

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.28
(ID # 12742)**

MEETING DATE:
Tuesday, August 04, 2020

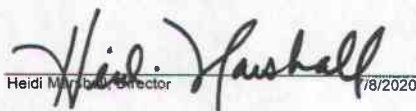
FROM: HOUSING, HOMELESSNESS PREVENTION AND WORKFORCE SOLUTIONS:

SUBJECT: HOUSING, HOMELESSNESS PREVENTION AND WORKFORCE SOLUTIONS
(HHPWS): Approve the Forms of the Assignment and Assumption Agreement, Covenant Agreement and Subordination Agreement between CP Senior Apartments, L.P. and the County of Riverside, for Cathedral Palms Senior Apartments located in the City of Cathedral City, County of Riverside; District 4, [\$0], Project is Exempt Under CEQA (Clerk of the Board to File the Notice of Exemption)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the project is exempt from California Environmental Quality Act (CEQA) pursuant to state CEQA Guidelines Section 15301 and Section 15061 (b)(3);
2. Approve the attached form of the Assignment and Assumption Agreement, Assigning the HOME Sub-Recipient Agreement for the use of HOME Funds, including all amendments and related agreements, entered into between The Southern California Housing Development and CP Senior Apartments, L.P., a California limited partnership;
3. Authorize the Director of Housing, Homelessness Prevention and Workforce Solutions (HHPWS), or designee, to sign a Consent to Assignment and Assumption Agreement (Consent) substantially conforming in form and substance to the attached Assignment and Assumption Agreement and Consent, subject to County Counsel approval;

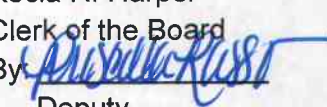
ACTION: Policy


Heidi Marshall, Director 7/8/2020

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: August 4, 2020
xc: HHPWS

Kecia R. Harper
Clerk of the Board
By: 
Deputy

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STATE OF CALIFORNIA**

4. Approve the attached form of the Covenant Agreement (Cathedral Palms Senior Apartments) between the County of Riverside and CP Senior Apartments, L.P. (Covenant Agreement);
5. Authorize the Director of HHPWS, or designee, to sign a Covenant Agreement, substantially conforming in form and substance to the attached Covenant Agreement, subject to County Counsel approval;
6. Approve the attached form of the Subordination Agreement between CP Senior Apartments, L.P., the County of Riverside, and JPMorgan CHASE Bank, N.A., subordinating the County's HOME Covenant Agreement dated August 4, 2020 consented to by CP Senior Apartments, L.P., for the benefit of the County, to the lien of a Deed of Trust securing a construction loan in the amount of \$21,166,830 from senior lender, JPMorgan Chase Bank, N.A.;
7. Authorize the Director of HHPWS, or designee, to sign a Subordination Agreement, substantially conforming in form and substance to the attached Subordination Agreement, subject to County Counsel approval;
8. Authorize the Director of HHPWS, or designee, to execute a Subordination Agreement subordinating the County's Covenant Agreement, to the Deed of Trust securing the State HCD No Place Like Home loan in an amount up to \$7,800,000, subject to County Counsel approval;
9. Authorize the Director of HHPWS, or designee, to execute a Subordination Agreement subordinating the County's Covenant Agreement, to the Deed of Trust securing National CORE's loan in the not to exceed amount of \$2,800,000, subject to County Counsel approval;
10. Authorize the Director of HHPWS, or designee, to execute a Subordination Agreement subordinating the County's Covenant Agreement, to the Deed of Trust securing a permanent loan from JPMorgan Chase Bank, N.A. loan in the not to exceed amount of \$5,244,000, subject to County Counsel approval; and
11. Direct the Clerk of the Board to file the Notice of Exemption within five working days.

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|-----------------------------|-----------------------------|--------------------------|-------------------------------|---------------------|
| COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| NET COUNTY COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SOURCE OF FUNDS: N/A | | | Budget Adjustment: No | |
| | | | For Fiscal Year: 20/21 | |

C.E.O. RECOMMENDATION: Approve.

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STATE OF CALIFORNIA**

BACKGROUND:

Summary

On November 26, 1996, the County of Riverside (County) and The Southern California Housing Development Corporation, entered into a Sub-Recipient Agreement for the Use of HOME funds (Loan Agreement) to provide a loan in the amount of \$200,000 (HOME Loan) to pay a portion of the costs to develop the Cathedral Palms Apartments consisting of 224 units ("Project") restricted for very low income seniors earning no more than 50% of the area median income. The HOME Loan was evidenced by a Promissory Note and secured by a Deed of Trust. The Southern California Housing Development Corporation ("Owner") is the owner of the Cathedral Palms Apartments located at 31580-31750 Landau Blvd, Cathedral City, CA 92234 ("Property").

In addition to the HOME funds, the project was also funded with Low-Income Housing Tax Credits (Tax Credits). The Project has been completed and occupied for 21 years and is in need of rehabilitation. The Tax Credits on the project have since expired, allowing for a new allocation of Tax Credits to rehabilitate the Project. The Owner applied and received a new allocation of tax credits and as part of the tax credit allocation, a limited partnership has been formed to assume ownership of the Project; the new owner of the Project is CP Senior Apartments, L.P. ("Partnership"). The Partnership was formed for purposes of obtaining necessary financing for rehabilitation, owning and operating the Project.

The Partnership has agreed to pay off the balance of the County HOME loan in the amount of \$73,977.54 as part of the financing to rehabilitate the Project. When the County loaned the Owner the HOME funds, the Owner agreed to restrict 11 units as HOME assisted units for a period of 30 years for very low-income seniors earning no more than 50% of the area median income, and that affordability period expires January 4, 2029. The Partnership has agreed to an Assignment and Assumption of the Loan Agreement and to enter into a new regulatory agreement (Covenant Agreement) for the remaining affordability period of the HOME assisted units to ensure that the project remains affordable to very low-income seniors.

The scope of rehabilitation will consist of cosmetic repairs to the interior and exterior of the units, energy efficient upgrades on all appliances including HVAC systems, replacing cabinets, flooring and carpets, extensive ADA compliant improvements, painting the interior and exterior of units and improvements to on-site amenities. Sources of financing include: \$5,244,000 tax exempt permanent loan, \$13,416,857 in Tax Credit Equity, \$7,712,905 loan from State HCD No Place Like Home program, \$13,447,000 Owner carry back loan for acquisition of Project, \$2,768,723 owner loan, and a \$1,286,130 deferred developer fee.

The construction lender and permanent lenders (collectively "Senior Lenders") will require, as a condition precedent to the funding of their respective loans, that the Covenant Agreement be subordinated to their respective liens. Subordination of the Covenant Agreement is necessary since an economically feasible alternative method of financing the Project on comparable terms is not available without subordination. Other financing such as the Tax Credits, State's No Place Like Home and 74 Section 8 Vouchers awarded by the Housing Authority of the County of Riverside also restrict the affordability of the entire project and provides the added assurance

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that the project will remain affordable in perpetuity. As a result of such subordinations, the Covenant Agreement will be in a 5th priority lien position junior to the loans from the Senior Lenders, and upon conversion, it will be in a 6th priority lien position. All subordination agreements shall be approved as to form by County Counsel.

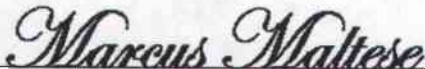
Pursuant to the California Environmental Quality Act (CEQA), the Covenant Agreement, Subordination Agreement and Assignment and Assumption Agreement, including all attachments, were reviewed and determined to be categorically exempt from CEQA under state CEQA Guidelines 15301, Class 1-Existing Facilities and State CEQA Guidelines 15061(b)(3), General Rule or "Common Sense" Exemption. The proposed rehabilitation of the 224 units involves cosmetic exterior repairs and interior rehabilitation work of an existing facility and no expansion of an existing use will occur. In addition, there is no possibility that the proposed rehabilitation of the 224 units will have a significant effect on the environment and will not lead to any direct or reasonably indirect physical environment impacts since the existing use will be maintained.

Impact on Residents and Businesses

The rehabilitation of the 224 units will have a positive impact on the areas surrounding the Project, create jobs and enhance the quality of living for current residents residing at Project.


Attachments:

- Form of Assignment and Assumption Agreement with Consent to Assignment
- Form of Covenant Agreement
- Form of Subordination Agreement
- Notice of Exemption



Marcus Maltese

7/27/2020



Gregory V. Priamos, Director County Counsel

7/23/2020



Original Negative Declaration/Notice of
Determination was routed to County
Clerks for posting on.

08/04/2020 YJP
Date Initial

Notice of Exemption

To:

☐ Office of Planning and Research

For U.S Mail:

P.O. Box 3044

Sacramento, CA 95812-3044

Street Address:

1400 Tenth St.

Sacramento, CA 95814

From:

County of Riverside

Public

Agency:

Housing, Homelessness, Prevention and
Workforce Solutions

Address:

5555 Arlington Avenue

Riverside, CA 92504

Contact:

Nicole Sanchez

Phone:

(760) 863-2825

☒ County Clerk

County of Riverside

2724 Gateway Drive

P.O. Box 751

Address: Riverside, CA 92502-0751

Lead Agency (if different from above):

Address: _____

Contact: _____

Phone: _____

SUBJECT: Filing of Notice of Determination in Compliance with Section 21108 or 21152 of the public Resources Code.

State Clearinghouse Number (if submitted to State Clearinghouse): _____

Project Title: Cathedral Palms Senior Apartments

Project

Location: 31-750 Landau Boulevard, Cathedral City, CA 92234; Assessor Parcel Numbers: 678-210-034 & 678-210-035

Project Description:

CP Senior Apartments, L.P., a California Limited Partnership, proposes to rehabilitate a property consisting of 231 multi-family units (184 studio units and 40 two-bedroom units) located at 31-750 Landau Boulevard, Cathedral City, CA 92234, also identified as Assessor's Parcel Number 678-210-034 and 678-210-035. Eleven two-bedroom units will be designated as HOME-assisted units pursuant to HOME regulations. The use and occupancy of the Property and the HOME-assisted units located thereon will be restricted until January 4, 2029. The aforementioned use and occupancy restrictions will be set forth in a recorded covenant agreement.

Project Sponsor: CP Senior Apartments, L.P. a California Limited Partnership

This is to advise that the County of Riverside Board of Supervisors approved the above project on

☐ Lead agency or ☒ Responsible Agency

August 4, 2020

(tentative date)

and has made the following determinations regarding the above described project:

Exempt Status: California Environmental Quality Act (CEQA) Guidelines, Section 15061 (b) (3), General Rule Exemption.

Reasons Why Project is Exempt: Pursuant to the California Environmental Quality Act (CEQA), the Covenant Agreement and Assignment and Assumption Agreement of the HOME Sub-Recipient Agreement was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15301, Class 1-Existing Facilities and State CEQA Guidelines 15061(b) (3), General Rule or "Common Sense" Exemption. The proposed project, involves the recordation of the Covenant Agreement and Assignment of the HOME Sub-recipient Agreement for the rehabilitation of an existing facility. In addition, there is no possibility that the proposed project will have a significant effect on the environment and the project will not lead to any direct or reasonably indirect physical environmental impacts since the existing use will be maintained.

Signature: _____

Juan Garcia, Principal
Development Specialist

Title: Riverside County HHPWS

Date: 7/22/2020

Date received for filing: _____

AUG 04 2020 3.28

Riverside County Clerk-Recorder

Authorization to Bill by Journal Voucher

To be completed by submitting Agency

**COUNTY OF RIVERSIDE
DEPARTMENT OF HOUSING, HOMELESSNESS PREVENTION AND WORKFORCE
SOLUTIONS (HHPWS)**

Authorization # _____
Date: 7/7/2020
Agency/Division: County of Riverside HHPWS - Attn: Tristan Chen
Accounting String: FUND DEPT ID ACCT
(Interfund) 537080-21250-190060000 project code: EDH19001190
(Non-Interfund)

**This authorizes the "County Clerk & Recorder Office" to issue a Journal Voucher
for payment of all fees for the accompanying documents.**

Number of Documents Included: 1 Notice of Exemption (HOME Agmt Cathedral Palms Senior Apartm

Authorized by: 
Juan Garcia, Principal Development Specialist

Presented by: _____
Nicole Sanchez, Development Specialist

To be completed by County Recorder

Accepted by: _____
Date: _____
Document no(s)/invoice no(s): _____

RECORDING REQUESTED BY AND

WHEN RECORDED MAIL TO:

FisherBroyles LLP
3777 Long Beach Blvd., Suite 280
Long Beach, CA 90807
Attention: Karen Michail Shah, Esq.

SUBORDINATION AND INTERCREDITOR AGREEMENT
(County of Riverside)

THIS SUBORDINATION AND INTERCREDITOR AGREEMENT (this "Agreement") is dated for reference purposes only as of August 1, 2020, by and between the **COUNTY OF RIVERSIDE**, a public agency, organized and existing under the laws of the State of California ("Junior Lienholder"), and **JPMORGAN CHASE BANK, N.A.**, a national banking association ("Senior Lienholder"), and acknowledged and consented to by **CP SENIOR APARTMENTS, L.P.**, a California limited partnership ("Borrower").

RECITALS:

A. Senior Lienholder has agreed to purchase that certain Multifamily Housing Revenue Bonds (Cathedral Palms Senior Apartments) 2020 Series A in the maximum principal amount of \$21,166,830 (collectively, the "Bonds") issued by California Municipal Finance Authority ("Issuer"), the proceeds of which shall be used to fund a loan to Borrower in the original principal amount \$21,166,830 (the "Senior Loan"). In connection therewith, Borrower has executed or is about to execute a Construction Deed Of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing (the "Senior Deed of Trust") for the benefit of Senior Lienholder, to secure that certain Promissory Note (the "Senior Note"), and a UCC-1 Financing Statement in favor of Senior Lienholder ("Senior UCC"; together with the Senior Note, the Senior Deed of Trust and all other documents executed in connection with the Senior Loan, the "Senior Loan Documents"), which Senior UCC is to be recorded concurrently herewith in connection with the Senior Deed of Trust. The Senior Deed of Trust encumbers, among other things, the real property more particularly described in Exhibit A attached to this Agreement (the "Land") and is to be recorded concurrently herewith in the Official Records of Riverside County, California ("Official Records"). The Land, together with all improvements now or hereafter located on the Land and all fixtures and personal property located on the Land are referred to, collectively, as the "Property."

B. Junior Lienholder and The Southern California Housing Development, a California non-profit public benefit corporation ("Seller"), entered into that certain HOME Agreement dated as of November 26, 1996 (the "HOME Agreement"). Pursuant to that certain

WHEN DOCUMENT IS FULLY EXECUTED RETURN

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147
Thank you.

Cathedral Palms

4820-8915-6797, v. 7

AUG 04 2020 3.28

Assignment and Assumption dated as of August 4, 2020, Seller assigned, and Borrower assumed Seller's rights and obligations under the HOME Agreement.

C. Borrower and Junior Lienholder have entered into that certain Covenant Agreement (Cathedral Palms Senior Apartments) to be recorded substantially concurrently herewith in the Official Records (the "Covenant").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce the making of the Senior Loan, Junior Lienholder hereby agrees as follows:

1. Covenant is Subordinate; Acts by Senior Lienholder do not Affect Subordination.

(a) Junior Lienholder hereby covenants and agrees on behalf of itself and its successors and permitted assigns that the Covenant is and shall at all times continue to be, subordinate, subject and inferior (in priority) to the prior payment in full of the Senior Loan, and that the liens, rights, and priority interests granted to Junior Lienholder in connection with the Covenant is, and is hereby expressly acknowledged to be in all respects and at all times, subject, subordinate and inferior in all respects to the liens, rights, payment, priority and security interests granted to Senior Lienholder under the Senior Loan and the Senior Loan Documents and the terms, covenants, conditions, operations and effects thereof.

(b) The subordination of the Covenant shall continue in the event that any payment under the Senior Loan Documents (whether by or on behalf of Borrower, as proceeds of security or enforcement of any right of set-off or otherwise) is for any reason repaid or returned to Borrower or its insolvent estate, or avoided, set aside or required to be paid to Borrower, a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar law. In such event, the Senior Loan or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding to the extent of any repayment, return, or other action, as if such payment on account of the Senior Loan had not been made.

(c) Junior Lienholder hereby acknowledges and agrees that Senior Lienholder may, subject to the last sentence of this paragraph (c), without the consent or approval of Junior Lienholder, agree with Borrower to extend, consolidate, modify, increase or amend any or all the Senior Loan Documents and otherwise act or fail to act with respect to any matter set forth in any Senior Loan Document (including, without limitation, the exercise of any rights or remedies, waiver, forbearance or delay in enforcing any rights or remedies, the declaration of acceleration, the declaration of defaults or events of default, the release, in whole or in part, of any collateral or other property, and any consent, approval or waiver), and all such extensions, consolidations, modifications, amendments acts and omissions shall not release, impair or otherwise affect Junior Lienholder's obligations and agreements hereunder.

2. **Enforcement Costs.** In the event any legal action is filed to enforce or interpret this Agreement, then the prevailing party in such action shall be entitled to receive from the non-prevailing party the prevailing party's reasonable attorney's fees and other legal costs.

3. **Notices.** Any notice which any party hereto may be required or may desire to give hereunder shall be deemed to have been given and shall be effective only if it is in writing and (i) delivered personally, (ii) mailed, postage prepaid, by United State registered or certified mail, return receipts requested, or (iii) delivered by overnight express courier, in each instance addressed as follows:

| | |
|--------------------------|---|
| If to the Borrower: | CP Senior Apartments, L.P., c/o National Community Renaissance of California 9421 Haven Avenue Rancho Cucamonga, California 91730 |
| With a copy to: | Red Stone Equity Partners 1100 Superior Avenue, Suite 1640 Cleveland, OH 44144 Attention: General Counsel |
| And a copy to: | Bocarsly Emden Cowan Esmail & Arndt LLP 633 W. 5 th Street, 64 th Floor Los Angeles, CA 90071 Attention: Kyle Arndt, Esq |
| If to Junior Lienholder: | County of Riverside 5555 Arlington Avenue Riverside, CA 92504 Attention: Deputy Director |
| If to Senior Lienholder: | JPMorgan Chase Bank, N.A. Community Development Banking 560 Mission Street, 3 rd Floor San Francisco, CA 94105 Attention: James Vossoughi |
| with a copy to: | JPMorgan Chase Bank, N.A. Legal Department Mail Code: NY1-R066 237 Park Avenue, 12 th Floor New York, NY 10017-3140 Attention: Michael R. Zients, Executive Director and Assistant General Counsel |

or at such other addresses or to the attention of such other persons as may from time to time be designated by the party to be addressed by written notice to the other in the manner herein provided. Notices, demands and requests given in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder when received or when delivery is refused or when the same are returned to sender for failure to be called for.

4. **Term.** The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (i) the payment of all of the principal of, interest on and other amounts payable under the Senior Loan Documents; or (ii) the acquisition by Senior Lienholder of Borrower's interest in the Mortgaged Property pursuant to a judicial foreclosure or the exercise of a power of sale contained in the Senior Security Instrument.

5. **Estoppel.** Junior Lienholder and Borrower hereby represent and warrant, each as to itself only, for the benefit of Senior Lienholder and Red Stone Equity-2019 CA Regional Fund, L.P., a Delaware limited partnership ("Investor Limited Partner"), as of August 4, 2020 (the "Closing Date") with respect to the HOME Agreement, and as of the date of execution of the Covenant, with respect to the Covenant, that:

(a) No default under the Covenant or the HOME Agreement has occurred or is continuing;

(b) No event has occurred that, with the passage of time or the giving of notice, or both, would constitute a default under the Covenant or the HOME Agreement;

(c) Each and every covenant, condition and obligation contained in the Covenant or the HOME Agreement to be performed or satisfied by Borrower through the date hereof has been satisfied, completed and/or waived;

(d) Any matter required to be approved by the Junior Lienholder pursuant to the Covenant or the HOME Agreement as of Closing Date has been approved;

(e) The Covenant and the HOME Agreement are in full force and effect and constitute binding obligations of the Borrower and Junior Lienholder; and

(f) The Covenant and the HOME Agreement have not been modified or amended except as set forth herein.

6. **Miscellaneous.**

(a) Junior Lienholder shall give Senior Lienholder notice of default under the Covenant and the HOME Agreement and Senior Lienholder shall have the right to cure such default at any time that Borrower would have a right to cure it. Junior Lender shall not, without the prior written consent of Senior Lienholder (which consent may be granted or withheld in Senior Lienholder's sole and absolute discretion), pursue any remedy available under the Covenant or the HOME Agreement. Senior Lienholder shall give Junior Lienholder thirty (30) days prior written notice of default under the Senior Loan Documents prior to enforcing remedies for such default against Borrower or the

Property and Junior Lienholder shall have the right to cure such default at any time that Borrower would have a right to cure it. Notwithstanding the foregoing, Senior Lienholder's failure to deliver notice to Junior Lienholder shall not restrict its rights to enforce remedies in accordance with the terms of the Senior Loan Documents.

(b) This Agreement shall bind and inure to the benefit of all successors and assigns of Junior Lienholder and Senior Lienholder. Senior Lienholder may assign its interest in the Senior Loan Documents without notice to or consent of Junior Lienholder.

(c) Senior Lienholder hereby consents to the Covenant; provided, however, that this Agreement does not constitute an approval by Senior Lienholder of the terms of the Covenant. Junior Lienholder hereby consents to the Senior Loan and the Senior Loan Documents; provided, however, that this Agreement does not constitute an approval by Junior Lienholder of the terms of the Senior Loan Documents.

(d) This Agreement may be executed in counterpart originals, each of which shall constitute an original and all of which, when taken together, shall constitute one and the same instrument.

(e) IN ALL RESPECTS, INCLUDING, WITHOUT LIMITATION, MATTERS OF CONSTRUCTION AND PERFORMANCE OF THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER, THIS AGREEMENT HAS BEEN ENTERED INTO AND DELIVERED IN, AND SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY, THE LAWS OF THE STATE WHERE THE PROPERTY IS LOCATED, WITHOUT GIVING EFFECT TO ANY PRINCIPLES OF CONFLICTS OF LAW.

(f) Time is of the essence in the performance of every covenant and agreement contained in this Agreement.

(g) If any provision or remedy set forth in this Agreement for any reason shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or remedy of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or remedy had never been set forth herein, but only to the extent of such invalidity, illegality or unenforceability.

(h) Each party hereto hereby represents and warrants that this Agreement has been duly authorized, executed and delivered by it and constitutes a legal, valid and binding agreement enforceable in all material respects in accordance with its terms.

(i) Borrower hereby acknowledges and consents to the execution of this Agreement, and agrees to be bound by the provisions hereof that are applicable to Borrower. Solely as between Senior Lienholder and Junior Lienholder, all of the signatories below hereby agree that to the extent of any conflict between the terms and provisions of this Agreement and the terms and provisions of the Senior Loan Documents and/or the Covenant respectively, the terms and provisions of this Agreement shall govern and control. By executing this Agreement in the place provided below, Borrower

hereby (i) acknowledges the provisions hereof, (ii) agrees not to take any action inconsistent with Senior Lienholder's rights or Junior Lienholder's rights under this Agreement, (iii) waives and relinquishes to the maximum extent permitted by law any and all rights, defenses and claims now existing or hereinafter accruing relating to Junior Lienholder's forbearance from exercising any rights and remedies pursuant to this Agreement, including, without limitation, any defenses based on the statute of limitations or any equitable defenses, such as laches, and (iv) acknowledges and agrees that (A) this Agreement is entered into for the sole protection and benefit of Senior Lienholder and Junior Lienholder (and their respective successors, assigns and participants), and no other person (including Borrower) shall have any benefits, rights or remedies under or by reason of this Agreement, (B) nothing in this Agreement is intended, or shall be construed to, relieve or discharge the obligations or liabilities of any third party (including Borrower under the Senior Loan Documents and the Covenant), (c) neither of them nor any of their affiliates shall be, or be deemed to be, beneficiaries of any of the provisions hereof or have any rights hereunder whatsoever, and (D) no provision of this Agreement is intended to, or shall be construed to, give any such third party (including Borrower) any right subrogating to the rights of, or action against, Senior Lienholder or Junior Lienholder.

(j) No amendment, supplement, modification, waiver or termination of this Agreement shall be effective against any party unless such amendment, supplement, modification, waiver or termination is contained in a writing signed by such party.

(k) Except as set forth in Section 5 of this Agreement, no party other than Senior Lienholder and Junior Lienholder shall have any rights under, or be deemed a beneficiary of any of the provisions of, this Agreement. For avoidance of doubt, Investor Limited Partner shall be deemed a beneficiary only with respect to Section 5 of this Agreement.

(Remainder of page intentionally left blank.)

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Subordination and Intercreditor Agreement or caused this Subordination and Intercreditor Agreement to be duly executed and delivered by their respective authorized representatives as of the date first set forth above. The undersigned intend that this instrument shall be deemed to be signed and delivered as a sealed instrument.

JUNIOR LIENHOLDER:

COUNTY OF RIVERSIDE, a political subdivision of the State of California

By: _____

Heidi Marshall

Director of Housing, Homelessness Prevention and Workforce Solutions

APPROVED AS TO FORM:

Gregory P. Priamos

County Counsel



Amrit P. Dhillon, Deputy County Counsel

(signatures follow on subsequent page)

SENIOR LIENHOLDER:

JPMORGAN CHASE BANK, N.A.,
a national banking association

By:

James Vossoughi
Authorized Officer

ACKNOWLEDGED AND AGREED AS OF THE DATE FIRST SET FORTH ABOVE:

BORROWER:

CP SENIOR APARTMENTS, L.P.,
a California limited partnership

By: CP Senior GP LLC, a California limited liability company
its General Partner

By: National Community Renaissance of California,
a California nonprofit public benefit corporation
its Managing Member

By: _____
Name: _____
Title: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF)
)SS.:
COUNTY OF)

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

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

WITNESS my hand and official seal.

Notary Public

Print Name: _____

My commission expires:

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

Signature _____ (Seal)

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Cathedral City, County of Riverside, State of California, described as follows:

PARCELS 2 AND 3 OF PARCEL MAP NO. 9536 AS SHOWN BY MAP ON FILE IN BOOK 63, PAGE(S) 62 AND 63 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ALL MINERAL RIGHTS AS RESERVED BY ELMER R. BIECK AND GRACE E. BIECK IN A DOCUMENT RECORDED APRIL 11, 1955 AS INSTRUMENT NO. 23600, OFFICIAL RECORDS.

APN: 678-210-034-3 (Parcel 2) and 678-210-035-4 (Parcel 3)

1 NO FEE FOR RECORDING PURSUANT
2 TO GOVERNMENT CODE SECTION 6103

3 Order No.
4 Escrow No.
5 Loan No.

6 RECORDING REQUESTED BY AND
7 WHEN RECORDED MAIL TO:

8 County of Riverside
9 Housing, Homelessness Prevention and
10 Workforce Solutions
11 5555 Arlington Avenue
12 Riverside, CA 92504
13 Attn. Nicole Sanchez

14 SPACE ABOVE THIS LINE FOR RECORDERS USE

15 **COVENANT AGREEMENT**

16 **(Cathedral Palms Senior Apartments)**

17 This Covenant Agreement (Cathedral Palms Senior Apartments) ("Covenant") is made
18 and entered into as of this 4th day of August, 2020 by and between the COUNTY OF
19 RIVERSIDE, a political subdivision of the State of California ("County"), and CP Senior
20 Apartments, L.P., a California limited partnership ("Partnership"). County and Partnership are
21 individually referred to herein as a "Party" and collectively as the "Parties."

22 **RECITALS**

23 WHEREAS, County and The Southern California Housing Development, a
24 California non-profit public benefit corporation ("Previous Owner") entered into that certain
25 Sub-Recipient Agreement for the Use of HOME Funds, dated November 26, 1996 (the "HOME
26 Agreement"). Providing for, among other things, the County's loan of funds to pay a portion of
27 the costs of acquisition and rehabilitation of an existing 232 unit apartment complex located on
28 that certain real property located at 31-580-31-750 Landau Blvd., Cathedral City, CA, identified
as Assessor's Parcel Number, 678-210-034 and 678-210-035 ("Project"). Capitalized terms not
defined herein shall have the meaning ascribed to such terms in the HOME Agreement;

WHEREAS, Previous Owner executed that certain Assignment and Assumption
Agreement dated July 14, 2020 wherein Previous Owner assigned all of its rights, duties and

1 obligations under the HOME Agreement to Partnership, and Partnership assumed all rights,
2 duties and obligations thereunder.

3 WHEREAS, on or about the date hereof Partnership acquired the entire
4 Property, including the Project located thereon and will rehabilitate the entire 231-unit multi-
5 family senior affordable housing complex located thereon.

6 WHEREAS, pursuant to the HOME Agreement, County provided a loan to
7 Partnership in the amount of \$200,000 ("County Loan") derived from an allocation of funds
8 received by the County in connection with the HOME Investment Partnerships ("HOME")
9 Program, which was enacted under Title II of the Cranston-Gonzalez National Affordable
10 Housing Act (the "Act"), as amended (commencing at 42 U.S.C. 12701 et seq.), and the
11 implementing regulations thereto (24 CFR Part 92) (collectively, "HOME Program").

12 WHEREAS, the County Loan is evidenced by that certain Amended and
13 Restated Promissory Note dated November 14, 1996 ("County Promissory Note"). The County
14 Promissory Note is secured by that certain Deed of Trust With Assignment of Rents executed
15 by Previous Owner for the benefit of County, dated November 14, 1996 and recorded in the
16 Official Records on December 30, 1996 as Document No. 489520 (collectively "County Deed
17 of Trust");

18 WHEREAS, as the Partnership as part of the acquisition of the Project has paid
19 off the remaining loan balance of the County HOME loan in the amount of \$75,460.84, the
20 HOME Deed of Trust has been fully reconveyed and the County Note has been deemed
21 satisfied in full and terminated;

22 WHEREAS, pursuant to the HOME Agreement, eleven (11) of the units located
23 on the Property are required to be rented to and occupied by qualified low-income households
24 whose incomes do not exceed 50% of the area-median income, for the County of Riverside,
25 adjusted by family size at the time of occupancy ("HOME-Assisted Units"); and

26 WHEREAS, the Parties desire to memorialize Partnership's obligation to maintain the
27 affordability of the HOME-Assisted Units pursuant to the HOME Agreement and HOME
28 Program regulations, as more specifically set forth below.

1 NOW, THEREFORE, in consideration of the mutual covenants and agreements
2 contained in this Covenant, and for other good and valuable consideration, the receipt and
3 sufficiency of which are hereby acknowledged, Partnership, on behalf of itself and its successors,
4 assigns, and each successor in interest to the Property or any part thereof, hereby declares as
5 follows:

6 1) RESTRICTIONS. The Recitals and attachments referenced above are
7 incorporated herein by this reference and adopted by the Parties to be true and correct. This
8 Covenant shall continue in full force and effect until January 4, 2029 ("Term"). Partnership
9 covenants and agrees for itself, its successors, its assigns and every successor in interest to the
10 Property or any part thereof that for the duration of the Term, the Property shall be held, sold and
11 conveyed, subject to the following covenants, conditions, and restrictions:

12 a) Eleven (11) of the units of the Project are designated HOME units, as
13 follows: 31580 Landau Blvd., unit numbers F-9, F-11, F-13, F-15, F-16, F-21, F-22, F-23, F-24,
14 F-25 and F-26. Rents on the 11 HOME units are not to exceed Low HOME rent units as that
15 term is defined under 24 CFR 92.252 as published by the United States Departments of Housing
16 and Urban Development ("HUD") ("HOME-Assisted Units"). All eleven (11) of the HOME-
17 Assisted Units shall only be rented and occupied by senior households whose incomes do not
18 exceed fifty percent (50%) of the area median family income for the County of Riverside,
19 adjusted by family size at the time of occupancy.;

20 b) Eleven (11) low income two-bedroom units shall be limited to households
21 whose incomes do not exceed fifty percent (50%) of the median family income for the County of
22 Riverside, adjusted by family size at the time of occupancy.

23 c) Rent limitations are set forth under 24 CFR 92.252 and the HOME-
24 Assisted Units shall be rented to income qualified applicants at the Low HOME rent levels for
25 the County of Riverside, which are published periodically by HUD; and

26 d) Partnership, shall comply with the terms of the HOME Agreement and any
27 other instrument secured against the Property. Notwithstanding anything to the contrary
28

1 contained in the HOME Agreement, HOME rent and income restrictions shall apply only to the
2 HOME Assisted-Units.

3 2) SUBORDINATION. This Covenant Agreement shall be recorded in the fifth
4 position junior to the instruments securing the following loans: (1) first priority deed of trust
5 for the benefit of JPMorgan Chase Bank, N.A. ("Chase Bank") securing a construction loan
6 for the Project in an amount up to \$21,166,830 ("Chase Senior Loan"); (2) second priority
7 deed of trust for the benefit of National Community Renaissance of California ("NCRC")
8 securing a loan for the Project in an amount up to \$13,447,000 ("NCRC Seller Carryback
9 Loan"); (3) third priority deed of trust for the benefit of NCRC securing a loan for the Project
10 in an amount up to \$1,165,125 ("NCRC Seller Loan"); (4) fourth priority deed of trust for the
11 benefit of NCRC securing a loan for the Project in an amount up to \$1,603,598 ("NCRC
12 Sponsor Loan"). Lien priority upon Conversion shall be as follows: (1) Chase Senior Loan,
13 (2) second priority deed of trust for the benefit of Department of Housing and Community
14 Development securing a loan for the Project in an amount up to \$7,712,905 ("HCD Loan");
15 (3) NCRC Seller Carryback Loan; (4) NCRC Seller Loan; (5) NCRC Sponsor Loan; and, (6)
16 Covenant Agreement.

17 3) COMPLIANCE WITH LAWS AND REGULATIONS. During the Term of this
18 Covenant, Partnership, for itself and on behalf of itself and of its successors, assigns, and each
19 successor in interest to the Property shall adhere to and comply with all federal, state and local
20 laws, regulations and ordinances., including, but not limited to the following:

21 a) The HOME Investment Partnerships Program as enacted under Title II of
22 the Cranston Gonzalez National Affordable Housing Act (42 USC 12701 et seq.) and its
23 implementing regulations, 24 CFR Part 92, as both shall be amended from time to time,
24 including, but not limited to, 24 CFR 92.356, 24 CFR 92.358, 24 CFR 92.253, 24 CFR 92.252,
25 24 CFR 92.255, 24 CFR 92.256, 24 CFR 92.350, Subpart F, Subpart H, and its implementing
26 regulations set forth in the Final Rule, as it now exists and may hereafter be amended.

27 b) 24 CFR Section 92.350 Other Federal requirements and
28 nondiscrimination. As set forth in 24 CFR part 5, Subpart A, Partnership is required to include

1 the following requirements: nondiscrimination and equal opportunity under Section 282 of the
2 Act; disclosure; debarred, suspended, or ineligible contractors; and drug-free workplace.

3 c) 24 CFR Section 92.351 Affirmative marketing and minority outreach
4 program. Partnership must adopt affirmative marketing procedures and requirements. These
5 must include:

6 (1) Methods for informing the public, owners, and potential
7 tenants about Federal fair housing laws and the affirmative marketing policy (e.g., the use of the
8 Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners,
9 and written communication to fair housing and other groups).

10 (2) Requirements and practices that Partnership must adhere
11 to in order to carry out the affirmative marketing procedures and requirements (e.g., use of
12 commercial media, use of community contacts, use of the Equal Housing Opportunity logotype
13 or slogan, and display of fair housing poster).

14 (3) Procedures to be used by Partnership to inform and solicit
15 applications from persons in the housing market area who are not likely to apply without special
16 outreach (e.g., use of community organizations, employment centers, fair housing groups, or
17 housing counseling agencies).

18 (4) Records that will be kept describing actions taken by
19 Partnership to affirmatively market units and records to assess the results of these actions.

20 (5) A description of Partnership will annually assess the
21 success of affirmative marketing actions and what corrective actions will be taken where
22 affirmative marketing requirements are not met.

23 (6) Partnership must prescribe procedures to establish and
24 oversee a minority outreach program to ensure the inclusion, to the maximum extent possible,
25 of minorities and women, and entities owned by minorities and women, including, without
26 limitation, real estate firms, construction firms, appraisal firms, management firms, financial
27 institutions, investment banking firms, underwriters, accountants, and providers of legal
28 services, in all contracts entered into by Partnership with such persons or entities, public and

1 private, in order to facilitate the activities of County to provide affordable housing authorized
2 under this Act or any other Federal housing law. Section 24 CFR 85.36(e) provided affirmative
3 steps to assure that minority business enterprises and women business enterprises are used when
4 possible in the procurement of property and services. The steps include:

- 5 (i) Placing qualified small and minority businesses and
6 women's business enterprises on solicitation lists.
- 7 (ii) Assuring that small and minority businesses, and women's
8 business enterprises are solicited whenever they are
9 potential sources.
- 10 (iii) Dividing total requirements, when economically feasible,
11 into smaller tasks or quantities to permit maximum
12 participation by small and minority business, and women's
13 business enterprises.
- 14 (iv) Establishing delivery schedules, where the requirement
15 permits, which encourage participation by small and
16 minority business, and women's business enterprises.
- 17 (v) Using the services and assistance of the Small Business
18 Administration, and the Minority Business Development
19 Agency of the Department of Commerce.

20
21 4) TENANT PROTECTIONS. Partnership shall provide protection to the tenants of
22 the COUNTY HOME-Assisted Units in accordance with the requirements set forth at 24 CFR
23 92.253 and described as follows:

- 24 a) Provide written lease agreement for not less than one year, unless by
25 mutual agreement between the tenant and Partnership, County shall review the initial form of
26 the lease agreement prior to Partnership executing any leases and, provided that Partnership
27 uses the approved lease form, Partnership shall be permitted to enter into residential leases
28 without County's prior written consent.

1 b) Prohibited Lease Terms. The rental agreement/lease may not contain any
2 of the following provisions:

3 (1) *Agreement to be sued*. Agreement by the tenant to be sued, to
4 admit guilt or to a judgment in favor of Partnership in a lawsuit
5 brought in connection with the lease.

6 (2) *Treatment of property*. Agreements by tenant that Partnership
7 may take, hold, or sell personal property of household members
8 without notice to the tenant and a court decision on the rights of
9 the parties. This prohibition, however, does not apply to an
10 agreement by the tenant concerning disposition of personal
11 property remaining in the housing unit after the tenant has moved
12 out of the unit. Partnership may dispose of this personal property
13 in accordance with State law.

14 (3) *Excusing Partnership from responsibility*. Agreement by the
15 tenant not to hold Partnership or Partnership's agents legally
16 responsible for any action or failure to act, whether intentional or
17 negligent.

18 (4) *Waiver of notice*. Agreement of the tenant that Partnership may
19 institute a lawsuit without notice to the tenant.

20 (5) *Waiver of legal proceeding*. Agreement by the tenant that
21 Partnership may evict the tenant or household members without
22 instituting a civil court proceeding in which the tenant has the
23 opportunity to present a defense, or before a court decision on the
24 rights of the parties.

25 (6) *Waiver of a jury trial*. Agreement by the tenant to waive any right
26 to a trial by jury.

27 (7) *Waiver of right to appeal court decision*. Agreement by the tenant
28 to waive the tenant's right to appeal, or to otherwise challenge in

1 court, a court decision in connection with the lease.

2 (8) *Tenant chargeable with cost of legal actions regardless of*
3 *outcome.* Agreement by the tenant to pay attorneys' fees or other
4 legal costs even if the tenant wins in a court proceeding by
5 Partnership against the tenant. The tenant, however, may be
6 obligated to pay costs if the tenant loses.

7 (9) *Mandatory supportive services.* Agreement by the tenant (other
8 than a tenant in transitional housing) to accept supportive services
9 that are offered.

10 c) Violence Against Women Reauthorization Act of 2013. (Pub. L. 113-4,
11 127 Stat. 54) ("VAWA 2013"). VAWA 2013 reauthorizes and amends the Violence Against
12 Women Act of 1994, as previously amended, (title IV, sec. 40001-40703 of Pub. L. 103-322,
13 42 U.S.C. 13925 et seq.) VAWA 2013, among other things, bars eviction and termination due
14 to a tenant's status as a victim of domestic violence, dating violence, or stalking, and requires
15 landlords to maintain survivor-tenant confidentiality. VAWA 2013 prohibits a tenant who is a
16 survivor of domestic violence, dating violence, sexual assault, and stalking from being denied
17 assistance, tenancy, or occupancy rights based solely on criminal activity related to an act of
18 violence committed against them. It extends housing protections to survivors of sexual assault,
19 and adds "intimate partner" to the list of eligible relationships in the domestic violence
20 definition. Protections also now cover an "affiliated individual," which includes any lawful
21 occupant living in the survivor's household, or related to the survivor by blood or marriage
22 including the survivor's spouse, parent, brother, sister, child, or any person to whom the
23 survivor stands in loco parentis. VAWA 2013 allows a lease bifurcation so a tenant or lawful
24 occupant who engages in criminal activity directly relating to domestic violence, dating
25 violence, sexual assault, or stalking against an affiliated individual or other individual, or
26 others may be evicted or removed without evicting or removing or otherwise penalizing a
27 victim who is a tenant or lawful occupant. If victim cannot establish eligibility, Partnership
28 must give a reasonable amount of time to find new housing or establish eligibility under

1 another covered housing program. A Notice of Rights under VAWA 2013 for tenants must be
2 provided at the time a person applies for housing, when a person is admitted as a tenant of a
3 housing unit, and when a tenant is threatened with eviction or termination of housing benefits.
4 Tenants must request an emergency transfer and reasonably believe that they are threatened
5 with imminent harm from further violence if the tenant remains in the same unit. The
6 provisions of VAWA 2013 that are applicable to HUD programs are found in title VI of
7 VAWA 2013, which is entitled "Safe Homes for Victims of Domestic Violence, Dating
8 Violence, Sexual Assault, and Stalking." Section 601 of VAWA 2013 amends subtitle N of
9 VAWA (42 U.S.C. 14043e et seq.) to add a new chapter entitled "Housing Rights."

10 5) MAINTENANCE OF THE PROPERTY. Partnership, on behalf of itself and its
11 successors, assigns, and each successor in interest to the Property and Project or any part thereof
12 hereby covenants to and shall protect, maintain, and preserve the Property in compliance with all
13 applicable federal and state law and regulations and local ordinances. In addition, Partnership, its
14 successors and assigns, shall maintain the improvements on the Property in the same aesthetic
15 and sound condition (or better) as the condition of the Property at the time of the recordation of
16 the Notice of Completion for the Project, reasonable wear and tear excepted. This standard for
17 the quality of maintenance of the Property shall be met whether or not a specific item of
18 maintenance is listed below. However, representative items of maintenance shall include
19 frequent and regular inspection for graffiti or damage or deterioration or failure, and immediate
20 repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary;
21 emptying of trash receptacles and removal of litter; sweeping of public sidewalks adjacent to the
22 Property, on-site walks and paved areas and washing-down as necessary to maintain clean
23 surfaces; maintenance of all landscaping in a healthy and attractive condition, including
24 trimming, fertilizing and replacing vegetation as necessary; cleaning windows on a regular basis;
25 painting the buildings on a regular program and prior to the deterioration of the painted surfaces;
26 conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and
27 weather-tight condition; maintaining security devices in good working order. In the event
28 Partnership, its successors or assigns fails to maintain the Property in accordance with the

1 standard for the quality of maintenance, the County or its designee shall have the right but not
2 the obligation to enter the Property upon reasonable notice to Partnership, correct any violation,
3 and hold Partnership, or such successors or assigns responsible for the cost thereof, and such
4 cost, until paid, shall constitute a lien on the Property.

5 6) NONDISCRIMINATION. Partnership shall not discriminate on the basis of race,
6 gender, religion, national origin, ethnicity, sexual orientation, age or disability in the solicitation,
7 selection, hiring or treatment of any contractors or consultants, to participate in
8 subcontracting/subconsulting opportunities. Partnership understands and agrees that violation of
9 this clause shall be considered a material breach of this Lease and may result in termination,
10 debarment or other sanctions. This language shall be incorporated into all contracts between
11 Partnership and any contractor, consultant, subcontractor, subconsultants, vendors and suppliers.
12 Partnership shall comply with the provisions of the California Fair Employment and Housing
13 Act (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-
14 352), as amended, and all Administrative Rules and Regulations issued pursuant to said Acts and
15 Orders with respect to its use of the Property.

16 Partnership herein covenants by and for itself, its successors and assigns, and all persons
17 claiming under or through them, that this Covenant is made and accepted upon and subject to the
18 following conditions: There shall be no discrimination against or segregation of any person or
19 group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the
20 Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and
21 paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code,
22 in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor
23 shall the transferee itself or any person claiming under or through him or her, establish or permit
24 any such practice or practices of discrimination or segregation with reference to the selection,
25 location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the
26 Property.

27 Partnership, its successors and assigns, shall refrain from restricting the rental, sale, or
28 lease of the Property or any portion thereof, on the basis of race, color, creed, religion, sex,

1 sexual orientation, marital status, national origin, or ancestry of any person. Every deed, lease,
2 and contract entered into with respect to the Property, or any portion thereof, after the date of this
3 Agreement shall contain or be subject to substantially the following nondiscrimination or
4 nonsegregation clauses:

5 a) In deeds: "The grantee herein covenants by and for himself or herself, his
6 or her heirs, executors, administrators, and assigns, and all persons claiming under or
7 through them, that there shall be no discrimination against or segregation of, any person
8 or group of persons on account of any basis listed in subdivision (a) or (d) of Section
9 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1,
10 subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section
11 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy,
12 tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person
13 claiming under or through him or her, establish or permit any practice or practices of
14 discrimination or segregation with reference to the selection, location, number, use or
15 occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein
16 conveyed. The foregoing covenants shall run with the land."

17 b) In leases: "The lessee herein covenants by and for himself or herself, his
18 or her heirs, executors, administrators, and assigns, and all persons claiming under or
19 through him or her, and this lease is made and accepted upon and subject to the following
20 conditions: That there shall be no discrimination against or segregation of any person or
21 group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955
22 of the Government Code, as those bases are defined in Sections 12926, 12926.1,
23 subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section
24 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy,
25 tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself,
26 or any person claiming under or through him or her, establish or permit any such practice
27 or practices of discrimination or segregation with reference to the selection, location,
28

1 number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the
2 premises herein leased.”

3 c) In contracts: “There shall be no discrimination against or segregation of
4 any person or group of persons, on account of any basis listed in subdivision (a) or (d) of
5 Section 12955 of the Government Code, as those bases are defined in Sections 12926,
6 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and
7 Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use,
8 occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person
9 claiming under or through him or her, establish or permit any such practice or practices of
10 discrimination or segregation with reference to the selection, location, number, use, or
11 occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land.”

12 In addition to the obligations and duties of Partnership set forth herein, Partnership shall,
13 upon notice from County, promptly pay to County all fees and costs, including
14 administrative and attorneys’ fees, incurred by County in connection with responding to
15 or defending any discrimination claim brought by any third party and/or local, state or
16 federal government entity, arising out of or in connection with the Agreement or this
17 Covenant.

18 7) INSURANCE. Without limiting or diminishing Partnership’s obligation to
19 indemnify or hold County harmless, Partnership shall procure and maintain or cause to be
20 maintained, at its sole cost and expense, the following insurance coverage’s during the term of
21 this Covenant.

22 a) Worker’s Compensation Insurance. If Partnership has employees as defined by the State
23 of California, Partnership shall maintain statutory Workers’ Compensation Insurance
24 (Coverage A) as prescribed by the laws of the State of California. Policy shall include
25 Employers’ Liability (Coverage B) including Occupational Disease with limits not less
26 than \$1,000,000 per person per accident. The policy shall be endorsed to waive
27 subrogation in favor of the County of Riverside, and, if applicable, to provide a Borrowed
28 Servant/Alternate Employer Endorsement.

1 b) Commercial General Liability Insurance. Commercial General Liability insurance
2 coverage, including but not limited to, premises liability, contractual liability, products
3 and completed operations liability, personal and advertising injury, and cross liability
4 coverage, covering claims which may arise from or out of Partnership's performance of
5 its obligations hereunder. Policy shall name the County of Riverside, its Agencies,
6 Districts, Special Districts, and Departments, their respective directors, officers, Board of
7 Supervisors, employees, elected or appointed officials, agents or representatives as
8 Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per
9 occurrence combined single limit. If such insurance contains a general aggregate limit, it
10 shall apply separately to this agreement or be no less than two (2) times the occurrence
11 limit.

12 c) Vehicle Liability Insurance. If vehicles or mobile equipment are used in the performance
13 of the obligations under this Covenant, then Partnership shall maintain liability
14 insurance for all owned, non-owned or hired vehicles so used in an amount not less than
15 \$1,000,000 per occurrence combined single limit. If such insurance contains a general
16 aggregate limit, it shall apply separately to this agreement or be no less than two (2) times
17 the occurrence limit. Policy shall name the County of Riverside, its Agencies, Districts,
18 Special Districts, and Departments, their respective directors, officers, Board of
19 Supervisors, employees, elected or appointed officials, agents or representatives as
20 Additional Insured or provide similar evidence of coverage approved by County's Risk
21 Manager ("Risk Manager").

22 d) General Insurance Provisions – All Lines.

23 i) Any insurance carrier providing insurance coverage hereunder shall be
24 admitted to the State of California and have an A M BEST rating of not less
25 than A: VIII (A:8) unless such requirements are waived, in writing, by Risk
26 Manager. If Risk Manager waives a requirement for a particular insurer such
27 waiver is only valid for that specific insurer and only for one policy term.

28 ii) Partnership's insurance carrier(s) must declare its insurance self-insured

1 retentions. If such self-insured retentions exceed \$500,000 per occurrence
2 such retentions shall have the prior written consent of Risk Manager. Upon
3 notification of self-insured retention unacceptable to County, and at the
4 election of Risk Manager, Partnership's carriers shall either: (a) reduce or
5 eliminate such self-insured retention, or (b) procure a bond which guarantees
6 payment of losses and related investigations, claims administration, and
7 defense costs and expenses.

8 iii) Partnership shall cause Partnership's insurance carrier(s) to furnish the
9 County of Riverside with copies of the Certificate(s) of Insurance and
10 Endorsements effecting coverage as required herein, and 2) if requested to do
11 so orally or in writing by Risk Manager, provide copies of policies including
12 all Endorsements and all attachments thereto, showing such insurance is in
13 full force and effect. Further, said Certificate(s) and policies of insurance
14 shall contain the covenant of the insurance carrier(s) that thirty (30) days
15 written notice shall be given to the County of Riverside prior to any material
16 modification, cancellation, expiration or reduction in coverage of such
17 insurance. Partnership shall not continue operations until County has been
18 furnished Certificate(s) of Insurance and copies of endorsements and if
19 requested, copies of policies of insurance including all endorsements and any
20 and all other attachments as required herein. An individual authorized by the
21 insurance carrier to do so, on its behalf, shall sign the original endorsements
22 for each policy and the Certificate of Insurance.

23 iv) It is understood and agreed to by the parties hereto that Partnership's
24 insurance shall be construed as primary insurance, and County's insurance
25 and/or deductibles and/or self-insured retention's or self-insured programs
26 shall not be construed as contributory.

27 v) If, during the term of this Covenant or any extension thereof, there is a
28 material change in the scope of services or there is a material change in the

1 equipment to be used in the performance of the scope of work which will add
2 additional exposures (such as the use of aircraft, watercraft, cranes, etc.), then
3 County reserves the right to adjust the types of insurance required under this
4 Covenant and the monetary limits of liability for the insurance coverage's
5 currently required herein, if; in Risk Manager's reasonable judgment, the
6 amount or type of insurance carried by Partnership has become inadequate.

7 vi) Partnership shall pass down the insurance obligations contained herein to all
8 tiers of subcontractors.

9 vii) Partnership agrees to notify County in writing of any claim by a third party or
10 any incident or event that may give rise to a claim arising from the
11 performance of the HOME Agreement.

12 8) HOLD HARMLESS/INDEMNIFICATION. Partnership shall indemnify and hold
13 harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments,
14 their respective directors, officers, Board of Supervisors, elected and appointed officials,
15 employees, agents and representatives (individually and collectively hereinafter referred to as
16 Indemnitees) from any liability whatsoever, based or asserted upon any services of Partnership,
17 its officers, employees, subcontractors, agents or representatives arising out of or in any way
18 relating to this Agreement, including but not limited to property damage, bodily injury, or death
19 or any other element of any kind or nature whatsoever arising from the performance of
20 Partnership, its officers, employees, subcontractors, agents or representatives Indemnitors from
21 this Agreement. Partnership shall defend, at its sole expense, all costs and fees including, but not
22 limited, to attorney fees, cost of investigation, defense and settlements or awards, the
23 Indemnitees in any claim or action based upon such alleged acts or omissions. With respect to
24 any action or claim subject to indemnification herein by Partnership, shall, at their sole cost, have
25 the right to use counsel of their own choice and shall have the right to adjust, settle, or
26 compromise any such action or claim without the prior consent of County; provided, however,
27 that any such adjustment, settlement or compromise in no manner whatsoever limits or
28 circumscribes Partnership's indemnification to Indemnitees as set forth herein. Partnership's

1 obligation hereunder shall be satisfied when Partnership has provided to County the appropriate
2 form of dismissal relieving County from any liability for the action or claim involved. The
3 specified insurance limits required in this Agreement shall in no way limit or circumscribe
4 Partnership's obligations to indemnify and hold harmless the Indemnitees herein from third party
5 claims. In the event there is conflict between this clause and California Civil Code Section 2782,
6 this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not
7 relieve the Partnership from indemnifying the Indemnitees to the fullest extent allowed by law.
8 The indemnification and hold harmless obligations set forth herein shall survive the expiration
9 and termination of this Agreement.

10 9) NOTICES. All Notices provided for in this Covenant shall be deemed received
11 when personally delivered, or two (2) days following mailing by certified mail, return receipt
12 requested. All mailing shall be addressed to the respective parties at their addresses set forth
13 below, or at such other address as each party may designate in writing and give to the other
14 party:

15
16 To County: County of Riverside
17 Housing, Homelessness Prevention and Workforce Solutions
18 5555 Arlington Avenue
19 Riverside, CA 92504
20 Attention: Assistant Director, Housing

21 To Partnership: CP Senior Apartments, L.P.,
22 8265 Aspen Street, Suite 100
23 Rancho Cucamonga, CA 91730
24 Attn: Tony Mize, Vice President-Acquisitions

25 With a copy to: National Community Renaissance
26 9421 Haven Avenue
27 Rancho Cucamonga, CA 91730
28 Attn: Tony Mize, Vice President-Acquisitions

With a copy to: Red Stone Equity-2019 CA Regional Fund, L.P.
1100 Superior Avenue, Suite 1640
Cleveland, OH 44114
Attn: General Counsel

1
2 10) REMEDIES. County shall have the right, in the event of any breach of any such
3 agreement or covenant, to exercise all available rights and remedies, and to maintain any actions
4 at law or suit in equity or other proper proceedings to enforce the curing of such breach of
5 agreement or covenant.

6 11) TERM. The non-discrimination covenants, conditions and restrictions contained
7 in Section 6 of this Covenant shall remain in effect in perpetuity. Every other covenant,
8 condition and restriction contained in this Covenant shall continue in full force and effect for the
9 Term, as defined in Section 1 of this Covenant.

10 12) NOTICE AND CURE. Prior to exercising any remedies hereunder, the County
11 shall give Partnership notice of such default pursuant to section 9 above. Any monetary default
12 shall be cured within seven (7) days of delivery of written notice. Except as otherwise set forth
13 herein, if a non-monetary default is reasonably capable of being cured within sixty (60) days of
14 delivery of such notice of default, Partnership shall have such period to effect a cure prior to
15 exercise of remedies by County. If the non-monetary default is such that it is not reasonably
16 capable of being cured within sixty (60) days of delivery of such notice of default, and
17 Partnership (a) initiates corrective action within said period, and (b) diligently, continually, and
18 in good faith works to effect a cure as soon as possible, then Partnership shall have such
19 additional time as is reasonably necessary to cure the default prior to exercise of any remedies by
20 the County; but in no event no later than ninety (90) days from delivery of such notice of default.

21 County, upon providing Partnership with any notice of default under this Covenant,
22 shall, within a reasonable time, provide a copy of such default notice to a Permitted Lender who
23 has given written notice to County of its interest in the Property and Project and a copy of such
24 default notice to Red Stone Equity-2019 CA Regional Fund, L.P., a Delaware limited
25 partnership (the "Investor Limited Partner") at the address above. From and after such notice
26 has been delivered to a Permitted Lender, such Permitted Lender shall have the same period for
27 remedying the default complained of as the cure period provided to Partnership pursuant to this
28 section 12. County shall accept performance by a Permitted Lender and the Investor Limited

1 Partner as if the same had been done by Partnership.

2 If a violation of any of the covenants or provisions of this Covenant remains uncured
3 after the respective time period set forth in this Section 12, County and its successors and
4 assigns, without regard to whether County or its successors and assigns is an owner of any land
5 or interest therein to which these covenants relate, may institute and prosecute any proceedings
6 at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to
7 compel specific performance by Partnership of its obligations hereunder. No delay in enforcing
8 the provisions hereof as to any breach or violation shall impair, damage or waive the right of
9 any party entitled to enforce the provisions hereof or to obtain relief against or recover for the
10 continuation or repetition of such breach or violations or any similar breach or violation hereof
11 at any later time.

12 13) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY.

13 Partnership hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the
14 Project, the Property or any portion thereof, . Any sale, assignment, or transfer of the Project or
15 Property, shall be memorialized an assignment and assumption agreement the form and
16 substance of which have been first approved in writing by the County in its sole discretion. Such
17 assignment and assumption agreement shall, among other things, provide that the transferee has
18 assumed in writing and in full, and is reasonably capable of performing and complying with
19 Partnership's duties and obligations under the Agreement and this Covenant, provided, however
20 Partnership shall not be released of all obligations under the HOME Agreement and this
21 Covenant.

22 14) AMENDMENTS OR MODIFICATIONS. This Covenant may be changed or
23 modified only by a written amendment signed by authorized representatives of both parties.

24 15) GOVERNING LAW; VENUE; SEVERABILITY. This Covenant shall be
25 governed by the laws of the State of California. Any legal action related to the performance or
26 interpretation of this Covenant shall be filed only in the Superior Court of the State of California
27 located in Riverside, California, and the parties waive any provision of law providing for a
28 change of venue to another location. In the event any provision in this Covenant is held by a

1 court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions
2 will nevertheless continue in full force without being impaired or invalidated in any way

3 16) BINDING EFFECT. The rights and obligations of this Covenant shall bind and
4 inure to the benefit of the respective heirs, successors and assigns of the parties.

5 17) PERMITTED MORTGAGES. No violation or breach of the covenants,
6 conditions, restrictions, provisions or limitations contained in this Covenant shall defeat or
7 render invalid or in any way impair the lien or charge of any deed of trust or mortgage permitted
8 by the HOME Agreement or the lien or charge of a deed of trust made by the Partnership for the
9 benefit of any lender first approved in writing by the County(each, a "Permitted Lender") and
10 nothing herein or in the HOME Agreement shall prohibit or otherwise limit the exercise of a
11 Permitted Lender's rights and remedies thereunder, including a foreclosure or deed-in-lieu of
12 foreclosure and subsequent transfer thereafter. The parties acknowledge and agree that both
13 Chase and California Statewide Communities Development Authority, are Permitted Lenders.

14 18) SEVERABILITY. In any event that any provision, whether constituting a separate
15 paragraph or whether contained in a paragraph with other provisions, is hereafter determined to
16 be void and unenforceable, it shall be deemed separated and deleted from this Covenant and the
17 remaining provisions of this Covenant shall remain in full force and effect.

18 19) PROJECT MONITORING AND EVALUATION.

- 19 a) Tenant Checklist. Partnership shall submit a Tenant Checklist Form to COUNTY, as
20 shown in **Exhibit B** which is attached hereto and incorporated herein by this reference,
21 and may be revised by COUNTY, summarizing the racial/ethnic composition, number
22 and percentage of very low-income households who are tenants of the HOME-assisted
23 units. The Tenant Checklist Form shall be submitted upon completion of the
24 construction and thereafter, on a semi-annual basis on or before March 31 and
25 September 30. Partnership shall maintain financial, programmatic, statistical and other
26 supporting records of its operations and financial activities in accordance with the
27 requirements of the HOME Program under 24 CFR 92.508, including the submission of
28 Tenant Checklist Form. Except as otherwise provided for in this Covenant and in the

HOME Agreement, Partnership shall maintain and submit records to COUNTY within ten (10) business days of COUNTY's request which clearly documents Partnership's performance under each requirement of the HOME Program.

- b) Inspections. Pursuant to 24 CFR 92.504(d)(1)(ii), during the period of affordability, COUNTY must perform on-site inspections of HOME-assisted rental housing to determine compliance with the property standards of §92.251 and to verify the information submitted by the owners in accordance with the requirements of §92.252. The inspections must be in accordance with the inspection procedures that the participating jurisdiction establishes to meet the inspection requirements of §92.251. The on-site inspections must occur at least once every 3 years thereafter during the period of affordability. If there are observed deficiencies for any of the inspectable items in the property standards established by COUNTY, in accordance with the inspection requirements of §92.251, a follow-up on-site inspection to verify that deficiencies are corrected must occur within 12 months. COUNTY may establish a list of non-hazardous deficiencies for which correction can be verified by third party documentation (e.g., paid invoice for work order) rather than re-inspection. Health and safety deficiencies must be corrected immediately, in accordance with §92.251. COUNTY must adopt a more frequent inspection schedule for properties that have been found to have health and safety deficiencies. The property owner must annually certify to the COUNTY that each building and all HOME- Assisted units in the project are suitable for occupancy, taking into account State and local health, safety, and other applicable codes, ordinances, and requirements, and the ongoing property standards established by the participating jurisdiction to meet the requirements of §92.251. Inspections must be based on a statistically valid sample of units appropriate for the size of the HOME-Assisted project, as set forth by HUD through notice. For projects with one-to-four HOME-Assisted Units, COUNTY must inspect 100 percent of the HOME-Assisted Units and the inspectable items (site, building exterior, building systems, and common areas) for each building housing HOME-assisted units.

1 20) ACCESS TO PROJECT SITE. Representatives of the COUNTY and HUD shall
2 have the right of access to the Property, upon 24 hours' written notice to Partnership (except in
3 the case of an emergency, in which case COUNTY and/or HUD shall provide such notice as may
4 be practical under the circumstances), without charges or fees, during normal business hours to
5 review the operation of the Project in accordance with this Covenant and the HOME Agreement.

6 21) COUNTERPARTS. This Covenant may be signed by the different parties hereto
7 in counterparts, each of which shall be an original, but all of which together shall constitute one
8 and the same agreement.

9 22) This Covenant and the HOME Agreement set forth and contain the entire
10 understanding and agreement of the parties hereto. There are no oral or written representations,
11 understandings, or ancillary covenants, undertakings or agreements, which are not contained or
12 expressly referred to within this Covenant, and the HOME Agreement, including all
13 amendments and modifications to the HOME Agreement.

14 23) Conflict with HOME Agreement. Notwithstanding anything to the contrary contained
15 herein or on the HOME Agreement, to the extent of any conflict between the terms of this
16 Covenant and the HOME Agreement, the terms of this Covenant shall control.

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19 [(SIGNATURES ON THE NEXT PAGE)]
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IN WITNESS WHEREOF, the Parties have executed this Covenant as of the dates written below.

COUNTY:

COUNTY OF RIVERSIDE, a political subdivision of the State of California

By: _____
Heidi Marshall,
Director of Housing, Homelessness Prevention
and Workforce Solutions

Date: _____

APPROVED AS TO FORM:

GREGORY P. PRIAMOS
COUNTY COUNSEL

By:  _____
Amrit P. Dhillon, Deputy County Counsel

PARTNERSHIP:

CP Senior Apartments, L.P. a California limited partnership

By: CP Senior GP LLC, a California limited liability company,

Its: General Partner
By: National Community Renaissance of California, a California nonprofit public benefit corporation

Its. Managing Member

By: _____

Print Name: _____

Date: _____

LEGAL DESCRIPTION

LEGAL DESCRIPTION OF PROPERTY

Real property in the City of Cathedral City, County of Riverside, State of California, described as follows:

PARCELS 2 AND 3 OF PARCEL MAP NO. 9536 AS SHOWN BY MAP ON FILE IN BOOK 63, PAGE(S) 62 AND 63 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM ALL MINERAL RIGHTS AS RESERVED BY ELMER R. BIECK AND GRACE E. BIECK IN A DOCUMENT RECORDED APRIL 11, 1955 AS INSTRUMENT NO. 23600, OFFICIAL RECORDS.

APN: 678-210-034-3 (Parcel 2) and 678-210-035-4 (Parcel 3)

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EXHIBIT B
FORM OF TENANT CHECKLIST
(behind this page)

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103
Order No.
Escrow No.
Loan No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
Housing, Homelessness Prevention and
Workforce Solutions
5555 Arlington Avenue
Riverside, CA 92504
Attn. Nicole Sanchez

SPACE ABOVE THIS LINE FOR RECORDERS USE

**ASSIGNMENT AND ASSUMPTION AGREEMENT
(SUB-RECIPIENT AGREEMENT FOR THE USE OF HOME FUNDS FOR
CATHEDRAL PALMS APARTMENTS)**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment") is made and entered into on this 4th of August, 2020 (the "Effective Date") by and between The Southern California Housing Development, a California non-profit public benefit corporation ("Assignor"), and CP Senior Apartments, L.P., a California limited partnership ("Assignee"). The Assignor and Assignee are collectively referred to herein as the "Parties."

RECITALS

A. The County of Riverside, a political subdivision of the State of California (the "County") and the Assignor entered into that certain Sub-Recipient Agreement for the Use of HOME Funds, dated as of November 26, 1996 (the "County HOME Agreement") relating to, among other things, the acquisition of that certain real property described in the legal description attached hereto as **Exhibit A** and incorporated herein by this reference ("Property"), and the rehabilitation and operation thereon of the 232 unit affordable housing complex to low-income seniors and 1 manager's unit, to be rented and occupied by households whose incomes do not exceed fifty percent (50%) of the area median income for the County of Riverside ("Project"), and the County's provision of a portion of the financial assistance necessary to construct the Project in the form of a \$200,000 loan evidenced by that certain Promissory Note dated March 10, 1997 and that certain Deed of Trust with Assignment of Rents dated November 14, 1996 and recorded in the Official Records of the County of Riverside on December 30, 1996 as Instrument No. 489520 (collectively, the "County HOME Loan Documents");

B. Assignee was formed in order to own and operate and rehabilitate the Project;

C. Assignee has agreed to pay off the balance owed of the County HOME loan in the amount of \$74,460.84;

D. Assignor hereby desires to assign its rights and obligations and delegate all of its duties under the County HOME Agreement , and for Assignee to accept such assignment and assume all rights, interest and obligations thereunder; and

E. The County desires to consent to such assignment as evidenced by its signature in the Consent to Assignment and Assumption attached hereto.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignor hereby assigns to Assignee all of its right, title, obligations and interest in and to the County HOME Agreement, and Assignee hereby accepts such assignment, and assumes all of the obligations of the Assignor under the County HOME Agreement, and agrees to be bound thereby in accordance with the terms thereof.
2. Assignee shall assume and perform all executory obligations of Assignor pursuant to the County HOME Agreement without exception.
3. Assignor and Assignee acknowledge that such assignment and acceptance shall not relieve Assignor of its duty to comply with the obligations under the County HOME Agreement. Assignee agrees to perform all of the obligations in accordance with the County HOME Agreement.
4. The principal address of Assignee for purposes of the County HOME Agreement and Related Agreements is as follows:

CP Senior Apartments, L.P.
c/o National Community Renaissance
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attn: President

With a copy to:
Red Stone Equity-2019 CA Regional Fund, L.P.
1100 Superior Avenue, Suite 1640
Cleveland, OH 44114
Attn: General Counsel

5. This Assignment, together with the agreements, covenants and warranties contained herein, is made for the sole protection and the benefits of the parties hereto, and their successors and assigns, and no other person or persons shall have a right of action or right to rely hereon. As this Assignment contains all the terms and conditions agreed upon between the parties, no other agreement regarding the subject matter thereof, shall

be deemed to exist or bind any party unless in writing and signed by the party to be charged.

6. This Assignment has been entered into, is to be performed entirely within, and shall be governed by and construed in accordance with the laws of the State of California.
7. If any term or provision of this Assignment, the deletion of which would not adversely affect the receipt of any material benefit by any party hereunder, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Assignment shall not be affected thereby and each other term and provision of this Assignment shall be valid and enforceable to the fullest extent permitted by law. It is the intention of the parties hereto that in lieu of each clause or provision of this Assignment that is illegal, invalid or unenforceable, there be added as part of this Assignment and enforceable clause or provision similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible.
8. Time is expressly declared to be of essence in this Assignment.
9. The Effective Date of this Assignment shall be August 4, 2020.
10. Each party hereto covenants and agrees to perform all acts and obligations, and to prepare, execute, and deliver such written agreements, documents, and instruments as may be reasonably necessary to carry out the terms and provisions of this Assignment.
11. No provision in this Assignment is to be interpreted for or against either party because that party or its legal representatives drafted such provision.
12. This Assignment may be executed in counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Assignment, which, with all attached signature pages, shall be deemed to be an original Assignment.
13. The parties hereto further represent and declare that they carefully read this Assignment and know the contents thereof, and that they sign the same freely and voluntarily.
14. Each party represents that the person executing this Assignment on behalf of said party has the full authority to do so to bind the party to perform pursuant to the terms and conditions of this Assignment.

[Remainder of Page Intentionally Blank]

[Signatures on the Following Page]

IN WITNESS WHEREOF, the Parties have executed this Assignment as of the date set forth opposite their signatures below.

ASSIGNOR:

The Southern California Housing
Development, a California non-profit benefit
corporation

By: National Community Renaissance of
California, a California nonprofit public benefit
corporation

By: _____

Print Name: _____

Date: _____

ASSIGNEE:

CP Senior Apartments, L.P. a California limited
partnership

By: CP Senior GP LLC, a California limited
liability company,

Its: General Partner
By: National Community Renaissance of
California, a California nonprofit public benefit
corporation

Its. Managing Member

By: _____

Print Name: _____

Date: _____

[ASSIGNOR AND ASSIGNEE SIGNATURES MUST BE NOTARIZED]

CONSENT TO ASSIGNMENT AND ASSUMPTION AGREEMENT

In reliance upon the assumption by CP Senior Apartments, L.P., a California limited partnership, as Assignee, of all rights and obligations pursuant to the foregoing Assignment and Assumption Agreement (Riverside County HOME Agreement For Cathedral Palms Apartments – Property) (the "Assignment"), the COUNTY OF RIVERSIDE, a political subdivision of the State of California (the "County"), does hereby consent to and approve of the assignment of all right, title, obligations and interest in and to the County HOME Agreement by The Southern California Housing Development, a California non-profit benefit corporation ("Assignor"), to Assignee.

County has not given any notice of default pursuant to the County HOME Agreement that has not been cured or waived and, as of the date hereof, no event or circumstance exists which, with the giving of notice or the passage of time, or both, would constitute a default or a violation under the County HOME Agreement.

Approval hereof by the County shall not be construed to relieve or release Assignor from its duty to comply with any of its obligations under the County HOME Agreement.

"COUNTY"

COUNTY OF RIVERSIDE, a political
subdivision of the State of California

By: _____

Name: Heidi Marshall

Title: Director of Housing, Homelessness
Prevention and Workforce Solutions

APPROVED AS TO FORM:

Gregory P. Priamos
County Counsel

By:  _____

Amrit P. Dhillon, Deputy County Counsel

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Real property in the City of Cathedral City, County of Riverside, State of California, described as follows:

PARCELS 2 AND 3 OF PARCEL MAP NO. 9536 AS SHOWN BY MAP ON FILE IN BOOK 63, PAGE(S) 62 AND 63 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA. EXCEPTING THEREFROM ALL MINERAL RIGHTS AS RESERVED BY ELMER R. BIECK AND GRACE E. BIECK IN A DOCUMENT RECORDED APRIL 11, 1955 AS INSTRUMENT NO. 23600, OFFICIAL RECORDS.

APN: 678-210-034-3 (Parcel 2) and 678-210-035-4 (Parcel 3)

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____
Notary Public

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____
Notary Public

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

STATE OF CALIFORNIA)
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COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____
Notary Public

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____
Notary Public