

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



ITEM: 3.11  
(ID # 21261)

MEETING DATE:

Tuesday, May 09, 2023

FROM : HOUSING AND WORKFORCE SOLUTIONS:


**SUBJECT:** HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Form of the Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds for Oak View Ranch Family Apartments (formerly known as Murrieta Apartments Phase I) with NCRC Murrieta Family Housing LP, a California Limited Partnership, and All Attachments Thereto, in the City of Murrieta, and Authorize the Director of HWS to Execute a Form of the ARPA Loan Agreement, Covenant Agreement and Subsequent Subordination Agreements; District 3. [\$6,050,000 - 100% American Rescue Plan (ARPA) Funds] [Making Findings as the Responsible Agency Pursuant to CEQA] (4/5 Vote Required)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Find, its independent judgement and analysis as a Responsible Agency under CEQA in issuing certain limited approvals, after it reviewed and considered the information in the previously adopted Mitigated Negative Declaration (MND), Initial Study and Environmental Analysis under Planning Application Number 2021-2311 and Tentative Parcel Map 2021-2326 thereto, Resolution Number 22-4558 for the City of Murrieta, as lead agency, adopted on April 6, 2021 for the Oak View Ranch Family Apartments Affordable Housing Project (Project), that as to those potential environmental impacts within the County's powers and authorities as responsible agency concerning the Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds and approvals associated therewith, any potentially significant environmental effects have been adequately analyzed and nothing further is required under CEQA;

Continued on Page 2

**ACTION:**Policy, 4/5 Vote Required


  
Heidi Marshall, Director 3/23/2023

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**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Spiegel, Washington, Perez, and Gutierrez  
Nays: None  
Absent: None  
Date: May 9, 2023  
xc: HWS, Auditor-Controller

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

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**RECOMMENDED MOTION:** That the Board of Supervisors:

2. Approve a loan in the amount of \$6,000,000 derived from County's ARPA Allocation to pay a portion of the new construction and development costs related to the Oak View Ranch Family Apartments Housing Project, located in the City of Murrieta, to assist low-income households and individuals disproportionately affected by the COVID-19 pandemic;
3. Approve the allocation of approximately \$50,000 derived from ARPA funds to be used to pay direct County staff related and delivery costs for the Project;
4. Approve the attached forms of Loan Agreement for the Use of ARPA Funds, including all attachments thereto (ARPA Loan Agreement), the ARPA Leasehold Deed of Trust and Assignment of Rents, ARPA Loan Promissory Note, ARPA Covenant Agreement, and Environmental Indemnity;
5. Authorize the Director of the Housing and Workforce Solutions (HWS), or designee, to execute an ARPA Loan Agreement and an ARPA Covenant Agreement, each conforming in form and substance to the attached ARPA Loan Agreement and ARPA Covenant Agreement, subject to approval as to form by County Counsel;
6. Authorize the Director of the HWS, or designee, to negotiate and execute a Subordination Agreement subordinating the ARPA Leasehold Deed of Trust to a Deed of Trust for the benefit of Bank of America N.A., a national banking association, senior lender securing a loan for the Project for a not to exceed amount of \$34,000,000, subject to approval as to form by County Counsel;
7. Authorize the Director of the HWS, or designee, to negotiate and execute a Subordination Agreement subordinating the ARPA Leasehold Deed of Trust to a Deed of Trust for the benefit of permanent lender to be named later, senior lender securing a loan for the Project for a not to exceed amount of \$8,000,000, subject to approval as to form by County Counsel;
8. Approve and direct the Auditor-Controller to make the budget adjustment as detailed in the attached Schedule A.

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 3,050,000	\$ 3,000,000	\$ 6,050,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: American Rescue Plan Act (ARPA) Funds (100%)</b>			<b>Budget Adjustment:</b> Yes	
			<b>For Fiscal Year:</b> 2022/23 - 2023/24	

**C.E.O. RECOMMENDATION:** Approve

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**BACKGROUND:**

**Summary**

On October 19, 2021 (Minute Order 3.5), the Board of Supervisors allocated \$50,000,000 in ARPA funds for the purpose of addressing housing and homelessness through the development of affordable housing and sheltering programs. The \$50,000,000 Board allocation was distributed equally to all five supervisorial districts. The funding allocated by the Board was the State and Local Fiscal Recovery Funds (SLFRF) allocated to the County as part of the American Rescue Plan Act (ARPA) of 2021 (Pub. L 117-2). These ARPA funds are to focus on projects and/or programs that serve as a pathway to create affordable housing with necessary supporting infrastructure to assist low-income communities disproportionately affected by the COVID-19 pandemic. One of the eligible uses of ARPA funds include the increase in the supply of affordable housing which is critical to addressing the lack of affordable housing for low-income residents.

National Community Renaissance of California, a California nonprofit public benefit corporation (Developer) has applied to the County of Riverside (County) for ARPA funding allocated from California's direct allocation of federal ARPA funds in the amount of \$6,000,000 (ARPA Loan) to pay a portion of the new construction costs to develop the Oak View Ranch Family Apartments (formerly known as Murrieta Apartments Phase I) Housing Project, an affordable multi-family low-income housing project (Proposed Project), as well as a senior housing project, Oak View Ranch Senior Apartments. The Proposed Project will be owned and operated by NCRC Murrieta Family Housing LP (Owner), a California limited partnership. If approved, the ARPA Loan will be evidenced by a Promissory Note in favor of the County (ARPA Loan Note), which would be secured by a Leasehold Deed of Trust with Assignment of Leases and Rents, Security Agreement and Fixture Filing for the benefit of the County (ARPA Leasehold Deed of Trust). The proposed ARPA Leasehold Deed of Trust and ARPA Loan Note are exhibited to the Loan Agreement attached hereto.

Oak View Ranch Family Apartments, the Proposed Project, will consist of new construction of an 119-unit multi-family development (which includes one manager's unit) of affordable rental housing for low-income families. The Proposed Project will consist of three buildings comprised of 24 one-bedroom units, 60 two-bedroom units, and 35 three-bedroom units. Located on approximately 4.75 acres of the total 6.22-acre site of land of which is owned by the City of Murrieta Housing Authority and being leased to the Owner, located at 24960 Adams Avenue, in the City of Murrieta, also identified as Assessor's Parcel Number 906-080-018 (Property). Similarly, Oak View Ranch Senior Apartments will consist of 81 affordable rental units (80 rentable units + one manager unit) and will be constructed on 1.47-acres of the 6.22-acre site. The senior housing project will consist of one building comprised of 72 one-bedroom units, eight (8) two-bedroom units, and one (1) three-bedroom unit and will be constructed at a later date.

The Proposed Project has the following amenities: outdoor pool and clubhouse, children's playground, community center, community garden, half basketball court, outdoor fitness stations & conversation areas, pet-friendly green space, BBQ area with tables, Boys & Girls Club and a

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senior center for the future Oak View Ranch Senior Apartments. In addition, the project will include the preservation of the existing oak tree on the site, and the integration of the proposed pedestrian paseos.

Under the County's ARPA program, forty-nine percent (49%) or 59 units will be restricted to households whose incomes do not exceed 60% of the area median income for the County of Riverside as determined by the United States Department of Housing and Urban Development (HUD) for an affordable rent pursuant to 24 CFR Section 92.252. Of those units, 12 units will be restricted to households whose incomes do not exceed 60% of the Area Median Income (AMI), 28 units will be restricted to households whose incomes do not exceed 50% of the Area Median Income (AMI), and 19 units will be restricted to households whose incomes do not exceed 30% of AMI for the County of Riverside.

Staff recommends approval of ARPA funds for the Proposed Project to pay a portion of the development and construction costs and direct project staffing costs in an amount not to exceed 5% of ARPA funds approved for the Project as follows:

Oak View Ranch Family Apartments	\$6,000,000	ARPA Project Funding
Oak View Ranch Family Apartments	\$50,000	ARPA Direct Staffing (5%)
<b>Total</b>	<b>\$6,050,000</b>	

<b>Construction Sources</b>	
Construction Loan (Tax-Exempt)	\$ 33,360,000
Construction Loan (Taxable)	\$ 0
4% Tax Credit Equity	\$11,458,079
City of Murrieta Land Loan	\$ 3,325,000
Murrieta Housing Authority	\$ 6,142,807
Developer Equity Contribution	\$ 4,700,000
Riverside County ARPA Loan	\$ 6,000,000
Deferred Costs	\$ 962,996
<b>Total</b>	<b>\$ 65,948,881</b>

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<b>Permanent Sources</b>	
Permanent Loan	\$ 7,552,000
4% Tax Credit Equity	\$ 30,279,921
State Tax Credit Equity	\$ 7,913,675
City of Murrieta Land Loan	\$ 3,325,000
Murrieta Housing Authority	\$ 6,142,807
Developer Equity Contribution	\$ 4,700,000
Deferred Developer Fee	\$ 35,479
Riverside County ARPA Loan	\$ 6,000,000
<b>Total</b>	<b>\$ 65,948,881</b>

County Counsel has reviewed and approved as to form the attached form of the Loan Agreement for the Use of ARPA Funds, form of the ARPA Leasehold Deed of Trust, form of the ARPA Loan Promissory Note, and form of the ARPA Covenant Agreement. Staff recommends that the Board approve forms of the Loan Agreement for the Use of ARPA funds, ARPA Leasehold Deed of Trust, ARPA Loan Promissory Note, and ARPA Covenant Agreement.

Any potential significant effects of the Project have been addressed by the City of Murrieta, as Lead Agency in its Mitigated Negative Declaration (MND), Initial Study and Environmental Analysis for Oak View Ranch Family Apartments (formerly known as Murrieta Apartments Phase I) Housing Project (Planning Application Numbers 2021-2311 and Tentative Parcel Map 2021-2326 thereto, Resolution Number 22-4558), adopted by the City of Murrieta on April 6, 2021 and filed with the Riverside County Clerk’s Office on April 22, 2021. Acting as the Responsible Agency, the County of Riverside Board of Supervisors will adopt the Notice of Determination. Entering into the ARPA Loan Agreement will not result in any new significant environmental effects; the actions will not substantially increase the severity of the environmental effects; no considerably different mitigation measures have been identified; and no mitigation measures found infeasible have become feasible. As a result, no further environmental documentation is required for California Environmental Quality Act purposes.

**Impact on Citizens and Businesses**

The development of Oak View Ranch Family Apartments will have a positive impact on residents and businesses through the creation of jobs and affordable housing in southwest Riverside County.

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**SUPPLEMENTAL:**

**Additional Fiscal Information**

No impact upon the County's General Fund; the County's contribution to the Project will be fully funded with American Rescue Plan Act (ARPA) funds allocated from California's direct allocation of federal ARPA funds.

**Attachments:**

- Schedule A - Budget Adjustment
- Form of the Loan Agreement for the Use of ARPA Funds, including all exhibits - Forms of the ARPA Leasehold Deed of Trust, ARPA Loan Promissory Note and ARPA Covenant Agreement
- Environmental Indemnity

  
Kristine Bell-Valdez, Supervising Deputy County Counsel 5/4/2023

NO FEE FOR RECORDING PURSUANT

TO GOVERNMENT CODE SECTION 6103

Order No.  
Escrow No.

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.

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

County of Riverside  
Housing and Workforce Solutions  
3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501  
Attn: Juan Garcia

SPACE ABOVE THIS LINE FOR RECORDER'S USE

LOAN AGREEMENT FOR THE USE OF  
AMERICAN RESCUE PLAN ACT (ARPA) FUNDS  
(Oak View Ranch Family Apartments)

This LOAN AGREEMENT FOR THE USE OF AMERICAN RESCUE PLAN ACT FUNDS (Oak View Ranch Family Apartments) ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2023 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), and NCRC MURRIETA FAMILY HOUSING LP, a California limited partnership ("BORROWER"). The COUNTY and BORROWER may be individually referred to herein as a "Party" and collectively as the "Parties." This Agreement is for the use of U.S. Department of the Treasury ("U.S. Treasury") Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") under the American Rescue Plan Act of 2021 (Pub. L. 117-2), amending Title VI of the Social Security Act (42 U.S.C. 801 et seq.) (the "Act") and the implementing regulations thereto (31 CFR Part 35) (collectively, "ARPA"), is made and entered into as of the Effective Date (defined herein).

RECITALS

WHEREAS, on March 11, 2021, to address the negative economic impacts of the COVID-19 pandemic, President Joseph R. Biden signed into law the Act, and on January 6, 2022, the U.S. Treasury adopted a Final Rule implementing SLFRF; and

WHEREAS, the Act provides that SLFRF funds may be used to cover costs that are necessary expenditures incurred due to the public health emergency of the COVID-19 pandemic;

MAY 9 2023

311

1 and

2 WHEREAS, on October 19, 2021, via Minute Order 3.5, the Board of Supervisors of the  
3 County of Riverside approved allocating \$50,000,000 in ARPA funds to increase shelter  
4 capacity, permanent supportive housing units and affordable housing to help address  
5 homelessness; and

6 WHEREAS, BORROWER is proposing to utilize SLFRF funds for the  
7 development and construction of a multi-family affordable rental housing project currently  
8 referred to as Oak View Ranch Family Apartments (formerly known as Murrieta Apartments  
9 Phase I), as well as a senior housing project, Oak View Ranch Senior Apartments (formerly  
10 known as Murrieta Apartments Phase II). Phase I is expected to be constructed in one phase,  
11 which will be financed with 4% Low-Income Housing Tax Credits (“LIHTC”) and tax-exempt  
12 bonds. Phase I will consist of one hundred nineteen (119) rental housing units, which includes  
13 one (1) residential manager’s unit, to be rented and occupied by low-income households  
14 (“Project”). The 6.22-acre site of the entire project, which is currently owned by the Murrieta  
15 Housing Authority, is located at 24960 Adams Avenue, in the City of Murrieta, County of  
16 Riverside, State of California, also identified as Assessor’s Parcel Number (“APN”) 906-080-  
17 018, as more specifically described in the legal description attached hereto as **Exhibit A** and  
18 incorporated herein by this reference (“Property”). Following subdivision of the Property, the  
19 City will ground lease portions of the Property for each phase; and

20 WHEREAS, the purpose of this Agreement is, among other things, for COUNTY to  
21 provide financial assistance to BORROWER in the maximum amount of SIX MILLION AND  
22 00/100 DOLLARS (\$6,000,000) (the “Loan Amount”), to pay a portion of the development and  
23 new construction costs related to the Project, as more fully described herein; and

24 WHEREAS, pursuant to 31 CFR Part 35.6, one of the Eligible Uses (as defined under  
25 ARPA Rules) of the SLFRF is to respond to the public health emergency or its negative  
26 economic impacts for the purpose of assisting low-income households and individuals  
27 disproportionately impacted by the COVID-19 pandemic through the development, repair and  
28 operation of affordable housing and services or programs to increase long-term housing security,



1 and therefore the ARPA assisted activities described herein comply with the objectives required  
2 under ARPA; and

3 WHEREAS, a total of 49% or fifty nine (59) of the units will be reserved as ARPA-  
4 Assisted Units (as defined below), which shall be Qualified Low Income Units (as defined  
5 below).

6 NOW, THEREFORE, based upon the foregoing Recitals and for good and valuable  
7 consideration, the receipt and sufficiency of which is acknowledged by all Parties, the COUNTY  
8 and BORROWER hereby agree as follows:

9 1. PURPOSE. The aforementioned Recitals are true and correct and incorporated  
10 herein by this reference. COUNTY has agreed to lend up to a maximum total of SIX MILLION  
11 AND 00/100 DOLLARS (\$6,000,000) (the "Loan") to BORROWER upon the satisfaction of  
12 the terms and conditions set forth herein, including but not limited to the conditions precedent to  
13 distribution of Loan funds set forth in **Section 12** below. Subject to **Sections 49** and **50** below,  
14 BORROWER shall undertake and complete the ARPA activities required herein and as set forth  
15 in **Exhibit A**, and shall utilize the ARPA fund as required herein and pursuant to the Act and  
16 ARPA rules and regulations. The Project will serve people that are experiencing housing  
17 insecurity, with a total of fifty nine (59) units reserved as ARPA-Assisted Units of which 12  
18 units will be restricted to households whose incomes do not exceed 60% AMI, 28 units will be  
19 restricted to households whose incomes do not exceed 50% AMI, and 19 units will be restricted  
20 to households whose incomes do not exceed 30% AMI of Riverside County.

21 2. BORROWER's OBLIGATIONS. Upon and following the Effective Date  
22 (defined in **Section 55** below), BORROWER hereby agrees to undertake and complete the  
23 following activities within the time periods set forth herein and in **Exhibit A**:

- 24 a. Satisfy the conditions precedent to distribution of the Loan funds set forth in  
25 **Section 12** below.
- 26 b. Develop and construct the Project in accordance with the timeline set forth in  
27 **Exhibit A**.
- 28 c. Operate the Project in such a manner so that it will remain affordable to

1 Qualified Low Income Households for the Affordability Period as defined in  
2 **Section 14** below without regard to (i) the term of the promissory note or (ii)  
3 any transfer of ownership.

4 d. Maintain the Project in compliance with applicable local, state, federal laws,  
5 codes and regulations as further described in **Section 17** below until the  
6 expiration of the Term of this Agreement set forth in **Section 7** below and the  
7 Affordability Period set forth in **Section 14** below.

8 e. The SLFRF funds must be obligated by BORROWER by December 31, 2024,  
9 and must be requisitioned by BORROWER and disbursed by COUNTY by  
10 December 31, 2026 (the “ARPA Loan Funds Deadline”). BORROWER shall  
11 demonstrate to the COUNTY, in the COUNTY’S sole and absolute discretion,  
12 that the SLFRF funds is deemed fully expended in compliance with the ARPA  
13 Rules that relate to loans.

14 3. RESERVED.

15 4. LOAN. Subject to BORROWER’s satisfaction of the conditions precedent to  
16 disbursement of the Loan set forth in **Section 12** below, COUNTY shall distribute the Loan to  
17 BORROWER, pursuant to the following terms and conditions:

18 a. Term of Loan. The maturity date of the Loan shall be the later to occur of (i)  
19 December 31, 2080 or (ii) fifty-five (55) years from the recordation of the  
20 Notice of Completion in the Official Records for the last building for which  
21 construction is completed for the Project (the “Loan Term”). The term,  
22 “Official Records” used herein shall mean the Official Records of the  
23 Recorder’s Office of the County of Riverside.

24 b. Principal. The total amount of the Loan shall not exceed the Loan Amount,  
25 and shall be evidenced by a Promissory Note, substantially conforming in form  
26 and substance to the Promissory Note attached hereto as **Exhibit C** and  
27 incorporated herein by this reference (“Note”), which note shall be secured by  
28 a Deed of Trust and Assignment of Rents, substantially conforming in form

1 and substance to the Deed of Trust and Assignment of Rents attached hereto  
2 as **Exhibit B** and incorporated herein by this reference (“Deed of Trust”).

3 c. Interest. The interest rate shall be three percent (3%) simple interest per  
4 annum.

5 d. Repayment. The terms of the Note shall be as follows:

6 i. That the Loan will accrue simple interest at a rate of three percent (3%) per  
7 annum, except in the case of an event of default as hereinafter provided  
8 wherein a higher default interest rate shall apply as more specifically set  
9 forth in the Note, and shall be repaid on an annual basis from the Project’s  
10 Residual Receipts (defined in Section 4 (d)(iv) below).

11 ii. Fifty percent (50%) of the Project’s Residual Receipts shall be paid to  
12 COUNTY, City of Murrieta and City Housing Authority (pro rata with  
13 respect to the amounts of their respective loans for the Project) annually in  
14 accordance with the terms set forth herein. The pro rata share split shall  
15 be thirty nine percent (39%) to the City Housing Authority, twenty two  
16 percent (22%) to the City of Murrieta, and thirty nine percent (39%) to  
17 COUNTY (each, a “Pro Rata Share”). Such payment of the Pro Rata Share  
18 of fifty percent (50%) of the Project’s Residual Receipts to City Housing  
19 Authority, City of Murrieta, and COUNTY shall continue annually until  
20 the City Housing Authority note, City of Murrieta promissory note, and  
21 COUNTY’S ARPA Note are repaid in full, respectively.

22 iii. Any remainder of the Project’s Residual Receipts will be paid in  
23 accordance with the cash flow “waterfall” provisions of Borrower’s limited  
24 partnership agreement..

25 iv. The term “Residual Receipts” used herein shall mean all money and  
26 income from the Project remaining annually after the payment of all  
27 normal and necessary expenses of operation of the Project, including but  
28 not limited to the following:

- 1 (1) payments of principal and interest and other mandatory payments on  
2 amortized loans and indebtedness senior to the Loan, which have been  
3 approved in writing by COUNTY (collectively, the “Senior Debt”);
- 4 (2) utility fees and costs not paid by tenants;
- 5 (3) insurance on the Project;
- 6 (4) ad valorem taxes and assessment payments;
- 7 (5) management fees, expenses and costs, as well as the cost of social  
8 programs at the Project and compliance monitoring/reporting, which  
9 shall total initially \$70 per Unit per month, which management fee  
10 shall be increased annually by an amount not to exceed the greater of  
11 (i) three and a half percent (3.5%) or (ii) the increase in the Consumer  
12 Price Index for Riverside-San Bernardino-Ontario, CA area (“CPI”),  
13 and any accrued and unpaid fees from prior years;
- 14 (6) auditing and accounting fees;
- 15 (7) operating expenses (any expense reasonably and normally incurred in  
16 carrying out the Project’s day-to-day activities, which shall include  
17 administration, on-site management costs, utilities, on-site staff  
18 payroll, payroll taxes, and maintenance);
- 19 (8) reserves for repair and replacement of the Project, in an annual amount  
20 of \$500 per rental unit per year, increased annually by an amount not  
21 to exceed the greater of (i) three percent (3%) or (ii) the increase in  
22 CPI;
- 23 (9) required operating reserve replenishments in an amount up to \$175,000  
24 per year;
- 25 (10) County’s monitoring Fee in the total amount of \$11,900, increased  
26 annually by an amount equal to the increase of CPI, as more  
27 specifically discussed in **Section 26**;
- 28 (11) repayment of any operating deficit loans made by a partner to the

1 BORROWER and payment of unpaid tax credit adjustment payments  
2 owed to a limited partner of BORROWER;

3 (12) partnership management fees up to \$15,000 annually payable to a  
4 partner of BORROWER, and asset management fees up to \$5,000  
5 annually (increasingly annually by three (3%)) payable to a partner of  
6 BORROWER, and any accrued and unpaid fees from prior years;

7 (13) payment of deferred developer fees pursuant to BORROWER'S  
8 limited partnership agreement; and

9 (14) all other fees and expenses which may be permitted by the annual  
10 budget approved by the COUNTY.

11 v. Operating expenses will be considered "normal and necessary" if incurred  
12 generally for similarly structured, financed, and restricted rental properties  
13 operated by similar entities. At such time, payment of thirty nine percent  
14 (39%) of 50% of the Residual Receipts produced from the Project shall be  
15 made by the BORROWER to the COUNTY annually on July 15th of each  
16 year. Payment shall be applied first to accrued interest and thereafter to  
17 principal. BORROWER shall annually provide the COUNTY with an  
18 accounting acceptable to the COUNTY, documenting the calculation of  
19 Residual Receipts for the previous calendar year ending December 31.  
20 This accounting shall be made on or before July 15, together with the  
21 payment of Residual Receipts.

22 e. Prepayment. Prepayment of principal and/or interest under the Note may occur  
23 at any time without penalty; provided, however (i) the requirements of **Section**  
24 **17**, Compliance with Laws and Regulations, shall remain in full force and  
25 effect for the term of the Agreement specified in **Section 7** below; and (ii) the  
26 affordability requirements set forth in the Covenant Agreement, attached  
27 hereto as **Exhibit G** (the "Covenant Agreement"), shall remain in effect until  
28 the expiration of the Affordability Period.

1 f. Compliance and Affordability Period. The requirements of **Section 17,**  
2 Compliance with Laws and Regulations, shall remain in full force and effect  
3 for the Term of the Agreement if the BORROWER has complied with the  
4 terms of the Loan.

5 5. SECURITY. Lien priority, including applicable regulatory agreements, shall be as  
6 follows: (1) first priority shall be Declaration of Reciprocal Easements for Access, Utilities and  
7 Use for Oak View Ranch by Murrieta Housing Authority (“Housing Authority”) recorded  
8 against fee interest for both Family and Senior Project; (2) second priority shall be Memorandum  
9 of Ground Lease by and between Housing and NCRC Murrieta Family Housing, L.P.  
10 (“Partnership”) recorded against fee interest for Family Project; (3) third priority shall be  
11 Temporary Access, Demolition and Construction Staging License Agreement by and between  
12 Housing Authority and Partnership recorded against fee interest for Senior Project; (4) fourth  
13 priority shall be Regulatory Agreement and Declaration of Restrictive Covenants by and among  
14 California Statewide Communities Development Authority (“Issuer”) and Partnership recorded  
15 against leasehold interest for Family Project; (5) fifth priority shall be Regulatory Agreement by  
16 and between City of Murrieta Housing Authority and Partnership recorded against leasehold  
17 interest for Family Project; (6) sixth priority shall be Covenant Agreement by and between  
18 County and Partnership recorded against leasehold interest for Family Project; (7) seventh  
19 priority shall be Bond Deed of Trust Bank of America (“BOA”) Construction Loan in the  
20 amount of \$33,360,000/Permanent Loan in the amount of \$7,552,000 Construction and  
21 Permanent Leasehold Deed of Trust, with Assignment of Leases and Rents, Security Agreement  
22 and Fixture Filing recorded against leasehold interest for Family Project; (8) eighth priority shall  
23 be Bond Deed of Trust Bank of America (“BOA”) Construction Loan in the amount of  
24 \$33,360,000/Permanent Loan in the amount of \$7,552,000 Assignment of Deed of Trust and  
25 related Documents from the Issuer for benefit of BOA recorded against leasehold interest for  
26 Family Project; (9) ninth priority shall be City of Murrieta Housing Authority Land Loan in the  
27 amount of \$3,325,000 Leasehold Deed of Trust, Security Agreement and Fixture Filing (with  
28 Assignment of Rents) by the Partnership for the benefit of the Housing Authority recorded

1 against leasehold interest for Family Project; (10) tenth priority shall be City of Murrieta Housing  
2 Authority Loan in the amount of \$6,142,807 Deed of Trust recorded against leasehold interest  
3 for Family Project (all of such preceding liens and encumbrances collectively, the “Senior  
4 Liens”); (11) eleventh priority shall be Riverside County ARPA Loan in the amount of  
5 \$6,000,000 Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and  
6 Fixture Filing by Partnership for the benefit of the County of Riverside (“County”) recorded  
7 against leasehold interest for Family Project; (12) twelfth priority shall be Sponsor Loan in the  
8 amount of \$7,913,675 Deed of Trust for the benefit of National Community Renaissance of  
9 California recorded against the leasehold interest for the Family Project; and (13) thirteenth  
10 priority shall be the this Agreement.

11 6. PRIOR COUNTY APPROVAL.

12 a. Except as otherwise expressly provided in this Agreement, approvals required  
13 of the COUNTY shall be deemed granted by the written approval of the  
14 Director for the Department of Housing and Workforce Solutions or designee  
15 (“Director”). Notwithstanding the foregoing, the Director may, in his or her  
16 sole discretion, refer to the governing body of the COUNTY any item requiring  
17 COUNTY approval; otherwise, “COUNTY approval” means and refers to  
18 approval by the Director or designee.

19 b. The Director or designee shall have the right to make non-substantive changes  
20 to the attachments to this Agreement in order to ensure that all such  
21 attachments are consistent with the terms and provisions of this Agreement.

22 7. TERM OF AGREEMENT. This Agreement shall become effective upon the  
23 Effective Date, as defined in **Section 55** below, and unless terminated earlier pursuant to the  
24 terms hereof, shall continue in full force and effect until the later to occur of (i) December 31,  
25 2080 or (ii) fifty-five (55) years from the recordation of the Notice of Completion in the Official  
26 Records for the last building for which rehabilitation is completed for the Project (“Term of  
27 Agreement”).

28 8. BORROWER’S REPRESENTATIONS. BORROWER represents and warrants

1 to COUNTY as follows:

- 2 a. Authority. BORROWER is a duly organized limited partnership, validly  
3 existing and in good standing under the laws of the State of California. The  
4 copies of the documents evidencing the organization of BORROWER, which  
5 have been delivered to COUNTY, are true and complete copies of the  
6 originals, amended to the date of this Agreement. BORROWER has full right,  
7 power and lawful authority to enter into this Agreement and accept the Loan  
8 and undertake all obligations as provided herein. The execution, performance,  
9 and delivery of this Agreement by BORROWER have been fully authorized  
10 by all requisite actions on the part of BORROWER.
- 11 b. No Conflict. To the best of BORROWER's knowledge, BORROWER's  
12 execution, delivery and performance of its obligations under this Agreement  
13 will not constitute a default or a breach under contract, agreement or order to  
14 which BORROWER is a party or by which it is bound.
- 15 c. No Bankruptcy. BORROWER is not the subject of a bankruptcy proceeding.
- 16 d. Prior to Closing. BORROWER shall, upon learning of any fact or condition  
17 which would cause any of the warranties and representations in this **Section 8**  
18 not to be true as of Closing, immediately give written notice of such fact or  
19 condition to COUNTY. Such exception(s) to a representation shall not be  
20 deemed a breach by BORROWER hereunder, but shall constitute an exception  
21 which COUNTY shall have the right to approve or disapprove if such  
22 exception would have an effect on the value and/or operation of the Project.
- 23 e. CEQA. BORROWER represents and warrants that the Project will be  
24 developed in full compliance with all applicable requirements of the California  
25 Environmental Quality Act ("CEQA") concerning this Agreement, including  
26 without limitation any challenge to CEQA compliance.

27 9. COMPLETION SCHEDULE. BORROWER shall proceed consistent with the  
28 implementation schedule ("Implementation Schedule") set forth in **Exhibit A**, (as such schedule



1 may be amended pursuant to **Section 11**) and subject to Force Majeure Delays, as defined in  
2 **Section 10.**

3 10. FORCE MAJEURE DELAYS. “Force Majeure” means event(s) beyond the  
4 reasonable control of BORROWER, and which could not have been reasonably anticipated,  
5 which prevent(s) BORROWER from complying with any of its obligations under this  
6 Agreement, including, but not limited to: acts of God, acts of war, acts or threats of terrorism,  
7 civil disorders, strikes, labor disputes, pandemics such as COVID-19, flood, fire, explosion,  
8 earthquake, acts of the Federal Government, acts of the other party, epidemics, quarantine  
9 restrictions, freight embargoes or other similar acts.

10 “Force Majeure Delay” is delay due to Force Majeure that, in each case, (i)  
11 materially adversely affects the performance by BORROWER of its obligations hereunder, (ii)  
12 is not reasonably foreseeable and is beyond BORROWER reasonable control, (iii) despite the  
13 exercise of reasonable diligence, cannot be prevented, avoided or removed by BORROWER and  
14 is not attributable to the negligence, willful misconduct or bad faith of BORROWER, and (iv) is  
15 not the result of the failure of BORROWER to perform any of its obligations under this  
16 Agreement. Notwithstanding the foregoing, a Force Majeure Delay shall not be deemed to have  
17 occurred unless BORROWER has notified COUNTY in writing of such occurrence of Force  
18 Majeure within fifteen (15) days after such occurrence and has provided COUNTY with the  
19 details of such event and the length of the anticipated delay within an additional fifteen (15) days  
20 thereafter. BORROWER shall diligently attempt to remove, resolve, or otherwise eliminate such  
21 event, keep COUNTY advised with respect thereto, and shall commence performance of its  
22 obligations hereunder immediately upon such removal, resolution or elimination. During the  
23 occurrence and continuance of a Force Majeure Delay, BORROWER shall be excused from  
24 performance of its obligations under this Agreement to the extent the Force Majeure prevents  
25 BORROWER from performing such obligations.

26 11. EXTENSION OF TIME. COUNTY may grant an extension to the  
27 Implementation Schedule set forth in **Exhibit A** for the purpose of completing BORROWER’s  
28 activities which cannot be completed as outlined in **Exhibit A**. BORROWER shall request said

1 extension in writing, stating the reasons therefore, which extension must be first approved in  
2 writing by the COUNTY in its reasonable discretion. The Director, or designee, on behalf of the  
3 COUNTY and without referring such matter to the County’s Board of Supervisors may extend  
4 all pending deadlines in the Implementation Schedule on two (2) or fewer occasions, so long as  
5 the aggregate duration of such administrative time extensions is no greater than ninety (90) days.  
6 Every term, condition, covenant, and requirement of this Agreement shall continue in full force  
7 and effect during the period of any such extension.

8 12. CONDITIONS PRECEDENT TO DISTRIBUTION OF LOAN FUNDS.

9 COUNTY, through its Housing and Workforce Solutions (“HWS”), shall: (1) make  
10 disbursements of the Loan to BORROWER subject to BORROWER’s satisfaction of the  
11 conditions precedent set forth below, and (2) monitor the Project to ensure compliance with  
12 applicable federal regulations and the terms of this Agreement. COUNTY shall not disburse any  
13 Loan funds pursuant to this Agreement until the following conditions precedent have been  
14 satisfied:

- 15 a. BORROWER executes this Agreement and delivers it to COUNTY;
- 16 b. BORROWER executes the Note, substantially conforming in form and  
17 substance to the Promissory Note attached hereto as **Exhibit C** and delivers to  
18 COUNTY;
- 19 c. BORROWER submits written evidence to COUNTY that BORROWER has  
20 obtained sufficient financing commitments necessary to undertake the  
21 rehabilitation of the project as required herein;
- 22 d. BORROWER provides COUNTY with evidence of insurance as required  
23 herein;
- 24 e. BORROWER executes the Deed of Trust, substantially conforming in form  
25 and substance to the Deed of Trust, Assignment of Leases and Rents, Security  
26 Agreement and Fixture Filing attached hereto as **Exhibit B**, in recordable  
27 form, and delivers such document to the County of Riverside for recordation  
28 in the Official Records;

- 1 f. BORROWER executes the Covenant Agreement, substantially conforming in  
2 form and substance to the Covenant Agreement attached hereto as **Exhibit G**  
3 and incorporated herein by this reference, in recordable form, and delivers it  
4 to the County of Riverside for recordation in the Official Records;
- 5 g. COUNTY executes and records the Requests for Notice of Default conforming  
6 in form and substance to **Exhibit H** attached hereto;
- 7 h. BORROWER provides, at its expense, an ALTA lender's policy in favor of  
8 COUNTY, insuring the Deed of Trust as an eleventh priority lien against the  
9 Property junior only to the Senior Liens identified in **Section 5**;
- 10 i. BORROWER provides satisfactory evidence that it has all the financing  
11 documents required to cause the proceeds of the Senior Lien loans, when  
12 combined with the Loan, to pay for all development and construction costs for  
13 the Project;
- 14 j. BORROWER is not in default under the terms of this Agreement or any other  
15 agreement related to the financing of the Project;
- 16 k. BORROWER agrees to verify that BORROWER, and its principals, or any/all  
17 persons, contractors, consultants, businesses, etc. ("Developer Associates"),  
18 with whom BORROWER is conducting business with respect to the Project,  
19 are not presently debarred, proposed for debarment, suspended, declared  
20 ineligible, or voluntarily excluded from participation or from receiving federal  
21 contracts or federally approved subcontracts or from certain types of federal  
22 financial and nonfinancial assistance and benefits with the Excluded Parties  
23 Listing System ("EPLS"). EPLS records are located at [www.sam.gov](http://www.sam.gov); and
- 24 l. BORROWER shall search and provide a single comprehensive list of  
25 Developer Associates (individuals and firms) and print and maintain evidence  
26 of the search results of each Developer Associate as verification of compliance  
27 with this requirement as provided in **Exhibit I**, Contractor Debarment  
28 Certification Form, which is attached hereto and incorporated herein by this

reference.

13. REALLOCATION OF FUNDS. If BORROWER fails to meet (1) the ARPA Loan Funds Deadline as set forth in **Section 2(e)**, (2) the Construction Start Deadline as set forth in **Exhibit A**, (3) the Completion Deadline as set forth in **Section 49(a)** (collectively, the “Performance Deadlines”), all of which are subject to the notice and cure periods set forth in **Section 11** herein, then BORROWER shall be instructed to return the Loan funds and the Loan funds may be reallocated by COUNTY after at least thirty (30) days’ prior written notice is given to BORROWER. Upon such reallocation and repayment of funds, this Agreement shall be terminated and be of no further force and effect and BORROWER shall be released and discharged from any obligations hereunder, except as to those obligations which by their terms survive termination of this Agreement.

14. DISTRIBUTION OF FUNDS. COUNTY'S Board of Supervisors shall determine the final disbursement and distribution of all ARPA funds received by COUNTY under ARPA. Disbursement of SLFRF funds shall occur upon the satisfaction of conditions set forth in **Section 12.** COUNTY shall pay BORROWER in the form of funding draw requests with supporting documents which specifically state how such funds will be expended. COUNTY shall promptly review the funding draw request and supporting documentation, but in no event later than thirty (30) days. COUNTY may require additional information from BORROWER as may be necessary and appropriate for COUNTY to make its determination as to allowable costs. COUNTY shall deposit the sum specified in the funding draw requests into BORROWER’S bank account upon receipt of wire instructions.

15. TERMS OF AFFORDABILITY. The ARPA-Assisted Units shall remain occupied and rented to Qualified Low Income Households for an affordable rent pursuant to **Sections 18 and 19** below, **Exhibit A**, and the Covenant Agreement attached hereto as **Exhibit G** until fifty-five (55) years from the recordation of the Notice of Completion in the Official Records (“Affordability Period”).

16. INSURANCE. Without limiting or diminishing the BORROWER’S obligation to indemnify or hold the COUNTY harmless, BORROWER shall procure and maintain or cause to

1 be maintained, at its sole cost and expense, the following insurance coverages during the term of  
2 this Agreement. As respects to the insurance section only, the COUNTY herein refers to the  
3 County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective  
4 directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or  
5 representatives as Additional Insureds.

6 a. Builder's All Risk (Course of Construction) Insurance. BORROWER shall  
7 provide a policy of Builder's All Risk (Course of Construction) insurance  
8 coverage including (if the work is located in an earthquake or flood zone or if  
9 required on financed or bond financing arrangements) coverage for earthquake  
10 and flood, covering the COUNTY, BORROWER and every subcontractor, of  
11 every tier, for the entire Project, including property to be used in the  
12 construction of the work while such property is at off-site storage locations or  
13 while in transit or temporary off-site storage. Such policy shall include, but  
14 not be limited to, coverage for fire, collapse, faulty workmanship, debris  
15 removal, expediting expense, fire department service charges, valuable papers  
16 and records, trees, grass, shrubbery and plants. If scaffolding, false work and  
17 temporary buildings are insured separately by the BORROWER or others,  
18 evidence of such separate coverage shall be provided to COUNTY prior to the  
19 start of the work. Such policy shall be written on a completed value  
20 form. Such policy shall also provide coverage for temporary structures (on-  
21 site offices, etc.), fixtures, machinery and equipment being installed as part of  
22 the work. BORROWER shall be responsible for any and all deductibles under  
23 such policy. Upon request by COUNTY, BORROWER shall declare all  
24 terms, conditions, coverages and limits of such policy. If the COUNTY so  
25 provides, in its sole discretion, the All Risk (Course of Construction) insurance  
26 for the Project, then BORROWER shall assume the cost of any and all  
27 applicable policy deductibles (currently, \$50,000 per occurrence) and shall  
28 insure its own machinery, equipment, tools, etc. from any loss of any nature

1                   whatsoever.

2                   b. Worker's Compensation Insurance. If the BORROWER has employees as  
3                   defined by the State of California, the BORROWER shall maintain statutory  
4                   Workers' Compensation Insurance (Coverage A) as prescribed by the laws of  
5                   the State of California. Policy shall include Employers' Liability (Coverage B)  
6                   including Occupational Disease with limits not less than \$1,000,000 per person  
7                   per accident. The policy shall be endorsed to waive subrogation in favor of The  
8                   County of Riverside. Policy shall name the COUNTY as Additional Insureds.

9                   c. Commercial General Liability Insurance. Commercial General Liability  
10                  insurance coverage, including but not limited to, premises liability, unmodified  
11                  contractual liability, products and completed operations liability, personal and  
12                  advertising injury, and cross liability coverage, covering claims which may  
13                  arise from or out of BORROWER'S performance of its obligations hereunder.  
14                  Policy shall name the COUNTY as Additional Insured. Policy's limit of  
15                  liability shall not be less than \$2,000,000 per occurrence and \$4,000,000 in the  
16                  aggregate. If such insurance contains a general aggregate limit, it shall apply  
17                  separately to this agreement or be no less than two (2) times the occurrence  
18                  limit. Policy shall name the COUNTY as Additional Insureds.

19                  d. Vehicle Liability Insurance. If vehicles or mobile equipment are used in the  
20                  performance of the obligations under this Agreement, then CONTRACTOR  
21                  shall maintain liability insurance for all owned, non-owned or hired vehicles  
22                  so used in an amount not less than \$1,000,000 per occurrence combined single  
23                  limit. If such insurance contains a general aggregate limit, it shall apply  
24                  separately to this agreement or be no less than two (2) times the occurrence  
25                  limit. Policy shall name the COUNTY as Additional Insureds.

26                  e. General Insurance Provisions – All Lines.

27                    i. Any insurance carrier providing insurance coverage hereunder shall be  
28                    admitted to the State of California and have an A M BEST rating of not

1 less than A: VIII (A:8) unless such requirements are waived, in writing, by  
2 the County Risk Manager. If the County's Risk Manager waives a  
3 requirement for a particular insurer such waiver is only valid for that  
4 specific insurer and only for one policy term.

5 ii. The BORROWER must declare its insurance self-insured retention for  
6 each coverage required herein. If any such self-insured retention exceed  
7 \$500,000 per occurrence each such retention shall have the prior written  
8 consent of the County Risk Manager before the commencement of  
9 operations under this Agreement. Upon notification of self-insured  
10 retention unacceptable to the COUNTY, and at the election of the County's  
11 Risk Manager, BORROWER'S carriers shall either; 1) reduce or eliminate  
12 such self-insured retention as respects this Agreement with the COUNTY,  
13 or 2) procure a bond which guarantees payment of losses and related  
14 investigations, claims administration, and defense costs and expenses.

15 iii. BORROWER shall cause BORROWER'S insurance carrier(s) to furnish  
16 the of Riverside with either 1) a properly executed original Certificate(s)  
17 of Insurance and certified original copies of Endorsements effecting  
18 coverage as required herein, and 2) if requested to do so orally or in writing  
19 by the County Risk Manager, provide original Certified copies of policies  
20 including all Endorsements and all attachments thereto, showing such  
21 insurance is in full force and effect. Further, said Certificate(s) and policies  
22 of insurance shall contain the covenant of the insurance carrier(s) that a  
23 minimum of thirty (30) days written notice shall be given to the County of  
24 Riverside prior to any material modification, cancellation, expiration or  
25 reduction in coverage of such insurance. If BORROWER insurance  
26 carrier(s) policies does not meet the minimum notice requirement found  
27 herein, BORROWER shall cause BORROWER'S insurance carrier(s) to  
28

1 furnish a 30 day Notice of Cancellation Endorsement.

2 iv. In the event of a material modification, cancellation, expiration, or  
3 reduction in coverage, this Agreement shall forthwith, unless the County  
4 of Riverside receives, prior to such effective date, another properly  
5 executed original Certificate of Insurance and original copies of  
6 endorsements or certified original policies, including all endorsements and  
7 attachments thereto evidencing coverage's set forth herein and the  
8 insurance required herein is in full force and effect. BORROWER shall not  
9 commence operations until the COUNTY has been furnished original  
10 Certificate (s) of Insurance and certified original copies of endorsements  
11 and if requested, certified original policies of insurance including all  
12 endorsements and any and all other attachments as required in this Section.  
13 An individual authorized by the insurance carrier to do so on its behalf  
14 shall sign the original endorsements for each policy and the Certificate of  
15 Insurance.

16 v. It is understood and agreed to by the parties hereto that the BORROWER'S  
17 insurance shall be construed as primary insurance, and the COUNTY'S  
18 insurance and/or deductibles and/or self-insured retentions or self-insured  
19 programs shall not be construed as contributory.

20 vi. If, during the term of this Agreement or any extension thereof, there is a  
21 material change in the scope of services; or, there is a material change in  
22 the equipment to be used in the performance of the scope of work; or, the  
23 term of this Agreement, including any extensions thereof, exceeds five (5)  
24 years; the COUNTY reserves the right to adjust the types of insurance and  
25 the monetary limits of liability required under this Agreement, if in the  
26 County Risk Management's reasonable judgment, the amount or type of  
27 insurance carried by the BORROWER has become inadequate.

28 vii. BORROWER shall pass down the insurance obligations contained herein



1 to all tiers of subcontractors working under this Agreement.

2 viii. The insurance requirements contained in this Agreement may be met with  
3 a program(s) of self-insurance acceptable to the COUNTY.

4 ix. BORROWER agrees to notify COUNTY of any claim by a third party or  
5 any incident or event that may give rise to a claim arising from the  
6 performance of this Agreement.

7 f. Hold Harmless Indemnification – All Lines. BORROWER shall indemnify  
8 and hold harmless the County of Riverside, its Agencies, Districts, Special  
9 Districts and Departments, their respective directors, officers, Board of  
10 Supervisors, elected and appointed officials, employees, agents and  
11 representatives (individually and collectively hereinafter referred to as  
12 Indemnitees) from any liability whatsoever, based or asserted upon any  
13 services of BORROWER, its officers, employees, subcontractors, agents or  
14 representatives arising out of or in any way relating to this Agreement,  
15 including but not limited to property damage, bodily injury, or death or any  
16 other element of any kind or nature whatsoever arising from the performance  
17 of BORROWER, its officers, employees, subcontractors, agents or  
18 representatives Indemnitors from this Agreement. BORROWER shall defend,  
19 at its sole expense, all costs and fees including, but not limited, to attorney  
20 fees, cost of investigation, defense and settlements or awards, the Indemnitees  
21 in any claim or action based upon such alleged acts or omissions.  
22 BORROWER’S obligation hereunder shall be satisfied when BORROWER  
23 has provided to COUNTY the appropriate form of dismissal relieving  
24 COUNTY from any liability for the action or claim involved. The specified  
25 insurance limits required in this Agreement shall in no way limit or  
26 circumscribe OWNER’S obligations to indemnify and hold harmless the  
27 Indemnities herein from third party claims. In the even there is conflict  
28 between this clause and California Civil Code Section 2782, this clause shall

1 be interpreted to comply with Civil Code 2782. Such interpretation shall not  
2 relieve the BORROWER from indemnifying the Indemnities to the fullest  
3 extent allowed by law.

4 17. FINANCIAL AND PROJECT RECORDS. BORROWER shall maintain  
5 financial, programmatic, statistical, and other supporting records of its operations and financial  
6 activities sufficient to establish compliance with subsection 601(d) of the Social Security Act, as  
7 amended (42 U.S.C. 801(d)), in accordance with the requirements of ARPA, and the regulations  
8 as amended and promulgated thereunder, which records shall be open to inspection and audit by  
9 authorized representatives of COUNTY, the California Department of Finance, and the United  
10 States Department of the Treasury (the "Treasury") Office of Inspector General, during regular  
11 working hours. COUNTY, state, and federal representatives have the right of access, with at  
12 least forty-eight (48) hours prior notice, to any pertinent books, documents, papers, or other  
13 records of BORROWER, in order to make audits, examinations, excerpts, and transcripts. Said  
14 records shall be retained for such time as may be required by ARPA, but in no event no less than  
15 five (5) years after the Project completion date as evidenced by recordation of the Notice of  
16 Completion; except that records of individual tenant income verifications, Project rents, and  
17 Project inspections must be retained for the most recent five (5) year period, until five (5) years  
18 after the Affordability Period terminates. If any litigation, claim, negotiation, audit, or other  
19 action has been started before the expiration of the regular period specified, the records must be  
20 retained until completion of the action and resolution of all issues which arise from it, or until  
21 the end of the regular period, whichever is later.

22 18. COMPLIANCE WITH LAWS AND REGULATIONS. By executing this  
23 Agreement, BORROWER hereby certifies that it will adhere to and comply with all federal, state  
24 and local laws, regulations and ordinances, including ARPA Final Rules. In particular,  
25 BORROWER shall comply with the following as they may be applicable to BORROWER in  
26 connection with the Loan:

- 27 a. Compliance with Executive Order 11246 of September 24, 1965, entitled  
28 "Equal Employment Opportunity", as amended by Executive Order 11375 of

1           October 13, 1967, and as supplemented in Department of Labor Regulations  
2           (41 CFR Part 60). The BORROWER will not discriminate against any  
3           employee or applicant for employment because of race, color, religion, sex, or  
4           national origin. BORROWER shall ensure that all qualified applicants will  
5           receive consideration for employment without regard to race, color, religion,  
6           sex or national origin. The BORROWER will take affirmative action to ensure  
7           that applicants are employed and the employees are treated during employment,  
8           without regard to their race color, religion, sex, or national origin. Such actions  
9           shall include, but are not limited to, the following: employment, up-grading,  
10          demotion, or transfer; recruitment or recruitment advertising; rates of pay or  
11          other forms of compensation; and selection for training, including  
12          apprenticeship. The BORROWER agrees to post in a conspicuous place,  
13          available to employees and applicants for employment, notices to be provided  
14          by the County setting forth the provisions of this non-discrimination clause;

- 15          b. Executive Order 11063, as amended by Executive Order 12259, and  
16          implementing regulations at 24 CFR Part 107;
- 17          c. Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended,  
18          and implementing regulations;
- 19          d. The Age Discrimination Act of 1975 (Pub. L. 94-135), as amended, and  
20          implementing regulations;
- 21          e. The regulations, policies, guidelines and requirements of the Uniform  
22          Administrative Requirements, Cost Principles, and Audit Requirements for  
23          Federal Awards (2 CFR Part 200) as they relate to the acceptance and use of  
24          granted or loaned federal funds under the federally-assigned program;
- 25          f. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352) and implementing  
26          regulations issued at 24 CFR Part 1;
- 27          g. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284) as amended;
- 28          h. *Rights to Data and Copyrights*: Contractors and consultants agree to comply

1 with all applicable provisions pertaining to the use of data and copyrights  
2 pursuant to 48 CFR Part 27.404-3, Federal Acquisition Regulations (FAR).

3 i. *Air Pollution Prevention and Control* (formally known as the *Clean Air Act*)  
4 (*42 U.S.C.A. 7401 et seq.*) and the *Federal Water Pollution Control Act* (*33*  
5 *U.S.C.A. Section 1251 et seq.*), as amended: Contracts and subgrants of  
6 amounts in excess of \$100,000 shall contain a provision that requires the  
7 recipient to agree to comply with all applicable standards, orders or regulations  
8 issued pursuant to the *Clean Air Act* (*42 U.S.C.A. 7401 et seq.*) and the *Federal*  
9 *Water Pollution Control Act* as amended (*33 U.S.C.A. Section 1251 et seq.*).  
10 Violations shall be reported to the Federal awarding agency and the Regional  
11 Office of the Environmental Protection Agency (EPA).

12 j. *Anti-Lobbying Certification* (*31 U.S.C.A. 1352*): The language of the  
13 certification set forth below shall be required in all contracts or subcontracts  
14 entered into in connection with this loan activity and all BORROWERS shall  
15 certify and disclose accordingly. This certification is a material representation  
16 of fact upon which reliance was placed when this transaction was made or  
17 entered into. Submission of this certification is a prerequisite for making or  
18 entering into this transaction imposed by Section 1352, Title 31, U.S. code. Any  
19 person who fails to file the required certification shall be subject to a civil  
20 penalty of not less than \$10,000 and no more than \$100,000 for such failure.

21 “The undersigned certifies, to the best of his or her knowledge or belief, that:  
22 No Federal appropriated funds have been paid or will be paid, by or on behalf  
23 of it, to any person for influencing or attempting to influence an officer or  
24 employee of any agency, a Member of Congress, an officer or employee of  
25 Congress, or an employee of a Member of Congress in connection with the  
26 awarding of any Federal contract, the making of any Federal grant, the making  
27 of any Federal loan, the entering into of any cooperative agreement, and the  
28 extension, continuation, renewal, amendment, or modification of any Federal

1 contract, grant, loan, or cooperative agreement;

2 If any funds other than Federal appropriated funds have been paid or will be  
3 paid to any person for influencing or attempting to influence an officer or  
4 employee of any agency, a Member of Congress, an officer or employee of  
5 Congress, or an employee of a Member of Congress in connection with this  
6 Federal contract, grant loan or cooperative agreement, he/she will complete and  
7 submit Standard Form – LLL, “Disclosure Form to Report Lobbying,” in  
8 accordance with its instructions.”

9 k. *Debarment and Suspension (Executive Orders (E.O.) 12549 and 12689):* No  
10 contract award shall be made to parties listed on the governmentwide exclusions  
11 in the System for Award Management (SAM), in accordance with OMB  
12 guidelines at 2 CFR 180 that implement Executive Orders (E.O.s) 12549 and  
13 12689, “Debarment and Suspension.” SAM Exclusions contains the names of  
14 parties debarred, suspended, or otherwise excluded by agencies, as well as  
15 parties declared ineligible under statutory or regulatory authority other than  
16 E.O. 12549. Contractors with awards that exceed the small purchase threshold  
17 shall provide the required certification regarding its exclusion status and that of  
18 its principal employees.

19 l. *Drug-Free Workplace Requirements:* The Anti-Drug Abuse Act of 1988 (41  
20 U.S.C.A. Section 8101-8103) requires grantees (including individuals) of  
21 federal agencies, as a prior condition of being awarded a grant, to certify that  
22 they will provide drug-free workplaces. Each potential recipient must certify  
23 that it will comply with drug-free workplace requirements in accordance with  
24 the Act and with HUD's rules at 2 CFR Part 2424.

25 m. *Access to Records and Records Retention:* The BORROWER or Contractor,  
26 and any sub-consultants or sub-contractors, shall allow all duly authorized  
27 Federal, State, and/or County officials or authorized representatives access to  
28 the work area, as well as all books, documents, materials, papers, and records

1 of the BORROWER or Contractor, and any sub-consultants or sub-contractors,  
2 that are directly pertinent to a specific program for the purpose of making  
3 audits, examinations, excerpts, and transcriptions. The BORROWER or  
4 Contractor, and any sub-consultants or sub-contractors, further agree to  
5 maintain and keep such books, documents, materials, papers, and records, on a  
6 current basis, recording all transactions pertaining to this Agreement in a form  
7 in accordance with generally acceptable accounting principles. All such books  
8 and records shall be retained for such periods of time as required by law,  
9 provided, however, notwithstanding any shorter periods of retention, all books,  
10 records, and supporting detail shall be retained for a period of at least five (5)  
11 years after the expiration of the term of this Agreement, or final payment is  
12 made, whichever is later.

13 n. *Federal Employee Benefit Clause*: No member of or delegate to the Congress  
14 of the United States, and no Resident Commissioner shall be admitted to any  
15 share or part of this Agreement or to any benefit to arise from the same.

16 o. *Energy Efficiency*: Mandatory standards and policies relating to energy  
17 efficiency which are contained in the State energy conservation plan issued in  
18 compliance with the Energy Policy and Conservation Act (Pub. L. 94 - 163,  
19 Dec. 22, 1975; 42 U.S.C.A. Section 6201, et. seq., 89 Stat.871).

20 p. *Procurement of Recovered Materials (2 CFR 200.322.)*: A non-Federal entity  
21 that is a state agency or agency of a political subdivision of a state and its  
22 contractors must comply with 42 U.S.C. Section 6002 of the Solid Waste  
23 Disposal Act, as amended by the Resource Conservation and Recovery Act.  
24 The requirements of Section 6002 include procuring only items designated in  
25 guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247  
26 that contain the highest percentage of recovered materials practicable,  
27 consistent with maintaining a satisfactory level of competition, where the  
28 purchase price of the item exceeds \$10,000 or the value of the quantity acquired

1 by the preceding fiscal year exceeded \$10,000; procuring solid waste  
2 management services in a manner that maximizes energy and resource  
3 recovery; and establishing an affirmative procurement program for  
4 procurement of recovered materials identified in the EPA guidelines. The  
5 requirements of 2 CFR 200.322, as amended effective November 12, 2020, are  
6 hereby included in this Agreement as appropriate and to the extent consistent  
7 with law.

8 q. Contract Work Hours and Safety Standards Act (CWHSA) (30 U.S.C. 3701-  
9 3708): BORROWER shall comply with all applicable provisions of the  
10 CWHSA.

11 r. Other Federal requirements and nondiscrimination. As set forth in 2 CFR 200,  
12 Appendix II, BORROWER is required to include the following requirements  
13 as they relate to the acceptance and use of loaned federal funds under the  
14 federally assigned program: nondiscrimination and equal opportunity;  
15 disclosure; debarred, suspended, or ineligible contractors; and drug-free  
16 workplace.

17 s. Displacement, relocation, and acquisition. The relocation requirements of  
18 Title II and the acquisition requirements of Title III of the Uniform Relocation  
19 Assistance and Real Property Acquisition Policies Act of 1970, and the  
20 implementing regulations at 24 CFR Part 42. BORROWER must ensure that  
21 it has taken all reasonable steps to minimize the displacement of persons as a  
22 result of this Project.

23 t. Lead-based paint. The ARPA-Assisted Units are subject to the lead-based  
24 paint requirements of 24 CFR Part 35 issued pursuant to the Lead-Based Paint  
25 Poisoning Prevention Act (42 U.S.C. 4821, et seq.). The lead-based paint  
26 provisions of 24 CFR 982.401 (j), except 24 CFR 982.401 (j)(1)(i), also apply,  
27 irrespective of the applicable property standard under §92.251.

28 u. Labor. BORROWER shall comply with any applicable labor regulations and

1 all other State and Federal laws in connection with the construction of the  
2 improvements which comprise the Project, including if applicable,  
3 requirements relating to Davis Bacon. BORROWER agrees and acknowledges  
4 that it is the responsibility of BORROWER to obtain a legal determination, at  
5 BORROWER's sole cost and expenses as to whether Davis Bacon wages must  
6 be paid for during the construction of the Project. BORROWER agrees to  
7 indemnify, defend, and hold COUNTY harmless from and against any and all  
8 liability arising out of a related to BORROWER's failure to comply with any  
9 and applicable State and Federal prevailing wage requirements.

10 v. Model Energy Code published by the Council of American Building Officials.

11 w. Consultant Activities. No person providing consultant services in an employer-  
12 employee type relationship shall receive more than a reasonable rate of  
13 compensation for personal services paid with ARPA funds.

14 x. Uniform Administrative Requirements of 2 CFR Part 200 as now in effect and  
15 as may be amended from time to time as they relate to the acceptance and use  
16 of loaned federal funds under the federally assigned program. Federal awards  
17 expended as a recipient or a subrecipient, as defined therein, would be subject  
18 to single audit. The payments received for goods or services provided as a  
19 vendor would not be considered Federal awards.

20 y. BORROWER shall include written agreements that include all provisions of  
21 **Section 17** if BORROWER provides ARPA funds to for-profit owners or  
22 developers, non-profit owners or developers, sub-recipients, homeowners,  
23 homebuyers, tenants receiving tenant-based rental assistance, or contractors.

24 z. BORROWER shall comply with all applicable local, state and federal laws in  
25 addition to the above-mentioned laws.

26 aa. PROJECT TARGETING REQUIREMENTS. BORROWER shall make the  
27 Project available to the Qualified Low Income Households and shall ensure that  
28 the Project remains in compliance with all ARPA Rules.



1 bb. ENVIRONMENTAL CLEARANCES. BORROWER shall be responsible for  
2 obtaining any and all approvals subsequent approvals permits, environmental  
3 clearances in connection with the Project funded with SLFRF, including but not  
4 limited to, any and all applicable federal and state environmental laws and  
5 regulations.

6 cc. CEQA.

7 i. Prior to Closing, BORROWER shall have performed all necessary final  
8 actions and obtained the final approvals required by CEQA for the  
9 development and construction of the Project within the time frames set  
10 forth herein. Such final actions and approvals may include, but are not  
11 limited to the following: (i) completing requisite activities to comply with  
12 CEQA, (ii) all final action and approvals for environmental and land use  
13 permits by any governmental authorities having jurisdiction over the  
14 Property, and (iii) resolution or final adjudication of any legal challenges,  
15 including such challenges based on CEQA. This Agreement does not  
16 restrict the lead agency from considering any feasible mitigation measures  
17 and alternatives, including the “no project” alternative and does not bind  
18 the lead agency to any definite course of action prior to CEQA compliance.

19 ii. The commencement of any development and construction identified herein  
20 is contingent upon BORROWER obtaining all required environmental and  
21 land use permits, including CEQA compliance with any applicable public  
22 agencies. In the event any action is brought challenging the legality of  
23 compliance with CEQA or any other law applicable to the Project,  
24 including any actions related to any of the proposed uses of the Property or  
25 this Agreement, BORROWER shall indemnify, defend (with counsel  
26 reasonably acceptable to COUNTY), and hold harmless the Indemnified  
27 Parties (as defined in Section 34), at its sole cost and expense for, from and  
28 against any and all claims, actions, proceedings, demands, liabilities, costs,

1 expenses, including reasonable attorney's fees and costs, damages and  
2 losses, cause or causes or action and suit or suits (collectively, "Claims")  
3 arising from or in connection with the failure to comply with such  
4 applicable law, or any action to attack, set aside, void, or annul any  
5 approvals of the City, County, any other Governmental Authority with  
6 jurisdiction over the Project or the Property, or COUNTY, its advisory  
7 agencies, or legislative body  
8

9 19. INCOME TARGETING REQUIREMENTS. BORROWER shall set aside fifty  
10 nine (59) units to be designated as ARPA-Assisted Units which shall be rented to and occupied  
11 by Qualified Low Income Households.

12 20. RENT LIMITATIONS. Rents shall be calculated according to the California  
13 Department of Housing and Community Development rent limits as restricted to individuals as  
14 follows: Fifty nine (59) units reserved as ARPA-Assisted Units of which 12 units will be  
15 restricted to households whose incomes do not exceed 60% AMI, 28 units will be restricted to  
16 households whose incomes do not exceed 50% AMI, and 19 units will be restricted to households  
17 whose incomes do not exceed 30% AMI of Riverside County. COUNTY shall review and  
18 approve proposed rents prior to entry into leases for occupancy of the ARPA Units by  
19 BORROWER. BORROWER shall ensure the ARPA Units are rented to qualified applicants at  
20 the described rent levels herein during the Affordability Period. The maximum monthly  
21 allowances for utilities and services (excluding telephone) shall not exceed the utility allowance  
22 as described below. Provided that notwithstanding anything contained herein to the contrary,  
23 the California Tax Credit Allocation Committee ("CTCAC") rent setting requirements shall  
24 control for the term of the CTCAC extended use agreement.

- 25 a. Utility Allowance: Owners are required to complete initial Utility Allowance (UA)  
26 calculations and submit their calculations for review and approval to the COUNTY  
27 prior to implementation, annually by June 1st. The following methods below are  
28 acceptable methodologies for calculating UA's:

1 i) HUD Utility Schedule Model (HUSM), UA based on HUD's model.

2 ii) Utility Company Estimate, UA based on estimated obtained from a local utility  
3 company for each of the utilities used in the project.

4 iii) LIHTC Agency Estimate, UA approved by the LIHTC agency based on its actual  
5 usage methodology.

6 iv) Energy Consumption Model (Engineer Model), UA based upon on an energy and  
7 water and sewage consumption and analysis model prepared by a third-party licensed engineer or  
8 qualified professional.

9 b. Approval: The BORROWER shall submit to the COUNTY for review and written  
10 approval, all proposed rents for the ARPA-Assisted Units prior to lease-up.

11 c. Float-up: Notwithstanding any other covenant or the Regulatory Agreement to the  
12 contrary the Parties agree that the following shall apply to the ARPA-Assisted  
13 Units:

14 i) COUNTY agrees that, upon BORROWER's request and COUNTY's written approval,  
15 which will not be unreasonable withheld, the maximum tenant household income and maximum  
16 annual rent for ARPA-Assisted Units may be increased to amounts necessary to make operation  
17 of the Project financially feasible as determined by the BORROWER, including the payment of  
18 all required operating costs and debt service, but in no event may (a) the maximum tenant  
19 household income limitation exceed 60 percent of AMI or, (b) the maximum annual rent  
20 limitation exceed 30 percent of 60 percent of AMI.

21 ii) In the case of increases due to a foreclosure of any approved financing or deed in  
22 lieu thereof, the above increases may continue until such time, if any, that the rental assistance or  
23 equivalent operating subsidy is restored. Notwithstanding anything to the contrary in this section,  
24 the BORROWER may not displace tenant households and must use good faith efforts to reduce  
25 the effect of rent increases permitted to be imposed on existing tenant households by (a) the use  
26 of operating and transition reserves to the extent such funds exist and are available, and (b) the  
27 use of other subsidy sources available that would mitigate the rent increases.

28 iii) If Rent increases on the ARPA-Assisted Units are necessary, after exhausting all

1 transition reserve funds such increases shall only be permitted to the minimum extent required  
2 for financial feasibility, as reasonably determined by BORROWER and approved by COUNTY,  
3 which approval shall not, in any event, be increased to an amount in excess of 30 percent of 60  
4 percent of AMI, adjusted by household size for the number of bedrooms. The COUNTY shall be  
5 notified at least eighteen (18) months in advance of any Rent increase on the ARPA-Assisted  
6 Units.

7 iv) In order to enact an increase in the maximum household income and rents for a  
8 Restricted Unit for the Project, the Borrower must submit a written request to the COUNTY which  
9 shall outline a plan with an explanation of the fiscal necessity of adjusting the maximum  
10 household income and the rents charged for the ARPA-Assisted Units. The plan shall provide the  
11 following items along with any additional requirements from the COUNTY:

- 12 1. An explanation of the efforts the Project Owner has made to secure other  
13 rental subsidies to sustain overall project operations;
- 14 2. An explanation of the fiscal necessity of adjusting the maximum household  
15 income and the rents charged for the ARPA-Assisted Units;
- 16 3. A process for increasing the Project rent for all affected units (ARPA-  
17 Assisted Units and non-restricted units) and make reasonable efforts to  
18 continue to market and rent Project units to members of the target  
19 population originally contemplated, as well as ensuring that any increases  
20 to the household income limit are applied, as much as possible, only to  
21 vacant units as they become available. This portion of the plan shall discuss  
22 changes in both maximum household incomes and rents and;
- 23 4. The plan for continuing, throughout the term of this Agreement, to apply  
24 for other subsidies that will allow a return of all project units to members  
25 of the target population and rents originally contemplated.

26  
27 21. TENANT PROTECTIONS. During the Affordability Period, BORROWER shall  
28 adhere to the tenant protections and selection standard set forth in the following requirements:

1 a. Provide written lease agreement for not less than one year, unless by mutual  
2 agreement between the tenant and BORROWER. COUNTY shall review the initial  
3 form of the lease agreement prior to BORROWER executing any leases and,  
4 provided that BORROWER uses the approved lease form, BORROWER shall be  
5 permitted to enter into residential leases without COUNTY'S prior written consent.

6 b. Prohibited Lease Terms. The rental agreement/lease may not contain any of the  
7 following provisions:

8 (1) Agreement to be sued. Agreement by the tenant to be sued, to admit guilt or to a  
9 judgment in favor of BORROWER in a lawsuit brought in connection with the lease.

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

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

19 (4) Waiver of notice. Agreement of the tenant that BORROWER may institute a  
20 lawsuit without notice to the tenant.

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

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

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

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

5 (9) Reserved.

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

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

10 22. FEDERAL REQUIREMENTS. BORROWER shall comply with the provisions  
11 of ARPA and any amendments thereto and all applicable federal regulations and guidelines now  
12 or hereafter enacted pursuant to the Act in addition to the federal provisions set forth above in  
13 Section 17.

14 23. SALE, ASSIGNMENT OR OTHER TRANSFER OF THE PROJECT.  
15 BORROWER hereby covenants and agrees not to sell, assign, transfer or otherwise dispose of  
16 the Project or any portion thereof without obtaining the prior written consent of the COUNTY,  
17 which consent shall be conditioned solely upon receipt by the COUNTY of reasonable evidence  
18 satisfactory to the COUNTY in its reasonable discretion, that transferee has assumed in writing  
19 and in full, and is reasonably capable of performing and complying with the BORROWER'S  
20 duties and obligations under this Agreement, provided, however BORROWER shall not be  
21 released of all obligations hereunder which accrue from and after the date of such sale.  
22 Notwithstanding anything to the contrary contained herein, upon written notice to COUNTY,  
23 BORROWER may (i) lease for occupancy of all or any of the ARPA Assisted Units in  
24 accordance with this Agreement; (ii) grant easements or permits to facilitate the development of  
25 the Property in accordance with this Agreement; (iii) transfer the BORROWER'S limited  
26 partnership interest; (iv) remove and replace the BORROWER'S general partner(s) for cause in  
27 accordance with BORROWER'S amended and restated agreement of limited partnership; and  
28 (v) make transfers pursuant to that certain Purchase Option and Right of First Refusal Agreement

1 (collectively a “Permitted Transfer”). All Permitted Transfers shall be subject to reasonable  
2 review of documentation by the COUNTY. The parties hereto acknowledge that “Affiliate” for  
3 purposes of this section means, as to any Person (as defined below), any general partnership,  
4 limited partnership, corporation, joint venture, trust, business trust, cooperative, association,  
5 limited liability company or individual (collectively, a “Person”) that (A) directly or indirectly  
6 controls or is controlled by (such as any partnership or limited liability company in which the  
7 Person, directly or indirectly, serves as a general partner or managing member, respectively) or  
8 is under common control with the specified Person; (B) is an officer or director of, commissioner  
9 of, partner in, member of or trustee of, or serves in a similar capacity with respect to, the specified  
10 Person or of which the Specified Person is an officer, director, member, partner or trustee, or  
11 with respect to which the specified Person serves in a similar capacity; or (C) is the beneficial  
12 owner, directly or indirectly, of 10% or more of any class of equity securities of the specified  
13 Person or of which the specified Person is directly or indirectly the owner of 10% or more of any  
14 class of equity securities. The term “control” (including the term “controlled by” and “under  
15 common control with”) means the possession, direct or indirect, of the power to direct or cause  
16 the direction of the management and policies of a Person, whether through the ownership of  
17 voting securities, by contract or otherwise.

18 24. INDEPENDENT CONTRACTOR. BORROWER and its agents, servants and  
19 employees shall act at all times in an independent capacity during the term of this Agreement,  
20 and shall not act as, shall not be, nor shall they in any manner be construed to be agents, officers,  
21 or employees of COUNTY.

22 25. NONDISCRIMINATION. BORROWER shall not discriminate on the basis of  
23 race, gender, religion, national origin, ethnicity, sexual orientation, age or disability in the  
24 solicitation, selection, hiring or treatment of any contractors or consultants, to participate in  
25 subcontracting/subconsulting opportunities. BORROWER understands and agrees that violation  
26 of this clause shall be considered a material breach of this Agreement and may result in  
27 termination, debarment or other sanctions. This language shall be incorporated into all contracts  
28 between BORROWER and any contractor, consultant, subcontractor, subconsultants, vendors



1 and suppliers. BORROWER shall comply with the provisions of the California Fair Employment  
2 and Housing Act (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of  
3 1964 (P.L. 88-352), as amended, and all Administrative Rules and Regulations issued pursuant  
4 to said Acts and Orders with respect to its use of the Property.

5 BORROWER herein covenants by and for itself, its successors and assigns, and all persons  
6 claiming under or through them, that this Agreement is made and accepted upon and subject to the  
7 following conditions: There shall be no discrimination against or segregation of any person or  
8 group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the  
9 Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and  
10 paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code,  
11 in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall  
12 the transferee itself or any person claiming under or through him or her, establish or permit any  
13 such practice or practices of discrimination or segregation with reference to the selection, location,  
14 number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the Property.

15 BORROWER, its successors and assigns, shall refrain from restricting the rental, sale, or  
16 lease of the Property or any portion thereof, on the basis of race, color, creed, religion, sex, sexual  
17 orientation, marital status, national origin, or ancestry of any person. Every deed, lease, and  
18 contract entered into with respect to the Property, or any portion thereof, after the date of this  
19 Agreement shall contain or be subject to substantially the following nondiscrimination or  
20 nonsegregation clauses:

- 21 a. a) In deeds: "The grantee herein covenants by and for himself or herself, his  
22 or her heirs, executors, administrators, and assigns, and all persons claiming under  
23 or through them, that there shall be no discrimination against or segregation of, any  
24 person or group of persons on account of any basis listed in subdivision (a) or (d)  
25 of Section 12955 of the Government Code, as those bases are defined in Sections  
26 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section  
27 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease,  
28 transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor

1 shall the grantee or any person claiming under or through him or her, establish or  
2 permit any practice or practices of discrimination or segregation with reference to  
3 the selection, location, number, use or occupancy of tenants, lessees, subtenants,  
4 sublessees, or vendees in the premises herein conveyed. The foregoing covenants  
5 shall run with the land.”

6 b. b) In leases: “The lessee herein covenants by and for himself or herself, his or  
7 her heirs, executors, administrators, and assigns, and all persons claiming under or  
8 through him or her, and this lease is made and accepted upon and subject to the  
9 following conditions: That there shall be no discrimination against or segregation  
10 of any person or group of persons, on account of any basis listed in subdivision (a)  
11 or (d) of Section 12955 of the Government Code, as those bases are defined in  
12 Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of  
13 Section 12955, and Section 12955.2 of the Government Code, in the leasing,  
14 subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises  
15 herein leased nor shall the lessee himself or herself, or any person claiming under  
16 or through him or her, establish or permit any such practice or practices of  
17 discrimination or segregation with reference to the selection, location, number, use,  
18 or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises  
19 herein leased.”

20 c. c) In contracts: “There shall be no discrimination against or segregation of any  
21 person or group of persons, on account of any basis listed in subdivision (a) or (d)  
22 of Section 12955 of the Government Code, as those bases are defined in Sections  
23 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section  
24 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease,  
25 transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee  
26 itself or any person claiming under or through him or her, establish or permit any  
27 such practice or practices of discrimination or segregation with reference to the  
28 selection, location, number, use, or occupancy, of tenants, lessees, sublessees,

1 subtenants, or vendees of the land.”

2 In addition to the obligations and duties of BORROWER set forth herein, BORROWER  
3 shall, upon notice from COUNTY, promptly pay to COUNTY all fees and costs, including  
4 administrative and attorneys’ fees, incurred by COUNTY in connection with responding to or  
5 defending any discrimination claim brought by any third party and/or local, state or federal  
6 government entity, arising out of or in connection with this Agreement or the Covenant Agreement  
7 attached hereto.

8 26. PROHIBITION AGAINST CONFLICTS OF INTEREST:

- 9 a. BORROWER and its assigns, employees, agents, consultants, officers and elected  
10 and appointed officials shall become familiar with and shall comply with the  
11 conflict of interest provisions of the ARPA Rules, attached hereto as **Exhibit E** and  
12 by this reference incorporated herein, to the extent that any such provisions apply  
13 by their terms to a non-Federal borrower of a loan of federal funds.
- 14 b. Reserved.
- 15 c. Prior to any funding under this Agreement, BORROWER shall provide COUNTY  
16 with a list of all employees, agents, consultants, officers and elected and appointed  
17 officials who are in a position to participate in a decision-making process, exercise  
18 any functions or responsibilities, or gain inside information with respect to the  
19 ARPA activities funded under this Agreement. BORROWER shall also promptly  
20 disclose to COUNTY any potential conflict, including even the appearance of  
21 conflict that may arise with respect to the ARPA activities funded under this  
22 Agreement.
- 23 d. Any violation of this section shall be deemed a material breach of this Agreement,  
24 and the Agreement shall be immediately terminated by COUNTY.

25 27. RESERVED.

26 28. PROJECT MONITORING AND EVALUATION.

- 27 a. Tenant Checklist. BORROWER shall submit a Tenant Checklist Form to  
28 COUNTY, as shown in **Exhibit F** which is attached hereto and by this reference is

1 incorporated herein and may be revised by COUNTY, summarizing the  
2 racial/ethnic composition, number and percentage of very low-income and low-  
3 income households who are tenants of the COUNTY ARPA-Assisted Units. The  
4 Tenant Checklist Form shall be submitted upon completion of the construction and  
5 thereafter, on a semi-annual basis on or before March 31st and September 30th.  
6 BORROWER shall maintain financial, programmatic, statistical and other  
7 supporting records of its operations and financial activities in accordance with the  
8 requirements of the ARPA Program under 32 CFR 35.4, including the submission  
9 of Tenant Checklist Form. Except as otherwise provided for in this Agreement,  
10 BORROWER shall maintain and submit records to COUNTY within ten business  
11 days of COUNTY'S request which clearly documents BORROWER's  
12 performance under each requirement of the ARPA Program. A list of document  
13 submissions and timeline are shown in **Exhibit A** and such list may be amended  
14 from time to time subject to Treasury and COUNTY reporting requirements.

15 b. Inspections. During the Affordability Period, COUNTY may perform on-site  
16 inspections of COUNTY ARPA-Assisted Units, upon 72 hours advance written  
17 notice to the Borrower, to determine compliance with the property standards and to  
18 verify the information submitted by the owners in accordance with requirements. If  
19 there are observed deficiencies for any of the inspectable items in the property  
20 standards established by COUNTY, a follow-up on-site inspection to verify that  
21 deficiencies are corrected must occur within 12 months. COUNTY may establish a  
22 list of non-hazardous deficiencies for which correction can be verified by third  
23 party documentation (e.g., paid invoice for work order) rather than re-inspection.  
24 Health and safety deficiencies must be corrected immediately. COUNTY must  
25 adopt a more frequent inspection schedule for properties that have been found to  
26 have health and safety deficiencies .

27 c. Income Certification. The income of a tenant must be determined initially and each  
28 sixth year of affordability in accordance with 24 CFR 92.203 (a)(1)(i). In addition,

1 annually between each sixth year of affordability BORROWER must re-examine  
2 each tenant's annual income under 24 CFR 92.203 (a) (1) (ii).

3 29. MONITORING FEE. BORROWER shall pay an annual compliance monitoring  
4 fee to the COUNTY in the total annual amount of \$11,900 (increased annually by an amount  
5 equal to the increase of the Consumer Price Index ("CPI") for the San Bernardino-Riverside-  
6 Ontario, CA area, but in no event to exceed 5% annually) ("Monitoring Fee"). The first  
7 Monitoring Fee payment is due on July 1<sup>st</sup> of each year for the monitoring period of July 1<sup>st</sup> to  
8 June 30<sup>th</sup> commencing on the July 1<sup>st</sup> following the issuance of a Certificate of Occupancy for  
9 the Project and may be pro-rated for a partial first year. The Monitoring Fee will be due on each  
10 July 1<sup>st</sup> thereafter and will continue until the expiration of the Affordability Period. The  
11 Monitoring Fee is to be adjusted upwards annually, increased by an amount equal to the increase  
12 in CPI for the San Bernardino-Riverside-Ontario, CA area. In the event of a decrease in the  
13 applicable CPI, the Monitoring Fee currently in effect shall remain the same and shall not  
14 decrease.

15 30. ACCESS TO PROJECT SITE. COUNTY, state and/or federal awarding agencies  
16 shall have the right to access the Project site and the Property during normal business hours, and  
17 upon completion of the Project during normal business hours upon 48 hours written notice to  
18 BORROWER, to review the operation of the Project in accordance with this Agreement, subject  
19 to the rights of tenants.

20 31. EVENTS OF DEFAULT. The occurrence of any of the following events shall  
21 constitute an "Event of Default" under this Agreement:

- 22 a. Monetary Default. (1) BORROWER's failure to pay when due any sums payable  
23 under this Agreement or the Covenant Agreement; (2) BORROWER's or any agent  
24 of BORROWER's use of ARPA Loan Funds or other Loan funds for uses other  
25 than those uses permitted under this Agreement or for uses inconsistent with terms  
26 and restrictions set forth in this Agreement; (3) BORROWER's or any agent of  
27 BORROWER's failure to make any other payment of any assessment or tax due  
28 under this Agreement, and /or (4) default under the terms of any Senior Lien

1 documents or any other instrument or document secured against the Property;

- 2 b. Non-Monetary Default. (1) Discrimination by BORROWER or BORROWER's  
3 agent(s) on the basis of characteristics prohibited by this Agreement or applicable  
4 law; (2) the imposition of any encumbrances or liens on the Project without  
5 COUNTY'S prior written approval that are prohibited under this Agreement or  
6 that have the effect of reducing the priority or invalidating the lien of the Deed of  
7 Trust; (3) BORROWER's failure to obtain and maintain the insurance coverage  
8 required under this Agreement; (4) any material default under this Agreement, the  
9 Deed of Trust, Covenant Agreement, or any document executed by the County in  
10 connection with this Agreement, and /or (5) a default under the terms of any Senior  
11 Lien documents or any other instrument or document secured against the Property  
12 or the Project;
- 13 c. General Performance of Loan Obligations. Any substantial or continuous or  
14 repeated breach by BORROWER or BORROWER's agents of any material  
15 obligations of BORROWER under this Agreement;
- 16 d. General Performance of Other Obligations. Any substantial or continuous or  
17 repeated breach by BORROWER or BORROWER's agents of any material  
18 obligations of BORROWER related to the Project imposed by any other agreement  
19 with respect to the financing, development, or operation of the Project; whether or  
20 not COUNTY is a party to such agreement; but only following any applicable  
21 notice and cure periods with respect to any such obligation;
- 22 e. Representations and Warranties. A determination by COUNTY that any of  
23 BORROWER's representations or warranties made in this Agreement, any  
24 statements made to COUNTY by BORROWER, or any certificates, documents, or  
25 schedules supplied to COUNTY by BORROWER were false in any material  
26 respect when made, or that BORROWER concealed or failed to disclose a material  
27 fact to COUNTY.
- 28 f. Damage to Project. In the event that the Project is materially damaged or destroyed

1 by fire or other casualty, and BORROWER receives an award or insurance  
2 proceeds sufficient for the repair or reconstruction of the Project, and BORROWER  
3 does not use such award or proceeds to repair or reconstruct the Project.

4 g. Bankruptcy, Dissolution, and Insolvency. BORROWER or general partner, co-  
5 general partner or manager of BORROWER's, (1) filing for bankruptcy,  
6 dissolution, or reorganization, or failure to obtain a full dismissal of any such  
7 involuntary filing brought by another party before the earlier of final relief or ninety  
8 (90) days after such filing; (2) making a general assignment for the benefit of  
9 creditors; (3) applying for the appointment of a receiver, trustee, custodian, or  
10 liquidator, or failure to obtain a full dismissal of any such involuntary application  
11 brought by another party before the earlier of final relief or ninety (90) days after  
12 such filing; (4) insolvency; or (5) failure, inability or admission in writing of its  
13 inability to pay its debts as they become due.

14 32. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. Formal notices,  
15 demands and communications between the COUNTY and the BORROWER shall be sufficiently  
16 given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to  
17 the principal offices of the COUNTY and the BORROWER, as designated in **Section 40** below.  
18 Such written notices, demands and communications may be sent in the same manner to such  
19 other addresses as either party may from time to time designate by mail as provided in this  
20 **Section 29**. Any notice that is transmitted by electronic facsimile transmission followed by  
21 delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is  
22 personally delivered (including by means of professional messenger service, courier service such  
23 as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received  
24 on the documented date of receipt by the recipient; and any notice that is sent by registered or  
25 certified mail, postage prepaid, return receipt required shall be deemed received on the date of  
26 delivery thereof.

27 a. Subject to the Force Majeure Delay, as provided in **Section 10**, failure or delay by  
28 BORROWER to perform any term or provision of this Agreement constitutes a

1 default under this Agreement. BORROWER must immediately commence to cure,  
2 correct or remedy such failure or delay and shall complete such cure, correction or  
3 remedy with reasonable diligence.

4 b. COUNTY shall give written notice of default to BORROWER, specifying the  
5 default complained of by COUNTY. Failure or delay in giving such notice shall  
6 not constitute a waiver of any default, nor shall it change the time of default. Except  
7 as otherwise expressly provided in this Agreement, any failures or delays by  
8 COUNTY in asserting any of its rights and remedies as to any default shall not  
9 operate as a waiver of any default or of any such rights or remedies. Delays by  
10 COUNTY in asserting any of its rights and remedies shall not deprive COUNTY  
11 of its right to institute and maintain any actions or proceedings which it may deem  
12 necessary to protect, assert or enforce any such rights or remedies.

13 c. If a monetary event of default occurs, prior to exercising any remedies hereunder,  
14 COUNTY shall give BORROWER written notice of such default. BORROWER  
15 shall have a period of thirty (30) days after such notice is given within which to  
16 cure the default prior to exercise of remedies by COUNTY.

17 d. If a non-monetary event of default occurs, prior to exercising any remedies  
18 hereunder, COUNTY shall give BORROWER written notice of such default. If  
19 the default is reasonably capable of being cured within thirty (30) days,  
20 BORROWER shall have such period to effect a cure prior to exercise of remedies  
21 by COUNTY. If the default is such that it is not reasonably capable of being cured  
22 within thirty (30) days, and BORROWER (i) initiates corrective action within said  
23 period, and (ii) diligently, continually, and in good faith works to effect a cure as  
24 soon as possible, then BORROWER shall have such additional time as is  
25 reasonably necessary to cure the default prior to exercise of any remedies by the  
26 injured party, but in no event no more than sixty (60) days from the date of the  
27 notice of default. In no event shall COUNTY be precluded from exercising  
28 remedies if its security becomes or is about to become materially jeopardized by



1 any failure to cure a default or the default is not cured within sixty (60) days after  
2 the first notice of default is given.

- 3 e. Any cure tendered by BORROWER's affiliate shall be accepted or rejected on the  
4 same basis as if tendered by BORROWER.

5 33. COUNTY REMEDIES. Upon the occurrence of an Event of Default, after notice  
6 and opportunity to cure, COUNTY'S obligation to disburse SLFRF funds shall terminate, and  
7 COUNTY shall also have the right, but not the obligation to, in addition to other rights and  
8 remedies permitted by this Agreement or applicable law, proceed with any or all of the following  
9 remedies in any order or combination COUNTY may choose in its sole discretion:

- 10 a. Terminate this Agreement, in which event the entire Loan amount as well as any  
11 other monies advanced to BORROWER by COUNTY under this Agreement  
12 including administrative costs, shall immediately become due and payable to  
13 COUNTY at the option of COUNTY.
- 14 b. Bring an action in equitable relief (1) seeking the specific performance by  
15 BORROWER of the terms and conditions of this Agreement, and/or (2) enjoining,  
16 abating, or preventing any violation of said terms and conditions, and/or (3) seeking  
17 declaratory relief.
- 18 c. Accelerate the Loan and demand immediate full payment of the principal payment  
19 outstanding and all accrued interest under the Note, as well as any other monies  
20 advanced to BORROWER by COUNTY under this Agreement.
- 21 d. Enter the Project and take any remedial actions necessary in its judgment with  
22 respect to hazardous materials that COUNTY deems necessary to comply with  
23 hazardous materials laws or to render the Project suitable for occupancy, which  
24 costs shall be due and payable by BORROWER to COUNTY.
- 25 e. Enter upon, take possession of, and manage the Project, either in person, by agent,  
26 or by a receiver appointed by a court, and collect rents and other amounts specified  
27 in the assignment of rents in the Deed of Trust and apply them to operate the Project  
28 or to pay off the Loan or any advances made under this Agreement, as provided for

1 by the Deed of Trust.

2 f. Pursue any other remedies allowed at law or in equity.

3 34. RESERVED.

4 35. BORROWER’S WARRANTIES. BORROWER represents and warrants (1) that  
5 it has access to professional advice and support to the extent necessary to enable BORROWER  
6 to fully comply with the terms of this Agreement, and to otherwise carry out the Project, (2) that  
7 it is duly organized, validly existing and in good standing under the laws of the State of  
8 California, (3) that it has the full power and authority to undertake the Project and to execute this  
9 Agreement, (4) that the persons executing and delivering this Agreement are authorized to  
10 execute and deliver such documents on behalf of BORROWER and (5) that neither  
11 BORROWER nor any of its principals is presently debarred, suspended, proposed for debarment,  
12 declared ineligible, or voluntarily excluded from participation in connection with the transaction  
13 contemplated by this Agreement.

14 36. BORROWER’S CERTIFICATION. BORROWER certifies, to the best of its  
15 knowledge and belief, that:

16 a. No federally appropriated funds have been paid or will be paid, by or on behalf of  
17 the undersigned, to any person for influencing or attempting to influence an officer  
18 or employee of any agency, a member of Congress, an officer or employee of  
19 Congress, or an employee of a member of Congress in connection with the  
20 awarding of any federal contract, the making of any federal grant, the making of  
21 any federal loan, the entering into of any cooperative agreement, and the extension,  
22 continuation, review, amendment, or modification of any federal contract, grant,  
23 loan, or cooperative agreement.

24 b. If any funds other than federally appropriated funds have been paid or will be paid  
25 to any person for influencing or attempting to influence an officer or employee of  
26 any agency, a member of Congress, an officer or employee of Congress, or an  
27 employee of a member of Congress in connection with this federal contract, grant,  
28 loan, or cooperative agreement, the undersigned shall complete and submit

1 Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with  
2 its instructions.

- 3 c. The undersigned shall require that the language of this certification be included in  
4 the award documents for all sub-awards at all tiers (including subcontracts, sub-  
5 grants, and contracts under grants, loans, and cooperative agreements) and that  
6 BORROWER shall certify and disclose accordingly. This certification is a material  
7 representation of fact upon which reliance was placed when this transaction was  
8 made or entered into.

9 37. HOLD HARMLESS AND INDEMNIFICATION. BORROWER shall indemnify  
10 and hold harmless the County of Riverside, its Agencies, Boards, Districts, Special Districts and  
11 Departments, their respective directors, officers, Board of Supervisors, elected and appointed  
12 officials, employees, agents and representatives (collectively the "Indemnified Parties") from  
13 any liability whatsoever, based or asserted upon any services of BORROWER, its officers,  
14 employees, subcontractors, agents or representatives arising out of their performance under this  
15 Agreement, including but not limited to property damage, bodily injury, or death or any other  
16 element of any kind or nature whatsoever arising from the performance of BORROWER, its  
17 officers, agents, employees, subcontractors, agents or representatives under this Agreement,  
18 except in the event of the gross negligence or willful misconduct of the Indemnified parties;  
19 provided however, any gross negligence or willful misconduct of Indemnitees will only affect  
20 the duty to indemnify for the specific act found to be gross negligence or willful misconduct,  
21 and will not preclude a duty to indemnify for any act or omission of BORROWER.  
22 BORROWER shall defend, at its sole expense, all costs and fees including, but not limited, to  
23 attorney fees, cost of investigation, defense and settlements or awards, the County of Riverside,  
24 its Agencies, Districts, Special Districts and Departments, their respective directors, officers,  
25 Board of Supervisors, elected and appointed officials, employees, agents and representatives in  
26 any claim or action based upon such alleged acts or omissions.

27 With respect to any action or claim subject to indemnification herein by BORROWER,  
28 BORROWER shall, at their sole cost, have the right to use counsel of their own choice and shall

1 have the right to adjust, settle, or compromise any such action or claim without the prior consent  
2 of COUNTY; provided, however, that any such adjustment, settlement or compromise in no  
3 manner whatsoever limits or circumscribes BORROWER’s indemnification to COUNTY as set  
4 forth herein.

5 BORROWER’s obligation hereunder shall be satisfied when BORROWER has provided  
6 to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action  
7 or claim involved.

8 The specified insurance limits required in this Agreement shall in no way limit or  
9 circumscribe BORROWER’s obligations to indemnify and hold harmless COUNTY herein from  
10 third party claims.

11 In the event there is conflict between this clause and California Civil Code Section 2782,  
12 this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not  
13 relieve BORROWER from indemnifying COUNTY to the fullest extent allowed by law.

14 BORROWER’s obligations set forth in this **Section 2** shall survive the expiration or earlier  
15 termination of this Agreement.

16 38. TERMINATION.

17 a. BORROWER. BORROWER may terminate this Agreement prior to disbursement  
18 of any Loan funds by COUNTY in accordance with the applicable regulations.

19 b. COUNTY. Notwithstanding the provisions of **Section 35**, COUNTY may suspend  
20 or terminate this Agreement upon written notice to BORROWER of the action  
21 being taken and the reason for such action in the event one of the following events  
22 occur:

- 23 1. In the event BORROWER fails to perform the covenants herein  
24 contained at such times and in such manner as provided in this  
25 Agreement after the applicable notice and cure provision hereof; or
- 26 2. In the event there is a conflict with any federal, state or local law,  
27 ordinance, regulation or rule rendering any material provision, in the  
28 judgment of COUNTY of this Agreement invalid or untenable; or

1                   3. In the event the funding identified in **Section 1** above is terminated or  
2                   otherwise becomes unavailable.

3           c. This Agreement may be terminated or funding suspended in whole or in part for  
4           cause. Cause shall be based on the failure of BORROWER to materially comply  
5           with either the terms or conditions of this Agreement after the expiration of all  
6           applicable notice and cure provisions hereof. Upon suspension of funding,  
7           BORROWER agrees not to incur any costs related thereto, or connected with, any  
8           area of conflict from which COUNTY has determined that suspension of funds is  
9           necessary.

10          d. Upon expiration or earlier termination of this Agreement, BORROWER shall  
11          transfer to COUNTY any unexpended ARPA funds in its possession at the time of  
12          expiration of the Agreement as well as any accounts receivable held by  
13          BORROWER which are attributable to the use of ARPA funds awarded pursuant  
14          to this Agreement.

15          39. AFFORDABILITY RESTRICTIONS. COUNTY and BORROWER, on behalf of  
16          its successors and assigns, hereby declare their express intent that the restrictions set forth in this  
17          Agreement shall continue in full force and effect for the duration of the Affordability Period (as  
18          defined in **Section 14** above). Each and every contract, deed or other instrument hereafter  
19          executed covering and conveying the Property or any portion thereof shall be held conclusively  
20          to have been executed, delivered and accepted subject to such restrictions, regardless of whether  
21          such restrictions are set forth in such contract, deed or other instrument. BORROWER shall  
22          execute and record as a lien against the Property, a Covenant Agreement, substantially  
23          conforming in form and substance to the Covenant Agreement attached hereto as **Exhibit G** and  
24          incorporated herein by this reference, setting forth the affordability use and income restriction  
25          required in this Agreement.

26          a. Float-up: Notwithstanding anything to the covenant or this Agreement to the contrary, the  
27          Parties agree that the following shall apply to the ARPA-Assisted Units:

28                i) COUNTY agrees that, upon BORROWER’s request and COUNTY’s written approval,

1 which will not be unreasonable withheld, the maximum tenant household income and maximum  
2 annual rent for ARPA-Assisted Units may be increased to amounts necessary to make operation  
3 of the Project financially feasible as determined by the BORROWER, including the payment of  
4 all required operating costs and debt service, but in no event may (a) the maximum tenant  
5 household income limitation exceed 60 percent of AMI or, (b) the maximum annual rent  
6 limitation exceed 30 percent of 60 percent of AMI.

7 ii) In the case of increases due to a foreclosure of any approved financing or deed in  
8 lieu thereof, the above increases may continue until such time, if any, that the rental assistance or  
9 equivalent operating subsidy is restored. Notwithstanding anything to the contrary in this section,  
10 the BORROWER may not displace tenant households and must use good faith efforts to reduce  
11 the effect of rent increases permitted to be imposed on existing tenant households by (a) the use  
12 of operating and transition reserves to the extent such funds exist and are available, and (b) the  
13 use of other subsidy sources available that would mitigate the rent increases.

14 iii) If Rent increases on the ARPA-Assisted Units are necessary, after exhausting all  
15 transition reserve funds such increases shall only be permitted to the minimum extent required  
16 for financial feasibility, as reasonably determined by BORROWER and approved by COUNTY,  
17 which approval shall not, in any event, be increased to an amount in excess of 30 percent of 60  
18 percent of AMI, adjusted by household size for the number of bedrooms. The COUNTY shall be  
19 notified at least eighteen (18) months in advance of any Rent increase on the ARPA-Assisted  
20 Units.

21 iv) In order to enact an increase in the maximum household income and rents for a  
22 ARPA-Assisted Unit for the Project, the BORROWER must submit a written request to the  
23 COUNTY which shall outline a plan with an explanation of the fiscal necessity of adjusting the  
24 maximum household income and the rents charged for the ARPA-Assisted Units. The plan shall  
25 provide the following items along with any additional requirements from the COUNTY:

- 26 1. An explanation of the efforts the Project Owner has made to secure other rental  
27 subsidies to sustain overall project operations;
- 28 2. An explanation of the fiscal necessity of adjusting the maximum household

1 income and the rents charged for the ARPA-Assisted Units;

2 3. A process for increasing the Project rent for all affected units (ARPA-Assisted  
3 Units and non-restricted units) and make reasonable efforts to continue to market  
4 and rent Project units to members of the target population originally contemplated,  
5 as well as ensuring that any increases to the household income limit are applied,  
6 as much as possible, only to vacant units as they become available. This portion  
7 of the plan shall discuss changes in both maximum household incomes and rents  
8 and;

9 4. The plan for continuing, throughout the term of this Agreement, to apply for other  
10 subsidies that will allow a return of all project units to members of the target  
11 population and rents originally contemplated.

12 40. MECHANICS LIENS AND STOP NOTICES. If any claim of mechanics lien is  
13 filed against the Project or a stop notice affecting the Loan is served on COUNTY, BORROWER  
14 must, within twenty (20) calendar days of such filing or notification of service, either pay and  
15 fully discharge the lien or stop notice, obtain a release of the lien or stop notice by delivering to  
16 COUNTY a surety bond in sufficient form and amount, or provide COUNTY with other  
17 assurance reasonably satisfactory to COUNTY that the lien or stop notice will be paid or  
18 discharged.

19 41. ENTIRE AGREEMENT. It is expressly agreed that this Agreement embodies the  
20 entire agreement of the parties in relation to the subject matter hereof, and that no other  
21 agreement or understanding, verbal or otherwise, relative to this subject matter, exists between  
22 the parties at the time of execution.

23 42. AUTHORITY TO EXECUTE. The persons executing this Agreement or exhibits  
24 attached hereto on behalf of the parties to this Agreement hereby warrant and represent that they  
25 have the authority to execute this Agreement and warrant and represent that they have the  
26 authority to bind the respective parties to this Agreement to the performance of its obligations  
27 hereunder.

28 43. WAIVER. Failure by a party to insist upon the strict performance of any of the

1 provisions of this Agreement by the other party, or the failure by a party to exercise its rights  
2 upon the default of the other party, shall not constitute a waiver of such party's rights to insist  
3 and demand strict compliance by the other party with the terms of this Agreement thereafter.

4 44. INTERPRETATION AND GOVERNING LAW. This Agreement and any  
5 dispute arising hereunder shall be governed by and interpreted in accordance with the laws of  
6 the State of California. This Agreement shall be construed as a whole according to its fair  
7 language and common meaning to achieve the objectives and purposes of the parties hereto, and  
8 the rule of construction to the effect that ambiguities are to be resolved against the drafting party  
9 shall not be employed in interpreting this Agreement, all parties having been represented by  
10 counsel in the negotiation and preparation hereof.

11 45. JURISDICTION AND VENUE. Any action at law or in equity arising under this  
12 Agreement or brought by a party hereto for the purpose of enforcing, construing or determining  
13 the validity of any provision of this Agreement shall be filed in the Superior Courts of Riverside  
14 County, State of California, and the parties hereto waive all provisions of law providing for the  
15 filing, removal or change of venue to any other court or jurisdiction.

16 46. SEVERABILITY. Each paragraph and provision of this Agreement is severable  
17 from each other provision, and if any provision or part thereof is declared invalid, the remaining  
18 provisions shall nevertheless remain in full force and effect.

19 47. MINISTERIAL ACTS. COUNTY'S Director of Housing and Workforce  
20 Solutions or designee(s) are authorized to take such ministerial actions as may be necessary or  
21 appropriate to implement the terms, provisions, and conditions of this Agreement as it may be  
22 amended from time to time by both parties.

23 48. MODIFICATION OF AGREEMENT. COUNTY or BORROWER may consider  
24 it in its best interest to change, modify or extend a term or condition of this Agreement, provided  
25 such change, modification or extension is agreed to in writing by the other party. Any such  
26 change, extension or modification, which is mutually agreed upon by COUNTY and  
27 BORROWER shall be incorporated in written amendments to this Agreement. Such  
28 amendments shall not invalidate this Agreement, nor relieve or release COUNTY or



1 BORROWER from any obligations under this Agreement, except for those parts thereby  
2 amended. No amendment to this Agreement shall be effective and binding upon the parties,  
3 unless it expressly makes reference to this Agreement, is in writing, is signed and acknowledged  
4 by duly authorized representatives of all parties, and approved by the COUNTY.

5 49. CONDITIONAL COMMITMENT.

6 a. Completion. The Project must be completed no later than December 31, 2026 (the  
7 “Completion Deadline”). BORROWER may request a one year extension of the  
8 Completion Deadline from COUNTY (“Extension”), which may be granted in  
9 COUNTY’S sole but reasonable discretion, if the BORROWER can provide proof  
10 that the circumstances that led to the failure to complete the Project by the  
11 Completion Deadline were beyond the BORROWER’S control. Extension is  
12 subject to COUNTY’S approval and not guaranteed. The Director of Housing and  
13 Workforce Solutions, or designee, has the authority, at his or her discretion, to  
14 consent to such Extension. If BORROWER is unable to meet the condition as  
15 required by this **Section 49** including Extension, then COUNTY and BORROWER  
16 mutually agree that this Agreement will self-terminate and any Loan funds  
17 disbursed to BORROWER to date shall be returned to COUNTY within thirty (30)  
18 calendar days of such termination. Upon such termination, this Agreement shall  
19 become null and void. COUNTY and BORROWER shall be released and  
20 discharged respectively from their obligations under this Agreement, except for  
21 those provisions which by their terms survive termination. All costs incurred by  
22 each party on the Project will be assumed respectively.

23 50. INTENTIONALLY OMITTED.

24 51. EXHIBITS AND ATTACHMENTS. Each of the attachments and exhibits  
25 attached hereto is incorporated herein by this reference.

26 52. MEDIA RELEASES. BORROWER agrees to allow COUNTY to provide input  
27 regarding all media releases regarding the Project. Any publicity generated by BORROWER for  
28 the Project must make reference to the contribution of COUNTY in making the Project possible.

COUNTY’S name shall be prominently displayed in all pieces of publicity generated by BORROWER, including flyers, press releases, posters, signs, brochures, and public service announcements. BORROWER agrees to cooperate with COUNTY in any COUNTY-generated publicity or promotional activities with respect to the Project.

53. NOTICES. All notices, requests, demands and other communication required or desired to be served by either party upon the other shall be addressed to the respective parties as set forth below or the such other addresses as from time to time shall be designated by the respective parties and shall be sufficient if sent by United States first class, certified mail, postage prepaid, or express delivery service with a receipt showing the date of delivery.

COUNTY  
Director, Riverside County  
Housing and  
Workforce Solutions  
3403 10th Street, Suite 300  
Riverside, CA 92501

BORROWER  
c/o National Community Renaissance  
of California  
9692 Haven Avenue, Suite 100  
Rancho Cucamonga, CA 91730  
Attention: CEO/CFO

Email: [mruane@nationalcore.org](mailto:mruane@nationalcore.org),  
[mfinn@nationalcore.org](mailto:mfinn@nationalcore.org)

and:

National Community Renaissance  
of California  
9692 Haven Avenue, Suite 100  
Rancho Cucamonga, CA 91730  
Attention: General Counsel  
Email: [rdiaz@nationalcore.org](mailto:rdiaz@nationalcore.org)

With a copy to:

Klein Hornig LLP  
1325 G Street NW  
Suite 770  
Washington, DC 20005  
Attn: Jed D’Abravanel  
Email: [jdabravanel@kleinhornig.com](mailto:jdabravanel@kleinhornig.com)

54. COUNTERPARTS. This Agreement may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one

1 and the same agreement.

2 55. EFFECTIVE DATE. The effective date of this Agreement is the date the parties  
3 execute the Agreement (“Effective Date”). If the parties execute the Agreement on more than  
4 one date, then the last date the Agreement is executed by a party shall be the Effective Date.

5 56. FURTHER ASSURANCES. BORROWER shall execute any further documents  
6 consistent with the terms of this Agreement, including documents in recordable form, as the  
7 COUNTY may from time to time find necessary or appropriate to effectuate its purposes in  
8 entering into this Agreement.

9 57. NONLIABILITY OF COUNTY OFFICIALS AND EMPLOYEES. No member,  
10 official, employee or consultant of the COUNTY shall be personally liable to the BORROWER,  
11 or any successor in interest, in the event of any default or breach by the COUNTY or for any  
12 amount which may become due to the BORROWER or to its successor, or on any obligations  
13 under the terms of this Agreement.

14 58. CONSTRUCTION AND INTERPRETATION OF AGREEMENT.

- 15 a. The language in all parts of this Agreement shall in all cases be construed simply,  
16 as a whole and in accordance with its fair meaning and not strictly for or against  
17 any party. The parties hereto acknowledge and agree that this Agreement has been  
18 prepared jointly by the parties and has been the subject of arm’s length and careful  
19 negotiation over a considerable period of time, that each party has been given the  
20 opportunity to independently review this Agreement with legal counsel, and that  
21 each party has the requisite experience and sophistication to understand, interpret,  
22 and agree to the particular language of the provisions hereof. Accordingly, in the  
23 event of an ambiguity in or dispute regarding the interpretation of this Agreement,  
24 this Agreement shall not be interpreted or construed against the party preparing it,  
25 and instead other rules of interpretation and construction shall be utilized.
- 26 b. If any term or provision of this Agreement, the deletion of which would not  
27 adversely affect the receipt of any material benefit by any party hereunder, shall be  
28 held by a court of competent jurisdiction to be invalid or unenforceable, the

1 remainder of this Agreement shall not be affected thereby and each other term and  
2 provision of this Agreement shall be valid and enforceable to the fullest extent  
3 permitted by law. It is the intention of the parties hereto that in lieu of each clause  
4 or provision of this Agreement that is illegal, invalid, or unenforceable, there be  
5 added as a part of this Agreement an enforceable clause or provision as similar in  
6 terms to such illegal, invalid, or unenforceable clause or provision as may be  
7 possible.

8 c. The captions of the articles, sections, and subsections herein are inserted solely for  
9 convenience and under no circumstances are they or any of them to be treated or  
10 construed as part of this instrument.

11 d. References in this instrument to this Agreement mean, refer to and include this  
12 instrument as well as any riders, exhibits, addenda and attachments hereto (which  
13 are hereby incorporated herein by this reference) or other documents expressly  
14 incorporated by reference in this instrument. Any references to any covenant,  
15 condition, obligation, and/or undertaking “herein,” “hereunder,” or “pursuant  
16 hereto” (or language of like import) means, refer to, and include the covenants,  
17 obligations, and undertakings existing pursuant to this instrument and any riders,  
18 exhibits, addenda, and attachments or other documents affixed to or expressly  
19 incorporated by reference in this instrument.

20 e. As used in this Agreement, and as the context may require, the singular includes  
21 the plural and vice versa, and the masculine gender includes the feminine and vice  
22 versa.

23 59. TIME OF ESSENCE. Time is of the essence with respect to the performance of  
24 each of the covenants and agreements contained in this Agreement.

25 60. BINDING EFFECT. This Agreement, and the terms, provisions, promises,  
26 covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the parties  
27 hereto and their respective heirs, legal representatives, successors and assigns.

28 61. NO THIRD PARTY BENEFICIARIES. The parties to this Agreement

1 acknowledge and agree that the provisions of this Agreement are for the sole benefit of  
2 COUNTY and BORROWER, and not for the benefit, directly or indirectly, of any other person  
3 or entity, except as otherwise expressly provided herein.

4 62. ENTIRE AGREEMENT, WAIVERS, AND AMENDMENTS.

- 5 a. This Agreement shall be executed in three duplicate originals each of which is  
6 deemed to be an original. This Agreement, including all attachments hereto and  
7 exhibits appended to such attachments shall constitute the entire understanding and  
8 agreement of the parties.
- 9 b. This Agreement integrates all of the terms and conditions mentioned herein or  
10 incidental hereto, and supersedes all negotiations or previous agreements between  
11 the parties with respect to all or any part of the Property.
- 12 c. All waivers of the provisions of this Agreement must be in writing and signed by  
13 the appropriate authorities of the COUNTY or the BORROWER, and all  
14 amendments hereto must be in writing and signed by the appropriate authorities of  
15 the COUNTY and the BORROWER. This Agreement and any provisions hereof  
16 may be amended by mutual written agreement by the BORROWER and the  
17 COUNTY.

18  
19 (SIGNATURES ON THE NEXT PAGE)  
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28

IN WITNESS WHEREOF, COUNTY and BORROWER have executed this Agreement as of the dates written below.

COUNTY:

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

BORROWER:

NCRC MURRIETA FAMILY HOUSING LP,  
a California limited partnership

By: NCRC Murrieta Family MGP LLC, a California limited liability company, its General Partner

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

By: \_\_\_\_\_  
Heidi Marshall, Director

By: \_\_\_\_\_  
Michael Finn, Chief Financial Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

MINH C. TRAN, County Counsel

By: \_\_\_\_\_  
Amrit P. Dhillon,  
Deputy County Counsel

**(Signatures need to be notarized)**

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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 \_\_\_\_\_, 2023, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature

**EXHIBIT "A"**

**Borrower:** Murrieta Family Housing LP  
**Address:** 24960 Adams Avenue, City of Murrieta, California  
**Project Title:** Oak View Ranch Family Apartments  
**Location:** North of the intersection of Adams Ave. and Ivy Street, in the City of Murrieta also identified as APN 906-080-018.

**Project Description:**

NCRC Murrieta Family Housing LP shall develop and construct a multi-family affordable rental housing project of one hundred nineteen (119) rental units of which includes one (1) residential manager’s unit (“Project”) on real property located on 24960 Adams Avenue, in the City of Murrieta also identified as APN 906-080-018 (“Property”).

A total of fifty nine (59) units shall be reserved as ARPA-Assisted Units, of which 12 units will be restricted to households whose incomes do not exceed 60% AMI, 28 units will be restricted to households whose incomes do not exceed 50% AMI, and 19 units will be restricted to households whose incomes do not exceed 30% AMI of Riverside County.

[24]	One Bedroom	[522]	sq.ft.
[ 60 ]	Two Bedroom	[ 751 ]	sq.ft.
[35*]	Three Bedroom	[1,028]	sq.ft.

\*One (1) of the 35 Three Bedroom units is a Manager Unit



**IMPLEMENTATION SCHEDULE**

<b>Milestone</b>	<b>Completion Date</b>
(1) County Approval	[May 2023]
(2) Financing Commitment	[May 2023]
(3) Construction Start Deadline	[June 2023]
(4) Completion Deadline	[December 2026]
(5) Submission of income & ethnic characteristics report	[December 2026]

<b>Construction Sources</b>	
Construction Loan (Tax-Exempt)	\$ 33,360,000
Construction Loan (Taxable)	\$ 0
	\$
4% Tax Credit Equity	11,458,079
City of Murrieta Land Loan	\$ 3,325,000
Murrieta Housing Authority	\$ 6,142,807
Developer Equity Contribution	\$ 4,700,000
Riverside County ARPA Loan	\$ 6,000,000
Deferred Costs	\$ 962,996
<b>Total</b>	<b>\$ 65,948,881</b>

<b>Permanent Sources</b>	
Permanent Loan	\$ 7,552,000
4% Tax Credit Equity	\$ 30,279,921
State Tax Credit Equity	\$ 7,913,675
City of Murrieta Land Loan	\$ 3,325,000
Murrieta Housing Authority	\$ 6,142,807

Developer Equity Contribution	\$ 4,700,000
Deferred Developer Fee	\$ 35,479
Riverside County ARPA Loan	\$ 6,000,000
<b>Total</b>	<b>\$ 65,948,881</b>

LEGAL DESCRIPTION OF PROPERTY

**Legal Description of Property:**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE SOUTHEASTERLY RECTANGULAR 1/2 OF LOT 69 OF THE MURRIETA PORTION OF THE TEMECULA RANCHO, AS SHOWN BY MAP ON FILE IN [BOOK 8 PAGE 359](#) OF MAPS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA;

EXCEPTING THEREFROM, THE NORTHEASTERLY 1/2 THEREOF;

ALSO EXCEPTING THEREFROM, THAT PORTION CONVEYED TO EUNICE CAIN, A WIDOW, BY DEED RECORDED NOVEMBER 8, 1971 AS [INSTRUMENT NO. 127659 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO, EXCEPTING THEREFROM, THAT PORTION CONVEYED TO PAC SO. COR, INC., A CALIFORNIA CORPORATION, DBA PACIFIC SOUTHWEST REALTY AND TRUST, BY DEED RECORDED SEPTEMBER 24, 1979 AS [INSTRUMENT NO. 200877 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO EXCEPTING THEREFROM, THAT PORTION CONVEYED TO PAC SO, COR, INC., A CALIFORNIA CORPORATION, BY DEED RECORDED DECEMBER 11, 1980 AS [INSTRUMENT NO. 231897 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA.

[APN:906-080-018](#)

# EXHIBIT “B”

EXEMPT RECORDING FEE CODE 6103

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

County of Riverside  
Housing and Workforce Solutions  
3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501  
Attn. Juan Garcia

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## **LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING**

This LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING is made this day of \_\_\_\_\_, 2023 by NCRC Murrieta Family Housing LP (“Trustor”), whose address is 9692 Haven Avenue, Suite 100, Rancho Cucamonga, CA 91730. The trustee is \_\_\_\_\_ (“Trustee”). The beneficiary is the County of Riverside, a political subdivision of the State of California, (hereinafter called “Beneficiary”), whose address is 5555 Arlington Avenue, Riverside, CA 92504.

### **RECITALS**

A. Trustor is the owner of a leasehold interest in the real property located in the City of Murrieta, County of Riverside, State of California more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (such interest in real property is hereafter referred to as the “Subject Property”).

B. Country made a Loan to Trustor in the amount of \$6,000,000 (the “Loan”), of funds made available pursuant to the American Rescue Plan Act of 2021 (Title VI of the Social Security Act Section 602 et seq.) (the “Act”) and the implementing regulations thereto (31 CFR Part 35) (collectively, “ARPA”), evidenced by that certain Loan Agreement for the Use of ARPA Program Funds by and between Trustor and Beneficiary, dated as of the date hereof (the “Loan Agreement”).

C. In connection with the Loan, Beneficiary and Trustor entered into that certain Covenant Agreement dated as of the date hereof (the “Covenant Agreement”), pursuant to which, Trustor is obligated, among other requirements, to restrict a portion of the Subject Property’s use and occupancy in accordance with its terms.

NOW, THEREFORE, TRUSTOR IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee, its successors and assigns, in Trust, with POWER OF SALE TOGETHER WITH RIGHT OF ENTRY AND POSSESSION the following property (the “Trust Estate”):

- (A) The Subject Property;
- (B) All buildings, structures and other improvements now or in the future located or to be constructed on the Subject Property (the “Improvements”);
- (C) All tenements, hereditaments, appurtenances, privileges, franchises and other rights and interests now or in the future benefiting or otherwise relating to the Subject Property or the Improvements, including easements, rights-of-way and development rights (the “Appurtenances”). (The Appurtenances, together with the Subject Property and the Improvements, are hereafter referred to as the “Real Property”);
- (D) All rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the ownership, use, management, operation leasing or occupancy of the Trust Estate, including those past due and unpaid (the “Rents”);
- (E) All present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code (the “UCC”), and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, theater equipment, seating, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property, but not including personal property that is donated to Trustor (the “Goods,” and together with the Real Property, the “Property”); and
- (F) All present and future right, title and interest of Trustor in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written material (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Property or any other part of the Trust Estate or the Ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the property or any other part of the Trust Estate, including (to the extent applicable to the Property or any other portion of the Trust Estate) (i) permits, approvals and other governmental authorizations, (ii) improvement plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers, supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) takeout, refinancing and permanent loan commitments, (v) warranties, guaranties, indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (vi) claims, demands, awards, settlements, and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of

any of the Property, (vii) license agreements, service and maintenance agreements, purchase and sale agreements and purchase options, together with advance payments, security deposits and other amounts paid to or deposited with Trustor under any such agreements, (viii) reserves, deposits, bonds, deferred payments, refunds, rebates, discounts, cost savings, escrow proceeds, sale proceeds and other rights to the payment of money, trade names, trademarks, goodwill and all other types of intangible personal property of any kind or nature, and (ix) all supplements, modifications, amendments, renewals, extensions, proceeds, replacements and substitutions of or to any of such property (the "Intangibles").

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estates described above in which a security interest may be created under the UCC (collectively, the "Personal Property"). This Leasehold Deed of Trust constitutes a security agreement under the UCC, conveying a security interest in the Personal Property to Trustee and Beneficiary. Trustee and Beneficiary shall have, in addition to all rights and remedies provided herein, all the rights and remedies of a "secured party" under the UCC and other applicable California law. Trustor covenants and agrees that this Leasehold Deed of Trust constitutes a fixture filing under Section 9334 and 9502(b) of the UCC.

FOR THE PURPOSE OF SECURING, in such order of priority as Beneficiary may elect, the following:

- (a) due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:
  - i. that certain Promissory Note in favor of the Beneficiary ("County" therein) executed by Trustor ("Borrower" therein) of even date herewith (the "Note") in the principal amount of \$6,000,000;
  - ii. that certain Loan Agreement for the Use of ARPA Program Funds dated \_\_\_\_\_ and recorded in the Official Records ("Official Records") of the County of Riverside concurrently herewith, between Trustor ("Borrower" therein) and Beneficiary ("County" therein) (the "Loan Agreement"); and
  - iii. the Covenant Agreement dated \_\_\_\_\_ and recorded concurrently herewith in the Official Records, between Trustor ("Borrower" therein) and Beneficiary ("County" therein).
- (b) payment of indebtedness of the Trustor to the Beneficiary not to exceed [\_\_\_\_\_] (the "Loan") according to the terms of the Note.

Said Note, Loan Agreement and Covenant Agreement (collectively, referred to as the "Secured Obligations") and all of their terms are incorporated herein by reference and this conveyance shall secure any and all extensions, amendments, modifications or renewals thereof



however evidenced, and additional advances evidenced by any note reciting that it is secured hereby. The Note, Loan Agreement and Covenant Agreement as used herein shall mean, refer to and include the Note, Loan Agreement and Covenant Agreement, as well as any riders, exhibits, addenda, implementation agreements, amendments, or attachments thereto (which are hereby incorporated herein by this reference). Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Loan Agreement.

The Loan evidenced by the Note and secured by this Leasehold Deed of Trust is being made pursuant to the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF” or “ARPA Funds”). Pursuant to the Loan Agreement, the maturity date of the Loan shall be the later to occur of (i) December 31, 2080 or (ii) fifty-five (55) years from years from recordation of the Notice of Completion for the last building completed as part of the Project (as defined in the Loan Agreement) (“Loan Term”).

TRUSTOR COVENANTS that the Trustor is lawfully seized of the estate hereby conveyed and has the right to grant and convey the leasehold interest of the Property. Trustor warrants and will defend generally the title to the Property against all claims and demands, subject to such encumbrances of record.

**AND TO PROTECT THE SECURITY OF THIS LEASEHOLD DEED OF TRUST,  
TRUSTOR COVENANTS AND AGREES:**

1. That Trustor shall pay the Note at the time and in the manner provided therein, and perform all obligations of Trustor as set forth in the Loan Agreement and Covenant Agreement at the time and in the manner respectively provided therein.
2. That Trustor shall not permit or suffer the use of any of the property for any purpose other than the use set forth in the Loan Agreement and Covenant Agreement.
3. That the Secured Obligations are incorporated in and made a part of this Leasehold Deed of Trust. Upon default of a Secured Obligation, and after the giving of notice and the expiration of any applicable cure period, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable.
4. That all rents, profits and income from the property covered by this Leasehold Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor so long as no default exists hereunder after the giving of notice and the expiration of any applicable cure period, to collect such rents, profits and income for use in accordance with the provisions of the Loan Agreement and Covenant Agreement.
  - 4a. That upon default hereunder or under any of the Secured Obligations and after giving notice and opportunity to cure, Beneficiary shall be entitled to the appointment of receiver by any court having jurisdiction, without notice, to take possession and protect the Property described herein and operate same and collect the rents, profits and income therefrom

5. **Payment of Principal and Interest; Prepayment and Late Charges.** Trustor shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any late charges due under the Note.

6. **Taxes and Insurance.** Trustor shall pay before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Leasehold Deed of Trust, directly to the person owed payment. Trustor shall promptly furnish to Beneficiary receipts evidencing the payments.

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

7. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Beneficiary under **Section 5** shall be applied: first, to interest due; second, to principal due; and last, to any late charges due under the Note.

8. **Prior Deeds of Trust; Charge; Liens.** Trustor shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Leasehold Deed of Trust, and leasehold payments or ground rents, if any, subject to applicable cure periods directly to the person owed payment. Trustor shall pay these obligations in the manner provided in **Section 6**.

a. Except for the liens permitted in writing by the Beneficiary, Trustor shall promptly discharge any other lien which shall have attained priority over this Leasehold Deed of Trust unless Trustor: (1) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Beneficiary; (2) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Beneficiary's opinion operate to prevent the enforcement of the lien; or (3) bond around the lien (4) secures from the holder of the lien an agreement satisfactory to Beneficiary subordinating the lien to this Leasehold Deed of Trust. Except for the liens approved herein, if Beneficiary determines that any part of the Property is subject to a lien which may attain priority over this Leasehold Deed of Trust, Beneficiary may give Trustor a notice identifying the lien. Trustor shall satisfy such lien or take one or more of the actions set forth above within 30 days of the giving of notice.

9. **Priority of Leasehold Deed of Trust.** Lien priority, including applicable regulator agreements, shall be as follows: (1) first priority shall be Declaration of Reciprocal Easements for

Access, Utilities and Use for Oak View Ranch by Murrieta Housing Authority (“Housing Authority”) recorded against fee interest for both Family and Senior Project; (2) second priority shall be Memorandum of Ground Lease by and between Housing and NCRC Murrieta Family Housing, L.P. (“Partnership”) recorded against fee interest for Family Project; (3) third priority shall be Temporary Access, Demolition and Construction Staging License Agreement by and between Housing Authority and Partnership recorded against fee interest for Senior Project; (4) fourth priority shall be Regulatory Agreement and Declaration of Restrictive Covenants by and among California Statewide Communities Development Authority (“Issuer”) and Partnership recorded against leasehold interest for Family Project; (5) fifth priority shall be Regulatory Agreement by and between City of Murrieta Housing Authority and Partnership recorded against leasehold interest for Family Project; (6) sixth priority shall be Covenant Agreement by and between County and Partnership recorded against leasehold interest for Family Project; (7) seventh priority shall be Bond Deed of Trust Bank of America (“BOA”) Construction Loan in the amount of \$33,360,000/Permanent Loan in the amount of \$7,552,000 Construction and Permanent Leasehold Deed of Trust, with Assignment of Leases and Rents, Security Agreement and Fixture Filing recorded against leasehold interest for Family Project; (8) eighth priority shall be Bond Deed of Trust Bank of America (“BOA”) Construction Loan in the amount of \$33,360,000/Permanent Loan in the amount of \$7,552,000 Assignment of Deed of Trust and related Documents from the Issuer for benefit of BOA recorded against leasehold interest for Family Project; (9) ninth priority shall be City of Murrieta Housing Authority Land Loan in the amount of \$3,325,000 Leasehold Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) by the Partnership for the benefit of the Housing Authority recorded against leasehold interest for Family Project; (10) tenth priority shall be City of Murrieta Housing Authority Loan in the amount of \$6,142,807 Deed of Trust recorded against leasehold interest for Family Project; (11) eleventh priority shall be Riverside County ARPA Loan in the amount of \$6,000,000 Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing by Partnership for the benefit of the County of Riverside (“County”) recorded against leasehold interest for Family Project; (12) twelfth priority shall be Sponsor Loan in the amount of \$7,913,675 Deed of Trust for the benefit of National Community Renaissance of California recorded against the leasehold interest for the Family Project; and (13) thirteenth priority shall be the Loan Agreement.

Beneficiary hereby agrees to execute any and all documents necessary to effectuate such priority, including, but not limited to subordination agreements first approved as to form and content by Beneficiary and Beneficiary’s legal counsel.

10. **Hazard or Property Insurance.** Trustor shall keep the improvements now existing or hereafter erected on the Property insured against loss of fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Beneficiary reasonably requires insurance. This insurance shall be maintained in the amounts and for the periods as required in the Loan Agreement. The insurance carrier providing the insurance shall be chosen by Trustor subject to Beneficiary's approval which shall not be unreasonably withheld. If Trustor fails to maintain coverage described above, Beneficiary may, at Beneficiary's option, obtain coverage to protect Beneficiary's rights in the Property in accordance with **Section 12.**

a. All insurance policies and renewals shall be reasonably acceptable to Beneficiary and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Trustor complies with the insurance requirements under this Leasehold Deed of Trust and the Loan Agreement. Trustor shall promptly give to Beneficiary certificates of insurance showing the coverage is in full force and effect and that Beneficiary is named as additional insured. In the event of loss, Trustor shall give prompt notice to the insurance carrier, the Senior Lien Holder, if any, and Beneficiary. Beneficiary may make proof of loss if not made promptly by the Senior Lien Holder, if any, or the Trustor.

b. Unless Beneficiary and Trustor otherwise agree in writing and subject to the rights of senior lenders, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Trustor determines that such restoration or repair is economically feasible and there is no default continuing beyond the expiration of all applicable cure periods. If Trustor determines that such restoration or repair is not economically feasible or if a default exists after expiration of all applicable cure periods, the insurance proceeds shall be applied to the sums secured by this Leasehold Deed of Trust, with the excess, if any, paid to Trustor. If the Property is abandoned by Trustor, or if Trustor fails to respond to Beneficiary within 30 days from the date notice is mailed by Beneficiary to Trustor that the insurance carrier offers to settle a claim for insurance benefits, Beneficiary is authorized to collect and apply the insurance proceeds at Beneficiary's option either to restoration or repair of the Property or to the sums secured by this Leasehold Deed of Trust.

c. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of Note. If under **Section 27** the Property is acquired by Beneficiary, Trustor's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Beneficiary to the extent of the sums secured by this Leasehold Deed of Trust immediately prior to the acquisition.

d. Notwithstanding the above, the Beneficiary's rights to collect and apply the insurance proceeds hereunder shall be subject and subordinate to the rights of a Senior Lien Holder, if any, to collect and apply such proceeds in accordance with a Senior Lien Holder Deed of Trust.

**11. Preservation, Maintenance and Protection of the Property; Leaseholds; Trustor's Loan Application.** Trustor shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property; normal wear and tear excepted. Trustor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Beneficiary's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Leasehold Deed of Trust or Beneficiary's security interest. Trustor may cure such a default and reinstate, as provided in **Section 27**, by causing the action or proceeding to be dismissed with a ruling that, in Beneficiary's good faith determination, precludes forfeiture of the Trustor's interest in the Property or other material impairment of the lien created by this Leasehold Deed of Trust or Beneficiary's security interest. Trustor shall also be in default if Trustor, during the loan application process, gave materially false or inaccurate information or statements to Beneficiary (or failed to provide Beneficiary with any material information) in connection with the Loan, including, but not limited to representations concerning Trustor's use of Property for affordable housing. If this Leasehold Deed of Trust is on a leasehold, Trustor shall

comply with all provisions of the lease. If Trustor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

a. The Trustor acknowledges that this Property is subject to certain use and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the Property is located), limiting the Property's use to "low-income housing." The use and occupancy restrictions may limit the Trustor's ability to rent the Property. The violation of any use and occupancy restrictions may, if not prohibited by federal law, entitle the Beneficiary to the remedies provided in **Section 27** hereof.

12. **Protection of Beneficiary's Rights in the Property.** If Trustor fails to perform the covenants and agreements contained in this Leasehold Deed of Trust, or there is a legal proceeding that may significantly affect Beneficiary's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then, subject to notice to Trustor and any applicable grace periods or cure periods, Beneficiary may do and pay for whatever is necessary to protect the value of the Property and Beneficiary's rights in the Property. Beneficiary's actions may include paying any sums secured by a lien which has priority over this Leasehold Deed of Trust, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Beneficiary may take action under this **Section 12**, Beneficiary does not have to do so.

a. Any amounts disbursed by Beneficiary under this **Section 12** shall become additional debt of Trustor secured by this Leasehold Deed of Trust. Unless Trustor and Beneficiary agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Beneficiary to Trustor requesting payment.

13. **Reserved.**

14. **Inspection.** Beneficiary or its agent may make reasonable entries upon and inspections of the Property. Beneficiary shall give Trustor at least forty-eight (48) hours advanced notice in connection with an inspection specifying reasonable cause for the inspection.

15. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary, subject to the terms of a Senior Lien Holder Deed of Trust, if any.

a. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Leasehold Deed of Trust, whether or not then due, with any excess paid to Trustor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Leasehold Deed of Trust immediately before the taking, unless Trustor and Beneficiary otherwise agree in writing, the sums secured by this Leasehold Deed of Trust shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property

immediately before the taking. Any balance shall be paid to Trustor. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Trustor and Beneficiary otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Leasehold Deed of Trust whether or not the sums are then due. Notwithstanding the foregoing, so long as the value of Beneficiary's lien is not impaired, any condemnation proceeds may be used by Trustor for repair and/or restoration of the Project.

- a. If the Property is abandoned by Trustor, or if, after notice by Beneficiary to Trustor that the condemner offers to make an award or settle a claim for damages, Trustor fails to respond to Beneficiary within 30 days after the date the notice is given, Beneficiary is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Leasehold Deed of Trust, whether or not then due.
- b. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to in **Sections 5 and 6** or change the amount of such payments.

16. **Forbearance By Beneficiary Not a Waiver.** Any forbearance by Beneficiary in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

17. **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Leasehold Deed of Trust shall bind and benefit the successors and assigns of Beneficiary and Trustor, subject to the provisions of **Section 22**. Trustor's covenants and agreements shall be joint and several.

18. **Loan Charges.** If the loan secured by this Leasehold Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Trustor which exceeded permitted limits will be promptly refunded to Trustor. Beneficiary may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Trustor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

19. **Notices.** Any notice to Trustor provided for in this Leasehold Deed of Trust shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Trustor's mailing address stated herein or any other address Trustor designates by notice to Beneficiary. All such notices to Trustor shall also be provided to the investment limited partner at the address set forth in the Loan Agreement. Any notice to Beneficiary shall be given by first class mail to Beneficiary's address stated herein or any

other address Beneficiary designates by notice to Trustor. Any notice required to be given to a Senior Lien Holder shall be given by first class mail to such other address the Senior Lien Holder designates by notice to the Trustor. Any notice provided for in this Leasehold Deed of Trust shall be deemed to have been given to Trustor or Beneficiary when given as provided in this Section.

20. **Governing Law; Severability.** This Leasehold Deed of Trust shall be governed by federal law and the laws of the State of California. In the event that any provision or clause of this Leasehold Deed of Trust, the Note or Covenant Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Leasehold Deed of Trust, the Note or the Covenant Agreement which can be given effect without the conflicting provision. To this end the provisions of this Leasehold Deed of Trust, the Note and the Covenant Agreement are declared to be severable. Any action at law or in equity arising under this Leasehold Deed of Trust or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed in the Superior Court of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

21. **Trustor's Copy.** Trustor shall be given one conformed copy of the Note and of this Leasehold Deed of Trust.

22. **Transfer of the Property or a Beneficial Interest in Trustor.** Except as otherwise allowed under the Loan Agreement, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Trustor is sold or transferred and Trustor is not a natural person) without Beneficiary's prior written consent (including a transfer of all or any part of the Property to any person who, at initial occupancy of the Property, does not use the Property for "low-income housing") Beneficiary may, at its option, require immediate payment in full of all Secured Obligations secured by this Leasehold Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the date of this Leasehold Deed of Trust. Nothing in this Leasehold Deed of Trust shall be deemed to require Beneficiary's approval of a transfer of a limited partnership or non-managing member interest in the Trustor or of a conveyance of an easement interest in the Property for utility purposes.

a. If Beneficiary exercises the aforementioned option, Beneficiary shall give Trustor and the Senior Lien Holder, prior written notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Trustor must pay all sums secured by this Leasehold Deed of Trust. If Trustor fails to pay these sums prior to the expiration of this period, Beneficiary may invoke any remedies permitted by this Leasehold Deed of Trust without further notice or demand on Trustor.

b. Notwithstanding anything to the contrary contained herein, upon written notice to Beneficiary, Trustor may (i) lease for occupancy of all or any of the ARPA-Assisted Units in accordance with this Agreement; (ii) grant easements or permits to facilitate the development of the Property in accordance with the Loan Agreement For The Use Of American Rescue Plan Act (ARPA) Funds; (iii) transfer the BORROWER'S limited partnership interest; (iv) remove and replace the BORROWER'S general partner(s) for cause in accordance with BORROWER'S amended and restated agreement of limited partnership; and (v) make transfers pursuant to that

certain Purchase Option and Right of First Refusal Agreement (collectively a "Permitted Transfer"). All Permitted Transfers shall be subject to reasonable review of documentation by the Beneficiary.

23. **Trustor's Right to Reinstate.** If Trustor meets certain conditions, Trustor shall have the right to have enforcement of this Leasehold Deed of Trust discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Leasehold Deed of Trust; or (b) entry of a judgment enforcing this Leasehold Deed of Trust. Those conditions are that Trustor: (a) pays Beneficiary all sums which then would be due under this Leasehold Deed of Trust, the Loan Agreement, the Note and Covenant Agreement as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Leasehold Deed of Trust, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Beneficiary may reasonably require to assure that the lien of this Leasehold Deed of Trust, Beneficiary's rights in the Property and Trustor's obligation to pay the sums secured by this Leasehold Deed of Trust shall continue unchanged. Upon reinstatement by Trustor, this Leasehold Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under **Section 22**.

24. **Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Leasehold Deed of Trust) may be sold one or more times without prior notice to Trustor. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Leasehold Deed of Trust. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Trustor will be given written notice of the change in accordance with **Section 19** above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

25. **No Assignment.** The Note and this Leasehold Deed of Trust shall not be assigned by Trustor without the Beneficiary's prior written consent and the consent of the Senior Lenders.

26. **Hazardous Substances.** Trustor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Trustor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses, construction, and to maintenance of the Property.

a. Trustor shall promptly give Beneficiary written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Trustor has actual knowledge. If Trustor learns, or is notified in writing by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the



Property is necessary, Trustor shall promptly take all necessary remedial actions in accordance with Environmental Law.

b. As used in this **Section 26**, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials, excluding household products in normal quantities. As used in this **Section 26**, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

27. **Acceleration; Remedies.** Beneficiary shall give notice to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this Leasehold Deed of Trust. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, which shall not be more than thirty (30) calendar days from the date of the mailing of the notice for a monetary default, or a date, which shall not be more than thirty (30) calendar days from the mailing of the notice for a non-monetary default, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the Secured Obligations secured by this Leasehold Deed of Trust and sale of the Property. The notice shall further inform Trustor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Trustor to acceleration and sale. If the default is not cured by the Trustor on or before the date specified in the notice, and the Senior Lien Holder or the investor limited partner have not cured the default within that same period, subject to any non-recourse provisions set forth in Section 8 of the Note, then Beneficiary at its option may require immediate payment in full of all Secured Obligations secured by this Leasehold Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Section 27**, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

a. If Beneficiary invokes the power of sale, Beneficiary or Trustee shall mail copies of a notice of sale in the manner prescribed by applicable law to Trustor, the investor limited partner, the Senior Lien Holder and to the other persons prescribed by applicable law. Trustee shall give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Trustee, without demand on Trustor, shall sell the Property at public auction to the highest bidder for cash at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property to any later time on the same date by public announcement at the time and place of any previously scheduled sale. Beneficiary or its designee may purchase the Property at any sale.

b. Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited

to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Leasehold Deed of Trust; and (c) any excess to the person or persons legally entitled to it.

28. **Release.** Upon payment of all sums secured by this Leasehold Deed of Trust, Beneficiary shall release this Leasehold Deed of Trust without charge to Trustor. Trustor shall pay any recordation costs. The Covenant Agreement shall not be released or reconveyed until the expiration of the term set forth therein notwithstanding the payment of all sums secured by this Leasehold Deed of Trust.

29. **Substitute Trustee.** Beneficiary, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the county in which this Leasehold Deed of Trust is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

30. **Modifications of Senior Loan Documents.** Any agreement or arrangement, in which a Senior Lender waives, postpones, extends, reduces, or materially modifies any provisions of the Senior Lien Holder Deed of Trust or any other Senior Lien Holder loan documents, including any provisions requiring the payment of money, shall require the prior written approval of Beneficiary, such approval not to be unreasonably conditioned or denied.

31. **Prohibition Against Tenancy under Foreclosure.** Notwithstanding anything to the contrary set forth in this Leasehold Deed of Trust or in any documents secured by this Leasehold Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that, in no event will any action be taken which violates Section 42(h)(6)(E)(ii) of the U.S. Internal Revenue Code of 1986, as amended, regarding prohibitions against evicting, terminating tenancy or increasing rent of tenants for a period of three (3) years after acquisition of a building by foreclosure or deed-in-lieu of foreclosure.

32. **General Partner or Managing Member Change.** Except as otherwise provided in the Loan Agreement, the withdrawal, removal, and/or replacement of a non-Affiliate general partner of the Trustor pursuant to the terms of the Operating Agreement shall not constitute a default under any of the Secured Obligations, and any such actions shall not accelerate the Secured Obligations, provided that any required substitute general partner is reasonably acceptable to Beneficiary and is selected with reasonable promptness, subject to Section 22.b above. Any proposed Manager replacement shall have the qualifications and financial responsibility as reasonably determined by Beneficiary necessary and adequate to fulfill the obligations undertaken in the Loan Agreement, as amended.

33. **Removal, Demolition or Alteration of Personal Property and Fixtures.** Except to the extent permitted by the following sentence, no personal property or fixtures shall be removed, demolished or materially altered without the prior written consent of the Beneficiary. Trustor may remove and dispose of, free from the lien of this Leasehold Deed of Trust, such personal property and fixtures as from time to time become worn out or obsolete, providing that, (a) the same is done in the ordinary course of business, and (2) either (i) at the time of, or prior to, such removal, any such personal property or fixtures are replaced with other personal property or

fixtures which are free from liens other than encumbrances permitted hereunder and which have a value at least equal to that of the replaced personal property and fixtures (and by such removal replacement Trustor shall be deemed to have subjected such replacement personal property and fixtures to the lien of this Leasehold Deed of Trust), or (ii) such personal property and fixtures may not require replacement if functionally, economically or operationally obsolete and so long as the fair market value of and operational efficiency of the Project is not reduced or adversely effected thereby.

**[Remainder of Page Blank]**

**[Signatures on Following Page]**

**BY SIGNING BELOW, TRUSTOR accepts and agrees to the terms and covenants contained in this Deed of Trust.**

TRUSTOR:

NCRC Murrieta Family Housing LP,  
a California limited partnership

By: NCRC Murrieta Family MGP LLC,  
a California limited liability company,  
its General Partner

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

By: \_\_\_\_\_  
Michael Finn, Chief Financial Officer

Date: \_\_\_\_\_

**(Signature needs to be notarized)**

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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 \_\_\_\_\_, 2023, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature

**EXHIBIT "A"**

LEGAL DESCRIPTION OF PROPERTY

**Legal Description of Property:**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE SOUTHEASTERLY RECTANGULAR 1/2 OF LOT 69 OF THE MURRIETA PORTION OF THE TEMECULA RANCHO, AS SHOWN BY MAP ON FILE IN [BOOK 8 PAGE 359](#) OF MAPS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA;

EXCEPTING THEREFROM, THE NORTHEASTERLY 1/2 THEREOF;

ALSO EXCEPTING THEREFROM, THAT PORTION CONVEYED TO EUNICE CAIN, A WIDOW, BY DEED RECORDED NOVEMBER 8, 1971 AS [INSTRUMENT NO. 127659 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO, EXCEPTING THEREFROM, THAT PORTION CONVEYED TO PAC SO. COR, INC., A CALIFORNIA CORPORATION, DBA PACIFIC SOUTHWEST REALTY AND TRUST, BY DEED RECORDED SEPTEMBER 24, 1979 AS [INSTRUMENT NO. 200877 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO EXCEPTING THEREFROM, THAT PORTION CONVEYED TO PAC SO, COR, INC., A CALIFORNIA CORPORATION, BY DEED RECORDED DECEMBER 11, 1980 AS [INSTRUMENT NO. 231897 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA.

[APN: 906-080-018](#)

# EXHIBIT “C”



**PROMISSORY NOTE**

**\$6,000,000**

**Murrieta, CA**

In installments as hereafter stated, for value received, NCRC MURRIETA FAMILY HOUSING LP, a California limited partnership (“Borrower”), promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), or order, at 3403 10<sup>th</sup> St, Ste. 300, Riverside, CA 92501, the sum of SIX MILLION AND 00/100 DOLLARS (U.S. \$6,000,000) (the “Loan” or “Note Amount”) which at the time of payment is lawful for the payment of public and private debts.

This Promissory Note (“Note”) is given in accordance with that certain Loan Agreement for the Use of ARPA Funds executed by COUNTY and Borrower, dated as of \_\_\_\_\_ and recorded in the Official Records (“Official Records”) of the County of Riverside on or about the date hereof (the “Loan Agreement”). Except to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings ascribed to such terms in the Loan Agreement. The Note is secured by a Leasehold Deed of Trust and Assignment of Rents executed by Borrower for the benefit of the County dated \_\_\_\_\_ and recorded on or about the date hereof in the Official Records (the “Deed of Trust”). The rights and obligations of the Borrower and COUNTY under this Note shall be governed by the Loan Agreement and the following terms:

- (1) The Loan evidenced by this Note and secured by the Deed of Trust is being made pursuant to the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF” or “ARPA Funds”), and the implementing regulations thereto (31 CFR Part 35) (“ARPA”). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on rent and occupancy required under the Loan Agreement and that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Borrower and the COUNTY).
- (2) That the Loan will accrue simple interest at a rate of three percent (3%) per annum, except in the case of default as hereinafter provided.

This Note shall be repaid according to the following: fifty percent (50%) of the Project’s Residual Receipts shall be used towards the payment of the Loan and other loans until the Note is repaid in full. Fifty percent (50%) of the Project’s Residual Receipts shall be paid to COUNTY, City of Murrieta and City Housing Authority (pro rata with respect to the amounts of their respective loans for the Project) annually in accordance with the terms set forth herein. The pro rata share split shall be thirty nine percent (39%) to the City Housing Authority, twenty two percent (22%) to the City of Murrieta, and thirty nine percent (39%) to COUNTY (each a “Pro Rata Share”). Such payment of the Pro Rata Share of fifty percent (50%) of the Project’s Residual Receipts to City Housing Authority, City of Murrieta, and COUNTY shall continue annually until the City Housing Authority note, City of Murrieta promissory note and COUNTY’S ARPA Note are repaid in full, respectively. Any remainder of the Project’s Residual Receipts will be paid in accordance with the cash flow “waterfall” provisions of Borrower’s limited partnership agreement.

- (3) The term “Residual Receipts” used herein shall mean all money and income from the Project remaining annually after the payment of all normal and necessary expenses of operation of the Project, including but not limited to the following:

- (i) payments of principal and interest and other mandatory payments on amortized loans and indebtedness senior to the Loan, which have been approved in writing by COUNTY (collectively, the "Senior Debt");
  - (ii) utility fees and costs not paid by tenants;
  - (iii) insurance on the Project;
  - (iv) ad valorem taxes and assessment payments;
  - (v) management fees, expenses and costs, as well as the cost of social programs at the Project and compliance monitoring/reporting, which shall total initially \$100 per Unit per month, which management fee shall be adjusted annually by a percentage equal to the annual increase in rents permitted by HUD and may be deferred and accrued;
  - (vi) auditing and accounting fees;
  - (vii) operating expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which shall include administration, on-site management costs, utilities, on-site staff payroll, payroll taxes, and maintenance);
  - (viii) reserves for repair and replacement of the Project, in an annual amount of \$500 per rental unit per year, increased annually by an amount not to exceed the greater of (i) three percent (3%) or (ii) the increase in CPI;
  - (ix) required operating reserve replenishments in an amount up to \$175,000 per year;
  - (x) County's monitoring Fee in the total amount of \$11,900, increased annually by an amount equal to the increase of CPI, as more specifically discussed in Section 26;
  - (xi) repayment of any operating deficit loans made by a partner to the BORROWER and payment of unpaid tax credit adjustment payments owed to a limited partner of BORROWER;
  - (xii) partnership management fees up to \$15,000 annually payable to a partner of BORROWER, and asset management fees up to \$5,000 annually (increasingly annually by three (3%)) payable to a partner of BORROWER, and any accrued and unpaid fees from prior years;
  - (xiii) payment of deferred developer fees pursuant to BORROWER'S limited partnership agreement; and
  - (xiv) all other fees and expenses which may be permitted by the annual budget approved by the COUNTY.
- (4) Payment of COUNTY'S Pro Rata Share of the Residual Receipts produced from the Project shall be made by the Borrower to the COUNTY annually on July 15th of each year. Payment shall be applied first to accrued interest and thereafter to principal. Borrower shall annually provide the COUNTY with an accounting acceptable to the COUNTY, documenting the calculation of Residual Receipts for the previous calendar year ending December 31. This accounting shall be made on or before July 15, together with the payment of Residual Receipts.
- (5) All outstanding principal along with accrued interest shall be due upon maturity of the Loan Agreement, which shall be the later to occur of (i) December 31, 2080 or (ii) fifty-five (55) years from and after the recordation of the Notice of Completion (the "Loan Term"). All outstanding principal along with accrued interest shall be due upon the maturity date of the Note and the expiration of the Loan Term.
- (6) The Loan evidenced by this Note is secured by that certain Deed of Trust and Assignment of Rents executed by Borrower for the benefit of the County, dated on or about the date

hereof and recorded in the Official Records of the County of Riverside on or about the date hereof ("Deed of Trust").

- (7) This Note may be prepaid in whole or in part by the undersigned at any time without prepayment penalty or premium, provided however notwithstanding such prepayment, Borrower shall be required to adhere to the affordability restrictions contained in the Covenants until the expiration of the term contained therein.
  
- (8) Subject to the provisions and limitations of this Paragraph 8, the obligation to repay the Note Amount is a nonrecourse obligation of Borrower and its partners. Neither Borrower nor its partners shall have any personal liability for repayment of the Note Amount, except as provided in this Paragraph 8. The sole recourse of the County shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the Loan; provided, however, that the foregoing shall not (i) constitute a waiver of any other obligation evidenced by this Note or the Deed of Trust; (ii) limit the right of the COUNTY to name Borrower as a party defendant in any action or suit for judicial foreclosure and sale under this Note and the Deed of Trust or any action or proceeding hereunder so long as no judgment in the nature of a deficiency judgment shall be asked for or taken against Borrower; (iii) release or impair either this Note or the Deed of Trust; (iv) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, any other remedy against the mortgaged Property or any other instrument securing this Note or as prescribed by law or in equity in case of default; (v) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, its remedies in respect of any deposits, insurance proceeds, condemnation awards or other monies or other collateral or letters of credit securing this Note; or (vi) affect in any way the validity of any guarantee or indemnity from any person of all or any of the obligations evidenced and secured by this Note and the Deed of Trust. Notwithstanding the first sentence of this Section 8, the COUNTY may recover directly from Borrower or, unless otherwise prohibited by any applicable law, from any other party: (a) any damages, costs and expenses incurred by the COUNTY as a result of fraud, misrepresentation or any criminal act or acts of Borrower or any general partner, shareholder, officer, director or employee of Borrower, or of any member or general partner of Borrower, or of any general partner of such member or general partner; (b) any damages, costs and expenses incurred by the COUNTY as a result of any misappropriation of funds provided to pay costs as described in the Loan Agreement, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; (c) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the Deed of Trust; (d) the fair market value of any personal property or fixtures removed or disposed of by the Borrower other than in accordance with the Deed of Trust; (e) any and all amounts owing by Borrower pursuant to any indemnity set forth in the Loan Agreement and/or Deed of Trust or the indemnification regarding Hazardous Substances pursuant to the Loan Agreement and/or Deed of Trust, and (f) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

- (9) The occurrence of any of the following events shall constitute an "Event of Default" under this Note after notice and opportunity to cure pursuant to the terms set forth in the Loan Agreement:

Monetary Default. (1) Borrower's failure to pay when due any sums payable under the Note or any advances made by COUNTY under this Agreement, (2) Borrower's or any agent of Borrower's use of Loan funds for costs other than those costs permitted under the Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, (3) Borrower's or any agent of Borrower's failure to make any other payment of any assessment or tax due under the Loan Agreement, and /or (4) default past any applicable notice and cure period under the terms of [(Lien priority, including applicable regulator agreements, shall be as follows: (1) first priority shall be Declaration of Reciprocal Easements for Access, Utilities and Use for Oak View Ranch by Murrieta Housing Authority ("Housing Authority") recorded against fee interest for both Family and Senior Project; (2) second priority shall be Memorandum of Ground Lease by and between Housing and NCRC Murrieta Family Housing LP ("Partnership") recorded against fee interest for Family Project; (3) third priority shall be Temporary Access, Demolition and Construction Staging License Agreement by and between Housing Authority and Partnership recorded against fee interest for Senior Project; (4) fourth priority shall be Regulatory Agreement and Declaration of Restrictive Covenants by and among California Statewide Communities Development Authority ("Issuer") and Partnership recorded against leasehold interest for Family Project; (5) fifth priority shall be Regulatory Agreement by and between City of Murrieta Housing Authority and Partnership recorded against leasehold interest for Family Project; (6) sixth priority shall be Covenant Agreement by and between County and Partnership recorded against leasehold interest for Family Project; (7) seventh priority shall be Bond Deed of Trust Bank of America ("BOA") Construction Loan in the amount of \$33,360,000/Permanent Loan in the amount of \$7,552,000 Construction and Permanent Leasehold Deed of Trust, with Assignment of Leases and Rents, Security Agreement and Fixture Filing recorded against leasehold interest for Family Project; (8) eighth priority shall be Bond Deed of Trust Bank of America ("BOA") Construction Loan in the amount of \$33,360,000/Permanent Loan in the amount of \$7,552,000 Assignment of Deed of Trust and related Documents from the Issuer for benefit of BOA recorded against leasehold interest for Family Project; (9) ninth priority shall be City of Murrieta Housing Authority Land Loan in the amount of \$3,325,000 Leasehold Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) by the Partnership for the benefit of the Housing Authority recorded against leasehold interest for Family Project; (10) tenth priority shall be City of Murrieta Housing Authority Loan in the amount of \$6,142,807 Deed of Trust recorded against leasehold interest for Family Project; (11) eleventh priority shall be Riverside County ARPA Loan in the amount of \$6,000,000 Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture

Filing by Partnership for the benefit of the County of Riverside ("County") recorded against leasehold interest for Family Project; (12) twelfth priority shall be Sponsor Loan in the amount of \$7,913,675 Deed of Trust for the benefit of National Community Renaissance of California recorded against the leasehold interest for the Family Project; and (13) thirteenth priority shall be the Loan Agreement.]

- a. Non-Monetary Default - Operation. (1) Discrimination by Borrower or Borrower's agent on the basis of characteristics prohibited by this Agreement or applicable law, (2) the imposition of any encumbrances or liens on the Project without COUNTY'S prior written approval that are prohibited under this agreement or that have the effect of reducing the priority or invalidating the lien of the Deed of Trust, (3) Borrower's failure to obtain and maintain the insurance coverage required under the Loan Agreement, (4) any material default under the Loan Agreement, Deed of Trust with Assignment of Rents, Covenant Agreement, Note, or any document executed by the County in connection with this Agreement, and/or (5) default past any applicable notice and cure period under the terms of the Deed of Trust or any other instrument or document secured against the Property;
  - b. General Performance of Loan Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on Borrower imposed in the Loan Agreement; and
  - c. General Performance of Other Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on the Project imposed by any other agreement with respect to the financing, development, or operation of the Project; whether or not COUNTY is a party to such agreement.
- (10) COUNTY shall give written notice of default to Borrower, specifying the default complained of by the COUNTY. Borrower shall have thirty (30) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.
- (11) Any failures or delays by COUNTY in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by COUNTY in asserting any of its rights and remedies shall not deprive COUNTY of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.
- (12) If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations shall be completely performed and paid. In the event that any provision or clause of this Note conflicts with applicable law, such conflict will not affect other provisions of this Note which can be given effect without the conflicting provision, and to this end the provisions of the Note are declared to be severable.

- (13) Borrower hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this Note, and expressly agrees that, without in any way affecting the liability of Borrower hereunder, the COUNTY may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder and release any security now or hereafter securing this Note. Borrower further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this Note, or on any deed of trust, security agreement, guaranty or other agreement now or hereafter securing this Note.
- (14) Should default be made in payment of principal and interest when due and such default shall continue beyond the applicable notice and cure period provided in the Loan Agreement, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.
- (15) This Note has been negotiated and entered in the State of California, and shall be governed by, construed and enforced in accordance with the internal laws of the State of California, applied to contracts made in California by California domiciliaries to be wholly performed in California. Any action at law or in equity arising under this Note or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Note shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.
- (16) No modification, rescission, waiver, release or amendment of any provision of this Note shall be made except by a written agreement executed by Borrower and the duly authorized representative of the COUNTY.
- (17) The COUNTY may, in its sole and absolute discretion, assign its rights under this Note and its right to receive repayment of the Note Amount without obtaining the consent of Borrower.
- (18) Except as otherwise permitted in the ARPA Loan Documents, in no event shall Borrower assign or transfer any portion of this Note or any rights herein without the prior express written consent of the COUNTY, which consent the COUNTY may give or withhold in its sole and absolute discretion. In the absence of specific written agreement by the COUNTY, no unauthorized assignment or transfer, or approval thereof by the COUNTY, shall be deemed to relieve Borrower or any other party from any obligations under the Loan Agreement or this Note, except for in the event of a Permitted Transfer of the Project as such term is defined in the ARPA Loan Agreement. This provision shall not affect or diminish the COUNTY'S assignment rights under this Note.
- (19) Except as to the permitted deeds of trust identified herein, Borrower shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion.

- (20) The relationship of Borrower and the COUNTY pursuant to this Note is that of debtor and creditor and shall not be, or be construed to be, a joint venture, equity venture, partnership or other relationship.
- (21) (a) Formal notices, demands and communications between the County and Borrower shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the COUNTY and Borrower as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a “hard” copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or “kick-out” sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.
- (b) The address of the COUNTY for purposes of receiving notices pursuant to this Note shall be 3403 10<sup>th</sup> Street, Ste. 300, Riverside, California 92501, Attention: Director of Housing and Workforce Solutions. The facsimile number for the COUNTY’S receipt of notices is (951) 352-4852.
- (c) The address of Borrower for purposes of receiving notices pursuant to this Note is c/o National Community Renaissance of California, 9692 Haven Avenue, Suite 100, Rancho Cucamonga, CA 91730, Attention: CEO/CFO ([mruane@nationalcore.org](mailto:mruane@nationalcore.org)/[mfinn@nationalcore.org](mailto:mfinn@nationalcore.org)), with a copy to National Community Renaissance of California, 9692 Haven Avenue, Suite 100, Rancho Cucamonga, CA 91730, Attention: General Counsel ([rdiaz@nationalcore.org](mailto:rdiaz@nationalcore.org)).
- (22) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
- (23) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
- (24) This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Borrower has executed this Note as of the day and year first set forth above.

BORROWER:

TRUSTOR:

NCRC Murrieta Family Housing, L.P.,  
National ~~Community Renaissance of California~~  
a California nonprofit public benefit corporation

By: NCRC Murrieta Family MGP LLC, a  
California limited liability company,  
its General Partner

By: \_\_\_\_\_  
Michael Finn, Chief Financial Officer

By: National Community Renaissance of  
California, a California nonprofit

Date: \_\_\_\_\_ public benefit corporation, its Manager

By: \_\_\_\_\_  
[Michael Finn, Chief Financial Officer]

Date: \_\_\_\_\_



# EXHIBIT “D”

RESERVED.

# EXHIBIT E

## Prohibition Against Conflicts of Interest

Policy Manual, I.D. # A-11

TOPIC: CONFLICT OF INTEREST CODE  
RIVERSIDE COUNTY  
Housing & Workforce Solutions  
DATE: MARCH 1999

This Conflict of Interest Code is written to comply with Federal Regulations (2 C.F.R. § 200.318(c) and 2 C.F.R. § 200.112).

- 1) No employee, officer, or agent of the grantee shall participate in the selection, in the award or in the administration of a contract supported by Federal Funds if a conflict of interest, real or apparent, would be involved.
- 2) Such a conflict will arise when:
  - i) The employee, officer or agent;
  - ii) Any member of the immediate family;
  - iii) His/Her partners; or
  - iv) An organization which employs, or is about to employ any of the above has a financial or other interest in the firm's selection for award.
- 3) The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to sub-agreements except as noted in Section 4.
- 4) A grantee's or sub-grantee's officers, employees or agents will be presumed to have a financial interest in a business if their financial interest exceeds the following:
  - i) Any business entity in which the official has a direct or indirect investment worth one thousand dollars (\$1,000) or more.
  - ii) Any real property in which the official has a direct or indirect interest worth one thousand dollars (\$1,000) or more.
  - iii) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the official within 12 months prior to the time when the decision is made.
  - iv) Any business entity in which the official is a director, officer, partner, trustee, employee, or holds any position of management.

- v) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the official within 12 months prior to the time when the decision is made.
- 5) For purposes of **Section 4**, indirect investment or interest means any investment or interest owned by the spouse or dependent child of an official, by an agent on behalf of an official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or more.

### Exhibit F: Sample Tenant Checklist

Insert a check mark for each item that is relevant to the family below

Project Name:  
Address:

Unit No.	Tenant Name	Move In Date	Move Out Date	Rent Amount	Family Size	No. of BRs	Utility Allowance	Tenant Portion	Section 8 Subsidy	Recert. Date	Tenant Income	% of Median	Non-Hisp.	Hisp.	Am. Ind (AIAN)	Asn	Blk	N.Haw Pc Islan	WHT	AIAN & WHT	ASN & WHT	BLK & WHT	AIAN & BLK	Two or more Races	

Prepared by:

Title:

Phone Number:

Problems or questions please call, Diana Acosta at 951.955.0856.

If you would like this form prepared on Microsoft Excel e-mailed to you, please contact [diacosta@rivco.org](mailto:diacosta@rivco.org)

# **EXHIBIT “G”**

Covenant Agreement

NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 6103

Order No.  
Escrow No.

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

County of Riverside  
Housing and Workforce Solutions  
3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501  
Attn: Juan Garcia

SPACE ABOVE THIS LINE FOR RECORDERS USE

**COVENANT AGREEMENT  
(Oak View Ranch Family Apartments)**

This Covenant Agreement (Oak View Ranch Family Apartments formerly known as Murrieta Apartments Phase I) (“Covenant”) is made and entered into as of the day of \_\_\_\_\_, 2023 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), and NCRC MURRIETA FAMILY HOUSING LP, a California limited partnership (“OWNER”).

**RECITALS**

WHEREAS, OWNER owns that certain real property located at 24960 Adams Avenue, in the City of Murrieta and can also identified as APN 906-080-018 described in the legal description attached hereto as **Exhibit A** and incorporated herein by this reference (the “Property”);

WHEREAS, on \_\_\_\_\_ COUNTY and OWNER entered into that certain Loan Agreement for the Use of ARPA Funds dated \_\_\_\_\_ (the “Loan Agreement” or “Agreement”) which provides for, among other things, the development and construction of the Property, also known as “Oak View Ranch Family Apartments (formerly known as “Murrieta Apartments Phase I”), a multi-family affordable housing project consisting of one hundred nineteen (119) rental housing units, one (1) of which shall be designated as a managers unit, of which 49% or fifty nine (59) units shall be rented to and occupied by Qualified Low Income

Households (as defined below) (“ARPA-Assisted Units”) (collectively the “Project”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Loan Agreement;

WHEREAS, the County is providing funding under the American Rescue Plan Act of 2021 (Title VI of the Social Security Act Section 602 et seq.) (the “Act”) and the implementing regulations (31 CFR Part 35) and rules (4338 Fed. Reg. 87 18) thereto (collectively, “ARPA”), for the purposes of addressing housing insecurity and lack of affordable housing;

WHEREAS, pursuant to the Loan Agreement, COUNTY loaned to OWNER \$6,000,000 derived from ARPA funds (“Loan”), to pay a portion of the costs to develop and construct the Project, as more fully described in the Loan Agreement. The Loan is evidenced by a Promissory Note executed by OWNER, in favor of COUNTY dated on or about the date hereof (“Loan Note”) and secured by that certain Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing executed by OWNER, for the benefit of COUNTY and recorded in the Official Records concurrently herewith (“ Leasehold Deed of Trust”);

WHEREAS, COUNTY is providing funding under ARPA for the purposes of assisting low-income households and individuals disproportionately impacted by the COVID-19 pandemic through the development, repair and operation of affordable housing and services or programs to increase long-term housing security;

WHEREAS, OWNER warrants that the use of funds complies with an Eligible Use of ARPA; and

WHEREAS, pursuant to the Loan Agreement, OWNER has agreed to construct the Project on the Property and ensure the ARPA-Assisted Units are rented to and occupied by qualified low income households consistent with the ARPA requirements as set forth more specifically below.

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

1) RESTRICTIONS. The recitals set forth above are true and correct and incorporated herein. This Covenant shall continue in full force and effect for fifty-five years from the recordation of the Notice of Completion for the last building for which construction is completed for the Project on the Property (“Term” or “Affordability Period”). For the duration of the Term, the Property shall be held, sold and conveyed, subject to the following covenants, conditions, and restrictions:

a) fifty nine (59) rental units shall be restricted as ARPA-Assisted-Units rented to and occupied by qualified low income households whose incomes do not exceed 60% of the area median income for the County of Riverside as determined by HUD (“Qualified Low Income Households”). Fifty nine (59) units reserved as ARPA-Assisted Units of which 12 units will be restricted to households whose incomes do not exceed 60% AMI, 28 units will be restricted to households whose incomes do not exceed 50% AMI, and 19 units will be restricted to households whose incomes do not exceed 30% AMI of Riverside County. The ARPA-Assisted Units shall be a “floating” designation on the Property such that the requirements of this Agreement will be satisfied so long as the total number of ARPA-Assisted Units remains the same throughout the Affordability Period and the substituted ARPA-Assisted Unit is comparable in terms of size, features, and number of bedrooms to the originally designates ARPA -Assisted Unit;

b) Rent for the ARPA-Assisted Units including utilities shall be in accordance with TCAC rent requirements.

c) OWNER shall comply with the terms of the ARPA Loan Agreement, ARPA Loan Note, Leasehold Deed of Trust and any other instrument secured against the Property.

d) Utility Allowance: Owners are required to complete initial Utility Allowance (UA) calculations and submit their calculations for review and approval to the County prior to implementation, annually by June 1st. The following methods below are acceptable methodologies for calculating UA’s:

i. HUD Utility Schedule Model (HUSM), UA based on HUD’s model.



ii. Utility Company Estimate, UA based on estimated obtained from a local utility company for each of the utilities used in the project.

iii. LIHTC Agency Estimate, UA approved by the LIHTC agency based on its actual usage methodology.

iv. Energy Consumption Model (Engineer Model), UA based upon on an energy and water and sewage consumption and analysis model prepared by a third-party licensed engineer or qualified professional.

d) OWNER shall comply with the terms of ARPA, the Loan Note, the Loan Agreement, Leasehold Deed of Trust and any other instrument secured against the Property.

e) Float-up: Notwithstanding anything in Loan Agreement or this Covenant to the contrary, the Parties agree that the following shall apply to the ARPA-Assisted Units:

(1) COUNTY agrees that, upon BORROWER's request and COUNTY's written approval, which will not be unreasonable withheld, the maximum tenant household income and maximum annual rent for ARPA-Assisted Units may be increased to amounts necessary to make operation of the Project financially feasible as determined by the BORROWER, including the payment of all required operating costs and debt service, but in no event may (a) the maximum tenant household income limitation exceed 60 percent of AMI or, (b) the maximum annual rent limitation exceed 30 percent of 60 percent of AMI.

(2) In the case of increases due to a foreclosure of any approved financing or deed in lieu thereof, the above increases may continue until such time, if any, that the rental assistance or equivalent operating subsidy is restored. Notwithstanding anything to the contrary in this section, the BORROWER may not displace tenant households and must use good faith efforts to reduce the effect of rent increases permitted to be imposed on existing tenant households by (a) the use of operating and transition reserves to the extent such funds exist and are available, and (b)

the use of other subsidy sources available that would mitigate the rent increases.

- (3) If Rent increases on the ARPA-Assisted Units are necessary, after exhausting all transition reserve funds such increases shall only be permitted to the minimum extent required for financial feasibility, as reasonably determined by BORROWER and approved by COUNTY, which approval shall not, in any event, be increased to an amount in excess of 30 percent of 60 percent of AMI, adjusted by household size for the number of bedrooms. The COUNTY shall be notified at least eighteen (18) months in advance of any Rent increase on the ARPA-Assisted Units.
- (4) In order to enact an increase in the maximum household income and rents for a ARPA-Assisted Unit for the Project, the BORROWER must submit a written request to the COUNTY which shall outline a plan with an explanation of the fiscal necessity of adjusting the maximum household income and the rents charged for the ARPA-Assisted Units. The plan shall provide the following items along with any additional requirements from the COUNTY:
  - (a) An explanation of the efforts the Project Owner has made to secure other rental subsidies to sustain overall project operations;
  - (b) An explanation of the fiscal necessity of adjusting the maximum household income and the rents charged for the ARPA-Assisted Units;
  - (c) A process for increasing the Project rent for all affected units (ARPA-Assisted Units and non-restricted units) and make reasonable efforts to continue to market and rent Project units to members of the target population originally contemplated, as well as ensuring that any increases to the household income limit are applied, as much as possible, only to vacant units as they become available. This portion of the plan shall discuss changes in both maximum household incomes and rents and;

(d) The plan for continuing, throughout the term of this Agreement, to apply for other subsidies that will allow a return of all project units to members of the target population and rents originally contemplated.

2) SENIOR PRIORITY. Notwithstanding anything to the contrary contained in the Loan Agreement, including any of its attachments, this Covenant Agreement shall be in [sixth] priority lien position as follows: (1) Lien priority, including applicable regulator agreements, shall be as follows: (1) first priority shall be Declaration of Reciprocal Easements for Access, Utilities and Use for Oak View Ranch by Murrieta Housing Authority (“Housing Authority”) recorded against fee interest for both Family and Senior Project; (2) second priority shall be Memorandum of Ground Lease by and between Housing and NCRC Murrieta Family Housing, L.P. (“Partnership”) recorded against fee interest for Family Project; (3) third priority shall be Temporary Access, Demolition and Construction Staging License Agreement by and between Housing Authority and Partnership recorded against fee interest for Senior Project; (4) fourth priority shall be Regulatory Agreement and Declaration of Restrictive Covenants by and among California Statewide Communities Development Authority (“Issuer”) and Partnership recorded against leasehold interest for Family Project; (5) fifth priority shall be Regulatory Agreement by and between City of Murrieta Housing Authority and Partnership recorded against leasehold interest for Family Project; (6) sixth priority shall be Covenant Agreement by and between County and Partnership recorded against leasehold interest for Family Project; (7) seventh priority shall be Bond Deed of Trust Bank of America (“BOA”) Construction Loan in the amount of \$33,360,000/Permanent Loan in the amount of \$7,552,000 Construction and Permanent Leasehold Deed of Trust, with Assignment of Leases and Rents, Security Agreement and Fixture Filing recorded against leasehold interest for Family Project; (8) eighth priority shall be Bond Deed of Trust Bank of America (“BOA”) Construction Loan in the amount of \$33,360,000/Permanent Loan in the amount of

\$7,552,000 Assignment of Deed of Trust and related Documents from the Issuer for benefit of BOA recorded against leasehold interest for Family Project; (9) ninth priority shall be City of Murrieta Housing Authority Land Loan in the amount of \$3,325,000 Leasehold Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) by the Partnership for the benefit of the Housing Authority recorded against leasehold interest for Family Project; (10) tenth priority shall be City of Murrieta Housing Authority Loan in the amount of \$6,142,807 Leasehold Deed of Trust recorded against leasehold interest for Family Project; (11) eleventh priority shall be Riverside County ARPA Loan in the amount of \$6,000,000 Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing by Partnership for the benefit of the County of Riverside (“County”) recorded against leasehold interest for Family Project; (12) twelfth priority shall be Sponsor Loan in the amount of \$7,913,675 Deed of Trust for the benefit of National Community Renaissance of California recorded against the leasehold interest for the Family Project; and (13) thirteenth priority shall be the Loan Agreement.

3) COMPLIANCE WITH LAWS AND REGULATIONS. During the Term of this Covenant, OWNER, for itself and on behalf of its successors and assigns, shall adhere to and comply with all federal, state and local laws, regulations and ordinances, including, but not limited to the following:

- a. The Coronavirus State and Local Fiscal Recovery Funds (“SLFRF” or “ARPA Funds”);
- b. Other Federal requirements and nondiscrimination. As set forth in the ARPA Rules and the Loan Agreement.

4) TENANT PROTECTIONS. OWNER shall provide protection to the tenants of the COUNTY ARPA-Assisted Units in accordance with the requirements described as follows:

- a) Provide written lease agreement for not less than one year, unless by mutual agreement between the tenant and OWNER. COUNTY shall review the initial form of the lease agreement prior to OWNER executing any leases and, provided that OWNER uses the

approved lease form, OWNER shall be permitted to enter into residential leases without COUNTY'S prior written consent.

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

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

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

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

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

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

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

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

(8) *Tenant chargeable with cost of legal actions regardless of outcome*.

Agreement by the tenant to pay attorneys' fees or other legal costs even if the tenant wins in a court proceeding by OWNER against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

(9) *Reserved.*

c) Violence Against Women Reauthorization Act of 2013. (Pub. L. 113-4, 127 Stat. 54) ("VAWA 2013"). VAWA 2013 reauthorizes and amends the Violence Against Women Act of 1994, as previously amended, (title IV, sec. 40001-40703 of Pub. L. 103-322, 42 U.S.C. 13925 et seq.) VAWA 2013, among other things, bars eviction and termination due to a tenant's status as a victim of domestic violence, dating violence, or stalking, and requires landlords to maintain survivor-tenant confidentiality. VAWA 2013 prohibits a tenant who is a survivor of domestic violence, dating violence, sexual assault, and stalking from being denied assistance, tenancy, or occupancy rights based solely on criminal activity related to an act of violence committed against them. It extends housing protections to survivors of sexual assault, and adds "intimate partner" to the list of eligible relationships in the domestic violence definition. Protections also now cover an "affiliated individual," which includes any lawful occupant living in the survivor's household, or related to the survivor by blood or marriage including the survivor's spouse, parent, brother, sister, child, or any person to whom the survivor stands in loco parentis. VAWA 2013 allows a lease bifurcation so a tenant or lawful occupant who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual, or others may be evicted or removed without evicting or removing or otherwise penalizing a victim who is a tenant or lawful occupant. If victim cannot establish eligibility, OWNER must give a reasonable amount of time to find new housing or establish eligibility under another covered housing program. A Notice of Rights under VAWA 2013 for tenants must be provided at the time a person applies for housing, when a person is admitted as a tenant of a housing unit, and when a tenant is threatened with eviction or termination of housing benefits. Tenants must request an emergency transfer and reasonably believe that they

are threatened with imminent harm from further violence if the tenant remains in the same unit. The provisions of VAWA 2013 that are applicable to HUD programs are found in title VI of VAWA 2013, which is entitled "Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking." Section 601 of VAWA 2013 amends subtitle N of VAWA (42 U.S.C. 14043e et seq.) to add a new chapter entitled "Housing Rights."

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

assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property.

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

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

OWNER, its successors and assigns, shall refrain from restricting the rental, sale, or lease of the Property or any portion thereof, on the basis of race, color, creed, religion, sex, sexual orientation, marital status, national origin, or ancestry of any person. Every deed, lease, and contract entered into with respect to the Property, or any portion thereof, after the date of this



Agreement shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

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

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

c) In contracts: “There shall be no discrimination against or segregation of any

person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land.”

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

7) INSURANCE. Without limiting or diminishing the OWNER’S obligation to indemnify or hold the COUNTY harmless, OWNER shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage’s during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

- a) Worker’s Compensation Insurance. If the OWNER has employees as defined by the State of California, the OWNER shall maintain statutory Workers’ Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers’ Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person

per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside. Policy shall name the COUNTY as Additional Insureds.

- b) Commercial General Liability Insurance. Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of OWNER'S performance of its obligations hereunder. Policy shall name the COUNTY as Additional Insured. Policy's limit of liability shall not be less than \$2,000,000 per occurrence and \$4,000,000 in the aggregate. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the COUNTY as Additional Insureds.
- c) Vehicle Liability Insurance. If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then OWNER shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the COUNTY as Additional Insureds.
- d) General Insurance Provisions – All Lines.
  - i. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only

for one policy term.

- ii. The OWNER must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceed \$500,000 per occurrence each such retention shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the COUNTY, and at the election of the County's Risk Manager, OWNER'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.
- iii. OWNER shall cause OWNER'S insurance carrier(s) to furnish the of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that a minimum of thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. If OWNER insurance carrier(s) policies does not meet the minimum notice requirement found herein, OWNER shall cause OWNER'S insurance carrier(s) to furnish a 30 day Notice of Cancellation Endorsement.
- iv. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall forthwith, unless the County of Riverside

receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. OWNER shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

- v. It is understood and agreed to by the parties hereto that the OWNER'S insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.
- vi. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work; or, the term of this Agreement, including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if in the County Risk Management's reasonable judgment, the amount or type of insurance carried by the OWNER has become inadequate.
- vii. OWNER shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.
- viii. The insurance requirements contained in this Agreement may be met with a

program(s) of self-insurance acceptable to the COUNTY.

- ix. OWNER agrees to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

8) HOLD HARMLESS/INDEMNIFICATION. OWNER shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability whatsoever, based or asserted upon any services of OWNER, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of OWNER, its officers, employees, subcontractors, agents or representatives Indemnitors from this Agreement. OWNER shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions. OWNER'S obligation hereunder shall be satisfied when OWNER has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved. The specified insurance limits required in this Agreement shall in no way limit or circumscribe OWNER'S obligations to indemnify and hold harmless the Indemnitees herein from third party claims. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve OWNER from indemnifying the Indemnitees to the fullest extent allowed by law. The indemnification set forth in this paragraph 7 shall survive the expiration and earlier termination of this Covenant.

9) NOTICES. All Notices provided for in this Covenant shall be deemed received when personally delivered, or two (2) days following mailing by certified mail, return receipt requested.

All mailing shall be addressed to the respective parties at their addresses set forth below, or at such other address as each party may designate in writing and give to the other party:

COUNTY

Director, Riverside County  
Housing and  
Workforce Solutions  
3404 10<sup>th</sup> Street, Ste. 300  
Riverside, CA 92501  
ATTN: Director

OWNER

c/o National Community Renaissance  
of California  
9692 Haven Avenue, Suite 100  
Rancho Cucamonga, CA 91730  
Attention: CEO/CFO  
Email: [mruane@nationalcore.org](mailto:mruane@nationalcore.org)  
[mfinn@nationalcore.org](mailto:mfinn@nationalcore.org)

and:

National Community Renaissance  
of California  
9692 Haven Avenue, Suite 100  
Rancho Cucamonga, CA 91730  
Attention: General Counsel  
Email: [rdiaz@nationalcore.org](mailto:rdiaz@nationalcore.org)

With a copy to:

Klein Hornig LLP  
1325 G Street NW  
Suite 770  
Washington, DC 20005  
Attn: Jed D'Abra vanel  
Email: [jdabravanel@kleinhornig.com](mailto:jdabravanel@kleinhornig.com)  
[chornig@kleinhornig.com](mailto:chornig@kleinhornig.com)

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

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

defined in **Section 1** of this Covenant.

12) NOTICE AND CURE. Prior to exercising any remedies hereunder, the COUNTY shall give OWNER notice of such default pursuant to **Section 9** above. Any monetary default shall be cured within thirty (30) days of delivery of written notice. Except as otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within thirty (30) days of delivery of such notice of default, OWNER shall have such period to effect a cure prior to exercise of remedies by COUNTY. If the non-monetary default is such that it is not reasonably capable of being cured within thirty (30) days of delivery of such notice of default, and OWNER (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then OWNER shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the COUNTY; but in no event no later than sixty (60) days from delivery of such notice of default, subject to force majeure (including government restrictions, pandemics, and acts of God). COUNTY, upon providing OWNER with any notice of default under this Covenant, shall, within a reasonable time, provide a copy of such default notice to a Permitted Lender who has given written notice to COUNTY of its interest in the Property and Project. From and after such notice has been delivered to a Permitted Lender and the Owner's limited partner, such Permitted Lender shall have the same period for remedying the default complained of as the cure period provided to OWNER pursuant to this **Section 12**. COUNTY shall accept performance by a Permitted Lender or limited partner of Owner as if the same had been done by OWNER.

If a violation of any of the covenants or provisions of this Covenant remains uncured after the respective time period set forth in this **Section 12**, COUNTY and its successors and assigns, without regard to whether COUNTY or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by OWNER of its obligations hereunder. No delay in enforcing the



provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

Any cure tendered by Owner's limited partner shall be accepted or rejected on the same basis as if tendered by OWNER.

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

BORROWER hereby covenants and agrees not to sell, assign, transfer or otherwise dispose of the Project or any portion thereof, without obtaining the prior written consent of the COUNTY, which consent shall be conditioned upon (a) a County determination that transferee is a qualified and experienced operator of low income housing and (b) solely upon receipt by the COUNTY of reasonable evidence satisfactory to the COUNTY in its sole discretion, that transferee has assumed in writing all of BORROWER'S duties and obligations under this Agreement, and is reasonably capable of performing and complying with the BORROWER's duties and obligations under this Agreement. Notwithstanding anything to the contrary contained herein, upon written notice to COUNTY, BORROWER may (i) lease for occupancy of all or any of the ARPA Assisted Units in accordance with this Agreement; (ii) grant easements or permits to facilitate the development of the Property in accordance with this Agreement; (iii) transfer the BORROWER'S limited partnership interest; (iv) remove and replace the BORROWER'S general partner(s) for cause in accordance with BORROWER'S amended and restated agreement of limited partnership; and (v) make transfers pursuant to that certain Purchase Option and Right of First Refusal Agreement (collectively a "Permitted Transfer").

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

15) GOVERNING LAW; VENUE; SEVERABILITY. This Covenant shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Covenant shall be filed only in the Superior Court of the State of California located in

Riverside, California, and the parties waive any provision of law providing for a change of venue to another location. In the event any provision in this Covenant is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way

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

17) PERMITTED MORTGAGES. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Covenant shall defeat or render invalid or in any way impair the lien or charge of any deed of trust or mortgage permitted by the Loan Agreement or the lien or charge of a deed of trust made by OWNER for the benefit of any lender first approved in writing by the COUNTY (each, a "Permitted Lender") and nothing herein or in the Loan Agreement shall prohibit or otherwise limit the exercise of a Permitted Lender's rights and remedies thereunder, including a foreclosure or deed-in-lieu of foreclosure and subsequent transfer thereafter.

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

19) PROJECT MONITORING AND EVALUATION.

a) Tenant Checklist. OWNER shall submit a Tenant Checklist Form to COUNTY, as shown in **Exhibit F** of the Loan Agreement, which form may be revised by COUNTY, summarizing the racial/ethnic composition, number and percentage of very low-income households who are tenants of the ARPA-Assisted Units. The Tenant Checklist Form shall be submitted upon completion of the construction and thereafter, on a semi-annual basis on or before March 31 and September 30. OWNER shall maintain financial, programmatic, statistical and other supporting records of its operations and financial activities in accordance with

the requirements of the ARPA, including the submission of Tenant Checklist Form. Except as otherwise provided for in this Covenant and in the Loan Agreement, OWNER shall maintain and submit records to COUNTY within ten (10) business days of COUNTY'S request which clearly documents OWNER's performance under each requirement of ARPA.

b) Inspections. During the Affordability Period, COUNTY must perform on-site inspections of ARPA-Assisted Units to determine compliance with the property standards required by ARPA. The on-site inspections shall occur within (12) months after the effective date of this Covenant Agreement and at least once every (3) years thereafter during the Affordability Period. If there are observed deficiencies for any of the inspectable items in the property standards established by COUNTY, a follow-up on-site inspection to verify that deficiencies are corrected may occur within (12) months. COUNTY must 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. COUNTY must adopt a more frequent inspection schedule for properties that have been found to have health and safety deficiencies. OWNER must annually certify to the COUNTY that each building and all ARPA 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.

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

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

22) Recitals. The Recitals set forth above are true and correct and incorporated herein by this reference.

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

[remainder of page intentionally blank]

[SIGNATURES ON THE NEXT PAGE]

IN WITNESS WHEREOF, COUNTY and OWNER have executed this Covenant as of the dates written below.

COUNTY:

OWNER:

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

NCRC MURRIETA FAMILY HOUSING, L.P.,  
a California limited partnership

By: NCRC Murrieta Family MGP LLC,  
a California limited liability company,  
its General Partner

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

By: \_\_\_\_\_  
Heidi Marshall, Director

By: \_\_\_\_\_  
[Michael Finn, Chief Financial Officer]

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

MINH C. TRAN, County Counsel

By: \_\_\_\_\_  
Amrit P. Dhillon, Deputy County Counsel

**(COUNTY and OWNER signatures need to be notarized)**

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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 \_\_\_\_\_, 2023, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature

**EXHIBIT "A"**

LEGAL DESCRIPTION OF PROPERTY

**Legal Description of Property:**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE SOUTHEASTERLY RECTANGULAR 1/2 OF LOT 69 OF THE MURRIETA PORTION OF THE TEMECULA RANCHO, AS SHOWN BY MAP ON FILE IN [BOOK 8 PAGE 359](#) OF MAPS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA;

EXCEPTING THEREFROM, THE NORTHEASTERLY 1/2 THEREOF;

ALSO EXCEPTING THEREFROM, THAT PORTION CONVEYED TO EUNICE CAIN, A WIDOW, BY DEED RECORDED NOVEMBER 8, 1971 AS [INSTRUMENT NO. 127659 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO, EXCEPTING THEREFROM, THAT PORTION CONVEYED TO PAC SO. COR, INC., A CALIFORNIA CORPORATION, DBA PACIFIC SOUTHWEST REALTY AND TRUST, BY DEED RECORDED SEPTEMBER 24, 1979 AS [INSTRUMENT NO. 200877 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO EXCEPTING THEREFROM, THAT PORTION CONVEYED TO PAC SO, COR, INC., A CALIFORNIA CORPORATION, BY DEED RECORDED DECEMBER 11, 1980 AS [INSTRUMENT NO. 231897 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA.

[APN:906-080-018](#)



# **EXHIBIT “H”**

Request for Notices

NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

County of Riverside  
Housing and  
Workforce Solutions  
3403 10<sup>th</sup> St, Ste. 300  
Riverside, CA 92501  
Attn: Juan Garcia

SPACE ABOVE THIS LINE FOR RECORDERS USE

### REQUEST for NOTICE UNDER SECTION 2924b CIVIL CODE

In accordance with Civil Code, Section 2924b, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust dated \_\_\_\_\_, 2023 and recorded concurrently herewith in the Official Records of the County of Riverside, California, executed by NCRC MURRIETA FAMILY HOUSING LP, a California limited partnership, as Trustor in which \_\_\_\_\_, a \_\_\_\_\_ is named as Beneficiary, and \_\_\_\_\_ as Trustee, and describing land referred to in this Report is situated in the County of Riverside, City of Murrieta, State of California, and is described as follows:

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

[TO BE ADDED]

All notices to be mailed to:

Attn: Director  
Riverside County  
Housing and Workforce Solutions  
3403 10<sup>th</sup> St, Ste. 300  
Riverside, California 92501

Request is hereby made that a copy of any notice of default and a copy of any notice of sale under the deed of trust

**NOTICE: A copy of any notice of default and of any notice of sale will be sent only to the address contained in this recorded request. If your address changes, a new request must be recorded.**

RIVERSIDE COUNTY  
HOUSING and  
WORKFORCE SOLUTIONS

\_\_\_\_\_  
Michael F. Walsh, Deputy Director

# Exhibit I

## Sample

### Contractor Debarment Certification Form

#### Excluded Parties Lists System (EPLS)

The purpose of EPLS is to provide a single comprehensive list of individuals and firms excluded by Federal government agencies from receiving federal contracts or federally approved subcontracts and from certain types of federal financial and nonfinancial assistance and benefits.

The EPLS was established to ensure that agencies solicit offers from, award contracts, grants, or financial or non-financial assistance and benefits to, and consent to subcontracts with responsible contractors/vendors only and not allow a party to participate in any affected program if any Executive department or agency has debarred, suspended, or otherwise excluded (to the extent specified in the exclusion action) that party from participation in an affected program.

In July 2012, all records from CCR/FedReg, ORCA, and EPLS, active or expired, were moved to the System for Award Management (SAM). SAM is a Federal Government owned and operated free web site that consolidates the capabilities in CCR/FedReg, ORCA, and EPLS.

The County of Riverside requires that each contractor/vendor hold the required federal/state/local license for the service provided.

Please complete the following verification process for each contractor/vendor:

- STEP 1: Visit <https://www.sam.gov/portal/public/SAM/>
- STEP 2: Under "Search Records", enter the company name and press enter.
- STEP 3: Click "Print" on the Search Results page.
- STEP 4: Repeat steps 2 & 3 for variations of the name of contractor/vendor (individual last name or firm).
- STEP 5: Attach print out of search results to this certification as supporting documentation.
- STEP 6: Attach to this certification as supporting documentation a copy of contractor/vendor license for the service provided.

By signing below ARPA Recipient, developer name, has verified the contractor/vendor known as, name of contractor/vendor, was not listed in the Excluded Parties Lists System and has the required contractor/vendor license as of date of verification.

---

DEVELOPER SIGNATURE

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010

Post Office Box 1147, Riverside, Ca 92502-1147

Thank you.

ENVIRONMENTAL INDEMNITY

THIS ENVIRONMENTAL INDEMNITY (this "Indemnity"), dated as of May \_\_, 2023, is made by NCRC MURRIETA FAMILY HOUSING, LP, a California Limited Partnership, a California limited partnership (referred to as "Indemnitor"), whose address for purposes of giving notices is 9421 Haven Avenue, Rancho Cucamonga, CA 91730, in favor of the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY" or "County"), whose address for purposes of giving notices is 3403 Tenth Street, Suite #300, Riverside, CA 92501.

WITNESSETH

WHEREAS, Indemnitor is the owner of the real property in the City of Murrieta, County of Riverside, California, as more particularly described on Exhibit A attached hereto and made a part hereof, and the real property improvements thereon or to be constructed thereon (collectively referred to as the "Property");

WHEREAS, Indemnitor and COUNTY have entered into that certain Loan Agreement for the Use of ARPA Program Funds (24960 Adams Avenue, Murrieta, CA 92562), dated as of May \_\_, 2023 (the "Loan Agreement"), pursuant to which COUNTY agreed to loan to Indemnitor, or its assignee, Six Million and 0/100 Dollars (\$6,000,000) in ARPA Program funds (the "ARPA Loan") for the purpose of developing an approximately one hundred nineteen (119) unit multifamily rental affordable housing development and related improvements and amenities on the Property; and

WHEREAS, Indemnitor has agreed to execute and deliver to COUNTY this Indemnity to induce COUNTY to enter into the Loan Agreement and provide the ARPA Loan to Indemnitor.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual agreements hereinafter set forth, Indemnitor hereby agrees with COUNTY as follows:

Section 1. DEFINITIONS

For the purpose of this Indemnity, "Hazardous Materials" or "Hazardous Substances" shall include, but not be limited to, any substance or material (whether a raw material, building component or waste, a product or by-product of manufacturing or other activities, or any other substance or material) which is or becomes designated, classified or regulated as being "hazardous" or "toxic", or is or becomes otherwise similarly designated, classified or regulated, under any Federal, state or local law, regulation or ordinance, including without limitation (i) any substance defined as a "hazardous substance" or a "hazardous waste" for purposes of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., or the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., respectively, (ii) any substance defined as a "hazardous waste" or a "hazardous substance" for purposes of applicable state or local law and (iii) petroleum, flammable explosives, urea formaldehyde insulation, asbestos and radioactive materials, substances defined as "extremely hazardous substances," "hazardous substances," "hazardous materials,"

MAY 9 2023 3.11

“hazardous waste” or “toxic substances” the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq.; and those substances defined as “hazardous waste” in Section 25117 of the California Health and Safety Code, as “infectious waste” in Section 25117.5 of the California Health and Safety Code, or as “hazardous substances” in Section 25316 of the California Health and Safety Code or “hazardous materials” as defined in Section 353 of the California Vehicle Code; and in the regulations adopted and publications promulgated pursuant to said laws. “Hazardous Materials” and “Hazardous Substances” shall expressly exclude substances typically used in the construction, development, operation and maintenance of an apartment complex provided such substances are used in accordance with all applicable laws.

For the purpose of this Indemnity, “ARPA Loan Documents” shall refer to the Loan Agreement, any agreement entered into in the form of an Attachment thereto or in connection therewith, and any extensions, modifications or amendments thereto.

## Section 2. COVENANTS AND INDEMNITY

The following covenants and indemnities are hereby given and made by Indemnitor:

### 2.1 Covenants.

(a) Indemnitor covenants that it shall comply with any and all laws, regulations, and/or orders which may be promulgated, from time to time, with respect to the discharge and/or removal of Hazardous Materials, to pay immediately when due the costs of the removal of, or any other action required by law with respect to, any such Hazardous Materials, and to keep the Property free of any lien imposed pursuant to any such laws, regulations, or orders.

(b) Indemnitor covenants that the Property will not, while Indemnitor is the owner thereof, be used for any activities involving, directly or indirectly, the use, generation, treatment, storage, release, or disposal of any Hazardous Materials, except for de minimis quantities used at the Property in compliance with all applicable environmental laws and required in connection with the development of the Property in conformance with the ARPA Loan Documents.

(c) Indemnitor further agrees that Indemnitor shall not release or dispose of any Hazardous Materials at the Property, except for de minimis quantities released or disposed of at the Property in compliance with all applicable environmental laws, without the express written approval of COUNTY and that any such release or disposal shall be effected in strict compliance with all applicable laws and all conditions, if any, established by COUNTY.

(d) COUNTY shall have the right, upon reasonable notice and subject to rights of tenants, to conduct an environmental audit of the Property at COUNTY’s expense, unless Hazardous Materials are found in violation of this Indemnity, then at Indemnitor’s sole cost and expense, and Indemnitor shall cooperate in the conduct of any such environmental audit but in no event shall such audit be conducted unless COUNTY reasonably believes that such audit is warranted. Other than in an emergency, such audit shall be conducted only after prior notice has been given to Indemnitor and only in the presence of a representative of Indemnitor. Indemnitor

shall give COUNTY and its agents and employees access to the Property to remove, or otherwise to mitigate against the effects of, Hazardous Materials, provided, however, that COUNTY may exercise this right only if Indemnitor has failed to commence action to mitigate the effects of the Hazardous Materials within thirty (30) days of receipt of notice from COUNTY.

(e) Indemnitor shall not install, or permit to be installed, on the Property friable asbestos or any substance containing asbestos and deemed hazardous by federal or state regulations respecting such material, and, with respect to any such material currently present in the Property, Indemnitor shall promptly either (i) remove or cause to be removed any material that such regulations deem hazardous and require to be removed, or (ii) otherwise comply with such federal and state regulations, at Indemnitor's sole cost and expense. If Indemnitor shall fail to so do within the cure period permitted under applicable law, regulation, or order, COUNTY may do whatever is necessary to eliminate said substances from the premises or to otherwise comply with the applicable law, regulation, or order, and the costs thereof shall be added to the Obligations (as hereinafter defined) of Indemnitor under this Section 2.

(f) Indemnitor shall immediately advise COUNTY in writing of any of the following: (i) any pending or threatened environmental claim against Indemnitor or the Property, (ii) any condition or occurrence on the Property that (A) results in noncompliance by Indemnitor with any applicable environmental law, (B) could reasonably be anticipated to cause the Property to be subject to any restrictions on the ownership, occupancy, use or transferability of the Property under any environmental law, or (C) could reasonably be anticipated to form the basis of an environmental claim against the Property or Indemnitor that could reasonably have material adverse effect on the Property.

2.2 Indemnity. Indemnitor shall indemnify, protect, and hold COUNTY and its directors, officers, employees, and agents (the "Indemnified Parties") harmless from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements, or expenses (including, without limitation, attorneys' and experts' fees and disbursements) of any kind or of any nature whatsoever (collectively, the "Obligations") which may at any time be imposed upon, incurred by or asserted or awarded against COUNTY and arising in connection with, from or out of:

- (a) The presence of any Hazardous Materials on, in, under, or affecting all or any portion of the Property, which were stored, discharged, released or emitted on the Property;
- (b) The breach of any covenant made by Indemnitor in Section 2.1 hereof; or
- (c) The enforcement by COUNTY of any of the provisions of this Section 2.2 or the assertion by Indemnitor of any defense to its obligations hereunder.

Notwithstanding the foregoing, Indemnitor's liability under this Section 2.2 shall not extend to (i) any Hazardous Substance present or released in, on, or around any part of the Property, or in the soil, groundwater, or soil vapor or under the Property that first arise, commence or occur

after the actual dispossession of the Property from Indemnitor and all entities which control, are controlled by, or are under common control with Indemnitor, following foreclosure or acquisition of the Property by a deed in lieu of foreclosure, or (ii) any Obligations arising from the gross negligence or intentional misconduct of COUNTY or any of its Indemnified Parties.

### Section 3. INDEMNITOR'S UNCONDITIONAL OBLIGATIONS

3.1 Unconditional Obligations. Indemnitor hereby agrees that the Obligations will be paid and performed strictly in accordance with the terms of this Indemnity, regardless of any law, regulation, or order now or hereafter in effect in any jurisdiction affecting the ARPA Loan Documents or affecting any of the rights of COUNTY with respect thereto. The obligations of Indemnitor hereunder shall be absolute and unconditional irrespective of:

- (a) The validity, regularity, or enforceability of the Loan Agreement or any other instrument or document executed or delivered in connection therewith;
- (b) Any alteration, amendment, modification, release, termination, or cancellation of the ARPA Loan Documents, or any change in the time, manner, or place of payment or performance of, or in any other term in respect of, all or any of the obligations of Indemnitor contained in any of the ARPA Loan Documents;
- (c) Any exculpatory provision in any of the ARPA Loan Documents or any document delivered in connection therewith limiting COUNTY's recourse to property encumbered by the deed of trust securing Indemnitor's obligations under the ARPA Loan Documents, or to any other security, or limiting COUNTY's rights to a deficiency judgment against Indemnitor;
- (d) The insolvency or bankruptcy of Indemnitor; or
- (e) Any other circumstance that might otherwise constitute a defense available to, or a discharge of, Indemnitor with respect to any or all of the Obligations.

3.2 Continuation. The Indemnity provided under § 2.2 (a) is a continuing indemnity and shall remain in full force and effect until the satisfaction in full of all of the Obligations (notwithstanding the release or other extinguishment of the deed of trust securing Indemnitor's obligations under the ARPA Loan Documents); and (b) shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the COUNTY upon the insolvency, bankruptcy, or reorganization of Indemnitor, all as though such payment had not been made.

3.3 Termination. Notwithstanding the payment (and performance) in full of all of the Obligations and the payment (or performance) in full of all of Indemnitor's obligations under the ARPA Loan Documents, this Indemnity shall not terminate if any of the following shall have occurred:

(a) COUNTY has at any time or in any manner participated in the management or control of, taken possession of (whether personally, by agent or by appointment of a receiver), or taken title to the Property or any portion thereof, whether by foreclosure, deed in lieu of foreclosure, sale under power of sale or otherwise; or

(b) There has been a change, between the date hereof and the date on which all of the Obligations are paid and performed in full, in any Hazardous Materials laws, the effect of which may be to make a lender or mortgagee liable in respect of any of the Obligations, notwithstanding the fact that no event, circumstance, or condition of the nature described in paragraph (a) above ever occurred.

#### Section 4. WAIVER

Indemnitor hereby waives the following:

- (a) Promptness and diligence;
- (b) Notice of acceptance and notice of the incurrence of any obligation by Indemnitor;
- (c) Notice of any action taken by COUNTY, or any other interested party under the Loan Agreement or under any other agreement or instrument relating thereto;
- (d) All other notices, demands, and protests, and all other formalities of every kind, in connection with the enforcement of the Obligations, the omission of or delay in which, but for the provisions of this Section 4, might constitute grounds for relieving Indemnitor of its Obligations hereunder;
- (e) Any requirement that COUNTY protect, secure, perfect, or insure any security interest or lien in or on any property subject thereto,
- (f) Any requirement that COUNTY exhaust any right or take any action against Borrower or any other person or collateral;
- (g) Any defense that may arise by reason of:
  - (1) The incapacity, lack of authority, death or disability of, or revocation hereof by, any person or persons;
  - (2) The failure of COUNTY to file or enforce any claim against the estate (in probate, bankruptcy, or any other proceedings) of any person or persons; or
  - (3) Any defense based upon an election of remedies by COUNTY, including, without limitation, an election to proceed by non-judicial foreclosure or which destroys or otherwise impairs the subrogation rights of COUNTY or any other right of COUNTY to proceed against Indemnitor.



Section 5. NOTICES

Any notice, demand, statement, request, or consent made hereunder shall be in writing and shall be personally served, mailed by first-class registered mail, return receipt requested, to the address set forth in the first paragraph of this Indemnity, above, or given by telecopier to the telecopier numbers stated below, with confirmations mailed by first class registered mail, return receipt requested to the address set forth above, of the party to whom such notice is to be given (or to such other address as the Parties hereto, shall designate in writing):

In the case of COUNTY:

County of Riverside  
Housing and Workforce Solutions  
3403 Tenth Street, Suite #300  
Riverside, CA 92501  
Attn: Director

In the case of Indemnitor:

NCRC MURRIETA FAMILY HOUSING, LP, a California Limited Partnership  
c/o National Community Renaissance of California  
9421 Haven Avenue Rancho Cucamonga, CA 91730  
Attn: CEO/CFO  
Email: [spontell@nationalcore.org](mailto:spontell@nationalcore.org),  
[mfinn@nationalcore.org](mailto:mfinn@nationalcore.org)

with copies to:

National Community Renaissance of California  
9421 Haven Avenue  
Rancho Cucamonga, CA 91730  
Attention: General Counsel  
Email: [rdiaz@nationalcore.org](mailto:rdiaz@nationalcore.org)

and

Klein Hornig LLP  
1325 G Street NW  
Suite 770  
Washington, DC 20005  
Attn: Chris Hornig  
Email: [chornig@kleinhornig.com](mailto:chornig@kleinhornig.com)

[limited partner]

and

[limited partner's counsel]

Any notice that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof.

## Section 6. MISCELLANEOUS

6.1 Indemnitor shall make any payment required to be made hereunder in lawful money of the United States of America, and in same day funds, to COUNTY at its address specified in the first paragraph hereof.

6.2 No amendment of any provision of this Indemnity shall be effective unless it is in writing and signed by Indemnitor and COUNTY, and no waiver of any provision of this Indemnity, and no consent to any departure by Indemnitor from any provision of this Indemnity, shall be effective unless it is in writing and signed by COUNTY, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6.3 No failure on the part of COUNTY to exercise, and no delay in exercising, any right hereunder or under the ARPA Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of COUNTY provided herein and in the other loan documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law.

6.4 Any provision of this Indemnity that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof and without affecting the validity or enforceability of such provision in any other jurisdiction.

6.5 This Indemnity shall (a) be binding upon Indemnitor, and Indemnitor's successors and assigns; and (b) inure, together with all rights and remedies of COUNTY hereunder, to the benefit of COUNTY, its respective directors, officers, employees, and agents, any successors to COUNTY's interest in the Property, any other person who acquires any portion of the Property at a foreclosure sale or otherwise through the exercise of COUNTY's rights and remedies under the ARPA Loan Documents, any successors to any such person, and all directors, officers, employees, and agents of all of the aforementioned parties. Without limiting the generality of

clause (b) of the immediately preceding sentence, COUNTY may, subject to, and in accordance with, the provisions of the ARPA Loan Documents, assign or otherwise transfer all or any portion of its rights and obligations under the ARPA Loan Documents, to any other person, and such other person shall thereupon become vested with all of the rights and obligations in respect thereof that were granted to COUNTY herein or otherwise. None of the rights or obligations of Indemnitor hereunder may be assigned or otherwise transferred without the prior written consent of COUNTY, except as provided in the ARPA Loan Documents.

6.6 Indemnitor hereby (a) irrevocably submits to the jurisdiction of the Superior Court of Riverside County in any action or proceeding arising out of or relating to this Indemnity, (b) waives any defense based on doctrines of venue or forum non convenient or similar rules or doctrines, and (c) irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such California or federal court. Indemnitor irrevocably consents to the service of any and all process which may be required or permitted in any such action or proceeding to the address specified in the first paragraph of this Indemnity, above. Indemnitor agrees that a final judgment in any such action or proceeding shall be inclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

6.7 The title of this document and the captions used herein are inserted only as a matter of convenience and for reference and shall in no way define, limit, or describe the scope or the intent of this Indemnity or any of the provisions hereof.

6.8 This Indemnity shall be governed by, and construed and interpreted in accordance with, the laws of the State of California applicable to contracts made and to be performed therein, except to the extent that the laws of the United States preempt the laws of the State of California.

6.9 This Indemnity may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one agreement.

[Signatures on the Following Page]

IN WITNESS WHEREOF, Indemnitor has duly executed this Indemnity as of the date first set forth above.

**INDEMNITOR:**

**SIGNATURE, NOTARY AND NOTICE BLOCKS**

BORROWER/ OWNER

**NCRC MURRIETA FAMILY HOUSING, L.P.,**  
a California limited partnership

By: NCRC Murrieta Family MGP, LLC,  
a California limited liability company,  
its general partner

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

By: \_\_\_\_\_  
Name: Michael Finn  
Title: Chief Financial Officer

BORROWER/ OWNER NOTARY BLOCK

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 Michael Finn, 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

MANAGING GENERAL PARTNER

**NCRC MURRIETA FAMILY MGP, LLC,**  
a California limited liability company

By: National Community Renaissance of California,  
a California nonprofit public benefit corporation,  
its manager  
By: \_\_\_\_\_  
Name: Michael Finn  
Title: Chief Financial Officer

MANAGING GENERAL PARTNER NOTARY BLOCK

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 Michael Finn, 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

DEVELOPER/GUARANTOR

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA,**  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Name: Michael Finn  
Title: Chief Financial Officer

DEVELOPER/GUARANTOR NOTARY BLOCK

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 Michael Finn, 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

## NOTICE ADDRESSES

### Borrower/Owner

**NCRC MURRIETA FAMILY HOUSING L.P.**  
c/o National Community Renaissance of California  
9421 Haven Avenue  
Rancho Cucamonga, CA 91730  
Attention: CFO  
Email: [mfinn@nationalcore.org](mailto:mfinn@nationalcore.org)

### With copies to:

National Community Renaissance of California  
9421 Haven Avenue  
Rancho Cucamonga, CA 91730  
Attention: General Counsel  
Email: [rdiaz@nationalcore.org](mailto:rdiaz@nationalcore.org)

Klein Hornig LLP  
1325 G Street NW, Suite 770  
Washington, DC 20005  
Attention: Jed D'Abrevanel  
Email: [jdabrevanel@kleinhornig.com](mailto:jdabrevanel@kleinhornig.com)

### Developer/Guarantor

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA**  
9421 Haven Avenue  
Rancho Cucamonga, CA 91730  
Attention: CFO  
Email: [mfinn@nationalcore.org](mailto:mfinn@nationalcore.org)

### With copies to:

National Community Renaissance of California  
9421 Haven Avenue  
Rancho Cucamonga, CA 91730  
Attention: General Counsel  
Email: [rdiaz@nationalcore.org](mailto:rdiaz@nationalcore.org)

Klein Hornig LLP  
1325 G Street NW, Suite 770  
Washington, DC 20005  
Attention: Jed D'Abrevanel  
Email: [jdabrevanel@kleinhornig.com](mailto:jdabrevanel@kleinhornig.com)



Exhibit A  
**LEGAL DESCRIPTION**

The land referred to in this report is situated in the County of Riverside, State of California, described as follows:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE SOUTHEASTERLY RECTANGULAR 1/2 OF LOT 69 OF THE MURRIETA PORTION OF THE TEMECULA RANCHO, AS SHOWN BY MAP ON FILE IN [BOOK 8 PAGE 359](#) OF MAPS, RECORDS OF SAN DIEGO COUNTY, CALIFORNIA;

EXCEPTING THEREFROM, THE NORTHEASTERLY 1/2 THEREOF;

ALSO EXCEPTING THEREFROM, THAT PORTION CONVEYED TO EUNICE CAIN, A WIDOW, BY DEED RECORDED NOVEMBER 8, 1971 AS [INSTRUMENT NO. 127659 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA](#);

ALSO, EXCEPTING THEREFROM, THAT PORTION CONVEYED TO PAC SO. COR, INC., A CALIFORNIA CORPORATION, DBA PACIFIC SOUTHWEST REALTY AND TRUST, BY DEED RECORDED SEPTEMBER 24, 1979 AS [INSTRUMENT NO. 200877 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA](#);

ALSO EXCEPTING THEREFROM, THAT PORTION CONVEYED TO PAC SO, COR, INC., A CALIFORNIA CORPORATION, BY DEED RECORDED DECEMBER 11, 1980 AS [INSTRUMENT NO. 231897 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA](#).

[APN:906-080-018](#)

[05\_\_/\_09\_/23, File No. ARPA3-22-001

Oak View Ranch Family Apartments

