce, the County, the State, the State Auditor General, or at any other reasonable location. The original of all such Records shall also be available and produced for inspection, copying, and audit when needed to verify the authenticity of a copy.

2.13. HOME Program Required Reports: Owner shall file an annual report as set forth in the Loan Agreement with County, in a format approved by County, demonstrating compliance with the HOME Program and this Declaration. The annual report shall include the following:

2.13.1. Records demonstrating that each household renting the HOME-assisted units was income eligible at the time of leasing and annually thereafter.

- 2.13.2. Records demonstrating compliance with the Rent and Income Limitation clause of this Declaration.
- 2.13.3. Records demonstrating compliance with the Affirmative Marketing clause of this Declaration.
- 2.13.4. Records documenting the extent to which each racial and ethnic group and single head of households (by gender of household head) have applied for, participated in, or benefited from any part of the Project paid for with HOME Funds.

2.14. Prohibited Occupancy of HOME-assisted units: The employees of Owner are covered persons under 24 CFR § 92.356(f) and, therefore, are prohibited from occupying a HOME-assisted unit in the Project. However, on a case-by-case basis, County could consider granting an exception to the prohibition so long as circumstances warrant and the exception is permitted by the HOME regulations.

3. Remedies

3.1. Remedies of the County:

- 3.1.1. If Owner breaches any covenant, condition, or restriction set forth herein, and if such breach remains uncured for a period of sixty (60) days after notice of the breach has been given by County (or for an extended period approved in writing by County), County will be entitled to any or all of the following remedies:
 - 3.1.1.1. Return of all HOME funds provided for the Project, plus interest at the maximum rate permitted by law, and an amount attributable to the increase in equity in the Property attributable to the use of the HOME funds;
 - 3.1.1.2. Resort to any court having jurisdiction of the subject matter for specific performance of this Declaration, for an injunction against any violation of this Declaration, for the appointment of a receiver to take over and operate the Project in accordance with the terms of this Declaration, or for initiation of foreclosure proceedings; or
 - 3.1.1.3. Such other relief as may be appropriate, it being acknowledged by Owner that the beneficiaries of Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of Owner's breach of this Declaration, because the beneficiaries include the low-income households which were to be benefited by Owner's use of HOME Funds.
- 3.1.2. County will be entitled to reimbursement of reasonable attorneys' fees and all costs incurred in any judicial action in which the County prevails.
- 3.1.3. County will require reasonable assurances of security for repayments required pursuant to this section in the form of the Deed of Trust appended to the Loan Agreement, and recorded in the Office of the Pima County Recorder, assigning a beneficial interest for the Project to County, which Owner must execute as part of this Declaration.

3.2. Remedies are Cumulative: Each right, power and remedy of County provided for in this Declaration, now or hereafter existing at law or in equity or by statute or otherwise, will be cumulative and concurrent and will be in addition to every other right, power or remedy

provided for in this Declaration or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by County of any one or more of the rights, powers or remedies provided for in this Declaration or now or hereafter existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by County of any or all such other rights, powers or remedies.

- 3.3. Remedies of Other Parties:** The occupancy requirements set forth in this Declaration also will inure to the benefit of, and may be judicially enforced against Owner, by affected households who are, or were, eligible for the HOME-assisted units. Any party that prevails in such judicial action against Owner will be entitled to reimbursement of its reasonable attorneys' fees and costs.

4. Representations and Warranties of Owner

- 4.1. Valid Execution:** Owner represents and warrants that Owner has validly executed this Declaration and the same constitutes the binding obligation of Owner. Owner has full power, authority and capacity to:
- 4.1.1. Enter into this Declaration;
 - 4.1.2. Carry out Owner's obligations as described in this Declaration; and
 - 4.1.3. Assume responsibility for compliance with all applicable federal, State and local laws, codes, ordinances, rules and regulations.
- 4.2. No Conflict or Contractual Violation:** To the best of Owner's knowledge, the making of this Declaration and Owner's obligations hereunder:
- 4.2.1. Will not violate any contractual covenants or restrictions between Owner and any third party or any such covenants or restrictions affecting the Property;
 - 4.2.2. Will not conflict with any of the instruments that create or establish Owner's authority;
 - 4.2.3. Will not conflict with any applicable public or private restrictions;
 - 4.2.4. Do not require any consent or approval of any public or private authority which has not already been obtained; and
 - 4.2.5. Are not threatened with invalidity or unenforceability by any action, proceeding or investigation pending or threatened, by or against:
 - 4.2.5.1. Owner, without regard to capacity;
 - 4.2.5.2. Any person with whom Owner may be jointly or severally liable; or
 - 4.2.5.3. The Property or any part thereof.
- 4.3. No Litigation:** No litigation or proceedings are pending or, to the best of Owner's knowledge, threatened against Owner which if adversely determined could individually or in the aggregate have an adverse effect on title to or the use and enjoyment or value of the Property, or any portion thereof, or which could in any way interfere with the consummation of this Declaration.
- 4.4. No Bankruptcy:** There is no pending or, to Owner's best knowledge, threatened any case or proceeding or other action in bankruptcy, whether voluntary or otherwise, any assignment for the benefit of creditors, or any petition seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for owner under any

federal, state or other statute, law, or regulation relating to bankruptcy, insolvency or relief for debtors.

4.5. No Encumbrances or Attachment: Owner shall not allow the Property to be attached in any manner, including, but not limited to, any liens or other encumbrances or any mortgages or other security interest, except for those liens and encumbrances set forth in **Attachment 5** to this Declaration, without the prior written consent of the County.

4.6. Indemnification: Owner will indemnify, defend and hold harmless the County from and against all liabilities, losses, claims, damages, demands, suits, liens, judgments, reasonable attorney's fees, costs and expenses incurred by the County as a result of any material inaccuracy in any of the representations and warranties contained in this Part 4.

5. Miscellaneous

5.1. Binding Effect; Covenants Running With the Land: During the Affordability Period, this Declaration and the covenants, conditions and restrictions contained herein will be deemed to be covenants running with the land for the benefit of Pima County and its successors, and shall pass to and be binding upon current or subsequent Owner's and their heirs, assigns and successors in title to the Property, or if the Property does not include title to land, but includes a leasehold interest in land, this Declaration and the covenants, conditions and restrictions will bind the leasehold interest as well as the Property and will pass to and be binding upon all heirs, assigns and successors to such interests; provided, however, that upon expiration of the Affordability Period and in accordance with the terms hereof said covenants, conditions and restrictions will expire. Each and every agreement, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof will conclusively be held to have been executed, delivered and accepted subject to such covenants, conditions, and restrictions, regardless of whether such covenants, conditions and restrictions are set forth in such agreement, deed or other instruments. If a portion or portions of the Property are conveyed, all of such covenants, conditions and restrictions will run to each portion of the Property.

5.2. Recordation: Owner will comply with all statutes and regulations as may be required by law, in the opinion of qualified counsel, in order to establish, preserve and protect the ability of County to enforce this Declaration. After execution of this Declaration by Owner, County will record this Declaration in the Office of the Pima County Recorder.

5.3. Amendments: This Declaration may not be amended or modified except by a written instrument signed by each party hereto and recorded or filed as this Declaration was recorded or filed.

5.4. Notices: All notices required or permitted to be given pursuant to this Declaration must be in writing and will be deemed to have been duly given if delivered personally or mailed, postage prepaid, by registered or certified United States mail, return receipt requested, addressed to the parties at the following addresses:

COUNTY:

Daniel Tylutki, Deputy Director
Department of Community & Workforce
Development
2797 E. Ajo Way, 3rd Floor
Tucson, AZ 85713

OWNER:

Daniel J. Ranieri, President & CEO
LF Center of Hope, Inc.
504 West 29th Street
Tucson, AZ 85713

With a copy to:

Marcos Ysmael, Housing Program
Manager
Pima County Housing Center
801 W. Congress Street
Tucson, AZ 85745

With a copy to:

Daniella Zepeda Hisey, Housing Director
La Frontera Partners, Inc.
504 West 29th Street
Tucson, AZ 85713

Any party may change its address for notice purposes by giving notice to the other parties in accordance with this section.

5.5. Laws:

- 5.5.1. Incorporation of Federal Regulations. The provisions contained in Part 92 of title 24 of the Code of Federal Regulations, as amended, are incorporated into this Declaration by this reference as if fully set forth herein.
- 5.5.2. Compliance with Laws, Permits and Certifications: For the Affordability Period, Owner will comply with all federal, state and local laws, codes, ordinances, rules, and regulations, conditions and assurances and will keep and maintain in effect at all times any and all licenses, permits, notices and certifications which may be required in regard to the Project.
- 5.5.3. Governing Law: This Declaration, as it may affect the rights, remedies and obligations of the County, shall be governed by and construed in accordance with federal law. Insofar as federal law does not apply, the provisions of this Declaration will be governed by and construed in accordance with the laws of the State of Arizona.

- 5.6. **Severability**: This Declaration is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Declaration or the application thereof to any person or circumstance is held invalid or unenforceable, the remainder of this Declaration and the application of such provision to other persons or circumstances will not be affected thereby, but rather will be enforced to the greatest extent permitted by law.

- 5.7. **Indemnification**: Owner will protect, defend, indemnify, and hold harmless County from and against any and all liabilities, damages, demands, claims, suits, liens, and judgments of whatever nature including but not limited to claims for contribution or indemnification for injuries to or death of any person or persons caused by, in connection with, or arising out of any activities undertaken by Owner pursuant to this Declaration or any negligence of Owner relating to the Project or the Property. Owner's obligation to protect, defend, indemnify, and hold harmless includes any and all attorneys' fees incurred by County in the defense or handling of said suits, demands, judgments, liens and claims and all attorneys'

fees and investigation expenses incurred by County in enforcing or obtaining compliance with the provisions of this Declaration.

- 5.8. Section Titles:** Section titles are for descriptive purposes only and will not control or limit the meaning of the text of this Declaration.
- 6. Entire Agreement:** This Declaration and the Loan Agreement contain the entire understanding between the parties hereto with respect to the restrictions on the Property and Project. The Owner has executed a Real Estate Non-Recourse ("Note") secured by a Deed of Trust Assignment of Rents and Security Agreement ("Deed of Trust"), which Deed of Trust secures the obligations of this Declaration, the Loan Agreement, and the Note.

SIGNATURES ON FOLLOWING PAGE

Page 15 of 15

EXHIBIT D - ATTACHMENT 1

Parcel Descriptions: [Portions of 132-20-004Q and 132-20-004R]

Physical Addresses: 4554 South Palo Verde RD, Tucson, Arizona, 85714-1943

Legal Description: NEW PARCEL 2

A PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 14 SOUTH, RANGE 14 EAST, GILA AND SALT RIVER BASE AND MERIDIAN, PIMA COUNTY, ARIZONA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND 3" BRASS-CAP MONUMENT STAMPED "RLS#19862" MARKING THE CENTER OF SAID SECTION 33 AND ALSO BEING INTERSECTION OF THE WESTERLY RIGHT OF WAY LIMIT OF PALO VERDE ROAD (150' WIDE) WITH THE NORTH LINE OF THE SAID NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 33 AND FROM WHICH A FOUND 2" BRASS-CAP MONUMENT STAMPED "RLS 12214" MARKING THE WEST QUARTER-CORNER OF SAID SECTION 33 BEARS SOUTH 89°29'03" WEST AT A DISTANCE OF 2632.10 FEET, BEING THE BASIS OF BEARINGS FOR THIS PARCEL DESCRIPTION;

THENCE SOUTH 1°02'39" EAST, 45.00 FEET INTERSECTION OF THE SAID WESTERLY RIGHT OF WAY LIMIT AND THE SOUTHERLY RIGHT OF WAY LIMIT OF MICHIGAN STREET (45' SOUTH R.O.W.);

THENCE SOUTH 1°02'52" EAST ALONG SAID WESTERLY RIGHT OF WAY LIMIT A DISTANCE OF 411.81 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 1°02'52" EAST, 219.00 FEET TO A FOUND 2" ALUMINUM CAP AND THE SOUTH LINE OF THE SAID NORTH-HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER;

THENCE DEPARTING SAID WESTERLY RIGHT-OF-WAY LIMIT SOUTH 89°33'03" WEST, 385.50 FEET;

THENCE DEPARTING SAID SOUTH LINE NORTH 1°02'52" WEST, 50.00 FEET;

THENCE NORTH 89°33'03" EAST, 12.50 FEET;

THENCE NORTH 1°02'52" WEST, 169.00 FEET;

THENCE NORTH 89°33'03" EAST, 373.00 FEET TO THE SAID WESTERLY RIGHT OF WAY LIMIT OF PALO VERDE ROAD AND THE POINT OF BEGINNING.

CONTAINING 82,308 SQUARE FEET (1.890 ACRES) OF LAND, MORE OR LESS.

EXHIBIT D - ATTACHMENT 2

HOME PROGRAM RENT LIMITS AND UTILITY ALLOWANCE

This information is subject to change.

HOME PROGRAM RENT LIMITS

2020 RENT LIMITS
City of Tucson / Pima County
Effective 07/01/2020

Table 1

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
LOW Home	\$598	\$641	\$770	\$889	\$992	\$1095	\$1197
HIGH Home	\$618	\$721	\$949	\$1122	\$1233	\$1341	\$1450

All rents must be adjusted for utility allowances established locally (see Table 2). The allowable rent is the applicable high or low rent less the utility allowance for those utilities paid by the tenant.

UTILITY ALLOWANCES
City of Tucson / Pima County
Effective 01/01/19

See Developer's Funding Agreement
for Utility Allowances (HERS)
applicable to Center of Hope

Table 2

SINGLE FAMILY/PATIO/MANUFACTURED HOMES

TYPE OF UTILITIES	DOLLARS PER MONTH					
BEDROOM SIZE	0	1	2	3	4	5
ELECTRICITY	\$15	21	27	33	42	47
ELECTRIC HEAT	27	38	49	60	76	87
ELECTRIC HOT WATER	13	18	24	29	37	43
ELECTRIC COOKING	4	6	7	9	12	13
EVAPORATIVE COOLING	8	11	14	18	22	26
AIR CONDITIONING	19	26	34	41	53	60
GAS HEAT	12	15	18	21	26	29
GAS HOT WATER	5	6	7	9	11	12
GAS COOKING	2	2	3	3	4	4
WATER/SEWER	36	44	60	70	95	112
TRASH (CITY)	5	5	5	5	5	5
TRASH (COUNTY)	19	19	19	19	19	19
REFRIGERATOR	6	6	6	6	6	6
RANGE	4	4	4	4	4	4
PROPANE HEAT	18	25	33	40	51	58
PROPANE HOT WATER	8	12	14	17	22	25
PROPANE COOKING	3	4	5	6	8	9

APARTMENT/CONDO/TOWNHOUSE/DUPLEX/TRIPLEX

TYPE OF UTILITIES	DOLLARS PER MONTH					
BEDROOM SIZE	0	1	2	3	4	5
ELECTRICITY	\$13	18	23	28	35	40
ELECTRIC HEAT	23	32	41	51	65	74
ELECTRIC HOT WATER	11	15	20	24	31	35
ELECTRIC COOKING	4	5	6	8	10	11
EVAPORATIVE COOLING	7	9	12	15	19	22
AIR CONDITIONING	16	22	29	35	45	51
GAS HEAT	12	15	19	22	26	29
GAS HOT WATER	5	6	8	9	11	13
GAS COOKING	2	2	3	3	4	4
WATER/SEWER	33	41	55	64	83	98
TRASH (CITY)	5	5	5	5	5	5
TRASH (COUNTY)	19	19	19	19	19	19
REFRIGERATOR	6	6	6	6	6	6
RANGE	4	4	4	4	4	4
Propane Heat	18	25	33	40	51	58
Propane Hot Water	8	11	14	17	22	25
Propane Cooking	3	4	5	6	8	9

APPLYING RENT AND INCOME LIMITS TO YOUR PROJECT

Annually, HUD publishes Fair Market Rents and calculations of rents affordable to families earning 65 percent and 50 percent of median income (see Table 1). Low and High HOME rents are determined based on these figures. (See the HOME regulations for a detailed explanation of how these are determined.) Following is a step-by-step guide to applying the High and Low HOME rent limits to your project. Note that the requirements vary depending on the number of HOME-assisted units.

1 TO 4 HOME-ASSISTED UNITS:

For projects with 1 to 4 HOME-assisted rental units, the following requirements apply:

Rent Limits:

- All HOME-assisted units must have rents at or less than the High HOME Rent (see Table 3), adjusted for utility allowances.

Table 3

HIGH HOME	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
RENT	\$618	\$721	\$949	\$1122	\$1233	\$1341	\$1450

Income Limits:

- All HOME-assisted units must be rented to families at or less than 80% of median income:
1 Person family \$38,300 4 Person family \$54,700 7 Person family \$67,850
2 Person family \$43,800 5 Person family \$59,100 8 Person family \$72,250
3 Person family \$49,250 6 Person family \$63,500

5 OR MORE HOME-ASSISTED UNITS:

For projects with 5 or more HOME-assisted rental units, the following requirements apply:

Rent Limits:

- 20% of the HOME-assisted units must have rents at or less than the Low HOME Rent (see Table 4), adjusted for utility allowances.

Table 4

LOW HOME	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
RENT	\$598	\$641	\$770	\$889	\$992	\$1095	\$1197

- The remaining 80% of HOME-assisted units must have rents at or less than the High HOME Rent (see Table 5), adjusted for utility allowances.

Table 5

HIGH HOME	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
RENT	\$618	\$721	\$949	\$1122	\$1233	\$1341	\$1450

Income Limits:

- All HOME-assisted units must be rented to families at or below 80% of median income:
1 Person family \$38,300 4 Person family \$54,700 7 Person family \$67,850
2 Person family \$43,800 5 Person family \$59,100 8 Person family \$72,250
3 Person family \$49,250 6 Person family \$63,500
- 90% of the total number of HOME-assisted units must be rented to families at or below 60% of median income:
1 Person family \$28,740 4 Person family \$41,040 7 Person family \$50,940
2 Person family \$32,880 5 Person family \$44,340 8 Person family \$54,180
3 Person family \$36,960 6 Person family \$47,640
- 20% of the total number of HOME-assisted units must be rented to families at or below 50% of median income. These same units must have rents at or less than the Low HOME Rent (see table 4), adjusted for utility allowances. These units can be the same units that count toward the 90% requirement above.
1 Person family \$28,740 4 Person family \$41,040 7 Person family \$50,940
2 Person family \$32,880 5 Person family \$44,340 8 Person family \$54,180
3 Person family \$36,960 6 Person family \$47,640

END OF EXHIBIT D – ATTACHMENT 2

EXHIBIT D – ATTACHMENT 3

HOME ENERGY RATING CERTIFICATE

Home Energy Rating Certificate Projected Report

Rating Date:
Registry ID: Unregistered
Ekotrope ID: gdaqng97v

HERS® Index Score:

68

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$235

*Relative to HERS Reference Home

Home:

Type 4 Top End
Tucson, AZ 85714

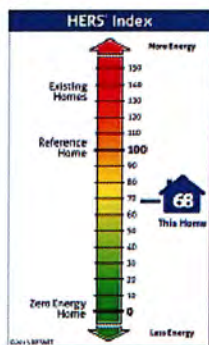
Builder:

La Frontera Arizona

Your Home's Estimated Energy Use:

	Use [MBtu]	Annual Cost
Heating	1.6	\$47
Cooling	5.0	\$151
Hot Water	4.3	\$36
Lights/Appliances	9.9	\$290
Service Charges		\$306
Generation (e.g. Solar)	0.0	\$0
Total:	20.8	\$830

This home meets or exceeds the criteria of the following:



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	Type 4 Top End
Community:	Center of Hope
Conditioned Floor Area:	577 sq. ft.
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 3.1 COP
Primary Cooling System:	Air Source Heat Pump • Electric • 11.2 EER
Primary Water Heating:	Water Heater • Natural Gas • 0.8 Energy Factor
House Tightness:	5 ACH50
Ventilation:	32.3 CFM • 14.5 Watts
Duct Leakage to Outside:	Untested
Above Grade Walls:	R-12
Ceiling:	Vaulted Roof, R-16
Window Type:	U-Value: 0.52, SHGC: 0.23
Foundation Walls:	N/A

Rating Completed by:

Energy Rater: Katie Johnson
RESNET ID: 5377019

Rating Company: KP Energy Inspections, LLC
1410 W. Guadalupe Rd. Ste 124 Gilbert, AZ 85233
480-350-9274

Rating Provider: KP Energy Inspections, LLC
1410 W. Guadalupe Rd. Ste 124 Gilbert, AZ 85233
480-350-9274



Katie Johnson

Katie Johnson, Certified Energy Rater
Digitally signed: 4/23/19 at 10:57 AM

ekotrope™

Ekotrope RATER - Version 3.1.0.2156
The Home Energy Rating Standard Disclosure for this house is available from the rating provider.
This report does not constitute any warranty or guarantee.

EXHIBIT D – ATTACHMENT 4

CURRENT HOME PROGRAM INCOME LIMITS

**2020
HOME PROGRAM INCOME LIMITS
CITY OF TUCSON / PIMA COUNTY**

(EFFECTIVE 07/01/2020)

NUMBER OF PERSONS	EQUAL TO OR LESS THAN 80% OF MEDIAN INCOME	EQUAL TO OR LESS THAN 60% OF MEDIAN INCOME	EQUAL TO OR LESS THAN 50% OF MEDIAN INCOME
1 Person family	\$38,300	\$28,740	\$23,950
2 Person family	\$43,800	\$32,880	\$27,400
3 Person family	\$49,250	\$36,960	\$30,800
4 Person family	\$54,700	\$41,040	\$34,200
5 Person family	\$59,100	\$44,340	\$36,950
6 Person family	\$63,500	\$47,640	\$39,700
7 Person family	\$67,850	\$50,940	\$42,450
8 Person family	\$72,250	\$54,180	\$45,150
<i>For families with more than 8 persons, please contact the City at 837-5329 for assistance in calculating the appropriate income limits.</i>			

EXHIBIT D – ATTACHMENT 5

Permitted Encumbrances

The following encumbrances against the property are permitted for the Project:

1. BMO Harris Bank:	\$ 3,200,000.00
2. Arizona Department of Housing Trust Fund:	\$ 3,350,000.00
3. Pima County:	\$ 906,850.00
4. Federal Home Loan Bank Chicago:	\$ 900,000.00
5. SMI Housing Trust Fund:	\$ 750,000.00

END OF EXHIBIT D

EXHIBIT E

BEGINS ON THE FOLLOWING PAGE

TO BE EXECUTED AND RECORDED AT A LATER DATE

EXHIBIT E

When recorded, return to:

Pima County Department of Community & Workforce Development Conservation

Attn: HOME Program Manager

Pima County Housing Center

801 W. Congress Street

Tucson, AZ 85745

DEED OF TRUST AND ASSIGNMENT OF RENTS

Center of Hope Apartments, LP - Center of Hope Apartments Permanent Supportive Housing Project

DATE:

TRUSTOR:

Center of Hope Apartments, LP, an Arizona limited partnership, with a local Arizona mailing address of:

504 West 29th Street, Tucson, Arizona 85713

TRUSTEE:

_____ whose mailing address is:

_____, Tucson, AZ 857__

BENEFICIARY:

Pima County, a political subdivision of the State of Arizona,
whose mailing address is:

Pima County Department of Community & Workforce Development
Attention: Pima County HOME Program
801 West Congress Street
Tucson, Arizona 85745

THE PROPERTY:

Property situated in Pima County, Arizona, described as follows:

See Attachment 1 hereto. Together with all buildings, improvements and fixtures thereon or hereafter erected thereon.

Street address and identifiable location of this property:

4554 South Palo Verde Road, Tucson, Arizona 85714.

This Deed of Trust is made on the above date, by and between and among the Trustor, Trustee and Beneficiary above named.

Trustor hereby irrevocably grants, conveys, transfers and assigns to the Trustee in Trust, with Power of Sale, the Property, together with leases, issues, profits, or income therefrom (all of which are hereinafter called "**Property Income**");

SUBJECT, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such Property Income, and further subject to current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

FOR THE PURPOSE OF SECURING:

- A.** Payment of the HUD HOME Program indebtedness in the principal sum of **NINE HUNDRED SIX THOUSAND EIGHT HUNDRED FIFTY DOLLARS (\$906,850.00)**, evidenced by a Promissory Note in favor of Beneficiary of even date herewith (See **Attachment 2** hereto), and any extension or renewal thereof, executed by Trustor.
- B.** Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or its successors or assigns, when evidenced by a Promissory Note or Notes reciting that they are secured by this Deed of Trust.
- C.** Performance of each agreement of Trustor contained in this Deed of Trust.
- D.** Performance of Trustor of each agreement and covenant contained in the Declaration of Covenants, Conditions, and Restrictions (the "CC&Rs") made by Trustor and recorded in Sequence _____, Office of the Pima County Recorder.
- E.** Performance of the terms of the Pima County HOME Program funding contract, Pima County Contract No. CT-CR-21*104, between Beneficiary and Trustor (the "**HOME Funding Agreement**").

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

- 1. To keep the Property in good condition and repair, not to remove or demolish any building, thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer, or permit any action upon the Property in violation of law; and to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general.
- 2. To provide, maintain, and deliver to Beneficiary fire and other property insurance satisfactory to and with loss payable to Beneficiary. Beneficiary may apply any amounts collected under any fire or other insurance policy to any indebtedness secured hereby and in such order as Beneficiary may determine, or at the sole option of Beneficiary all or any portion of the amount so collected may be released to Trustor. Such application or release does not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.
- 3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses of Beneficiary and Trustee, including cost of evidence of title and attorney's fees and costs in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust.

4. To pay, before delinquent, all taxes and assessments affecting the Property, all encumbrances, charges, and liens, with interest, on the Property or any part thereof, which appear to be prior or superior hereto; all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance, and all lawful charges, costs, and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby.

Should Trustor fail to make any payment or to do any action herein provided, Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may believe necessary to protect the security hereof. Beneficiary or Trustee are authorized to enter upon the Property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel, and pay reasonable attorney's fees and costs and recover the same from Trustor.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for in the note or notes secured by this Deed of Trust or at the legal rate if it secures a contract or contracts other than a promissory note or notes secured by this Deed of Trust. Any amounts so paid by Beneficiary or Trustee shall become a part of the debt secured by this Deed of Trust and a lien on the Property or immediately due and payable at option of Beneficiary or Trustee.

6. That any award of damages in connection with any direct or indirect exercise of governmental police power or eminent domain, or for injury to the Property by reason of public use, or for damages for private trespass or injury thereto, is assigned and will be paid to Beneficiary as further security for all obligations secured hereby (reserving unto the Trustor, however, the right to sue therefor and the ownership thereof subject to this Deed of Trust). Upon receipt of such monies Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

7. That time is of the essence of this Deed of Trust, and that by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

8. That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said note(s) for endorsement, and without liability therefor, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof of the Property affected by the Trustee's action be credited on the indebtedness, the Trustee may: (a) release and reconvey all or any part of the Property; (b) consent to the making and recording, or either, of any map or plat of the Property or any part thereof; (c) join in granting any easement thereon; (d) join in or consent to any extension agreement or any agreement subordinating the lien, encumbrance, or charge hereof.

9. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said note(s) to Trustee for cancellation, and upon payment of its fees, Trustee will release and reconvey, without covenant or warranty, express or implied, the Property then held hereunder. The recitals in such reconveyance of any matters or facts are conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto".

10. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the Property Income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such Property Income as it becomes due and payable. Upon any such default,

Beneficiary may at any time, without notice, either in person, by agent, or by a receiver appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect such Property Income, including that past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees and costs, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of the Property, the collection of such Property Income, and the application thereof as aforesaid, does not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.

11. That upon default by Trustor in (a) the payment of any indebtedness secured hereby, (b) the performance of any obligation in the ***HOME Funding Agreement***, (c) the performance of any obligation in the ***CC&Rs***, or (d) in performance of any agreement hereunder, Beneficiary may, after giving written notice of default to Trustor and upon Trustor's failure to cure such default within ten (10) days of such notice for nonpayment of any amount due or within sixty (60) days of such notice for any other default, declare all sums secured hereunder immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature of the default, and of election to cause the Property to be sold under this Deed of Trust.

Trustee will record and give notice of Trustee's sale in the manner required by law. After the lapse of such time as may then be required by law, subject to the statutory rights of reinstatement, the Trustee will sell, in the manner required by law, the Property at public auction at the time and place stated in the notice of Trustee's sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee will deliver to any purchaser its Deed conveying the Property so sold, but without any covenant or warranty, expressed or implied. Any person, including Trustor, Trustee, or Beneficiary, may purchase the Property at such sale.

After deducting all costs, fees, and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees and costs, Trustee will apply the proceeds of sale to payment of all sums then secured hereby and all other sums due under the terms hereof, with accrued interest; and the remainder, if any, to the person or persons legally entitled thereto, or as provided in A.R.S. § 33-812. In lieu of sale pursuant to the power of sale conferred hereby, this Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property. Beneficiary also has all other rights and remedies available hereunder and at law or in equity. All rights and remedies under this Deed of Trust are cumulative.

12. That Beneficiary may appoint a successor Trustee in the manner prescribed by law. A successor Trustee herein will, without conveyance from the predecessor Trustee, succeed to all the predecessor Trustee's title, estate, rights, powers, and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor, by registered or certified mail, and by recordation of a Notice of Resignation of Trustee in the Office of the County Recorder in each county in which the Property or some part thereof is situated.

13. That this Deed of Trust applies to, inures to the benefit of, and binds all parties thereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term "Beneficiary" means the owner and holder of the promissory note or notes secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and neuter, and the singular number includes the plural.

14. That, upon execution, this Deed of Trust shall be recorded in the Office of the Pima County Recorder in Pima County, Arizona. That Trustee accepts this Trust upon execution and recordation. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee is a party unless brought by Trustee.

15. Binding Agreement: This Deed of Trust runs with the land and is binding on all future owners of all or any part of the Property.

16. Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to Trustor at Trustor's address hereinbefore set forth.

TRUSTOR:

Center of Hope Apartments, LP, an Arizona limited partnership

By: LF Center of Hope, Inc., an Arizona corporation, its General Partner

By: _____
Daniel J. Ranieri, President & CEO

Date: _____

ACKNOWLEDGEMENT:

State of Arizona)
) ss
County of Pima)

Acknowledged before me on _____, 2020, by Daniel J. Ranieri, as President of LF Center of Hope, Inc., an Arizona corporation, as General Partner of Center of Hope Apartments, LP, an Arizona limited partnership, on behalf of such corporation and limited partnership.

_____ My commission expires: _____
Notary Public

Accepted and Approved by:

Director, Pima County Department of Community &
Workforce Development or Designee

Exhibit E, Attachment 1

Parcel Descriptions: [Portions of 132-20-004Q and 142-20-004R]

Physical Addresses: 4554 South Palo Verde RD, Tucson, Arizona, 85714-1943

Legal Description: NEW PARCEL 2

A PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 14 SOUTH, RANGE 14 EAST, GILA AND SALT RIVER BASE AND MERIDIAN, PIMA COUNTY, ARIZONA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND 3" BRASS-CAP MONUMENT STAMPED "RLS#19862" MARKING THE CENTER OF SAID SECTION 33 AND ALSO BEING INTERSECTION OF THE WESTERLY RIGHT OF WAY LIMIT OF PALO VERDE ROAD (150' WIDE) WITH THE NORTH LINE OF THE SAID NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 33 AND FROM WHICH A FOUND 2" BRASS-CAP MONUMENT STAMPED "RLS 12214" MARKING THE WEST QUARTER-CORNER OF SAID SECTION 33 BEARS SOUTH 89°29'03" WEST AT A DISTANCE OF 2632.10 FEET, BEING THE BASIS OF BEARINGS FOR THIS PARCEL DESCRIPTION;

THENCE SOUTH 1°02'39" EAST, 45.00 FEET INTERSECTION OF THE SAID WESTERLY RIGHT OF WAY LIMIT AND THE SOUTHERLY RIGHT OF WAY LIMIT OF MICHIGAN STREET (45' SOUTH R.O.W.);

THENCE SOUTH 1°02'52" EAST ALONG SAID WESTERLY RIGHT OF WAY LIMIT A DISTANCE OF 411.81 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 1°02'52" EAST, 219.00 FEET TO A FOUND 2" ALUMINUM CAP AND THE SOUTH LINE OF THE SAID NORTH-HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER;

THENCE DEPARTING SAID WESTERLY RIGHT-OF-WAY LIMIT SOUTH 89°33'03" WEST, 385.50 FEET;

THENCE DEPARTING SAID SOUTH LINE NORTH 1°02'52" WEST, 50.00 FEET;

THENCE NORTH 89°33'03" EAST, 12.50 FEET;

THENCE NORTH 1°02'52" WEST, 169.00 FEET;

THENCE NORTH 89°33'03" EAST, 373.00 FEET TO THE SAID WESTERLY RIGHT OF WAY LIMIT OF PALO VERDE ROAD AND THE POINT OF BEGINNING.

CONTAINING 82,308 SQUARE FEET (1.890 ACRES) OF LAND, MORE OR LESS.

Exhibit E, Attachment 2

PIMA COUNTY HOME PROGRAM

REAL ESTATE NON-RECOURSE PROMISSORY NOTE
(With Balloon Payment)

Date: _____, 2020

Trust Property: 4554 S. Palo Verde Road, Tucson, Arizona 85714

Pima County Tax Parcel No.'s 132-20-004G

Amount: NINE HUNDRED SIX THOUSAND EIGHT HUNDRED FIFTY DOLLARS (\$906,850.00)

Definitions: The following terms shall have the same meaning throughout this document:

Affordability Period	Twenty (20) years from the date of first occupancy of the last HOME-Assisted unit, defined in the Contract, to be occupied
CC&Rs	Declaration of Covenants, Conditions, and Restrictions for Center of Hope Apartments setting forth the obligations of Center of Hope Apartments, LP, for the utilization of federal HOME funds.
Contract	Contract between Center of Hope Apartments, LP, La Frontera Partners, Inc., and Pima County setting forth the terms and conditions by which Center of Hope Apartments, LP, is provided with federal HOME funds for the rehabilitation of a former hotel building into 100 units of permanent, supportive rental housing; Pima County Contract No. CT-CR-21*104.
County	Pima County, Arizona, a body politic and corporate of the State of Arizona
Deed of Trust	The Deed of Trust and Assignment of Rents naming Center of Hope Apartments, LP as Trustor and Pima County as Trustee to secure performance for the HOME funds contributed for the Center of Hope Apartments, a permanent supportive housing rehabilitation project.
Center of Hope Apartments	See Project
Note	This Real Estate Non-Recourse Promissory Note
Maker	Center of Hope Apartments, LP, an Arizona limited partnership, operating in Pima County, Arizona
Project	Center of Hope Apartments; a rehabilitation project on the Trust Property owned by Maker providing one-hundred (100) permanent, supportive rental housing units as follows: 1) A minimum of sixty-eight (68) units will be HOME-Assisted and rented to households with a household income at or below 50% Area Median Income ("AMI") and that are either homeless or at risk of homelessness.

- 2) An additional twelve (12) units will be HOME-assisted and rented to households with a household income at or below 50% AMI and that are either homeless, at risk of homelessness or seriously mentally ill.
- 3) Twenty (20) units will be rented to households with a household income at or below 60% AMI. Preference will be given to households that are either homeless, at risk of homelessness or seriously mentally ill.

Promise to Pay: For value received, the undersigned Maker promises to pay County pursuant to the terms of this Note the principal sum of NINE HUNDRED SIX THOUSAND EIGHT HUNDRED FIFTY DOLLARS (\$906,850.00) with interest at two percent (2%) per annum for a total of ONE MILLION, THREE HUNDRED FORTY SEVEN THOUSAND, FIVE HUNDRED THIRTY ONE DOLLARS AND FORTY CENTS (\$1,347,531.40).

Payments: Maker will make one balloon payment at the end of the Affordability Period as defined in the Contract and more particularly described below in Pima County, Arizona. All amounts of principal and interest, if any, remaining unpaid under this note at the end of the twenty (20) year Affordability Period will be repaid. The balloon payment will be NINE HUNDRED SIX THOUSAND EIGHT HUNDRED FIFTY DOLLARS (\$906,850.00), unless deferred as provided below. All amounts payable hereunder are payable in legal tender of the United States of America. Acceptance by County of any payment in an amount less than the amount then due hereunder is an acceptance on account only and not an accord and satisfaction.

Security: This Note is secured by an Assignment of Beneficial Interest under that certain Deed of Trust dated the same date as this Note, executed by Maker, assigning all of Maker's interest under that Deed of Trust to County. The Deed of Trust encumbers the Trust Property. A portion of the construction and/or development costs to build the Project on the Trust Property will be derived from the proceeds of this Note. The Deed of Trust also secures the performance of the Contract between Maker and County which is funded by the U.S. Department of Housing and Urban Development HOME Program administered by County.

Deferral of Payments: Principal and interest will be paid no later than twenty (20) years from the date of first occupancy of the last HOME-Assisted unit to be occupied, as evidenced by the date upon which County approves the HOME Completion Report (HUD Form 40087) for the Project. As a special consideration, provided that Maker has not defaulted on either the Deed of Trust or the Contract, County, in its sole discretion and with written approval of the Pima County Board of Supervisors, may waive or forgive all or any portion of the loan amount in consideration for an extension of the Affordability Period for a minimum of an additional ten (10) years. The intent of this provision is to provide Maker with the ability to earn a reasonable annual return on its investment in the Property. This provision does not, without further action of the County as set forth above, forgive any portion of the principal or interest due County hereunder.

Optional Prepayments: Maker may prepay all or any portion of this Note. Prepayment of this Note does not release Maker of any obligation specified in the CC&Rs for the Project recorded in favor of County.

Collection Procedures, Waiver of Notice: Time is of essence of this Note and each provision hereof. Maker waives grace, notice, notice of default, notice of intent to accelerate, notice of acceleration, protest, demand, presentment for payment and diligence in the collection of this Note, and in the filing of suit hereon, and agrees that its liability and the liability of its heirs, personal representatives, executors, administrators, trustees, beneficiaries, successors and assigns for the payment hereof shall not be affected or impaired by the release or change in the security or by any increase, decrease, change, modification, renewal or extension of the indebtedness or its determination, mode and time of payment. County has the right at all times to decline to make any such release or change in any security given to secure the payment of this Note and to decline to make any such increase, decrease, change, modification, renewal or extension of the indebtedness or its determination, mode or time of payment. This Note is a joint and several obligations when signed by more than one party.

Non-Recourse Note: The obligations described in this Note are secured by the Assignment of Beneficial Interest under the Deed of Trust. Maker's liability under this Note extends only to the Trust Property and the

improvements thereon. County shall not (i) seek nor obtain judgment against Maker, or any general partner or limited partner of Maker or its successors or assigns, or (ii) enforce such liability against any other asset, property or funds of Maker for payment of principal or interest under this Note following a trustee's sale or judicial foreclosure of the Deed of Trust. County acknowledges that its sole recourse against Maker or any general partner or limited partner of Maker or its successors and assigns, for any default in obligations hereunder is limited to Maker's, any general partner's or limited partner's interest (if any) in the Trust Property.

Default: In the event of any default in the payment of this Note or breach of any terms of the CC&Rs or of the Contract, County may, after the giving of written notice in the manner provided in the Deed of Trust and the expiration of any cure period therein provided, if the default is not then cured, accelerate and declare the unpaid principal of this Note, together with twelve percent (12%) interest on all unpaid balances hereunder, immediately due and payable without notice, and to foreclose the Deed of Trust by judicial or non-judicial foreclosure.

Right to Cure: Notwithstanding anything to the contrary contained in the loan documents, Maker's limited partners shall have the right, but not the obligation, to cure defaults of Maker under the loan documents, and County agrees to accept cures tendered by Maker's limited partners as follows: (a) with respect to monetary default under the loan documents, County shall notify Maker's limited partners in writing at Boston Capital Corporate Tax Credit Fund XLVIII, A Limited Partnership, c/o Boston Capital Partners, Inc., One Boston Place, 21st Floor, Boston, MA 02108, Attn: Asset Management (Center of Hope Apartments), and Maker's limited partners shall have ten (10) business days after receipt of such notice of such monetary default to cure such monetary default; and (b) with respect to a nonmonetary default under the loan documents, Maker's limited partners shall have thirty (30) business days after the receipt of such notice of such nonmonetary default to cure such default.

Delay in Exercising Rights: No delay or omission on the part of County in exercising any right under this Note, the Deed of Trust, the CC&Rs, or the Contract operates as a waiver of such right or any other right under this Note, the Deed of Trust, the CC&Rs, or the Contract. To the extent permitted by law, Maker waives the right in any action on this Note to assert that such action was not commenced within the time required by law for such commencement.

Any failure by County to insist upon, or any election by County not to insist upon strict performance by Maker of any covenant, agreement, term, provision, condition or obligation hereof does not create an estoppel as to County's future right to insist upon strict performance, and is not a waiver of same or of any other covenant, agreement term, provision, condition or obligation hereof. County has the right at any time or times thereafter to insist upon strict performance by Maker of any and all such covenants, agreements, terms, provisions, conditions and obligations.

Costs and Attorney's Fees: Upon this Note becoming due or being declared due and upon the same being placed in the hands of attorneys for collection, Maker will pay a reasonable amount as attorney's fees and costs.

Notices: All notices required or permitted to be given under this Note must be in writing and will be considered duly given if delivered personally or mailed, postage prepaid, by registered or certified United States mail, return receipt requested, addressed to the parties at the following addresses:

COUNTY:

Daniel Tylutki, Deputy Director
Pima County Department of Community & Workforce
Development
2797 E. Ajo Way, 3rd Floor
Tucson, AZ 85713
(520) 724-6754

MAKER:

Center of Hope Apartments, LP
C/O Daniel J. Ranieri, President &
CEO
504 West 29th Street
Tucson, AZ 85716
(520) 370-3988

With a copy to:

Pima County Department of Community &
Workforce Development
Attn: HOME Program Manager
801 W. Congress Street
Tucson, AZ 85745

With a copy to:

Daniella Zepeda Hisey
Director of Housing
La Frontera Partners, Inc.
504 West 29th Street
Tucson, AZ 85716

Any party may change its address for notice purposes by giving notice to the other parties in accordance with this section.

Insurance: Maker will insure the Trust Property and the Project with an insurer acceptable to County. The insurance must be maintained until all of the secured obligations under this Note are paid in full. Maker will cause County to be named as loss payee or mortgagee so that any benefits arising from the insured risks will be paid to County and applied to the secured obligations evidenced by the Note. In the event of loss or damage to the Trust Property, County may require additional security or assurance of payment before allowing any insurance benefits to be used to repair or replace the Project improvements on the Trust Property.

Binding on Successors and Assigns: The covenants, agreements, terms, provisions, conditions and obligations contained in this Note bind the successors and assigns of Maker and inure to the benefit of County. To the extent permitted by law, Maker waives diligence, demand, notice, presentment, notice of dishonor, notice of non-payment, grace, notice of protest and notice of intent to accelerate the maturity of this Note and the defense of any statute of limitations, and any other exemptions involving laws. This waiver is binding upon Maker and upon Maker's heirs, successors and assigns.

Severability: If any provision of this Note is held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, this Note will be construed not to contain that provision or provisions and all other provisions of this Note will remain in full force and effect. To this end, the provisions of this Note are severable.

SIGNATURES ON FOLLOWING PAGE

EXHIBIT F

HOME RENT AND OCCUPANCY COMPLIANCE REPORT

(To be completed by project owner/manager)

Owner : _____
Project Name: _____
Building Address: _____

Project Manager Name: _____
Project Manager Address: _____
Project Manager Phone: _____

Date of Report: _____
Report Prepared By: _____

[illegible]

Certification: I certify that the information included in this report represents a true and complete statement of the facts.

Signature: _____ Date: _____ Title: _____

HOME RENT AND OCCUPANCY COMPLIANCE REPORT

INSTRUCTIONS

Complete the attached form for each unit assisted with HOME funds. This form is to be submitted on an annual basis. Enter each unit on a separate line. For projects which include multiple addresses, complete a separate form for each address. Enter one code only in each block.

- A. **Unit Number.** Enter the unit number of each unit assisted with *HOME* funds.
- B. **Bedroom Size.** Enter "0" for an efficiency unit, 1 for 1 bedroom, 2 for 2 bedrooms, 3 for 3 bedrooms, 4 for 4 bedrooms, 5 for 5 bedrooms.
- C. **Is Unit Occupied?** Enter Yes if the unit is occupied by a tenant or No if it is vacant.
- D. **Resident Name.** Enter the last, first name of head of household.
- E. **Size of Household.** Enter the total number persons living in the unit.
- F. **Race/ Ethnicity-Head of Household:** For each occupied residential unit, Enter one code only based on the following definitions:
 - 1) **White, Not Hispanic Origin.** A person having origins in any of the original peoples of Europe, North Africa or the Middle East, but not of Hispanic origin.
 - 2) **Black, not Hispanic Origin.** A person having origins in any of the black racial groups of Africa, but not of Hispanic origin.
 - 3) **Native American.** A person having origins in any of the original peoples of the North American Continent and who maintains cultural identification through tribal affiliations or community recognition.
 - 4) **Asian or Pacific Islander.** A person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands. For example: China, India, Japan, Korea, the Philippine Islands and Samoa.
 - 5) **Hispanic.** A person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture origin, regardless of race.
- G. **Move In Date.** Enter the date the tenant moved into the unit.
- H. **Recertification Date.** Enter the annual eligibility recertification date of the tenant's income and assets.
- I. **Annual Gross Income/Assets:** Enter the annual gross income plus assets income from "Resident Certification" form.
- J. **Percent of Area Median Income.** For each occupied residential unit, enter one of the following based on the annual income limits established by HUD:

- **0-30 Percent of Area Median** means a household whose adjusted income is at or below 30 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
 - **Above 30 Percent up to and including 50 Percent of Area Median** means a household whose adjusted income exceeds 30 percent and does not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
 - **Above 50 Percent up to and including 60 Percent of Area Median** means a household whose adjusted income exceeds 50 percent and does not exceed 60 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
 - **Above 60 Percent up to and including 80 Percent of Area Median** means a household whose adjusted income exceeds 60 percent and does not exceed 80 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
- k. **Low or High Home Rent Mark "L" or "H".** Indicate If this unit is designated as a Low or High Home Rent Unit.
- l. **Low or High Home Rent:** Enter the Low or High home rent amount by using the *HOME* Rent Limits Schedule provided by Community Services Department.
- m. **Utility Allowance.** Enter the utility allowance (for utilities paid by the tenant) for the appropriate bedroom size. Compute cost for utility cost for the area (and in the case of partial utilities, compute cost for utilities excluded from the rent) by using the utility allowance Schedule provided by Community Services Department.
- n. **Maximum Allowable Rent.** Enter the difference between the Low or High Home Rent and Utility Allowance.
- o. **Actual Tenant Rent.** Enter the actual rent to the nearest dollar paid by the tenant.

END OF EXHIBIT F

EXHIBIT G – AFFIRMATIVE MARKETING REPORT



HOME PROGRAM

AFFIRMATIVE MARKETING REPORT

For the period beginning January 1, _____ and ending December 31, _____

Project Name: _____

Project Address: _____

City/State/Zip Code: _____ Owner's Phone #: _____

Property Manager: _____ Manager's Phone #: _____

1. Check (✓) all that apply:

- ☐ Advertisements included the equal housing opportunity logo or statement
- ☐ Advertisements in minority-owned newspapers or on minority radio and/or television
- ☐ Advertisements in general audience newspapers, radio, and/or television
- ☐ Distributed brochures and/or leaflets
- ☐ Placed ad in rental office window

Utilized the following resources for outreach to those least likely to apply to live in the unit(s):

- | | |
|--|--|
| <input type="checkbox"/> Community organizations | <input type="checkbox"/> Housing counseling agencies |
| <input type="checkbox"/> Places of worship | <input type="checkbox"/> Social service centers |
| <input type="checkbox"/> Employment centers | <input type="checkbox"/> Medical service centers |
| <input type="checkbox"/> Fair housing groups | <input type="checkbox"/> Other (please specify): _____ |

2. A completed "HOME Rent and Occupancy Compliance Report" is attached with this certification.

CERTIFICATION (to be signed by property owner or designee)

I hereby certify that the above actions have been taken to provide information and otherwise attract eligible person from all racial, ethnic, and gender groups, regardless of disability and/or familial status, in the housing market area of this project as per the Fair Housing Act of 1968 and the Fair Housing Amendments Act of 1988. I understand that if these actions are determined unacceptable or otherwise unsuccessful, Pima County may take corrective actions.

Owner/Project Manager Signature: _____ Date: _____

Typed Name: _____ Title: _____

EXHIBIT H – AFFORDABILITY CERTIFICATION



HOME PROGRAM

AFFORDABILITY CERTIFICATION

For the period beginning January 1, ____ and ending December 31, ____

Project Name: _____

Project Address: _____

City/State/Zip Code: _____

Owner's Name: _____ Phone #: _____

Property Manager: _____ Phone #: _____

The undersigned, acting as the ☐ Owner or ☐ Manager for the above-referenced HOME-assisted project, hereby certifies that:

1. Current HOME program income limits are properly applied and utilized.
2. Current HOME program rent limits are properly applied and utilized.
3. Current utility allowances are properly applied and utilized.
4. Records for each HOME-assisted unit are retained in accordance with HOME program requirements.
5. Records for each tenant occupant are retained in accordance with HOME program requirements.
6. Tenants are selected in accordance with written tenant selection procedures.
7. The City of Tucson/Pima County Community Services Department has been notified of any change in the management agent.
8. The City of Tucson/Pima County Community Services Department has been notified of any pending change in ownership.
9. The City of Tucson/Pima County Community Services Department has been notified of any noncompliance with HOME program requirements.

Owner/Project Manager Signature: _____ Date: _____

Typed Name: _____ and Title: _____