

**SUBMITTAL TO THE BOARD OF COMMISSIONERS
HOUSING AUTHORITY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 10.1
(ID # 19710)**

MEETING DATE:

Tuesday, May 23, 2023

FROM : HOUSING AUTHORITY:

SUBJECT: HOUSING AUTHORITY: Public Hearing for Adoption of Resolution Number 2023-004, Making Certain Findings Pursuant to the California Health and Safety Code Section 33433; Authorization to Sell Fee Simple Interest in Real Property Located in the City of Jurupa Valley, County of Riverside, State of California, Identified with Assessor's Parcel Number 169-070-031 by Grant Deed to National Community Renaissance of California; and Approval of the Disposition, Development and Loan Agreement Between the Housing Authority of the County of Riverside and National Community Renaissance of California for the Sale and Development of the Property for Affordable Housing Purposes, including Loan for Acquisition of Adjacent Real Property with Assessor's Parcel Number 169-070-002, District 2. [\$1,830,000 - 100% Low and Moderate Income Housing Asset Funds (LMIHAF)]; CEQA Exempt (Clerk of the Board to File the Notice of Exemption)

RECOMMENDED MOTION: That the Board of Commissioners:

1. Find that the Disposition, Development and Loan Agreement does not constitute a project under California Environmental Quality Act ("CEQA") and Section 15004(b) of the CEQA Guidelines in that it does not vest any development rights or result in the physical change in the environment, requires the National Community Renaissance of California ("Developer") to comply with CEQA and obtain all land use entitlements from the City of Jurupa Valley as the lead agency, and does not commit the lead agency to any definite course of action or foreclose alternatives or mitigation measures that would ordinarily be part of CEQA;

Continued on Page 2

ACTION:Policy


Heidi Marshall, Director of Housing, Homelessness Prevention

11/2/2022

MINUTES OF THE BOARD OF COMMISSIONERS

On motion of Commissioner Spiegel, seconded by Commissioner 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 23, 2023
xc: Housing Authority, Recorder

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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RECOMMENDED MOTION: That the Board of Commissioners:

2. Conduct a public hearing with the Board of Commissioners pursuant to Health and Safety Code Sections 33431 and 33433;
3. Adopt Resolution Number 2023-004, Making Certain Findings Pursuant to the California Health and Safety Code Section 33433; Authorization to Sell Fee Simple Interest in Real Property Located in the City of Jurupa Valley, County of Riverside, State of California, Identified with Assessor's Parcel Number 169-070-031 ("HACR Parcel") by Grant Deed to National Community Renaissance of California the amount of \$352,000; Approval of the Disposition, Development and Loan Agreement Between the Housing Authority of the County of Riverside ("HACR") and National Community Renaissance of California for the Sale and Development of the HACR Parcel for Affordable Housing Purposes, including Loan for Acquisition of Adjacent Real Property, Identified with Assessor's Parcel Number 169-070-002 ("Church Parcel") the amount of \$1,500,000;
4. Approve the form of the attached Disposition, Development and Loan Agreement, including all attachments thereto ("Agreement") between the HACR and Developer, a California nonprofit public benefit corporation, providing for, among other things: (1) the disposition of real property located in the City of Jurupa Valley, County of Riverside, State of California, identified with Assessor's Parcel Number 169-070-031 by HACR to Developer for the amount of \$352,000 for the development thereon by Developer of affordable housing for extremely low, low and moderate income households, (2) the acquisition of real property, the Church Parcel, located in the City of Jurupa Valley, County of Riverside, State of California, identified with Assessor's Parcel Number 169-070-002, for the amount of \$1,500,000, and (3) a predevelopment grant from HACR to Developer in the amount of \$330,000 to pay costs for escrow, title, site maintenance, property taxes, insurance, relocation and demolition;
5. Authorize the HACR Executive Director, or designee, to execute an Agreement, substantially conforming in form and substance to the attached Agreement, on behalf of HACR, subject to approval as to form by County Counsel;
6. Direct the Clerk of the Board to file the attached Notice of Exemption within five (5) business days approval of the Agreement; and
7. Authorize the HACR Executive Director, or designee, to execute any other documents and administer all actions necessary to implement, complete and memorialize the transactions contemplated in the Agreement, including, but not limited to, executing the Grant Deed and Agreement(s) Containing Covenants in substantially the form attached to the Agreement, and any escrow instructions, subject to approval as to form by County Counsel.

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$1,500,000	\$330,000	\$1,830,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Low and Moderate Income Housing Asset Funds			Budget Adjustment: No	
			For Fiscal Year: 22/23 - 23/24	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Housing Authority of the County of Riverside (HACR) is the legal owner of a parcel of real property consisting of approximately 0.83 acres of land, located at 8845 Mission Blvd., City of Jurupa Valley, County of Riverside, State of California, identified with Assessor's Parcel Number (APN) 169-070-031 (HACR Parcel), depicted on the attached Site map.

National Community Renaissance of California, a California nonprofit public benefit corporation (Developer), is engaged in building safe and affordable housing for low-income families. Developer is in escrow to acquire fee title to real property adjacent to the HACR Parcel, consisting of approximately 3.54 acres of land, located at 8877 Mission Blvd., Jurupa Valley, California, identified as APN 169-070-002 (Church Parcel), depicted on the attached Site map. The HACR Parcel and the Church Parcel share common boundaries on the west side and the north side of the HACR Parcel.

The HACR Parcel was acquired by the former Redevelopment Agency of the County of Riverside ("RDA") with proceeds from 2009 tax exempt bonds deposited into the low- and moderate- income housing fund. California redevelopment agencies were dissolved on February 1, 2012, and RDA is now deemed a former redevelopment agency under Health and Safety Code section 34173 and AB x1 26, as modified by Assembly Bill No. 1484 (as modified to date, the "Dissolution Law"), which added Parts 1.8 and 1.85 to Division 24 of the California Community Redevelopment Law (Health and Safety Code sections 33000 et seq., the "CRL").

Pursuant to CRL section 34176 (a) and Housing Authority Resolution No. 2012-035, all housing functions previously performed by the former RDA, including related rights, powers, duties, obligations, and housing assets (excluding unencumbered amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the non-housing successor agency under the Dissolution Law (the "Successor Agency")) were transferred to the HACR, including the HACR Parcel, making the HACR the "Housing Successor" to the former RDA under the Dissolution Law.

Pursuant to applicable provisions of the Dissolution Law, the CRL and the "Housing Authorities Law" (California Health and Safety Code, Sections 34200, et seq.), notwithstanding any other provision of law, whenever the Board of Commissioners determines that any real property owned by the HACR can be used to provide housing affordable to low income families, and this

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use is in the HACR's best interest, the HACR may sell, convey or otherwise dispose of the real property to provide that affordable housing without complying with other provisions of Title 3, Division 2, Part 2, Chapter 5, Article 8 of the California Government Code. The HACR is committed to providing affordable housing and services to the residents of the County of Riverside.

Developer desires to acquire the HACR Parcel from HACR for the appraised amount of \$352,000 and purchase the Church Parcel for \$1,500,000 in Low and Moderate Income Housing Asset Funds in order to combine both the HACR Parcel and the Church Parcel into one larger, single parcel which, after anticipated dedications, will contain approximately 4.22 acres (the HACR Parcel and the Church Parcel are referred to collectively as the "Site"). Developer is also requesting \$330,000 to pay for costs including escrow, title, site maintenance, property taxes, insurance, relocation and demolition. Developer intends to develop and construct an approximately 101-unit multifamily affordable rental housing complex, which includes one manager's unit, a community center, and open space and related amenities, on the entire Site to provide housing affordable to persons and families of low and very low income and also possibly providing additional support services to residents with special needs. Once improvements are constructed on the Site, they will be operated under the name "Grace Vista" or "Grace Vista Affordable Housing" (Project). Enabling Developer to acquire title to the Site in order to pursue entitlements and financing to construct the Project on the Site will alleviate blight conditions currently found on portions of the Site and also carry out the affordable housing goals of the HACR.

Under the terms of the proposed Disposition, Development and Loan Agreement for the HACR Parcel, including the loan for acquisition of the Church Parcel, approximately forty-nine percent (49%) of the units not occupied by an on-site manager will be restricted to extremely low- and low-income households whose incomes do not exceed sixty percent (60%) of the Area Median Income for Riverside County (AMI). At least thirty percent (30%) of these "Restricted Units" will be restricted to occupancy by extremely low-income households whose incomes do not exceed thirty percent (30%) of AMI. The maximum qualifying income for all other units in the project will be one hundred twenty percent (120%) of AMI.

There is an unmet need for affordable housing within the County of Riverside. Staff recommends the Board of Commissioners authorize the sale of the HACR Parcel to Developer to provide housing affordable to extremely low, low- and moderate-income families in furtherance of and consistent with the interests of HACR. Staff recommends the Board of Commissioners adopt Resolution No. 2023-004, Making Certain Findings Pursuant to the California Health and Safety Section 33433; Authorization to Sell Fee Simple Interest in Real Property Located in the City of Jurupa Valley, County of Riverside, State of California, identified with Assessor's Parcel Number 169-070-031 by Grant Deed to National Community Renaissance of California; and Approval of the Disposition, Development and Loan Agreement Between the Housing Authority of the County of Riverside and Developer for the Sale and Development of the Property for Affordable Housing Purposes, including Loan for Acquisition of Adjacent Real Property, identified with Assessor's Parcel Number 169-070-002.

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Consistent with applicable provisions of the Health and Safety Code and subject to the satisfaction of certain conditions precedent, the HACR Parcel will be sold at fair market value. Based upon an appraisal dated August 23, 2022, the fair market sale price of the HACR Parcel was \$352,000. The real property shall be sold for fair market value at the time of the sale and paid for by delivery to the HACR of a note secured by deed of trust.

Developer shall be responsible for all (i) entitlements, land use approvals, permits and CEQA compliance, (ii) construction and development costs, (iii), securing financing, construction, on-site and off-site improvements, and (iv) property maintenance obligations. The Developer is proposing to transfer the HACR Parcel and Church Parcel to a limited partnership developer entity in accordance with the Disposition, Development and Loan Agreement when sufficient financing has been secured. All land use and development entitlements, including compliance with CEQA must be obtained from the City of Jurupa Valley.

All HACR loans to the partnership assignee of Developer will be evidenced by a promissory note to be paid from residual receipts from the respective phase of the project. In order to ensure the long-term affordability of the units consistent with the Agreement and applicable law, each phase will be subject to an Agreement Containing Covenants substantially in the form attached to the Agreement requiring the units remain affordable for fifty-five (55) years.

The terms of the HACR Property sale and applicable affordability restrictions are set forth in the attached form of Disposition, Development and Loan Agreement, including attachments, to be executed by HACR and Developer. The deed restriction of approximately forty-nine (49) new units affordable to low and extremely low income households is in the best interests of HACR, the County of Riverside, and residents of the Jurupa Valley area.

Pursuant to California Health and Safety Code Sections 33431 and 33433, HACR published a Notice of Public Hearing notifying the public of the public hearing and consideration of the proposed Disposition, Development and Loan Agreement with Developer relating to the conveyance of the Property for affordable housing purposes. In addition, pursuant to Health and Safety Code Section 33433, HACR made available for public review on the date the Notice of Public Hearing was published the attached Agreement, including all attachments, and the attached Summary Report.

The Agreement does not constitute a project pursuant to the California Environmental Quality Act and State CEQA Guidelines (CEQA). Pursuant to CEQA Guidelines Section 15004(b), approval of the Agreement provides for the sale of property and financing subject to specific conditions. Approval by the HACR of the Agreement does not vest any development rights and will not result in any physical change to the environment. The Agreement requires the Developer to obtain all necessary land use approvals and entitlements from the City of Jurupa Valley including compliance with CEQA. As the jurisdiction exercising land use control over the Property, the City of Jurupa Valley will be the lead agency for purposes of CEQA. The Agreement does not commit the lead agency to any definite course of action or foreclose alternatives or mitigation measures that would ordinarily be part of CEQA review.

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County Counsel has reviewed and approved as to form the attached Resolution No. 2023-004 and the Disposition, Development and Loan Agreement, including all attachments. Staff recommends that the Board adopt Resolution No. 2023-004 and approve the form of the Disposition, Development and Loan Agreement, including all attachments.

Impact on Residents and Businesses

Approval of the Disposition, Development and Loan Agreement will provide the land and financing for a new affordable housing project which will create temporary construction jobs and bring much needed quality extremely low, low- and moderate-income housing in the Jurupa Valley area.

SUPPLEMENTAL:

Additional Fiscal Information

No general funds will be used for this Agreement. Developer will bear its own costs and expenses incurred, or to be incurred, in connection with the development, construction and operation of the proposed project.

Attachments:

- Resolution No. 2023-004
- Form of the Disposition, Development and Loan Agreement, including Loan for Acquisition of Adjacent Real Property, and all attachments
- 33433 Summary Report, Site Map
- Public Notice
- Notice of Exemption



Brianne Lontajo, Principal Management Analyst 5/17/2023



Kristine Bell-Valdez, Supervising Deputy County Counsel 5/11/2023



FILED / POSTED

County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder

E-202300568
05/24/2023 04:32 PM Fee: \$ 50.00
Page 1 of 2

Removed: _____ By: _____ Deputy


Notice of Exemption

To:
 Office of Planning and Research
For U.S Mail: P.O. Box 3044
Sacramento, CA 95812-3044
Street Address: 1400 Tenth St.
Sacramento, CA 95814

From:
Public
Agency: County of Riverside
Address: 4080 Lemon Street, Suite 400
Riverside, CA 92501
Contact: Mervyn Manalo
Phone: (951) 955-0774

County Clerk
County of: Riverside
2724 Gateway Drive
P.O. Box 751
Address: Riverside, CA 92502-0751

Lead Agency (if different from above):
Address: _____
Contact: _____
Phone: _____

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

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

Project Title: Disposition, Development and Loan Agreement

Project Location (include county): County of Riverside- 8845 and 8877 Mission Blvd, City of Jurupa Valley, State of California, identified with Assessor Parcel Numbers 169-070-031 and 169-070-002

Project Description:
The Housing Authority of the County of Riverside (HACR) is the legal owner of a parcel of real property consisting of approximately 0.83 acres of land, located at 8845 Mission Blvd., City of Jurupa Valley, County of Riverside, State of California, identified with Assessor's Parcel Number (APN) 169-070-031 (HACR Parcel).

Pursuant to applicable provisions of the Dissolution Law, the CRL and the "Housing Authorities Law" (California Health and Safety Code, Sections 34200, et seq.), notwithstanding any other provision of law, whenever the Board of Commissioners determines that any real property owned by the HACR can be used to provide housing affordable to low income families, and this use is in the HACR's best interest, the HACR may sell, convey or otherwise dispose of the real property to provide that affordable housing without complying with other provisions of Title 3, Division 2, Part 2, Chapter 5, Article 8 of the California Government Code. The HACR is committed to providing affordable housing and services to the residents of the County of Riverside.

Developer desires to acquire the HACR Parcel from the HACR and real property adjacent to the HACR Parcel, consisting of approximately 3.54 acres of land, located 8877 Mission Blvd., Jurupa Valley, California, and also identified as APN 169-070-002 (Church Parcel) to develop and construct an approximately 101-unit multifamily affordable rental housing complex, including one manager's unit, a community center, and open space and related amenities, on the entire Site to provide housing affordable to persons and families of low and very low income and also possibly providing additional support services to residents with special needs.

Under the terms of the proposed Disposition, Development and Loan Agreement for the HACR Parcel, including the loan for acquisition of the Church Parcel, approximately forty-nine percent (49%) of the units not occupied by an on-site manager will be restricted to extremely low and low income households whose incomes do not exceed sixty percent (60%) of the Area Median Income for Riverside County (AMI). At least thirty percent (30%) of these "Restricted Units" will be restricted to occupancy by extremely low-income households whose incomes do not exceed thirty percent (30%) of AMI. The maximum qualifying income for all other units in the project will be one hundred twenty percent (120%) of AMI.

There is an unmet need for affordable housing within the County of Riverside. Consistent with applicable provisions of the Health and Safety Code and subject to the satisfaction of certain conditions precedent, the Property will be sold at fair market value. Developer shall be responsible for all (i) entitlements, land use approvals, permits and CEQA compliance, (ii) construction and

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development costs, (iii), securing financing, construction, on-site and off-site improvements, and (iv) property maintenance obligations. Developer intends to build an affordable housing project and proposes to transfer the parcel to a limited partnership entity in accordance to the Disposition, Development and Loan Agreement when sufficient financing has been secured. All land use and development entitlements, including compliance with CEQA must be obtained from the City of Jurupa Valley.

The terms of the Property sale and applicable affordability restrictions are set forth in the Disposition, Development and Loan Agreement, including attachments, to be executed by the HACR and Developer. The deed restriction of up to forty-nine (49) units affordable to low and extremely low income households is in the best interests of the HACR, the County of Riverside, and residents of the Jurupa Valley area.

Project Sponsor: Housing Authority of the County of Riverside

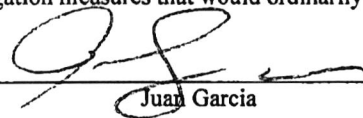
This is to advise that the County of Riverside Board of Commissioners approved the above project on

Lead agency or Responsible Agency

May 23, 2023 and has made the following determinations regarding the above described project:
(tentative date)

The Agreement does not constitute a project pursuant to the California Environmental Quality Act and State CEQA Guidelines (CEQA). Pursuant to CEQA Guidelines Section 15004(b), approval of the Agreement provides for the sale of property and financing subject to specific conditions. Approval by the HACR of the Agreement does not vest any development rights and will not result in any physical change to the environment. The Agreement requires the Developer to obtain all necessary land use approvals and entitlements from the City of Jurupa Valley including compliance with CEQA. As the jurisdiction exercising land use control over the Property, the City of Jurupa Valley will be the lead agency for purposes of CEQA. The Agreement does not commit the lead agency to any definite course of action or foreclose alternatives or mitigation measures that would ordinarily be part of CEQA review.

Signature: (Public Agency)



Title: Development Manager

Juan Garcia

Date:

5/9/23

Date received for filing at OPR: _____

1 Board of Commissioners

Housing Authority of the
2 County of Riverside

3
4 RESOLUTION NO. 2023-004

5 MAKING CERTAIN FINDINGS PURSUANT TO THE CALIFORNIA HEALTH AND SAFETY
6 SECTION 33433; AUTHORIZATION TO SELL FEE SIMPLE INTERESTS IN REAL PROPERTY
7 LOCATED IN THE CITY OF JURUPA VALLEY, COUNTY OF RIVERSIDE, STATE OF
8 CALIFORNIA, IDENTIFIED WITH ASSESSOR'S PARCEL NUMBER 169-070-031 ("PROPERTY")
9 BY GRANT DEED TO NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA; AND
10 APPROVAL OF THE DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT BETWEEN THE
11 HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE AND NATIONAL COMMUNITY
12 RENAISSANCE OF CALIFORNIA FOR THE SALE AND DEVELOPMENT OF THE PROPERTY
13 FOR AFFORDABLE HOUSING PURPOSES

14
15 **WHEREAS**, the Housing Authority of the County of Riverside, a public body corporate and
16 politic, ("HACR" or "Housing Authority"), is a housing authority duly created, established and
17 authorized to transact business and exercise its powers, under and pursuant to the provisions of the
18 Housing Authorities Law which is Part 2 of Division 24 of the California Health and Safety Code
19 (commencing with Section 34200 et seq, the "Housing Authority Law"); and

20 **WHEREAS**, HACR is the owner of certain real property located in the City of Jurupa Valley,
21 County of Riverside, State of California, consisting of approximately 0.83 acres of vacant land located
22 at 8845 Mission Blvd., Jurupa Valley, California, 92509, currently identified with Assessor's Parcel
23 Numbers 169-070-031, as legally described in Exhibit "A" attached hereto and incorporated herein by
24 this reference ("Property"); and

25 **WHEREAS**, the Property was acquired by the former Redevelopment Agency of the County of
26 Riverside ("RDA") for affordable housing purposes; and

27 **WHEREAS**, California redevelopment agencies were dissolved on February 1, 2012 such that the
28 RDA is now deemed a former redevelopment agency under Health and Safety Code section 34173 and

FORM APPROVED COUNTY COUNSEL
BY: AMR/P. BHILLON
DATE: 5/10/2023

1 AB x1 26, as modified by Assembly Bill No. 1484 (as modified to date, the “Dissolution Law”), which
2 added Parts 1.8 and 1.85 to Division 24 of the California Community Redevelopment Law (Health and
3 Safety Code sections 33000 et seq., the “CRL”); and

4 **WHEREAS**, pursuant to CRL section 34176 (a) and Housing Authority Resolution Nos. 2012-
5 035, all housing functions previously performed by the former RDA, including related rights, powers,
6 duties, obligations, and housing assets (excluding unencumbered amounts in the Low and Moderate
7 Income Housing Fund), including the Property, were transferred to the HACR making the HACR the
8 “Housing Successor” to the former RDA under the Dissolution Law; and

9 **WHEREAS**, pursuant to applicable provisions of the Dissolution Law, the CRL and the Housing
10 Authorities Law, HACR, in its capacity as Housing Successor to the former RDA, after a public hearing,
11 may dispose of real property without complying with any provision of law concerning the disposition of
12 surplus property, including without limitation Sections 34315 and 34315.7 of the Health and Safety Code,
13 provided the proceeds and net cost of the disposition of real property are to be used directly to assist a
14 housing project for low income households; and

15 **WHEREAS**, National Community Renaissance of California (“NCRC”), a California nonprofit
16 public benefit corporation and affordable housing developer, is engaged in the development, construction
17 and operation of affordable housing, serving residents of the County of Riverside;

18 **WHEREAS**, NCRC desires to acquire the Property from the Housing Authority for affordable
19 housing purposes and to develop thereon an approximately 100 affordable rental units and one resident
20 manager unit, to be occupied by and rented to very low, low and moderate income households, as defined
21 by California Health and Safety Code Sections 50079.5, 50093 and 50105, in accordance with the
22 Dissolution Law, the CRL and the Housing Authorities Law; and

23 **WHEREAS**, NCRC intends to build an affordable multifamily rental project which will be
24 achieved by recording a parcel map and creating one legal parcel during the entitlement stage of the
25 proposed project; purchase the Property in accordance to the Disposition, Development and Loan
26 Agreement (“DDLA”) when sufficient financing has been secured; and precedent to acquire the Property,
27 NCRC will pay Three Hundred Fifty-Two Thousand Dollars (\$352,000) cash for the Property which
28

1 proceeds will be used to repay HACR and the Housing Authority will carry back a promissory note for
2 the balance of the fair market value purchase price; and

3 **WHEREAS**, HACR will carry back a promissory note for the full fair market value purchase price
4 in which the Housing Authority loan will be secured by a deed of trust recorded against the Property;
5 and

6 **WHEREAS**, NCRC shall be responsible for all (i) construction and development costs, (ii)
7 entitlements, land use approvals, permits and CEQA compliance, (iii) securing financing, (iv)
8 construction of on-site and off-site improvements, and (v) maintenance obligations. All land use and
9 development entitlements, including compliance with CEQA must be obtained from the City of Jurupa
10 Valley; and

11 **WHEREAS**, the proposed development of the Property for affordable housing purposes will result
12 in the development of much needed low income affordable housing for very low, low and moderate
13 income households that will benefit the City of Jurupa Valley; and

14 **WHEREAS**, in accordance with California Health and Safety Code Sections 33431 and 33433
15 the Housing Authority published a Notice of Public Hearing notifying the public of the public hearing
16 and consideration of the proposed DDLA relating to the conveyance of the Property for affordable
17 housing purposes and made available for public review on the date the Notice of Public Hearing was
18 published a Summary Report and the attached DDLA, including all attachments; and

19 **WHEREAS**, the Board of Commissioners has also considered all the terms and conditions of the
20 proposed sale of the Property set forth in the proposed DDLA, and the information contained in the
21 submittal to the Board of Commissioners by staff and provided at the public hearing, and believes that
22 conveyance of the Property in accordance with the proposed DDLA is in the best and highest interests
23 of the HACR and the health, safety and welfare of its residents, and in accord with the public purposes
24 and provisions of applicable State and local law and requirements; and

25 **WHEREAS**, pursuant to the California Environmental Quality Act and State CEQA Guidelines
26 (CEQA) Section 15004(b), the DDLA does not constitute a project, does not vest any development rights
27 and will not result in any physical change to the environment in that the DDLA requires the Developer
28 to obtain all necessary land use approvals and entitlements, including compliance with CEQA, from the

1 City of Jurupa Valley, as lead agency and does not commit the lead agency to any definite course of
2 action or foreclose alternatives or mitigation measures that would ordinarily be part of CEQA.

3 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND ORDERED** by
4 the Board of Commissioners of the County of Riverside, State of California, (“Board”) in regular session
5 assembled on or about May 23, 2023, in the meeting room of the Board located on the 1st floor of the
6 County Administrative Center, 4080 Lemon Street, Riverside, California, and based upon the evidence
7 and testimony presented on the matter, both written and oral, including the Administrative Record as it
8 relates to the DDLA, as follows:

- 9 **1.** That it has received and heard all oral and written objections (if any) to the proposed
10 Disposition, Development and Loan Agreement, to the proposed sale of the Property
11 pursuant to the proposed Disposition, Development and Loan Agreement, and to the other
12 matters pertaining to this transaction, and that all such oral and written objections (if any)
13 are hereby overruled.
- 14 **2.** The foregoing recitals are true and correct.
- 15 **3.** The Board of Commissioners hereby finds and determines that the sale of the Property for
16 Three Hundred Fifty-Two Thousand Dollars (\$352,000) to NCRC, plus additional
17 consideration provided in therein for affordable housing purposes in accordance with the
18 Disposition, Development and Loan Agreement will provide housing for low income
19 persons.
- 20 **4.** The Board of Commissioners hereby finds and determines that the sale of the Property to
21 NCRC in accordance with the Disposition, Development and Loan Agreement is consistent
22 with the Dissolution Law, the CRL and the Housing Authority Law.
- 23 **5.** The Board of Commissioners hereby finds and determines that the consideration to be paid
24 by NCRC to the Housing Authority, in the amount of Three Hundred Fifty-Two Thousand
25 Dollars (\$352,000), for the sale of the Property at fair market value is in accordance with
26 Housing Authority Law and other applicable laws.
- 27 **6.** The Board of Commissioners hereby approves the sale of the Property to NCRC in
28 accordance with the Disposition, Development and Loan Agreement.

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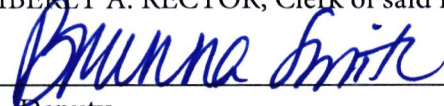
7. The Board of Commissioners hereby finds and determines that the Disposition, Development and Loan Agreement between the HACR and NCRC including all attachments thereto, attached hereto as Exhibit "B" and incorporated herein by this reference, is hereby approved.

ROLL CALL:

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None

The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the date therein set forth.

KIMBERLY A. RECTOR, Clerk of said Board

By: 
Deputy

05.23.2023 10.1

1 EXHIBIT "A"

2 LEGAL DESCRIPTION

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

5 THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE CITY OF JURUPA VALLEY, COUNTY OF
6 RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 12 OF MAPS, IN
7 THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS
8 FOLLOWS:

9 BEGINNING AT A POINT ON THE SOUTH LINE OF SAID LOT, 165 FEET EAST OF THE SOUTHWEST
10 CORNER;

11 THENCE NORTH AND PARALLEL WITH THE WEST LINE OF SAID LOT, TO A POINT IN THE SOUTH
12 LINE OF THE NORTH 5 ACRES OF SAID LOT CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY
13 DEED RECORDED NOVEMBER 25, 1924 IN BOOK 621, PAGE 334 DEEDS, IN THE OFFICE OF THE
14 COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA;

15 THENCE EAST ON THE SOUTH LINE OF SAID 5 ACRES, 165.5 FEET; THENCE SOUTH AND PARALLEL
16 WITH THE WEST LINE OF SAID LOT TO THE SOUTH LINE THEREOF;

17 THENCE WEST ON THE SOUTH LINE OF SAID LOT, 165.5 FEET TO THE POINT OF BEGINNING.

18 EXCEPTING THEREFROM ALL THAT PORTION INCLUDED IN MISSION BOULEVARD.

19 ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

20 COMMENCING AT A POINT ON THE SOUTH LINE OF SAID LOT 3, WHICH BEARS NORTH 89° 55' 30"
21 EAST, A DISTANCE OF 164.90 FEET (FORMERLY RECORDED 165.00 FEET) FROM THE SOUTHWEST
22 CORNER THEREOF, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF PARCEL 2, AS
23 CONVEYED TO EROY L. HAINES AND WIFE, BY DEED RECEIVED FOR RECORDING NOVEMBER 5,
24 1948 AS INSTRUMENT NO. 1948-591, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

25 THENCE NORTH 00° 04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF
26 267.27 FEET TO THE TRUE POINT OF BEGINNING;

27 THENCE CONTINUING NORTH 00° 04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A
28 DISTANCE OF 320.00 FEET TO THE NORTHWEST CORNER THEREOF;

THENCE NORTH 89° 55' 30" EAST, ALONG THE NORTH LINE OF SAID PARCEL 2, A DISTANCE OF 164.80
FEET (FORMERLY RECORDED 165.00 FEET) TO THE NORTHEAST CORNER THEREOF;

THENCE SOUTH 00° 04' 30" EAST, ALONG THE EAST LINE OF SAID PARCEL 2, A DISTANCE OF 320.00
FEET;

THENCE SOUTH 89° 55' 30" WEST, A DISTANCE OF 164.86 FEET TO THE POINT OF BEGINNING.

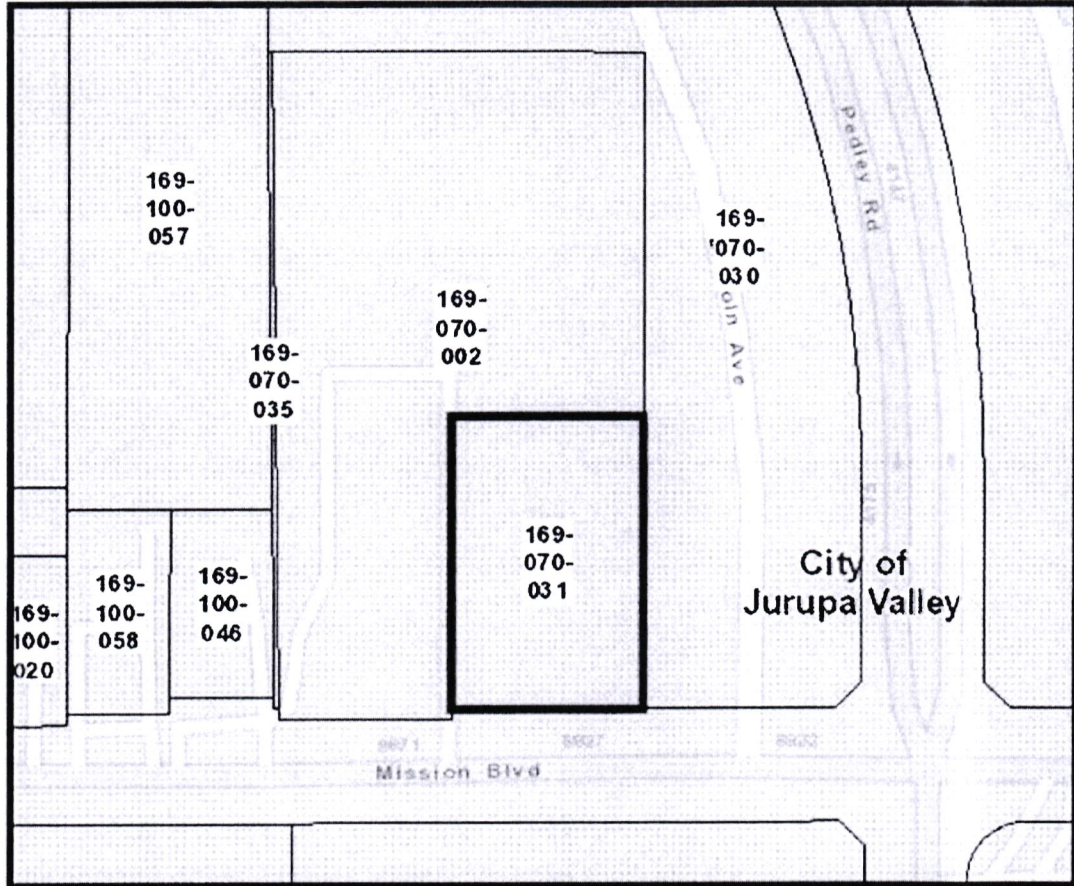
APN: 169-070-031

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Property

Vicinity Map

APN 169-070-031



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EXHIBIT "B"
DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT

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EXHIBIT "B"
DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT

DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT

Jurupa Valley

between

THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE

and

NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA

DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT
Jurupa Valley

This DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT - - Jurupa Valley (“**Agreement**”) is made and entered into this ____ day of _____, 2023 by and between the Housing Authority of the County of Riverside, a public entity corporate and politic (“**HACR**” or the “**Authority**”) and National Community Renaissance of California, a California nonprofit public benefit corporation (“**NCRC**” or “**National CORE**”). The Authority and NCRC are collectively referred to herein as the “**Parties**” and individually as a “**Party.**”

RECITALS:

A. The Authority is a California housing authority acting under the California Housing Authorities Law, Part 2 of Division 4 of the Health and Safety Code (“**Housing Authorities Law**”); and

B. The Redevelopment Agency for the County of Riverside (“**RDA**”), was duly created pursuant to California Community Redevelopment Law (Health and Safety Code Section 33000 et seq., the “**CRL**”); and

C. Assembly Bill No. x1 26, as modified by Assembly Bill No. 1484 (“**Dissolution Act**”), added parts 1.8 and 1.85 to Division 24 of the CRL. As a result, the RDA was dissolved on February 1, 2012 such that the RDA is now deemed a former redevelopment agency under Health and Safety Code Section 34173; and

D. Pursuant to Health and Safety Code Section 34176 (a), County of Riverside Board of Supervisors Resolution No. 2012-035, and Housing Authority Board of Commissioners Resolution Nos. 2012-001 and 2012-005, all housing functions previously performed by the former RDA, including related rights, powers, duties, obligations and housing assets were transferred to the Authority; and

E. On September 22, 2015, State Budget Trailer Bill SB107 passed amending the existing dissolution law as defined in Assembly Bill No. x1 26. Under prior redevelopment dissolution law, only housing bond proceeds from bonds issued prior to January 1, 2011, that were issued for affordable housing purposes and secured by a pledge of low and moderate income housing funds, remaining after satisfaction of enforceable obligations approved on a Recognized Payment Obligation Schedule, were considered housing assets and were allowed to be expended. SB 107 changed the date by which the applicable housing bonds must have been issued from January 1, 2011 to June 28, 2011; and

F. The Authority has unused program income proceeds derived from payment of low and moderate income loans; and

G. HACR is the legal owner of a parcel of real property consisting of approximately 0.83 acres of land, more or less, commonly known as 8845 Mission Blvd., Jurupa Valley (County of Riverside), California, APN: 169-070-031, more specifically described on Exhibit A hereto (“**HACR Parcel**”); and

H. NCRC is in escrow to acquire fee title to real property adjacent to the HACR Parcel, consisting of approximately 3.54 acres of land, commonly known as 8877 Mission Blvd., Jurupa Valley, California, and also identified as APN 169-070-002, more specifically described on Exhibit B hereto (“**Church Parcel**”); the HACR Parcel and the Church Parcel share common boundaries on the west side and the north side of the HACR Parcel; and

I. NCRC is a California nonprofit public benefit corporation experienced in the business of acquiring, developing, entitling, constructing and operating multifamily affordable apartment communities providing safe and affordable housing for low-income households; NCRC or affiliated entities have completed projects serving residents of the County of Riverside (“**County**”); and

J. NCRC desires to acquire the HACR Parcel from HACR in order to combine both the HACR Parcel and the Church Parcel into one larger, single parcel which, after anticipated dedications, will contain approximately 4.22 acres, more or less (the HACR Parcel and the Church Parcel are referred to collectively as the “**Site**”). NCRC intends to develop and construct an approximately 101-unit multifamily affordable rental housing complex, including 1 manager’s unit, a community center, and open space and related amenities, on the entire Site to provide housing affordable to persons and families of low and very low income and also possibly providing additional support services to residents with special needs. Once improvements are constructed on the Site, they will be operated under the name “Grace Vista” or “Grace Vista Affordable Housing” (the “**Project**”). Enabling NCRC to acquire title to the Site in order to pursue entitlements and financing to construct the Project on the Site will alleviate blight conditions currently found on portions of the Site and also carry out the affordable housing goals of the Authority; and

K. The Authority endeavors to preserve, protect, improve and increase the affordable housing stock and eliminate blight within the County; and

L. The Authority desires to provide NCRC with financing necessary to pay a portion of the acquisition cost of the Church Parcel in the amount of \$1,500,000.00 (“**Authority Loan**”) to maximize the affordability of the units; and

M. The Authority also desires to provide NCRC with a pre-development grant in the amount of \$320,000.00 to facilitate NCRC’s work relating to the Project to pay a portion of the Development Costs (defined below), including initiating and completing the process for necessary entitlements required for the Project “**Authority Grant**”); and

N. In furtherance of the housing functions transferred to HACR pursuant to the Dissolution Law and the public purposes set forth in the Housing Authority’s Law, and in order to facilitate the Project, HACR desires to sell the HACR Parcel to NCRC for affordable housing purposes, as more specifically described in this Agreement, and to provide for the Authority Loan as provided in this Agreement in connection with the Project; and

O. The Parties intend, in this Agreement, following and contingent upon satisfaction by NCRC of conditions precedent which are set forth in this Agreement, to provide for HACR’s disposition of the HACR Parcel to NCRC, the provision of the Authority Loan to

NCRC, and for NCRC's construction and operation of the Project as an affordable housing community.

NOW, THEREFORE, in consideration of the foregoing, and the promises and mutual covenants and conditions hereinafter set forth, the Authority and NCRC hereby do agree as follows:

PART 1. SUBJECT OF AGREEMENT

SECTION 101 RECITALS; PURPOSE OF AGREEMENT

The aforementioned Recitals are true and accurate and are incorporated into this Agreement by this reference. The purpose of this Agreement is to advance the affordable housing goals of the Authority and the fulfillment generally of this Agreement, is in the vital and best interests of the County and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws and requirements.

The Authority intends to provide NCRC with a loan in the amount of \$1,500,000.00 for the acquisition of the Church Parcel and a grant in the amount of \$330,000.00 for acquisition and development costs including escrow, title, site maintenance, property taxes, insurance, relocation and demolition. HACR intends to make a loan to NCRC for the acquisition of the HACR Parcel for the appraised value of \$352,000.00. Both the Authority Loan and the HACR Loan (each defined below) will be evidenced by a promissory note, deed of trust, and covenant agreement.

SECTION 102 DEFINITIONS

For purposes of this Agreement, the following capitalized terms shall have the following meaning:

"Adjusted for Family Size Appropriate to the Unit" means family size which is appropriate for a Restricted Unit where "family size" will be determined under either State law and regulation or Federal tax credit requirements, during such time as the Project is within any tax credit compliance period, and, if measured under State law will mean a number of residential tenants equal to the number of bedrooms in the Restricted Unit, plus one, that is, 2 persons in a 1-bedroom Restricted Unit, 3 persons in 2-bedroom Restricted Unit, 4 persons in a 3-bedroom Restricted Unit, and so forth, and under Federal tax credit regulation, meaning 2 persons in a 1-bedroom Restricted Unit, 3 persons in a 2-bedroom Restricted Unit, 5 persons in the case of a 3-bedroom Restricted Unit, and so forth.

"Affiliate" means (1) any Person directly or indirectly controlling, controlled by or under common control with another Person; (2) any Person owning or controlling 10% or more of the outstanding voting securities of such other Person; or (3) if that other Person is an officer, director, member or partner, any company for which such Person acts in any such capacity. The term "control" as used in the immediately preceding sentence, means the power to direct the management or the power to control election of the board of directors. It will be a presumption that control with respect to a corporation or limited liability company is the right to exercise or control, directly or indirectly, more than 50% of the voting rights attributable to the controlled corporation or limited liability company, and, with respect to any individual, partnership, trust,

other entity or association, control is the possession, indirectly or directly, of the power to direct or cause the direction of the management or policies of the controlled entity. It will also be a presumption that the managing general partner of a limited partnership controls the limited partnership.

“Affordability Period” means no less than 55 years from the issuance by the City of Jurupa Valley (“**City**”) of a Certificate of Occupancy for the last building in the Project for which construction is completed without regard to (i) the term of the Authority Promissory Note or the HACR Promissory Note, or (ii) transfer of ownership of the HACR Parcel.

“Affordable Rent” means rent, including a reasonable utility allowance, that does not exceed 1/12th of 30% of the Area Median Income for a not-to-exceed lower income household adjusted for Family Size Appropriate to the Unit in question. The Parties acknowledge that when NCRC or its permitted successor in interest has received necessary entitlements for the Project from the City and review and approval, as necessary, by the Authority, final affordability restrictions will be necessary for the Project; at that time, the Authority and NCRC will agree on revised affordability restrictions which may result in revisions in the amount of Affordable Rent which may be charged for Restricted Units within the Project. This Agreement, as well as the Covenant Agreement, may be amended at such time to incorporate Project-specific details regarding limits on Affordable Rent for Restricted Units and regarding allowable levels of affordability for persons and families who will occupy the Restricted Units.

Notwithstanding the foregoing, in the event that the Project is awarded project-based Section 8 financing, NCRC or its Affiliate as the owner of the Project), during such time as a Section 8 rental voucher and/or project-based rental assistance is received, to receive up to fair market rent as determined in accordance with the Section 8 program, providing that the tenants of the Restricted Unit do not pay an amount in excess of the amount determined in accordance with the immediately preceding paragraph. Affordable Rent an Allowable Tenant Utility Allowance will be determined as provided in the Covenant Agreement.

“Approved Financing” means the financing for the Project set forth in a Project Budget approved by HACR.

“Area Median Income” means the median income of the Riverside-San Bernardino-Standard Metropolitan Statistical Area, adjusted for family size, as most recently determined by the United States Department of Housing and Urban Development in its multi-family tax subsidy project (“MTSP”) income limits, as adopted and published annually by the California Department of Housing and Community Development and, if and so long as the Project is within a tax credit compliance period, by the California Tax Credit Allocation Committee.

“Authority Executive Director” or “Executive Director” means the Executive Director of the Authority or designee.

“Authority Deed of Trust” means the deed of trust and assignment of rents to be recorded against title to the Church Parcel and later, as provided in this Agreement, against title to the Site. The Authority Deed of Trust is attached hereto as Exhibit “C”.

“Authority Loan” means a loan to be made by Authority to NCRC in the amount of \$1,500,000.00, in which Authority is the initial maker of the loan. The Authority Loan will be evidenced by the Authority Promissory Note and secured by, among other things, the Authority Deed of Trust, the Covenant Agreement, and UCC-1 Financing Statement.

“Authority Loan Documents” means the Authority Promissory Note, Authority Deed of Trust, the Covenant Agreement, and a UCC-1.

“Authority Promissory Note” means the promissory note in favor of the Authority evidencing the Authority Loan, in the form of Exhibit “D” hereto.

“Board of Commissioners” means the governing, legislative body of the Housing Authority of the County of Riverside.

“Building Permit” means one or more building permits for improvements to be constructed on the Site required for the development of the Project issued by the City of Jurupa Valley.

“City” means the City of Jurupa Valley, California.

“Closing Date” means the date on which the Closing of the conveyance of the HACR Parcel and the Church Parcel, respectively, has occurred.

“Closing” or “Close of Escrow” means the close of Escrow No. 30077386 with Fidelity National Title Insurance Company, 4400 MacArthur Blvd., Suite 200, Newport Beach, CA 92660, Attn: Valerie Rapp, Escrow Officer (the “Escrow”), which was opened pursuant to the provisions of a Purchase and Sale Agreement and Joint Escrow Instructions dated as of March 7, 2022 under which NCRC agreed to purchase the Property from Grace Evangelical Lutheran Church of Glen Avon, California (the “Seller” thereunder). Under the provisions of the Third Amendment to the Purchase and Sale Agreement and Joint Escrow Instructions, the Close of Escrow is to occur on or before June 30, 2023, which is the currently scheduled Closing Date for transfer of the Church Parcel to NCRC.

“Construction Closing” means the point in time that a Construction Loan Deed of Trust is to be recorded.

“Construction Financing Documents” means the various documents and instruments entered into between a Construction Lender and NCRC or its Affiliate which evidence the Construction Loan, including any associated Security Instrument.

“Construction Lender” means a governmental, institutional or other lender which is a lender to provide funding to construct the Project as approved by HACR, which loans NCRC or its Affiliate will use to pay a portion or all of the costs to develop and construct the Project.

“Construction Loan” means a construction loan to be made by a Construction Lender governed as provided in the loan agreement with the Construction Lender, which agreement has

been approved by HACR.

“Construction Loan Deed of Trust” means the deed of trust securing a promissory note evidencing a Construction Loan.

“Conversion Date” means the date that construction of the Project has been completed and all of the other conditions precedent have been met in order for a Permanent Lender to fund the Permanent Loan.

“County” means the County of Riverside, a political subdivision of the State of California.

“Covenant Agreement” or “Covenant” means the regulatory agreement to be executed by NCRC in favor of HACR recorded against title to both the HACR Parcel and the Church Parcel, both in superior lien positions, substantially conforming in form and substance to the Covenant Agreement (Including Rental Restrictions) attached to this Agreement as Exhibit “E”.

“CTCAC” or “TCAC” means the California Tax Credit Allocation Committee.

“CTCAC Area Median Income” as used herein means the area median income for the County of Riverside determined in accordance with 26 USC 42 (g).

“Developer” means National CORE and its permitted successors and assigns.

“Developer’s Title Notice” means a written notice from NCRC to HACR setting out NCRC’s objection to specific matters shown in Schedule B of a preliminary report prepared by Fidelity National Title Company covering the HACR Parcel as exceptions to coverage under a proposed title policy for the HACR Parcel. A Developer’s Title Notice must describe in sufficient detail the actions that NCRC reasonably believes are indicated to cure or correct each objection set out in a Developer’s Title Notice.

“Development Costs” means the total cost of developing and constructing the improvements to and located on the Site, as set forth in a Project Budget approved by the Authority. For purposes of this Agreement, “Development Costs” includes, but not limited to, costs for escrow, title, site maintenance, property taxes, insurance, relocation, and demolition. The Authority Grant shall be used for a portion of the Development Costs.

“Effective Date” means the date that the Chair of the Board of Commissioners executes this Agreement after hearing and approval by the Board of Commissioners.

“Entitlements” means any and all general plan amendments, zone changes or zoning approvals, density bonus agreements, site plan approvals, parcel maps, lot line adjustments, lot mergers, any required approvals and certifications under the California Environmental Quality Act (including and subject to all mitigation measures), variances, conditional use permits, demolition permits, Building Permits, excavation/foundation, grading or other required permits, certificates of occupancy and all other approvals, authorizations, consents, filings, registrations, and actions of any nature whatsoever required from any Governmental Authority in order to commence and

complete the construction and occupancy of the Project.

“Environmental Indemnity” means an environmental indemnity substantially in the form of the Environmental Indemnity attached as Exhibit F to this Agreement.

“Escrow Holder” means the escrow holder for the transaction described in this Agreement whereby HACR may sell the HACR Parcel to NCRC, which will be Fidelity National Title Company, Attention: Valerie Rapp, VP, Escrow Officer, through its office located at 4400 MacArthur Blvd., Ste. 200, Newport Beach, California 92660, or such other escrow holder mutually agreed upon by HACR and NCRC.

“Escrow Instructions” or “Escrow Agreement” means escrow instructions relating to the sale of the HACR Parcel by HACR to NCRC, in such form as reasonably required by HACR.

“Force Majeure” or “Force Majeure Event” means any of the following events, provided that it actually delays and interferes with the timely performance of the matter to which it applies and despite the exercise of diligence and good business practices is or would be beyond the reasonable control of the party claiming such interference: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; declarations of public emergencies by State or local authorities; freight embargoes; lack of transportation; governmental restrictions or priority; litigation including litigation challenging the validity of this transaction or any element thereof; unusually severe weather; inability to secure necessary labor, materials or tools; acts of the other party; acts or failure to act of any Governmental Authority (except acts or failure to act of the Authority will not excuse performance by the Authority); or the imposition of any applicable moratorium by a Governmental Authority; or any other causes which despite the exercise of diligence and good business practices are or would be beyond the reasonable control of the party claiming such delay and interference. Notwithstanding the foregoing, none of the foregoing events will constitute a Force Majeure Event unless and until the party claiming such delay and interference delivers to the other party written notice describing the event, its cause, when and how such party obtained knowledge of the event, the date the event commenced, and the estimated delay resulting therefrom. Any party claiming a Force Majeure Event will use reasonable efforts to deliver such written notice within 15 days after it obtains actual knowledge of the event. The lack of funding to enable the developer to complete the Project will not constitute a Force Majeure Event or be the basis of a delay due to Force Majeure.

“Force Majeure Delay” means any delay in taking any action required by this Agreement, proximately caused by the occurrence of any Force Majeure Event, which will result in an extension of time for a period equal to the period of enforced delay, which period will commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party as required. Times of performance under this Agreement may also be extended in writing by mutual agreement between HACR and the Developer, but notwithstanding, if delay extends for 180 calendar days or more, or for such longer period as may be permitted in writing or by policy of TCAC in the event of a natural disaster (of and providing that the Project has obtained Tax Credits and Tax Credits remain allocated to the Project) and NCRC is not otherwise in material breach of the Construction Loan, Permanent Loan, Authority Loan Documents or HACR Loan Documents, the Parties must meet and confer to discuss whether to grant additional time as a result

of the delay or consider such other alternative as may be acceptable to HACR.

“Governmental Approvals” means and include any and all necessary or required Entitlement approvals of any nature whatsoever required from any Governmental Authority in order to commence and complete the construction and occupancy of the Project.

“Governmental Authority” means the United States, the State of California, the County, HACR, the City and any other political subdivision authority or agency in or of the County or the City.

“HACR Deed of Trust” means the Deed of Trust and Assignment of Rents to be recorded against title to the HACR Parcel and later, as provided in this Agreement, also against title to the Site. The HACR Deed of Trust is attached hereto as Exhibit G.

“HACR Loan” means a loan made by HACR to NCRC in the amount of the Purchase Price of the HACR Parcel, which is \$352,000.00 The HACR Loan will be evidenced by the HACR Promissory Note and secured by, among other things, the HACR Deed of Trust, the Covenant Agreement and UCC-1 Financing Statement.

“HACR Promissory Note” means the promissory note in favor of HACR evidencing the HACR Loan, in an amount equal to the Purchase Price of \$352,000 paid by NCRC to acquire title of the HACR Parcel from HACR, in the form of Exhibit H hereto.

“Improvements” or “Project Improvements” means the improvements to be constructed on the Site, as generally described in the Scope of Development (Exhibit M), including, more generally, that the Project will consist of a total of approximately 101 rental housing units of which 1 unit will be set aside for an on-site manager. The Improvements will comply with the current California Building Code and any applicable comprehensive accessibility and adaptability requirements for multifamily new construction and also with all Governmental Approvals.

“Lender’s Policy” means (a) an ALTA lender’s coverage policy of title insurance issued by Fidelity Title Insurance Company with liability limits in the amount of the HACR Loan and insuring the priority of the HACR Deed of Trust to be junior only to the Authority Deed of Trust securing the Authority Promissory Note and, as applicable, to the Covenant Agreement, and (b) an ALTA lender’s coverage policy of title insurance issued by Fidelity National Title Company, with liability limits in the full amount of the Authority Loan and insuring the priority of the Authority Deed of Trust to be the senior monetary lien on the Site, each such Lender’s Policy containing such endorsements as HACR requests. NCRC will pay for each Lender’s Policy.

“Low Income Housing Tax Credit(s)” or “Tax Credits” means the tax credits authorized by the Tax Reform Act of 1986, governed by Section 42 of the Internal Revenue Code, and administered by CTCAC.

“Notice of Affordability Restrictions” refers to the Notice of Affordability Restrictions to be recorded against record title to the Site in connection with the Restricted Units, in the form attached hereto as Exhibit “J” and incorporated herein by this reference.

“Official Records” means the official records of the office of the County Recorder for the County of Riverside, California.

“Partnership” means a limited partnership, the general partner of which is NCRC or an Affiliate, or a limited liability company of which NCRC or an Affiliate is the manager, which limited partnership has been formed to be an entity to receive capital contributions resulting from the syndication of Tax Credits which may be awarded to the Project or to such limited partnership (such limited partnership is often referred to as a “tax credit limited partnership”). Title to the Site will be transferred to the Partnership, to serve as the Developer, no later than recordation of the Construction Loan Deed of Trust.

“Partnership Agreement” means the agreement governing any Partnership successor to NCRC established to receive financing awards for the Project, which agreement is to establish the Partnership for the purpose of receiving an award of Tax Credits to the Project.

“PCO Statement” means a preliminary change of ownership statement provided for in California Revenue and Taxation Code Section 480.3.

“Permanent Lender” means an institutional lender or other lender satisfying requirements of this Agreement and acceptable to the Authority which, at Conversion, pays off or acquires a construction loan as a part of the process of providing permanent financing for the Project.

“Permanent Loan” means a loan made by a Permanent Lender at Conversion secured by a Permitted Security Interest, or a loan made by a Permanent Lender at a later point in time for the purpose of refinancing an initial Permanent Loan made at Conversion.

“Permitted Exceptions” means (a) all items shown in Schedule B of the Preliminary Report on the HACR Parcel and the Church Parcel as exceptions to coverage under the proposed Lender’s Policy, (b) any standard exceptions from coverage in the Lender’s Policy, (c) non-delinquent property taxes and assessments, (d) the Notice of Affordability Restrictions, (e) the Covenant Agreement, (f) the Authority Deed of Trust and HACR Deed of Trust, and (g) any other document or instrument expressly required to be recorded against record title to the Site pursuant to the terms of this Agreement.

“Permitted Security Instrument” means any Security Instrument that: (a) encumbers only the Site or any interest in the Site; (b) is held by an institutional lender that is subject to the jurisdiction of the courts of this State and is not immune from suit and cannot elect to be immune from suit; and (c) only secures: (i) the repayment of money used to pay or reimburse for costs of developing, constructing or operating the Project; (ii) a bona fide Permanent Loan; (iii) a bona fide subordinate loan; (iv) a bona fide refinancing or a delivery assurance fee regarding a Permanent Loan that is credited to Developer at the close of a Permanent Loan. If the Authority approves a loan structure for the Project where, in order to avoid triggering prevailing wages for the Project, a loan is made to the Developer and then is immediately made by Developer to the Project, then a Security Instrument securing such a loan will be deemed a Permitted Security Instrument.

“Permitted Transfer” means the following:

- a. A conveyance of a security interest in the Site in connection with any loan for the Project approved by the Authority, approval of which should not be unreasonably withheld or delayed, and any transfer of title by foreclosure, deed or other conveyance in lieu of foreclosure in connection therewith;
- b. A conveyance of the Project and/or Site to the Partnership or any Affiliate of NCRC, including, but not limited to, acquisition of the Tax Credit Investor’s interest in the Partnership by an Affiliate;
- c. The admission of limited partners to the Partnership, or similar mechanism, in connection with a syndication of Tax Credits as well as the purchase of any limited partnership interest in the Partnership by the General Partner;
- d. The removal for cause of any General Partner by a limited partner of the Partnership, and the replacement of the General Partner, pursuant to the Partnership Agreement, provided the Authority receives no less than 15 business days advance written notice of such removal. Without limiting NCRC’s obligation to provide advance notice of such removal for cause of any General Partner by a limited partner and the replacement thereof set forth in the immediately preceding sentence, amendments to the Partnership Agreement required to effectuate the change of General Partner as a Permitted Transfer set forth in this clause (d) will not require the consent of the Authority; provided, however, that the Partnership will provide the Housing Authority with an executed copy of such amended agreement within 10 days of execution thereof;
- e. The lease for occupancy of all or any part of the Restricted Units within the Project;
- f. The granting of easements or permits to facilitate the development of the Project in accordance with this Agreement; and
- g. The withdrawal, removal and/or replacement of any limited partner of Borrower pursuant to the Partnership Agreement, provided the Authority receives no less than 15 business days advance written notice of such withdrawal, removal and/or replacement.

Any transfer described in (b), (c), and (f) above shall be subject to the reasonable approval of documentation by the Executive Director or designee for conformance with this Agreement.

“Permitted Transferee” shall mean the transferee of a Permitted Transfer.

“Permitted Mortgage” means a deed of trust or mortgage approved by the Authority as collateral to an institutional lender providing financing for the Project.

“Person” means an individual, partnership, limited partnership, trust, estate, association,

corporation, limited liability company, or other entity, domestic or foreign.

“Project” refers to the construction of the Improvements constituting the Project in compliance with all Entitlements and with this Agreement and subsequent operation thereof to carry out the affordable housing uses set out in this Agreement.

“Project Budget” means the schedule of sources and uses of funds attached to this Agreement as Exhibit “K”. The Project Budget attached hereto is conceptual only. The Project Budget will be revised from time to time by NCRC or the Partnership with approval by and agreement of the Authority as Entitlements for the Project Improvements are approved and as financing awards are received. Revised Project Budgets will be promptly submitted to the Authority for its review and approval.

“Purchase Price” means the appraised value of the HACR Parcel which will be the sale price thereof.

“Restricted Unit(s)” means all of the apartment units within the Project except for one unit reserved to occupancy by the manager; Restricted Unit(s) must be exclusively rented to and occupied by qualified persons and families in compliance with the restrictions of the Covenant Agreement.

“Schedule of Performance” means the document attached to this Agreement as Exhibit “L”.

“Scope of Development” means the document attached to this Agreement as Exhibit “M” and incorporated herein by this reference.

“Subordination Agreement” means a subordination agreement approved by the Executive Director or designee and approved as to form by County Counsel, provided such subordination agreement to be executed by the Authority does not (i) adversely affect the receipt of any benefit or right of the Authority under this Agreement (including any attachments thereto), or of the Authority Promissory Note and/or the Authority Deed of Trust and the HACR Promissory Note and/or the HACR Deed of Trust, including without limitation, causing or requiring the subordination of the affordability covenants contained in the Covenant Agreement, or (ii) increase any Authority obligation or liability under this Agreement (including any attachments hereto).

“Tax Credit Investor” means a Person who will be a limited partner of the Partnership and will contribute equity to the Partnership.

“Title Company” means Fidelity National Title Company or another title insurance company mutually acceptable to the Executive Director and Borrower.

“UCC-1 Financing Statement” means a financing statement, substantially in the form attached to this Agreement as Exhibit “N” and incorporated herein by this reference.

SECTION 103 AUTHORITY

The Authority is a public entity, corporate and politic, exercising governmental functions and powers, and organized and existing under the Housing Authorities Law. The Authority is also the "housing successor" to the former RDA pursuant to California Health and Safety Code Section 34176. The address of the Authority for purposes of receiving notices pursuant to this Agreement is as follows: 5555 Arlington Avenue, Riverside, California 92504. "Authority" as used in this Agreement includes the Housing Authority of the County of Riverside and any assignee or successor to its rights, powers, and responsibilities.

SECTION 104 NATIONAL CORE

National Community Renaissance of California is a California nonprofit public benefit corporation. The address of NCRC for purposes of receiving notices pursuant to this Agreement is as follows:

National Community Renaissance of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attn: Chief Financial Officer

Whenever the term "NCRC" or "National CORE" is used herein, such terms include any assignee of or successor to the rights, powers, and responsibilities of NCRC under this Agreement.

SECTION 105 Disposition of the HACR Parcel

Section 105.1 Purchase and Sale. In exchange for NCRC's payment of the Purchase Price for the HACR Parcel and performance of NCRC's other covenants and undertakings set forth in this Agreement, at the Closing HACR will sell the HACR Parcel to NCRC and NCRC will purchase the HACR Parcel pursuant to the terms and conditions of this Agreement. The Purchase Price will be established by appraisal, to be conducted by an appraiser acceptable to HACR and completed as soon as practical. The appraisal will be paid for by NCRC. HACR and NCRC agree to open an escrow with the Escrow Holder and promptly to jointly instruct the Escrow Holder on the amount of the Purchase Price once the appraisal is completed. Applicable provisions of this Agreement constitute the joint Escrow Instructions of the Parties to the Escrow Holder for completion of the Escrow for the sale of the HACR Parcel. The Parties will execute such further Escrow Instructions, consistent with the provisions of this Agreement, as may be reasonably requested by the Escrow Holder. In the event of any conflict between the provisions of this Agreement and any other Escrow Instructions requested by the Escrow Holder, as between HACR and NCRC the provisions of this Agreement will control.

Section 105.2 Payment of Purchase Price; HACR Promissory Note. At the Closing, NCRC will pay the full amount of the Purchase Price as established by the appraisal in the amount of \$352,000.00 by depositing a fully executed and notarized, as applicable, HACR Promissory Note and HACR Deed of Trust with the Escrow Holder no less than 1 business day preceding the Closing Date. The principal balance of the HACR Promissory Note will be the appraised value of the HACR Parcel. As is more specifically provided in the HACR Promissory Note, NCRC will not have direct or indirect personal recourse liability for payment of the principal of, or interest on, the HACR Promissory Note and the sole recourse of HACR with respect to

defaults by NCRC in the payment of the HACR Promissory Note or performance of covenants under the HACR Deed of Trust will be to the real property encumbered by the HACR Deed of Trust. The legal description attached to the HACR Deed of Trust will encumber the entire Site including the Church Parcel. Upon its recordation, the HACR Deed of Trust will be subordinated only to the Authority Deed of Trust. Both the Authority Deed of Trust and the HACR Deed of Trust will remain the senior monetary liens on title to the Site until such time as HACR has approved construction funding and a Permanent Loan(s) and the Permitted Security Instruments securing each of such loans, from Institutional Lenders and in amounts which are consistent with the approved Project Budget (in each case, a **“Senior Loan”**), are recorded, at which time the lien of both the Authority Deed of Trust and the HACR Deed of Trust (but not the Covenant Agreements) will be subordinated to such Constructions and Permanent Loan(s), consistent with the approved Project Budget, as the Executive Director may approve. Providing only that the proceeds of the proposed Senior Loan(s), less any transaction costs, must be used to provide financing for the Project.

Section 105.3 Title Approval and Title Insurance. As soon as practicable, NCRC will obtain a preliminary report on the HACR Parcel from the Title Company and deliver a copy to HACR. Within 10 business days following NCRC's receipt of a preliminary report, if NCRC has any title objections it will deliver a written title notice to HACR. If NCRC fails to deliver a title notice within such period, it will be deemed to have approved the status of title to the HACR Parcel. Within 15 business days following receipt by HACR of a title notice, HACR must provide a title notice response to NCRC which will indicate whether HACR elects to remove from title to the HACR Parcel at Closing any matter or item objected to in the title notice. If HACR elects to remove a matter or item, it will cause such removal not later than the Closing Date. If HACR is unwilling or unable to cause the removal of any objected-to item, then within 10 business days after the HACR title response notice is delivered to NCRC or within 10 business days after the end of the period in which HACR could deliver a title notice response, whichever is sooner, NCRC must deliver a written notice that it either refuses to accept the title to and conveyance of the HACR Parcel, in which case either of the Parties will have the right to cancel the Escrow, or absent such notice of refusal NCRC will be deemed to have waived its objection to any matters or items which were set forth in NCRC's title notice. Before exercising a right to cancel the Escrow, the Parties must meet and confer as often as reasonably requested to negotiate, in good faith, methods and means by which an objectionable title matter may be eliminated or mitigated. The obligation to meet and confer will not be construed as an agreement, representation or warranty by any Party that an acceptable resolution of an objectionable title matter will be achieved, nor will any Party be obliged to expend funds or undertake any other action with respect to such title matter unless an agreement reached after meeting and conferring is reduced to writing. If at the end of a reasonable period the Parties have been unable to agree on a mutually acceptable resolution of resolving a title matter, or if any proposed agreement is disapproved by the Board of Commissioners, the Escrow will be cancelled. At Closing, at NCRC's election, NCRC will receive an ALTA owner's policy of title insurance insuring that the fee interest to be conveyed is vested in NCRC and that title is subject only to permitted exceptions (**“Owner's Title Policy”**). The Owner's Title Policy must be in the amount of the Purchase Price and will be paid for by NCRC. At Closing, HACR will receive a 2006 ALTA lender's policy of title insurance in the amount of the HACR Loan, together with such endorsements as are reasonably requested by HACR, insuring the lien of the HACR Deed of Trust as an encumbrance on the Site subject only to the lien of

current property taxes and assessments, the lien of the Authority Deed of Trust and the Covenant Agreement, and any other exception to title which may be approved by HACR ("HACR Lender's Policy"). NCRC will pay the premium cost for issuance of the HACR Lender's Policy and must provide at its cost any boundary survey required by the Title Company as a condition to issuance of the HACR Lender's Policy. HACR must cooperate with NCRC, at no cost to HACR, to permit a boundary survey of the HACR Parcel. NCRC must hold the HACR Parcel and HACR free and harmless from any costs or claims arising from such boundary survey. The responsibility of HACR to provide its cooperation is limited to cooperating in good faith with NCRC.

Section 105.4 Conditions Precedent to the Close of Escrow for the HACR Parcel.

105.4.1 Conditions for the Benefit of HACR. HACR's obligation to sell the HACR Parcel to NCRC on or before the Closing Date will be subject to the satisfaction of the following conditions precedent, which can only be waived at the sole and absolute discretion of HACR:

(a) NCRC and HACR will have executed this Agreement, which will be in full force and effect.

(b) NCRC agrees, or is deemed to agree, to accept title to and conveyance of the HACR Parcel.

(c) NCRC must have timely (unless timely performance has been waived by the Executive Director) and completely performed each and every obligation set out in the Schedule of Performance to be performed by NCRC with respect to transfer of the HACR Parcel.

(d) NCRC's representations, warranties and covenants set forth in this Agreement must be true and correct as of the Closing Date.

(e) The Title Company must be unconditionally committed to issue the Owner's Title Policy and the HACR Lender's Policy subject only to permitted exceptions.

(f) NCRC must have provided HACR with an appraisal of the HACR Parcel prepared in accordance with the provisions of this Agreement and HACR must have approved such appraisal.

(g) NCRC must have submitted to HACR evidence satisfactory to the Executive Director, in the exercise of reasonable discretion, that NCRC has obtained all Entitlements necessary for the development of the Site from each applicable Governmental Agency; notwithstanding the foregoing, the Executive Director may elect to waive this condition and transfer title of the HACR Parcel to NCRC to enable NCRC to assemble all of the Site providing only that NCRC concurrently will, or as of the Closing Date will already, hold fee title to the Church Parcel. In the event of such earlier transfer of title, NCRC's progress toward receipt of required Entitlements must be in compliance with the Schedule of Performance and be

reasonably acceptable to the Executive Director.

(h) NCRC must have executed and delivered to Escrow Holder a recordable (as applicable) PCO Statement, Agreement, Notice of Affordability Covenants, Covenant Agreement, HACR Promissory Note and HACR Deed of Trust, Subordination Agreement(s), if applicable, and such funds or documents required from NCRC under the terms of this Agreement to Close the Escrow and to pay all Escrow Closing costs charged by the Escrow Holder in the performance of its contractual or statutory obligations relating to the Escrow, payment of which will be the sole responsibility of NCRC.

(i) NCRC has submitted to HACR its organizational documents.

(j) The Escrow must Close no earlier than concurrently with the close of escrow by which NCRC acquires title to the Church Parcel. If not closed concurrently, the Closing Date for the Escrow will be established by the Schedule of Performance. The legal description for the HACR Deed of Trust must under all circumstances describe the entire Site as collateral for the HACR Loan.

105.4.2 Conditions for the Benefit of NCRC. NCRC's obligation to purchase the HACR Parcel on the Closing Date will be subject to the satisfaction of the following conditions precedent, each of which can be waived by NCRC:

(a) NCRC agrees, or is deemed to agree, to accept title to and conveyance of the HACR Parcel pursuant to applicable provisions of this Agreement including, but not limited to, the appraised value of the HACR Parcel.

(b) The Title Company is unconditionally committed to issue the Owner's Title Policy and the HACR Lender's Policy, subject only to permitted exceptions, to NCRC and to HACR, as applicable, at the Closing.

(c) NCRC has approved the Escrow Holder's Estimated Closing/Settlement Statement.

(d) HACR must have duly performed each obligation to be performed by HACR hereunder with respect to the HACR Parcel prior to the Closing Date and HACR must not be in default under this Agreement.

(e) HACR's representations, warranties and covenants set forth in this Agreement must be true and correct as of the Closing Date.

(f) NCRC has either obtained all Entitlements required in connection with development of the Site, subject to conditions of approval reasonably acceptable to NCRC, any applicable appeal period has expired without appeal having been filed, or if an appeal is filed, such appeal has been denied, and no legal action has been instituted against NCRC or any Governmental Authority alleging the invalidity of such Entitlements, or NCRC's

obligation in this regard has been waived as a Closing requirement by the Executive Director.

(g) HACR has deposited duly executed and notarized, as applicable, grant deed to transfer title to the HACR Parcel executed by an authorized representative of HACR, a FIRPTA Affidavit, this Agreement, Notice of Affordability Restrictions, Covenant Agreement, Subordination Agreement(s), if applicable, and such other documents from HACR required under the terms of this Agreement by the Escrow Holder to Close the Escrow.

Section 105.5 Closing Procedure. When all conditions precedent have been satisfied or waived, the Executive Director will submit a written statement or other form of authorization to the Escrow Holder stating that HACR authorizes the Closing. Escrow Holder will request such confirmation from NCRC as may be required. Upon Escrow Holder's receipt of confirmation to Close, Escrow Holder will Close the Escrow by doing all of the following:

(a) Record the documents in the Official Records in the following order: (i) Covenant Agreement (unless a Covenant Agreement encumbering all of the Site has already been recorded in connection with the Church Parcel closing); (ii) HACR Deed of Trust, which will be subordinated to the Authority Deed of Trust if the same was already recorded encumbering title to the Site in connection with NCRC's acquisition of title to the Church Parcel; (iii) this Agreement; (iv) Notice of Affordability Restrictions; (v) Subordination Agreements (if applicable); and (vi) any other documents to be recorded through the Closing upon the instructions of HACR and NCRC. Escrow Holder will follow this recording priority unless the Parties otherwise provide by written instructions to Escrow Holder. If all of the foregoing instruments to be recorded do not have legal descriptions describing the entire Site, NCRC must execute such amendments or replacement documents as may be reasonably necessary to satisfy requirements of the Title Company in order to insure that each of the Covenant Agreement, Authority Deed of Trust, HACR Deed of Trust, this Agreement and Notice of Affordability Restrictions encumber title to the entire Site.

(b) File the PCO Statement with the appropriate office of the County and the FIRPTA Affidavit with the Internal Revenue Service, as applicable.

(c) If requested, obtain and deliver the Owner's Title Policy to NCRC, and obtain and deliver the HACR Lender's Policy to HACR, and deliver the original HACR Promissory Note to HACR.

(d) Pay all charges incurred in connection with the sale as provided in the Escrow Estimated Closing Statement which has been approved by HACR and by NCRC from funds provided by NCRC; following the Closing all remaining funds are to be returned by Escrow Holder to NCRC.

(e) NCRC will have the right of possession of the HACR Parcel at Closing free of possession or any right of possession of third persons or entities except if the same is in compliance with a permitted exception.

(f) NCRC will acquire title to the HACR Parcel in its "where is, as is" condition as of the Closing Date, based upon such due diligence investigation of

the condition of the HACR Parcel as NCRC has elected to undertake, at its sole cost. In connection therewith, within 7 business days of a written request by NCRC, HACR will deliver to NCRC, if not previously delivered, all documents in HACR's possession or control relating to the condition of the HACR Parcel including, but not limited to, environmental reports, studies, surveys and all other relevant documents within HACR's possession. Neither HACR nor the County warrants the accuracy of any such documents or information supplied to NCRC or that such documents constitute all documents that may exist regarding the condition of the HACR Parcel.

SECTION 106 Authority Assistance; Authority Loan.

Section 106.1 Authority Loan. In accordance with and subject to the terms and conditions of this Agreement, the Authority agrees to lend to NCRC, and NCRC agrees to borrow from the Authority, the Authority Loan in the amount of \$1,500,000.00 for the acquisition of the Church Parcel. The Authority Loan will be evidenced by the Authority Promissory Note and repayment will be secured by the Authority Deed of Trust, Covenant Agreement, and UCC-1 Financing Statement. The Authority represents and warrants that no portion of the Housing Authority Loan will be funded or subsidized, in whole or in part, directly or indirectly, by the proceeds of any obligation, the interest on which is exempt from taxation under the Internal Revenue Code, or by any grant or loan funded by any federal funds.

Section 106.2 Terms of Authority Loan.

106.2.1 The Authority Loan will be evidenced by the Authority Promissory Note and will be in the principal amount of \$1,500,000.00. The Authority Loan will bear interest at the rate of 3.00% simple interest (non-compounding) per annum from the date NCRC receives title to the Church Parcel and the Authority Deed of Trust is recorded, until paid in full.

106.2.2 The maturity date of the Authority Promissory Note will be the later to occur of (i) December 31, 2078 or (ii) 55 years from the issuance by the City of a Certificate of Occupancy for the last of the Restricted Units in the Project.

106.2.3 The Authority Promissory Note will provide the following:

(a) That except in the case of default as hereinafter provided, the Authority Loan will be repaid on an annual basis from the Project's Residual Receipts as defined herein;

(b) (i) Fifty percent (50%) of the Project's Residual Receipts will be used for the payment of all loans which are payable from Residual Receipts allocated among all such Residual Receipts lenders based upon the ratio of the initial principal balances of all such loans. Payment of such loans payable only from Residual Receipts will continue until all Residual Receipts loans are repaid in full, and (ii) the remaining 50% of the Project's Residual Receipts will be retained by NCRC.

106.2.4 For the purposes of calculating Residual Receipts for payment purposes, Project Residual Receipts are defined as gross rental income from all Restricted Units and all non-residential components of the Project, proceeds from loss of rent insurance, and any other income derived by NCRC from the ownership, operation and management of the Project, but not including interest on required reserve accounts, from which is deducted the following operating expenses:

- (i) auditing and accounting fees;
- (ii) a reasonable property management fee not to exceed \$70 per unit per month, increased by 3% per annum;
- (iii) operating expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which will include, but not be limited to, the cost of on-site management, insurance, taxes and assessments, utilities, on-site staff payroll, payroll taxes and maintenance);
- (iv) replacement reserve payments (to be held in a separate account from operating reserves) which will not exceed \$500 per unit per year for each Restricted Unit in the Project, increasing annually as may be required by the Tax Credit Investor or the Permanent Lender on the Project;
- (v) deferred developer fee and any interest required to be paid thereon;
- (vi) operating reserve payments in an annual amount established by the Tax Credit Investor and included in a Project Annual Budget approved by the Authority;
- (vii) a managing general partner partnership management fee which will be in the total initial amount of \$25,000, increased by no more than 3% annually;
- (viii) a limited partner asset management fee not to exceed \$10,500 per year, which fee will be increased annually by 3% during each year of the tax credit compliance period for the Project, and thereafter any further increases will not be permitted without the written approval of the Executive Director or designee;
- (ix) payments of must-pay regularly recurring and noncontingent principal and interest on amortized loans and indebtedness secured by the Project;
- (x) all fees and costs to social service providers which provide required social services to the Project;
- (xi) all annual monitoring fees payable to the Authority or to any other Governmental Authority, together with any bond monitoring fees, issuer or issuance

fees and fiscal agent fees, if any, and other fees and costs payable in connection with any bonds issued in connection with or as part of the financing for the Project;

(xii) payments to repay any voluntary loans or capital contributions made by the Tax Credit Investor pursuant to the provisions of the Partnership Agreement and any payments to pay any tax credit adjustors which might be required pursuant to the Partnership Agreement; and

(xiii) all other fees and expenses included in the Annual Budget for the Project approved by the Housing Authority.

Operating expenses shall not include repayment of advances made to NCRC by its limited partner(s), general partner(s), their affiliate(s) and/or third parties (including without limitation, any advances or reimbursements for any portion of the deferred developer fee) to pay any construction cost overruns (collectively a "Partnership Loan"); provided, however, repayment of such Partnership Loan may be authorized by the Executive Director or designee, in the exercise of their discretion, upon written request received by the Authority. In considering such request for approval of a Partnership Loan, the Executive Director will consider the following: (a) whether such request was made pursuant to the terms of the Partnership Agreement, (b) if a Project deficit exists and written evidence of such deficit is provided to the Executive Director, (c) if NCRC has demonstrated to the Authority that the requested Partnership Loan is the only available means of relieving such deficit, and (d) the Executive Director approves the loan terms, including, but not limited to the loan amount, interest rate, and maturity date. The Executive Director or designee will retain the right, in their discretion, to refer such approval to the Authority's Board of Commissioners. Failure by the Executive Director to respond to such request within 30 days of the Authority's receipt of such written notice will be deemed disapproval of such request.

Residual Receipts will be determined based on the data contained in certified financial statements for the Project. Annual audited financial statements for the Project must be submitted to the Authority within 120 days following the close of the Project fiscal year (which is the calendar year), the first such submittal must be made commencing on May 1 of the first full calendar year following issuance by the City of a Certificate of Occupancy for the final Restricted Unit. The first payment of the Authority's allocable share of Residual Receipts on the Authority Promissory Note will be due on July 1st of the first full calendar year following the year in which the Certificate of Occupancy is issued by the City for the final Restricted Unit, to the extent of available Residual Receipts. Subsequent payments will be made each July 1st thereafter to the extent of available Residual Receipts until the earlier of full repayment of the Authority Loan or the maturity date of the Authority Promissory Note.

106.2.5 The Authority Promissory Note will be secured by the Authority Deed of Trust, by the Covenant Agreement, and by the UCC-1 Financing Statement.

106.2.6 At Closing or thereafter, the Authority agrees to execute all documents reasonably necessary to effectuate subordination of the Authority Loan and the Authority Deed of Trust to any Senior Loan provided that any such subordination does not (i) adversely affect the receipt of any benefit or right of the Authority under this Agreement, under

the Authority Promissory Note and/or under the Authority Deed of Trust, including without limitation causing or requiring the subordination of the affordability covenants contained in the Covenant Agreement, which must remain the senior lien on the Project, or (ii) increase any Authority obligation or liability under this Agreement. Subordination of any future refinancing may be agreed to by the Authority upon NCRC's request, with such agreement not to be unreasonably withheld or delayed.

106.2.7 Prepayment of principal and/or interest of the Authority Promissory Note may occur at any time without penalty or premium, provided however, such prepayment will not release NCRC or the Project from complying with the affordability and use restrictions set forth in the Covenant Agreement until the term thereof has expired, or release NCRC's obligations to comply with all laws and regulations relating to the operation of the Restricted Units.

106.2.8 Provided NCRC is not in default under this Agreement or any other Authority Loan Documents, the principal balance of the Authority Loan will be disbursed by the Authority directly to Escrow No. 30077386 at the Title Company by which NCRC will acquire title to the Church Parcel in sufficient time to enable that Escrow to close by not later than June 30, 2023. The proceeds of the Authority Loan must be used exclusively to pay the acquisition price for the Church Parcel. The Authority Grant will also be disbursed by the Authority directly to said Escrow Number above and the proceeds of the Authority Grant must be used exclusively to pay a portion of the Development Costs.

106.2.9 As of the Effective Date of this Agreement, all conditions precedent to the Close of Escrow No. 30077386 have been satisfied except for the seller's deposit of the deed and other closing documents and the buyer's deposit of the purchase price and buyer's share of Escrow closing costs (and the temporary lease-back agreement, if elected by the seller). The Authority and NCRC will each promptly provide such additional instructions to the Title Company, acting as the escrow agent for the sale transaction (in this capacity, the "Escrow Agent"), as may be necessary to enable the escrow to close using the proceeds from the Authority Loan. The Escrow Agent is empowered to act under such instructions and to provide written confirmation of its acceptance thereof to the Parties. NCRC acknowledges that it must deposit with either the Authority or with the Escrow Holder, as the Authority may require, the executed Authority Loan Note, the executed and acknowledged Authority Deed of Trust, the executed and acknowledged Covenant Agreement, and the executed UCC-1 Financing Statement, all in sufficient time for the Authority to verify such deposit and wire the proceeds of the Authority Loan to Escrow in sufficient time for the close of the escrow. At Closing, the Escrow Agent will cause documents to be recorded in accordance with the priority established in Section 106.2.11 of this Agreement when all of the conditions precedent to the disbursement of Agency Loan proceeds have been satisfied or waived by the Executive Director in writing. NCRC must pay the following fees, charges and costs promptly after the Escrow Agent has notified it of the amount of such fees, charges and costs: (i) all of the escrow fee chargeable to NCRC, and the Authority will not be obligated to pay any part of the fees and costs of escrow; (ii) the premium for the Authority Loan Lender's Title Policy (as defined in Section 106.2.12), including any endorsements required by the Executive Director; and (iii) all recording fees.

Prior to Closing, Escrow Agent will provide the Authority with a copy of the estimated settlement statement for review and approval; the Escrow Agent may provide a copy of the final Settlement Statement to the Authority following the close of escrow.

106.2.10 If the escrow is not in a condition to close on or before June 30, 2023, and if the closing is not postponed by agreement of the seller, NCRC and the Authority, then the Authority may make written demand to the Escrow Agent for the return of its money, papers or documents. Escrow Agent must promptly comply with such Authority demand.

106.2.11 Authority and NCRC each agree to perform all acts reasonably necessary to achieve recordation and delivery of documents in sufficient time for escrow to be closed in accordance with the foregoing provisions. At closing, the following documents will be recorded in the Official Records in the following order: first, the Covenant Agreement, and second, the Authority Deed of Trust, and third, any recording associated with the UCC-1 Financing Statement.

106.2.12 NCRC will provide the Authority with a pro forma lender's title policy issued by the Title Company with respect to title to the Church Parcel, together with copies of the documents underlying the exceptions (the "Exceptions") set forth in such pro forma policy. The Exceptions to title approved by the Authority as provided therein together with those which are otherwise consistent with this Agreement and which are acceptable to the Authority will hereinafter collectively be referred to as the "Approved Title Conditions." The Authority will have the right to approve or disapprove any further Exceptions reported by the Title Company (which are not created by the Authority) after the Authority has approved the Approved Title Conditions for the Church Parcel. NCRC will not create and will use its best efforts not to allow any new exceptions to title of the Church Parcel following the Effective Date of this Agreement without the prior written approval of the Executive Director, which will not be unreasonably withheld. Then concurrent with recordation of the Authority Deed of Trust, the Title Company will issue and deliver to the Authority a 2006 ALTA lender's policy of title insurance, with a liability limit of \$1,500,000.00 (the "Authority Loan Lender's Title Policy") showing the lien of the Authority Deed of Trust to be the senior monetary lien on the Church Parcel, subject only to the liens of the Covenant Agreement and the Approved Title Conditions. NCRC will pay the cost of such title insurance, including any special coverage or endorsements thereto required by the Executive Director. The Authority will have no responsibility to pay the cost of any portion of the premium for the Authority Loan Lender's Title Policy.

106.2.13 The obligations of the Authority hereunder are subject to the satisfaction prior to the closing (unless otherwise waived in writing by the Executive Director) of the following conditions:

(a) NCRC must have executed this Agreement and delivered it to the Authority.

(b) Title Company must be irrevocably committed to issue the Authority Loan Lender's Title Policy insuring the priority of the recorded documents in the order specified herein.

(c) NCRC must have submitted to the Authority, and the Executive Director must have approved, evidence of any insurance to be provided by NCRC which is required by the Authority as provided herein.

(d) NCRC must have delivered to the Authority copies of documentation requested by the Authority relating to NCRC, including, without limitation: copies of resolutions or other necessary actions taken by such entity to authorize the execution of this Agreement and related documents; and a certificate of status issued by the California Secretary of State.

(e) NCRC must have duly performed each and every one of its obligations hereunder, or performance must have been duly waived by the Executive Director, NCRC's representations, warranties and covenants set forth in this Agreement must be true and correct as of the date of the Closing, and NCRC must not be in default under the terms of this Agreement.

(f) The Escrow Agent must have accepted any supplemental recording instructions as may have been submitted by the Authority.

106.2.14 Upon the Closing, Escrow Agent must promptly undertake all of the following in the manner hereinbelow indicated: (a) deliver the Authority Promissory Note to the Authority, unless the Authority has acknowledged its receipt thereof prior to the Closing; (b) cause the Covenant Agreement, the Authority Deed of Trust and other recordable Authority Loan Documents, and any other documents which the Parties may mutually direct, to be recorded in the Official Records, and obtain conformed copies thereof for distribution to the Authority and to NCRC; (c) direct the Title Company to issue the Authority Loan Lender's Title Policy to the Authority; and (d) prepare and distribute to each of NCRC and the Authority a copy of the final Settlement Statement and a complete copy of all documents handled for the Parties by Escrow Agent. Escrow Agent agrees that release of Authority Loan proceeds for the benefit of NCRC will irrevocably commit Escrow Agent, on behalf of Title Company, to issue the Authority Loan Lender's Title Policy in accordance with this Agreement.

106.2.15 In the event that the Close of Escrow does not occur for a reason other than the default of the Authority or NCRC, the following will apply: (a) either Party will have the right to terminate this Agreement; (b) if this Agreement is terminated as provided herein, then Escrow Agent is hereby instructed to promptly return to NCRC and the Authority all funds and documents deposited by them, respectively, into Escrow which are held by Escrow Agent on the date of said termination, in which case the cancellation charges, if any, required to be paid by and to Escrow Agent and the Title Company shall be borne by NCRC; and (c) if this Agreement is terminated as provided herein, then neither Party shall have any further rights or obligations hereunder except those that survive termination of this Agreement as expressly provided herein.

PART 2 DEVELOPMENT OF PROJECT

SECTION 201 Land Use Approvals

It is the responsibility of NCRC, without cost to the Authority, to ensure that zoning of the HACR Parcel and the Church Parcel and all applicable City and any applicable County land use requirements will permit development of the Site and construction, use, operation and maintenance of improvements making up the Project in accordance with the provisions of this Agreement. Nothing contained herein will be deemed to entitle NCRC to any City or County permit or Entitlement approval necessary for the development of the Project, or waive any applicable City or County requirements relating thereto. This Agreement does not (i) grant any land use Entitlement to NCRC, (ii) supersede, nullify or amend any condition which may be imposed by the City or the County (as applicable) in connection with approval of the development described herein, (iii) guarantee to NCRC or any other party any profits from development or operation of the Project, (iv) amend any City or County laws, codes, regulations, ordinances or rules. NCRC acknowledges that this Agreement does not vest any development rights relating to the Project and that this Agreement is not to be deemed a "development agreement" as provided in Government Code Section 65864.

SECTION 202 Obligation to Pursue Entitlements

HACR has not provided its financial assistance detailed in this Agreement to enable speculation in the Site. NCRC or its permitted successors and assigns must develop the Site with the Project in accordance with and within the limitations established in the Scope of Development attached hereto as Exhibit M and to comply with the conditions and requirements of all permits issued by the City and all other governmental authorities concerning development of the Project. NCRC and, as applicable, HACR, must perform all acts respectively required of such Party within the applicable times provided in the Schedule of Performance as the same may be modified from time to time by the Parties. NCRC acknowledges that a default in its obligations under this Agreement, including, but not limited to, its obligations established in this Part 2, which is not otherwise excused by an applicable provision of this Agreement or waived by action of the Executive Director, will be deemed a breach under the Authority Deed of Trust and the HACR Deed of Trust. An uncured default by NCRC will consequently permit HACR to resort to any of its remedies granted under this Agreement, State law, or any instrument affiliated herewith, including, but not limited to, foreclosing under one or both of the Authority Deed of Trust or the HACR Deed of Trust. HACR may pursue any of its remedies singularly or concurrently, at its sole discretion.

SECTION 203 Compliance with Environmental and Other Laws.

NCRC must perform all necessary final actions and obtain the final Entitlements and other approvals required for the development and construction of the Project within the time frames set forth in the Schedule of Performance. Such final actions and approvals may include, but are not limited to, the following: (i) completing requisite activities to comply with the California Environmental Quality Act ("CEQA"), (ii) taking such actions as may be reasonably necessary to merge the HACR Parcel and the Church Parcel into a single legal parcel by seeking approval of a parcel map, lot merger, lot line adjustment or other process available for the same under the laws and ordinances of the City; upon final approval of a merger of the two parcels, NCRC must cooperate with HACR to amend any recorded instrument held by HACR arising from or relating to this Agreement which might be necessary to update the legal description in such recorded

instruments with the legal description of the merged parcels, (iii) pursue final action and approvals for environmental and land use permits and all Entitlements from Governmental Authorities having jurisdiction over the same, and (iv) pursue to resolution or final adjudication any legal challenge to the Entitlements or the Project, including a challenge based upon CEQA. This Agreement does not restrict the City or, as applicable, HACR, from considering any feasible environmental mitigation measures and alternatives, including a “no project” alternative and does not bind the City or HACR, as applicable, to any definitive course of action prior to CEQA compliance. The Entitlements will be obtained at NCRC’s sole expense and neither HACR nor the County is under any legal obligation to advance further funds to NCRC beyond the HACR Loan and the Authority Loan. NCRC represents and warrants that the Project will be developed in full compliance with all applicable CEQA requirements for new construction in the City, and that commencement of construction of the Project is contingent upon NCRC obtaining all required environmental and land use permits, including CEQA compliance. NCRC will indemnify, defend (with counsel reasonably acceptable to HACR) and hold harmless HACR, its Board of Commissioners, respective directors, officers, elected and appointed officials, employees, agents and representatives at NCRC’s sole cost and expense (including, but not limited to, payment of reasonable attorneys’ fees, cost and investigation, defense and settlement or awards which might be incurred by HACR as a result of an action brought challenging the legality of compliance with CEQA or any other Governmental Requirement applicable to the Site or the Project) from and against any all claims, actions, proceedings, demands, liabilities, costs, expenses (including reasonable attorneys’ fees and costs), damages and losses, cause or causes of action in suit or suits (collectively, “Claims”) arising from or in connection with the failure to comply with an applicable law or governmental regulation or any action to attack, set aside, void or annul any approvals of the City, HACR, its advisory agencies or legislative body, or any other Governmental Authority with jurisdiction over the Project or the Site, including, but not limited to, CEQA compliance.

SECTION 204 Development of Basic Concepts, Schematic Drawings, Approved Plans and Related Documents.

NCRC will employ a licensed architect, who must be reasonably acceptable to the Executive Director, in connection with the design and construction of the Project. Within the time established in the Schedule of Performance, NCRC must prepare basic concept and schematic drawings, a proposed site plan, and related documents for the development of the Project and submit a set of the same to the Authority for review and comment. When NCRC has submitted the same to the City for review, basic concept and schematic drawings must include a site plan, elevations and section of the improvements constituting the Project as they are proposed to be constructed on the Site. NCRC and the Authority will each make good faith efforts to make representatives available to meet and confer regarding any comments which the Authority might have on the basic concept drawings. As NCRC receives comments on the basic concept drawings from the City, it will communicate those comments to the Authority for its information. The Parties will use good faith efforts to develop basic concept and schematic drawings which will satisfy the requirements of the City and will also be acceptable to the Authority; approval of the basic concept drawings by the Authority will not be unreasonably withheld or delayed and must be exercised to take into account the joint goals of NCRC, the City and the Authority for development of the Project.

Section 204.1 Once the basic conceptual and schematic drawings are prepared and approved, NCRC will cause construction working drawings and related documents to be prepared which must substantially incorporate the elements of the approved basic conceptual and schematic drawings. NCRC will submit the working construction plans, drawings and specifications (collectively, the "Plans") to the City for review and comment; as such Plans with comments are returned to NCRC by the City, NCRC will provide a copy of the City's comments to the Authority for its information and review. The Parties acknowledge that Entitlement processing and Plan approval will be up to the City and that Authority review is to keep the Authority advised as to the status of Plan preparation. As progressively more detailed Plans are prepared and submitted to the City and City comments are received, NCRC agrees that developing and processing such Plans will be done as a logical evolution of the basic conceptual and schematic drawings earlier approved by the Authority. NCRC will make representatives available at the request of the Executive Director or designee to meet concerning the Authority's review of Plans and related documents. Representatives of the Executive Director and of NCRC will communicate and consult informally as frequently as is necessary to ensure that the Authority receives prompt and speedy consideration of the Plans as they are being processed through the City.

Section 204.2 The cost of developing and constructing the improvements constituting the Project, including all offsite or onsite improvements required by any Governmental Authority in connection therewith, will be the responsibility of NCRC without cost to the Authority. If a Construction Lender requires issuance of payment and performance bonds for construction of the improvements constituting the Project, NCRC must take commercially reasonable steps to cause the Authority to be named as an additional obligee on any such bonds. If the Construction Lender does not require payment and performance bonds, but agrees to accept a payment and completion guaranty from NCRC in lieu of the provision of such bonds, NCRC will provide to the Authority a payment and performance guaranty in a form reasonably acceptable to the Authority. NCRC will cause development and construction of such improvements including, without limitation, all public works (as defined by applicable law), if any, in conformity with all applicable Governmental Requirements. Prevailing wages are required for work done that falls within the definition of "public works" under California Labor Code Section 1720, unless otherwise exempt under a provision of Section 1720(c). NCRC will also cause the Project to pay prevailing wages if required under the Davis-Bacon Act. For any portions of the Project which are "public works" pursuant to Labor Code Section 1720.2, which are not otherwise exempted, the following applies: (a) NCRC will require that any contractor performing work on the Project must comply with applicable prevailing wage requirements and will be subject to restrictions and penalties in accordance with Labor Code Section 1770, et seq, which requires prevailing wages to be paid to appropriate work classifications in all bid specifications and subcontracts. For any work of construction subject to prevailing wage requirements, NCRC must require that the general contractor furnish all subcontractors and employees with a copy of the Department of Industrial Relations prevailing wage rates which NCRC will post at the job site. Further, NCRC will require that any contractor performing work on the Project which is subject to prevailing wage requirements will comply with the payroll record keeping and availability requirement of Labor Code Section 1776. For any work of construction subject to prevailing wage requirements, NCRC must require that each affected subcontractor will make travel and subsistence payments to workers needed for performance of work in accordance with

Labor Code Section 1773.8 and prior to the commencement of any work subject to prevailing wages NCRC must require that each subcontractor will contact the Division of Apprenticeship Standards and comply with Labor Code Sections 1777.5, 1777.6 and 1777.7, and all applicable regulations. At its cost, NCRC will indemnify, hold harmless and defend the Authority and the County against Claims made arising from a breach of the obligations provided in this Section 204.2, and further, NCRC will be responsible for the payment of any fine, penalty or fee levied against the Project arising out of any violations by NCRC of this Section 204.2. NCRC will cause the Project to be constructed in compliance with all applicable local, State and Federal building codes and laws, as from time to time amended, including, but not limited to, the Americans with Disabilities Act requirements. NCRC will cause all improvements to be completed in a workmanlike manner and in compliance with all applicable law.

Section 204.3 Before commencement of demolition of existing structures and construction of any buildings, structures or other works of improvement on any portion of the Site, NCRC will, at its own expense, secure or cause to be secured all permits which may be required by the City or by any other Governmental Authority as a condition to such construction. NCRC will be responsible for obtaining all such required permits and land use approvals required by the City for the construction of the Project, and for ensuring that the use of the Site for the purposes described in this Agreement complies with the zoning and other City land use regulations (including any applicable exemptions and/or exceptions) applicable to the Site at the time of the commencement of construction. The Authority will, at all times during the term of this Agreement, have the right to post and maintain on the Site and record against title to the Site, if and as required by law, any notice(s) of non-responsibility provided for by the mechanics' lien laws of the State of California; provided, however, that NCRC will, on behalf of the Authority, post and maintain on the Site, notices of non-responsibility requested by the Authority and in compliance with applicable provisions of the mechanics' liens laws.

SECTION 205 Construction Drawings and Related Documents

Final Plans and specifications for construction of the improvements must be prepared to incorporate substantially the basic concept and schematic drawings which were approved by the Authority and by the City. The Project will be constructed in compliance with the final Plans, drawings, and specifications which have been reviewed and approved by the City. The Scope of Development attached hereto will be revised from time to time during the Entitlement process to reflect any modifications reflecting the various Entitlement approvals which are received by NCRC from the City and, as applicable, modifications which fit comments made by the Authority. NCRC must develop the basic concept plans and schematic drawings as well as the final Plans, drawings, and specifications within the applicable times provided in the Schedule of Performance, and construction must begin and complete within the applicable times specified in the Schedule of Performance, with such reasonable extensions of time as may be granted by the Executive Director and subject to Force Majeure. In this regard, the Executive Director, on behalf of the Authority and without referring such matter to the Board of Commissioners, may extend all pending deadlines in the Schedule of Performance up to 4 occasions for a total of no more than 12 months for an individual line item within the Schedule of Performance. Further, the Executive Director, acting on behalf of the Authority, and without referring such matter to the Board of Commissioners, may extend the completion date for construction up to a total of 3 years. Provided, however, that any additional extensions or extensions to the date for completion of construction

beyond the limits set forth in the two preceding sentences must be approved by the Board of Commissioners.

SECTION 206 Nondiscrimination

NCRC must not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age or disability in the solicitation, selection, hiring, or recruitment of any contractors or consultants, to participate in subcontracting/subconsulting opportunities. NCRC acknowledges that violation of this clause will be considered a material breach of this Agreement and may result in termination, debarment or other sanctions. This language will be incorporated into all contracts between NCRC and any contractor, consultant, subcontractor, subconsultants, vendors and suppliers. NCRC must 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 Site.

SECTION 207 Indemnification and Insurance

Without limiting any other indemnities of NCRC set forth herein, NCRC will indemnify and hold harmless the Authority, its directors, officers, Board of Commissioners, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as "Indemnitees") from any liability whatsoever, asserted or based upon any actions, failure to act or services of NCRC, its successors or any Partnership assignee, as applicable, and their officers, employees, subcontractors, agents or representatives, arising out of or in any way relating to this Agreement, the HACR Parcel, the Church Parcel, development, Entitlement, construction and operation of the Project, or any other activity engaged in furtherance of this Agreement, including but not limited to property damage, bodily injury, or death or any other claim of any kind or nature whatsoever. NCRC or its Partnership assignee, as applicable, will defend the Indemnities and will bear all costs of defense, at its sole expense, including, but not limited to, reasonable attorney fees, cost of investigation, defense and settlements or awards, in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by NCRC, NCRC or its Partnership assignee, as applicable, may, at its sole cost, use counsel of its choice and will have the right to adjust, settle, or compromise any such action or claim without the prior consent of Authority; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes NCRC's indemnification obligations to Indemnitees as set forth herein.

The obligations of NCRC or its Partnership assignee, as applicable, hereunder will be satisfied when the Authority has been provided with the appropriate form of dismissal relieving Authority and the other Indemnitees from any liability for the action or claim involved. The specified insurance limits required in this Agreement will in no way limit or circumscribe the obligations of NCRC or its Partnership assignee, as applicable, to indemnify and hold harmless Indemnitees herein from third party claims.

In the event there is conflict between this clause and California Civil Code Section 2782,

this clause will be interpreted to comply with Civil Code 2782. Such interpretation will not relieve NCRC from indemnifying the Authority to the fullest extent allowed by law.

The foregoing indemnity will remain in effect in the event this Agreement is terminated and after issuance of the final Certificate of Occupancy for the last Restricted Unit in the Project, provided, however, the indemnities given by NCRC will apply only to events occurring or claims accruing prior to the date of transfer of the Site or of NCRC's interest under this Agreement to the Partnership in accordance with the restrictions and requirements of this Agreement, after which time liability relating to the Site and to any unperformed obligations under this Agreement will be the obligation of the Partnership.

Section 207.1 In order to protect the Authority and its agents, attorneys, officers, employees and authorized representatives (collectively, "Additional Insureds") against any and all claims and liability for death, injury, loss and damage resulting from NCRC's actions in connection with this Agreement, the Site, and the Project, promptly following the Effective Date, NCRC will secure and maintain the insurance coverage described herein; the "course of construction" insurance described herein will be procured by NCRC and will be in full force and effect prior to any construction on the Site. The Authority will not have any obligation under this Agreement until NCRC provides the required policies and/or certificates evidencing required insurance to the Authority and the Authority approves such evidence of insurance. NCRC will pay any deductibles and self-insured retentions under all insurance policies issued in satisfaction of the terms of this Agreement. NCRC will provide all required insurance policies until recordation of the final Certificate of Occupancy issued by the City for the final Restricted Unit in the Project and at such point any insurance obligations in favor of the Authority and Additional Insureds which are contained in the Covenant Agreement, the HACR Deed of Trust and the Authority Deed of Trust will supersede the insurance provisions contained in this Agreement.

207.1.1 So long as NCRC has employees (as defined by the State) who work on the Project, it must maintain statutory workers' compensation insurance (Coverage A) as prescribed by the laws of the State. Policies must include employers' liability (Coverage B) including occupational disease with limits not less than \$1,000,000.00 per person per accident. The policy must be endorsed to waive subrogation in favor of the Authority, and, if applicable, to provide a borrowed servant/alternative employer endorsement. By executing this Agreement, NCRC makes the following certification, required by Section 1861 of the Labor Code:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of the Agreement."

NCRC will require each contractor and sub-contractor performing work on the Project to provide workers' compensation coverage for all of such contractor's or sub-contractors employees, unless the contractor's or sub-contractor's employees are covered by workers' compensation insurance provided by the general contractor or NCRC. If any class of employees engaged in work or services performed in connection with the Project is not

covered by Labor Code Section 3700, NCRC will provide and/or require each contractor or sub-contractor to provide adequate workers' compensation insurance covering such employees. Each workers' compensation policy procured pursuant to this provision will contain a full waiver of subrogation clause in favor of the Additional Insureds.

207.1.2 NCRC must maintain in full force and effect commercial general liability insurance coverage including, but not limited to, premises-operations, contractual liability insurance (specifically covering all indemnity obligations of NCRC pursuant to this Agreement), products-completed, operations hazards, personal injury (including bodily injury and death) and property damage for liability arising out of the construction of the Project and/or the operations of NCRC or the Partnership as its assignee concerning the Site or the Project. The commercial general liability insurance coverage must have minimum limits for bodily injury and property damage liability of \$2,000,000.00 each occurrence and \$2,000,000.00 aggregate. In addition to the Additional Insureds, such policy will name the County, its agencies, districts, special districts and departments and their respective directors, officers, employees, elected or appointed officials, agents or representatives as additional insureds. If such insurance contains a general aggregate limit, it will apply separately to this Agreement and be no less than two times the occurrence limits. The requirement to provide required commercial general liability insurance may be satisfied by an umbrella liability insurance policy maintained by NCRC. Not less than 3 business days prior to entry onto the HACR Parcel by NCRC or its representatives, NCRC must provide, or cause any of its designees performing such work to provide, certificates evidencing the coverage required hereby.

207.1.3 NCRC must maintain in full force and effect automobile liability insurance against claims of personal injury (including bodily injury and death) and property damage covering all owned, leased, hired and non-owned vehicles used by NCRC with minimum limits for bodily injury and property damage of \$1,000,000.00 combined single limit. Such insurance may be provided by a business or commercial vehicle policy.

207.1.4 During the construction of the Project, NCRC or the Partnership as its assignee, will require that its general contractor and each major sub-contractor performing work on the Project maintain the following insurance coverage at all times during the performance of said work. NCRC must provide for such contractor's "wrap" coverage, as specified below, at all times during the performance of said work: (i) NCRC will maintain builder's risk insurance to be written on an "all-risk completed value" basis in an aggregate amount equal to 100% of the completed insurable value of the Project or portion of the Project on which such contractor is performing work. Such all-risk or course of construction insurance coverage must include flood coverage (if the Site is located in a flood zone or if such coverage is required by another lender on the Project), and should cover the Authority, and every subcontractor of every tier for the entire Project, including property to be used in the construction of work while such property is at an off-site storage location or while in transit or in temporary off-site storage. Such policy(ies) must include, but not be limited to, coverage for fire, collapse, faulty workmanship, debris removal, expediting expense, fire department service charges, temporary structures (on-

site offices, construction trailer, etc.), fixtures, machinery and equipment being installed as part of the work of construction, trees, grass, shrubbery and plants. If scaffolding, falsework or temporary buildings are insured separately by NCRC or others, evidence of such separate coverage must be provided to the Authority prior to the start of the work of construction; (ii) each general contractor and each major sub-contractor must maintain commercial general liability insurance with limits of not less than \$2,000,000.00 per occurrence and \$2,000,000.00 aggregate to protect NCRC during the construction of the Project from claims involving bodily injury and/or death and damage to the property of others; (iii) each general contractor and each major sub-contractor will maintain automobile liability insurance against claims of personal injury (including bodily injury and death) and property damage covering all owned, leased, hired and non-owned vehicles used in the performance of the contractor's obligations with minimum limits for bodily injury and property damage of \$1,000,000.00 each occurrence. Such coverage may be provided with a combination of commercial automobile liability insurance and an excess or umbrella liability policy. Such automobile liability insurance may be provided by a business or commercial vehicle policy.

207.1.5 In compliance with applicable provisions of the HACR Deed of Trust and the Authority Deed of Trust, upon completion of construction of the Project or any completed portion thereof, NCRC will maintain in full force and effect on the Project fire and extended coverage insurance, excluding earthquake coverage, on a blanket basis or with an agreed amount clause in amounts not less than 100% of the replacement value of the Project or portion thereof. Insurance coverage in the minimum amounts set forth herein will not be construed to relieve NCRC of any liability, whether within, outside, or in excess of such coverage and regardless of solvency or insolvency of the insurer that issues the coverage, nor will it preclude the Authority or the Additional Insureds from taking such other actions as are available to them under any other provision of this Agreement or otherwise at law.

207.1.6 All insurance required above must include endorsements naming the Additional Insureds as additional insured for liability arising out of this Agreement and any operation related to this Agreement. All such insurance coverage must be written on an "occurrence" basis. Receipt by the Authority of evidence of insurance that does not comply with the above requirements will not constitute a waiver of the insurance requirements of this Agreement. All of the insurance coverage required hereunder will be maintained by NCRC or its contractors, as required by the terms of this Agreement, until the issuance of the final Certificate of Occupancy for the final Restricted Unit in the Project and must provide that it may not be reduced, modified, or cancelled without at least 30 days prior written notice to NCRC and the Authority. NCRC must immediately obtain replacement coverage for any required insurance policy that is terminated, cancelled, non-renewed, or whose policy limits are exhausted or upon insolvency of the insurer that issued the policy. All required insurance must be issued by a company or companies listed in the then current "Best's Key Rating Guide" publication with a minimum of an "A:VII" rating and be admitted to conduct business in the State of California. If the County's Risk Manager waives the requirement for a particular insurer, such waiver is only valid for that specific insurer and only for one policy term. Where

applicable, all insurance carriers issuing required insurance must declare insurance self-insured retentions under such insurance policy(ies). If such self-insured retentions exceed \$500,000.00 per occurrence, such retentions must have the prior written consent of the Risk Manager. Upon notification of self-insurance retention unacceptable to the Authority, and at the election of the Risk Manager, an insurance carrier must either reduce or eliminate such self-insurance retention or procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses. All insurance obtained and maintained by NCRC in satisfaction of the requirements of this Agreement will be primary to and not contributing to any insurance maintained by the Authority or the Additional Insureds. NCRC will cause each insurance carrier to furnish the Authority with copies of certificate(s) of insurance and endorsements showing coverage complying with the requirements hereof. If requested to do so orally or in writing by the Risk Manager, NCRC will provide the Authority with full copies of policies including all endorsements and all attachments, showing that such insurance is in full force and effect. All required policies of insurance must contain the covenant of the insurance carrier(s) that 30 days written notice must be given to the Authority prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. NCRC agrees to promptly notify Authority of any claim by a third party or any incident or event that may give rise to a claim covered by insurance specified herein.

207.1.7 Failure by NCRC to maintain all required insurance coverages in effect will, after notice and of the time for cure or remedy passes without such cure or remedy being made, constitute an Event of Default (as defined herein) by NCRC under this Agreement. The Authority, at its sole option, may exercise any remedy available to it in connection with such an Event of Default (as defined herein). Alternatively, the Authority may, at its sole option, and after notice of such default has been given to NCRC and NCRC has failed to cure such default within the time permitted for a cure or remedy, purchase any such required insurance coverage. In such event, the Authority will be entitled to immediate payment from NCRC for any premiums and associated costs paid by the Authority for such insurance coverage. Any election by the Authority to purchase or not to purchase insurance otherwise required to be carried by NCRC will not relieve NCRC of its obligation to obtain and maintain the insurance coverage required by this Agreement.

207.1.8 The obligations of NCRC or the Partnership as its assignee to provide insurance designated above may be satisfied by naming the Authority and, as applicable, Additional Insureds, as covered insured under a policy or policies maintained by NCRC or the Partnership as its assignee in response to insurance requirements of any Permitted Lender.

SECTION 208 Hazardous Substances

Section 208.1 "Hazardous Substance" as used in this Agreement means any substance, material or waste which is or becomes regulated by the United States government, the State of California, or any other Governmental Authority, including, without limitation, (i) any material, substance or waste which is defined as "extremely hazardous substances", "hazardous substances", "hazardous materials", "hazardous waste" or "toxic substances" in the

Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. sections 9601, et seq., the Hazardous Materials Transportation Uniform Safety Act of 1990, as amended, 49 U.S.C. sections 5101, et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. sections 6901, et seq.; and those substances defined as “hazardous waste” in section 25117 of the California Health and Safety Code, as “infectious waste” in section 27054.4 of the California Health and Safety Code, or as “hazardous substances” in section 25316 of the California Health and Safety Code, or “hazardous material” as defined in section 353 of the California Vehicle Code, or “hazardous substance” as defined in Section 33459(c) of the California Health and Safety Code; and in the regulations adopted and publications promulgated pursuant to said laws; (ii) petroleum, asbestos or any polychlorinated biphenyl; and (iii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any governmental requirements either requires special handling in its use, transportation, generation, collection, storage, treatment or disposal, or is defined as “hazardous” or is harmful to the environment or capable of posing a risk of injury to public health and safety. “Hazardous Substances” do not include materials customarily used in the construction, development, operation or maintenance of real estate, provided such substances are used in accordance with all applicable laws and regulations and the instructions and requirements of each vendor thereof.

Section 208.2 NCRC hereby represents and warrants that the development, construction and use of the Project permitted under this Agreement (i) will comply with all applicable environmental laws; and (ii) does not require the presence of any Hazardous Substance on the Site.

Section 208.3 NCRC agrees to indemnify, protect, defend, save and hold harmless the Authority, and its officers, Board of Commissioners, elected and appointed officials, employees, agents, representatives and attorneys, from and against any and all debts, duties, obligations (including any remediation obligations or clean-up costs imposed by any Governmental Restrictions), liabilities, suits, claims, demands, penalties, fines, causes of action, damages, losses, costs and expenses, including, without limitation, reasonable attorneys’ fees and expenses (and including any allocable costs of any of the foregoing parties’ in-house counsel) arising on or accruing as a result of the presence, use, storage, handling, treatment, generation, release, discharge, refining, manufacturing, dumping or disposal of any Hazardous Substances or other kinds of contamination or pollutants of any kind into the air, soil, groundwater or surface water on, under, in or about the Site (whether legal or illegal, accidental or intentional) which is caused by NCRC, the Partnership as its assignee or their representatives. This indemnity will be confirmed by execution by NCRC of the Environmental Indemnity attached hereto as Exhibit F and delivery of the same to Authority on or prior to the Effective Date.

SECTION 209 Rights of Access. NCRC and its authorized representatives will have the right to access the HACR Parcel at any time and from time to time in furtherance of any obligation or provision contained in this Agreement providing only that the Authority has received applicable required insurance to be provided by NCRC and further that all work done on the HACR Parcel by or for NCRC will be paid for in full by NCRC and that NCRC will hold the Authority and the HACR Parcel free and harmless from all claims arising from or relating to such access, including, but not limited to, mechanics’ liens. Further, NCRC agrees to coordinate with the seller of the Church Parcel the ability of representatives of the Authority and the County for access on the Church Parcel, without charges or fees, at normal hours during normal business days, for any purpose

relating to this Agreement. Representatives of the Authority or the County shall be those who are so identified to NCRC by the Executive Director. During the period of construction of the improvements constituting the Project on the Site, representatives of the Authority will have a reasonable right of access to the Site, upon 1 business days' notice (which may be written or verbal) to NCRC (except in the case of an emergency, in which case the Authority will provide such notice as may be practical under the circumstances) without charges or fees, at normal construction hours and following normal construction safety and other requirements while on-site, for the purposes of this Agreement, including, but not limited to, inspection of the work being performed in constructing the Improvements to verify that such construction is in compliance with applicable provisions of this Agreement.

SECTION 210 **Disclaimer of Responsibility by the Authority.** Notwithstanding its right to gain access to the Site, the Authority neither undertakes nor assumes nor will have any responsibility or duty to NCRC or to any third party to review, inspect, supervise, pass judgment upon or inform NCRC or any third party of any matter in connection with the development or construction of the Improvements constituting the Project, whether regarding the quality, adequacy or suitability of the Plans, any labor, service, equipment or material furnished to or for the Project, any person furnishing the same, or otherwise. NCRC and all third parties must rely upon its or their own judgment regarding such matters. The Authority will not be responsible for any of the work of construction, improvement or development of the Property.

SECTION 211 **Prohibition against Transfer**

Section 211.1 Prior to the latest to occur of the full reconveyance of the Authority Deed of Trust or the HACR Deed of Trust, NCRC must not, except as permitted by this Agreement and the applicable provisions of any other Housing Authority Document, assign or attempt to assign this Agreement or any right herein, nor make any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Site, or the improvements thereon, without prior written approval of the Authority. This prohibition will not be deemed to prevent the granting of easements or permits to facilitate the development or operation of the Project, nor will it prohibit Permitted Transfers.

Section 211.2 Notwithstanding the provisions set forth above, the following actions will constitute permitted transfers of NCRC's interest in the Site or the Project or of NCRC's rights and obligations under this Agreement, in whole or in part, without the Authority's prior approval (each, a "**Permitted Transfer**" and collectively, the "**Permitted Transfers**"; "**Transfer**" will include sale, transfer, assignment, or, as indicated, grant of any lesser interest or grant of an encumbrance):

(i) Transfer of all or any portion of NCRC's interest in the Site or interest in this Agreement to a limited partnership, the general partner of which is NCRC, a nonprofit entity Affiliated with NCRC, or a limited liability company of which NCRC or a nonprofit entity Affiliated with NCRC is the manager, which limited partnership has been formed as the Partnership to receive capital contributions resulting from the syndication of Tax Credits which may be awarded to NCRC, the Project, or to such Partnership;

(ii) Grant of any temporary or permanent easements, rights, licenses, or rights-of-way which are necessary to facilitate construction of the improvements constituting the Project, providing only that the grant of such easements, rights, licenses or rights-of-way must be in furtherance of the development of the Project;

(iii) Pledge of NCRC's interest or that of a successor Partnership's interest in the Site as security for financing consistent with the Project Budget, as revised, approved by the Executive Director, necessary to construct and/or operate the affordable housing Project on the Site, including necessary Construction Loan(s) and/or Permanent Loan(s) which have been approved by the Authority;

(iv) A Transfer only to a person or entity that as of the date of Transfer already holds an equity interest in the entity in which the equity interest is being transferred;

(v) A collateral pledge of the equity interest of the Partnership to a lender providing a Construction Loan and/or Permanent Loan for the Project;

(vi) Issuance of previously unissued or new equity interests in the Partnership that increase the amount of outstanding equity interest therein by less than 10%;

(vii) A Transfer by the Tax Credit Investor of its limited partnership interest in the Partnership to a syndicated equity fund for the purposes of syndication of the Tax Credit equity;

(viii) Removal of the general partner of the Partnership by the Tax Credit Investor in accordance with the provisions of the Partnership Agreement and replacement of such general partner with a general partner which is either the Tax Credit Investor or an affiliated entity or, if different, with a general partner approved by the Authority, approval of which will not be unreasonably withheld or delayed;

(ix) The grant and exercise of an option and/or right of first refusal from the Tax Credit Investor to either NCRC, an entity Affiliated with NCRC, or to the general partner of the Partnership in accordance with the provisions of the Partnership Agreement upon the anticipated exit of the Tax Credit Investor of the Partnership at or around the expiration of the Tax Credit compliance period; or

(x) A Transfer of the Site and Project at the end of a Tax Credit compliance period in which or which is not a Transfer to an unrelated or unaffiliated third party but is a Transfer to a new limited partnership satisfying the requirements of subparagraph (i) above or which is NCRC or a nonprofit entity Affiliated with NCRC, and if the Transfer is funded in part by an award of new Tax Credits or tax exempt bonds or other similar financing source and which occurs in order to buy out the equity interest of the Tax Credit Investor or its successor in interest in the Partnership as well as to generate funding to renovate, repair and/or reposition the Property and the Property and in which all affordability restrictions in favor of the Authority remain unchanged and remain in the senior position to such new financing.

Section 211.3 Except for Permitted Transfers, in the event NCRC does assign this Agreement or any of the rights herein, or does sell, transfer, convey or assign the Site or the Project without the approval of the Authority, subject to the notice and cure provisions of this Agreement the Authority will have the right to terminate this Agreement. To the extent the Authority's approval of a Transfer is required, in granting or withholding its approval, the Authority will base its decision upon the relevant experience, financial capacity and reputation of the proposed assignee or transferee and the affect, if any, of such proposed transfer on the public purposes of this Agreement. Additionally, except for a Transfer by NCRC to the Partnership, the Authority will not be obligated to approve any Transfer prior to the completion of construction of the Project which is not conditioned upon completion of the Project on terms and conditions acceptable to the Authority. Except for Permitted Transfers, prior to issuance of the final Certification of Occupancy for the Restricted Units by the City, after notice and an opportunity to cure, this Agreement may be terminated by the Authority if there is a significant change (voluntary or involuntary) in management or control of NCRC (other than such change as occasioned by the death or incapacity of any individual). The Term "control" as used herein will mean (i) with respect to a corporation or a limited liability company the right to exercise or control, directly or indirectly, 51% or more of the voting rights attributable to the controlling corporation or company, and (ii) with respect to any individual, partnership, trust or other entity or association, "control" is the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled entity. The restrictions of this Section will be deemed incorporated into the provisions of the HACR Deed of Trust, the Authority Deed of Trust and the Covenant Agreement, whether or not these provisions are separately stated therein, and, as applicable, these provisions will survive the termination of this Agreement until the respective termination of the HACR Deed of Trust, the Authority Deed of Trust and the Covenant Agreement.

SECTION 212 Completion. Following completion of construction of the Improvements, NCRC will provide the Authority with a complete set of "As Built" drawings for the Improvements.

SECTION 213 Lender Not Obligated to Construct Improvements. No lender to the Project will be obligated by the provisions of this Agreement to construct or complete the Improvements constituting the Project or to guarantee such construction or completion. Nothing in this Agreement will be deemed or construed to permit or authorize any such lender to devote the Project to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement and by the Covenant Agreement.

SECTION 214 Notice of Default to Lenders; Right of Lender to Cure Defaults.
Whenever the Authority delivers any notice or demand to NCRC or to the Partnership, as its assignee, with respect to any breach or default of its obligations under this Agreement, under the HACR Deed of Trust, the Authority Deed of Trust, or the Covenant Agreement, the Authority must at the same time deliver to each lender of record and to the Tax Credit Investor, if any, a copy of such notice or demand. Each such lender and the Tax Credit Investor will (insofar as the rights of the Authority are concerned) have the right, but not the obligation, within 30 days after the receipt of the notice, to cure or remedy, or commence to cure or remedy, any such default and to add the cost thereof to the secured debt which it holds and to the lien of its security interest. If such

default is a default which can only be remedied or cured by such lender or Tax Credit Investor upon obtaining possession of the Project, then either may remedy or cure such default within 30 days after obtaining possession; provided that in the case of a default which cannot with diligence be remedied or cured, or the remedy or cure of which cannot be commenced within such 30-day period, such lender or Tax Credit Investor will have such additional time as reasonably necessary to remedy or cure such default with diligence and continuity, not to exceed 90 days; and provided further that no lender or Tax Credit Investor will be required to remedy or cure any non-curable default of NCRC. Any lender which forecloses on its loan, or is assigned or otherwise succeeds to NCRC's rights under this Agreement, will have the right to undertake or continue the construction or completion of the Improvements and, if requested and if assignment of this Agreement is approved the Authority, which approval may not be unreasonably withheld or delayed, such lender may assume NCRC's obligations and receive NCRC's rights under this Agreement by execution of an assignment and assumption agreement relating to this Agreement on terms reasonably acceptable to such lender and to the Authority.

PART 3. USE OF THE PROPERTY

SECTION 301 Uses

Section 301.1 NCRC covenants and agrees for itself and its successors and assigns that for the duration of the Affordability Period, the Project will be used only for the uses specified in the Covenant Agreement and in this Agreement. No change in use will be permitted without the prior written approval of the Authority. During the Affordability Period, the Project must remain in compliance with all applicable Federal, State, and local codes, laws, regulations, and ordinances and all applicable Governmental Regulations.

Section 301.2 Notwithstanding the generality of the foregoing Section, NCRC, its successors and assigns, must use the Site only for the uses permitted in this Agreement and in the Covenant Agreement, including, but not limited to, the construction of approximately 101 multifamily residential apartments, approximately 100 of which (not including the apartment reserved for the manager) will be used and qualify as Restricted Units, operation of a community center and parking and ancillary uses consistent with this Agreement and the Scope of Development.

Section 301.3 For a period of 55 years from the issuance of the last Certificate of Occupancy for the last building for which construction is completed in the Project, NCRC, its successors and assigns agree as follows:

(a) all of the Restricted Units will be continuously made available for occupancy by and solely to Low and Very Low Income Households at an Affordable Rent in accordance with applicable provisions of the Covenant Agreement. No officer, employee, agent, official or consultant of NCRC, its successors and assigns, may occupy any of the Restricted Units without meeting the qualifications for occupancy thereof which are set forth in the Covenant Agreement. The maximum incomes of all tenants eligible to rent a Restricted Unit will be determined in accordance with applicable provisions of this Agreement and applicable provisions of the Covenant Agreement.

(b) Notwithstanding anything to the contrary contained in this Agreement, the affordability covenants (rent and income restrictions) contained in the Covenant Agreement will be senior to all Security Instruments for all loans secured by liens against the Project. Upon the request of any Senior Lender, all other provisions of the Covenant Agreement may be subordinated to senior financing pursuant to a Subordination Agreement in form and content to be approved in the Executive Director's sole discretion. Further, the Covenant Agreement must contain a provision making its covenants and conditions binding upon successors in interest of NCRC. The Covenant Agreement will be recorded in the Official Records.

(c) The Restricted Units must be provided with parking located on the Site in compliance with the Plans and the Scope of Development, provided at no extra charge to the tenant. Density and location of parking spaces must be consistent with the approved Scope of Development and the Plans for construction of the improvements constituting the Project.

Section 301.4 The Housing Authority will be entitled to receive a monitoring fee on an annual basis from the Project, as more specifically provided in the Covenant Agreement.

SECTION 302 Maintenance

In addition to the property maintenance requirements contained in the Covenant Agreement, NCRC agrees that prior to the construction of the Project, the Site will be maintained and secured by NCRC in accordance with City requirements, except for occupancy and temporary maintenance of the Church Parcel by the seller thereof (if elected by the seller), and generally in accordance with reasonable vacant property management practices and in accordance with the ordinances of the City. Once construction of Improvements on the Site is completed, the Project will be maintained in a condition required by applicable provisions of the Covenant Agreement. Authorized representatives of the Housing Authority will have the right to inspect the Site on reasonable notice to NCRC; in the event that in the sole discretion of the Executive Director, the representatives of the Housing Authority determine that NCRC has failed to maintain the Site in accordance with requirements of this Section 302, the Housing Authority or its designee on two weeks prior written notice of any noted code violations and maintenance deficiencies will have the right, but not the obligation, to enter the Site, correct any deficiency(ies) specified in the written notice and hold NCRC or its successor in ownership at the time responsible for the cost thereof. The reimbursement obligation of NCRC or its successor and assign, will be deemed an obligation secured by the HACR Deed of Trust and the Authority Deed of Trust and the Housing Authority may take action thereunder at its discretion upon any continuing breach of these obligations.

SECTION 303 Obligation to Refrain from Discrimination

NCRC covenants and agrees for itself and its successors and assigns that, except as may be reasonably necessary to comply with the Covenant Agreement and with all other recorded regulatory agreements on the Project, there will be no discrimination against or segregation of any person, or group of persons, on account of sex, sexual orientation, marital status, race, color, creed, religion, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Project nor will the NCRC itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference

to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Project. Except as set forth above, NCRC, covenants by and for itself and its successors and assigns, and all persons claiming under or through them, that there will 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 Project, nor may NCRC or any person claiming under or through it, 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 of the Project.

SECTION 304 Form of Nondiscrimination and Nonsegregation Clauses

In furtherance of the requirements of Section 303 above, all deeds, leases or contracts arising from or related to the Site and the Project must contain or be subject to substantially the following non-discrimination or non-segregation 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."

Notwithstanding the preceding paragraph, the provisions relating to discrimination on the basis of familial status will not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code nor be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code will also apply to the preceding paragraph.

(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 Agreement 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.”

Notwithstanding the preceding paragraph, the provisions relating to discrimination on the basis of familial status will not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code nor be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code will also apply to the preceding paragraph.

(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.”

(d) The covenants established in this Agreement and in the Covenant Agreement will, without regard to technical classification and designation, be binding on NCRC and any successor in interest to the Project for the benefit and in favor of the Authority, its successors and assigns, and will remain in effect for a period of 55 years from the issuance of a final Certificate of Occupancy for the last building constructed as part of the Project.

SECTION 305 **Effect of Violation of the Terms and Provisions of this Agreement** The Authority is deemed to be a beneficiary of the terms and provisions of this Agreement and all of the covenants and promises made herein, both for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, for whose benefit this Agreement and the covenants running with the land have been provided. Subject to applicable notice and cure provisions of this Agreement and of the Covenant Agreement, if the covenants contained in this Agreement are breached, the Authority will have the right to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the cure and remedy of such breaches to which it or any other beneficiaries of this Agreement and the covenants and promises are entitled.

SECTION 306 **Taxes, Assessments, Encumbrances and Liens** NCRC and its successors and assigns must pay when due all real property taxes and assessments made and levied on or against the Site or any portion thereof. Nothing contained in this Agreement will be deemed to prohibit NCRC from contesting the validity or amount of any tax, assessment, encumbrance or lien, or to limit the remedies available to NCRC in respect thereto.

SECTION 307 **No Encumbrances Except Approved Financing** NCRC will have the right to encumber the Project with one or more Security Instruments, but only for the purpose

of securing a loan of funds to be used to finance the development cost of constructing the Project and later for other expenditures necessary and appropriate to pay expenses incurred or necessary to be incurred for the Project which were included in an Annual Budget for operation of the Project which has been approved by the Authority as provided in this Agreement. Prior to closing its construction financing to build the Improvements constituting the Project, NCRC or its successors and assigns must submit a proposed final Project Budget, together with such evidence of financing and copies of financing instruments as may be required by the Authority, to the Executive Director for approval (once approved by the Executive Director, referred to as "Approved Financing" for the Project). "Approved Financing" will also include, as applicable, constituting a Permitted Transfer. NCRC and its successors and assigns will not have authority to encumber the Project for any purpose other than the purposes established in Approved Financing, except that NCRC may request that the Authority approve other financing other than financing included in the Approved Financing and other than financing which may be approved as a Permitted Transfer in this Agreement or in other applicable provisions of this Agreement. NCRC must remove any levy or attachment made on the Site or any portion thereof in connection with other than Approved Financing or must provide assurance to the Executive Director of satisfaction thereof within a reasonable time but in any event prior to any action being taken thereunder which would jeopardize the interests of the Authority or the ownership interest of NCRC or its successor and assigns in the Project. The maker of any loan constituting Approved Financing or otherwise incurred in compliance with applicable provisions of this Agreement will not be bound by any amendment, implementation agreement or modification to this Agreement subsequent to the recordation of the security interest in favor of such lender without such lender giving its prior written consent. In any event, NCRC will promptly notify the Authority of any security interest created or attached to the Project whether by voluntary act of NCRC or otherwise. Notwithstanding the generality of the foregoing, the Executive Director will have the authority to make reasonable modifications to these provisions that may be requested by a lender, provided any such modification does not adversely affect the receipt of any material benefit by the Authority under this Agreement. Upon the reasonable request of a lender, the Executive Director will execute from time to time such reasonable estoppel and other certificates, to the extent they are consistent with this Agreement.

SECTION 308 **Rights and Obligations of Lenders and Tax Credit Investor** No lender or Tax Credit Investor, as applicable, will be obligated by the provisions of this Agreement to construct or complete the construction of the improvements for the Project or to guaranty such construction or completion. Nothing in this Agreement will be deemed or construed to permit or authorize any such lender to devote the Project to any uses, or to construct any improvements to the Site, other than those uses or improvements provided for or authorized by this Agreement.

SECTION 309 **Failure of Lender or Tax Credit Investor to Complete Construction of Improvements** In any case where within 120 days after a default by NCRC to complete construction of improvements for the Project within the time frame required by the Schedule of Performance, as that time requirement may have previously been extended at the discretion of the Executive Director, and subject to all applicable notice and cure provisions and to Force Majeure, if a lender or the Tax Credit Investor, if applicable, has elected not to complete construction of the improvements constituting the Project, the Authority has the right, but not the obligation, to purchase the deed of trust or other security or other interest of such lender or the interest of the Tax Credit Investor by payment to the holder thereof of the full amount of the unpaid

debt, plus any accrued and unpaid interest and other charges due and owing under the loan agreement or other agreement with such lender or Tax Credit Investor. Further, in the event of a default or breach by NCRC or its successors and assigns, subject to all applicable notice and cure periods consistent within the documents evidencing or governing an obligation encumbering the Project, the Authority may, but is not obligated to, cure such default at any time prior to completion by a lender or the Tax Credit Investor of a foreclosure under its deed of trust or action taken under any other agreement with NCRC. In such event, the Authority will be entitled to prompt reimbursement from NCRC of all costs and expenses incurred by the Authority in curing the default. The Authority will also be entitled to consider its costs and expenses in curing the default as an advance under the HACR Deed of Trust or the Authority Deed of Trust, as applicable, or otherwise to increase the balance due under the HACR Promissory Note or the Authority Promissory Note, to the extent of such costs and disbursements.

SECTION 310 **Notice of Affordability Restrictions** As a condition to the Closing of the escrow for NCRC to acquire title to the Church Parcel, Authority (and NCRC, if requested by the Authority) will execute the Notice of Affordability Restrictions substantially in the form attached to this Agreement as Exhibit J and record the same against NCRC's title to the Church Parcel (and upon close of NCRC's purchase of the HACR Parcel, also against title to the HACR Parcel) in the Official Records, pursuant to California Health and Safety Code Section 33334.3(f).

SECTION 311 **Annual Operating Budget** For any portion of the calendar year in which construction of the Project is completed and thereafter, NCRC will prepare an annual budget for the operation of the Project for such partial or full calendar year ("Annual Operating Budget") for review by and approval of the Authority, which approval will not be unreasonably withheld or delayed. If the Authority fails to approve an Annual Operating Budget within 30 days of receipt of such budget, the Parties will meet and confer at a mutually convenient time and place to discuss the Annual Operating Budget. If the Authority fails to respond within the required time period with either approval or a statement of its reasons to withhold such approval, NCRC will contact the Authority and make a good faith effort to prompt Authority's response to the proposed Annual Operating Budget. If the Authority still fails to approve or respond to the Annual Operating Budget within 15 business days thereafter, the Annual Operating Budget as submitted will be deemed approved by the Authority. If, after approval of an Annual Operating Budget by the Authority, NCRC determines that the Annual Operating Budget needs to be amended for reasons that were not reasonably foreseeable when the Annual Operating Budget was initially prepared and submitted to the Authority for review, NCRC may submit an amended Annual Operating Budget to the Authority, which amended Annual Operating Budget will be approved or disapproved by the Authority in the same manner as the original Annual Operating Budget.

PART 4. DEFAULTS AND REMEDIES

SECTION 401 Defaults – General

Section 401.1 Subject to the extensions of time by reason of written agreement of the Parties or Force Majeure Events, failure or delay by either Party to perform any term or provision of this Agreement constitutes a default under this Agreement. The Party which fails or delays must commence to cure, correct or remedy such failure or delay and must complete such

cure, correction or remedy with reasonable diligence. In addition to the foregoing, the following will constitute a default under this Agreement:

(a) After close of construction financing to build the Project, and subject to applicable notice and cure provisions, the occurrence of any default by NCRC or its successors and assigns under any construction loan agreement, construction contract, construction loan or deed of trust securing a construction loan, or under any other financing secured by an interest in the Project, which default is not waived by the applicable lender or by the general contractor; or

(b) After the close of construction financing for the Project, a court of competent jurisdiction enters an order enjoining construction of the Improvements making up the Project, or such court or an authorized governmental agency orders that leasing the Restricted Units or any other portion of the Project be suspended or halted, or any required approval, license or permit is withdrawn or suspended, and the order, withdrawal or suspension remains in effect for a period of no less than 30 days; or

(c) After the close of construction financing for the Project, and subject to applicable notice and cure provisions, the occurrence of any uncured material default by NCRC or its successor or assignee under any architectural contract, engineering contract or any other contract for or pertaining to construction of the Project; or

(d) After the close of construction financing for the Project, any surety obligated for NCRC or its successor or assignee or for any improvements is called upon to perform its obligations; or

(e) After the close of construction financing for the Project and subject to applicable notice and cure periods, the occurrence of any uncured material default by NCRC or its successor or assignee under any applicable Tax Credit rules or rules imposed by any other financing for the Project, or under any agreement of limited partnership or similar or related agreement entered into in connection with the syndication of the Tax Credits awarded to or for the Project, which default is not waived by the other party; or

(f) NCRC or its successor or assignee fails to perform an act by the time set forth therefore in this Agreement or in the Schedule of Performance or, if no time is set forth, within a reasonable time, subject to Force Majeure which qualifies for a delay; or

(g) A petition is filed in bankruptcy or other bankruptcy or similar proceeding is commenced by or against NCRC or its successor or assignee or against any partner of a successor or assignee under any applicable bankruptcy, insolvency or similar law now or hereafter in effect which is not released within 90 days; or

(h) After the close of construction financing for the Project, the failure of NCRC or its successor or assignee to consummate the funding of a Construction Loan, Conversion to or funding of a Permanent Loan or any other Approved Financing, subject to an event of Force Majeure which qualifies for delay; or

(i) After the close of construction financing for the Project, if at such time the Project is owned by a Tax Credit limited partnership, and subject to applicable notice and cure provisions, and unless other arrangements satisfactory to the Executive Director are made by NCRC or its successor or assignee, the failure of the partnership to receive the installments of capital contributions in accordance with the terms and conditions of the applicable agreement of limited partnership.

Section 401.2 The Party which is not in default hereunder will give written notice of default to the Party in default, specifying the default complained of. Failure or delay in giving such notice will not constitute a waiver of any default, nor will it change the time of default. Except as otherwise expressly provided in this Agreement, any failures or delays by either Party in asserting any of its rights and remedies as to any default will not operate as a waiver of any default or of any such rights or remedies. Delays by either Party in asserting any of its rights and remedies will not deprive either Party of its right to exercise a remedy hereunder or institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

Section 401.3

Section 401.3.1 If a monetary Event of Default (as defined herein) occurs, prior to exercising any remedies hereunder, a Party will give the Party in default written notice of such default. The defaulting Party will have a period of 10 calendar days after such notice is received or deemed received within which to cure the default prior to exercise of remedies by the injured Party.

Section 401.3.2 If a nonmonetary Event of Default occurs, prior to exercising any remedies hereunder, a Party will give the Party in default written notice of such default describing such default with specificity. The defaulting Party will have a period of 30 calendar days after such notice is received or deemed received in which to cure a nonmonetary default, but if the nonmonetary default is not reasonably capable of being cured or remedied within 30 days, then, subject to Force Majeure, to an agreement extending time made at the sole discretion of the Executive Director or in instances referred to in Section 401.3.3 below, so long as the defaulting party commences the cure or remedy of such default within 30 days after such notice is received or deemed received and continues to pursue completion of such cure or remedy with reasonable dispatch thereafter until such cure or remedy is achieved, but for no longer than 90 days, the nonmonetary default in question will be deemed cured or remedied.

Section 401.3.3 The Authority must deliver a copy of written notice of default which it gives to NCRC or its successor or assign to each holder of a deed of trust or mortgage and to any Tax Credit Investor. A Tax Credit Investor may take such action, including removing and replacing the general partner of the Partnership with a substitute general partner who will effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. The Authority agrees to accept cures tendered by any lender or Tax Credit Investor within the cure periods provided herein; provided, however, in no event will the Authority be precluded from exercising remedies if its rights become or are about to become substantially and materially jeopardized by any failure to cure a default or the default is not cured within 120 days after the first notice of default is given.

Insofar as the rights of the Authority are concerned, each lender or Tax Credit Investor will have the right at its option within 60 days after receipt of a notice from the Authority, to cure or remedy, or to commence to cure or remedy, any such default and to add the cost thereof to the security interest debt and lien of its security interest or as the same may be otherwise payable under the partnership agreement. If such default can only be remedied or cured by a lender or Tax Credit Investor upon obtaining possession of the Project, such lender or Tax Credit Investor will seek to obtain possession with diligence and continuity through a receiver or otherwise, and must remedy or cure such default within 90 days after obtaining possession; provided, that in the case of a default which cannot with diligence be remedied or cured within 90 days, or the remedy or cure of which cannot be commenced within such 90-day period, a lender or Tax Credit Investor will have such additional time as reasonably necessary to remedy or cure such default with diligence and continuity, not to exceed 120 days. Any lender who forecloses on its debt or who is otherwise assigned or otherwise succeeds to the rights of NCRC or its successors and assigns under this Agreement, will have the right to undertake or continue the construction or completion of the improvements constituting the Project for which it has made a loan upon execution of a written agreement with the Authority by which such lender expressly assumes the rights and obligations of NCRC under this Agreement, approval of which agreement must not be unreasonably withheld by the Authority. A Tax Credit Investor must have the right to cure a default by NCRC under this Agreement on the same terms and conditions which NCRC might cure or remedy such default.

Section 401.4 Except as reasonably required to protect against further damages, an injured Party may not institute legal proceedings against the Party in default until an "Event of Default" has occurred. For the purposes of this Agreement, an "Event of Default" will mean that a default as described above has occurred and that such default has continued uncured for the amount of time given for the cure as set forth above and that no other event, such as, but not limited to, an event of Force Majeure, has provided justification for the failure. If a different period for a response to a notice requirement is specified for any particular default under any provision of this Agreement or any other agreement referred to in this Agreement, that specific provision will control. The occurrence of an "Event of Default" will permit the non-defaulting Party to exercise and pursue all remedies permitted under this Agreement, any related agreement or by law.

Section 401.5 Termination of Agreement

Section 401.5.1 Subject to notice and cure provisions and to the provisions of Force Majeure set forth in this Agreement, the Authority may terminate this Agreement if any of the conditions precedent to the Closing or as otherwise set forth in the Schedule of Performance are not satisfied by NCRC or are not waived in writing by the Authority. In connection with any termination exercised by the Authority, if the Escrow for the sale of the HACR Parcel has not Closed before a default occurs but after NCRC has acquired title to the Church Parcel the Authority will be entitled to cancel the Escrow for sale of the HACR Parcel; if the Event of Default occurs at a subsequent point in time, the Authority will be entitled to exercise any of its remedies, including, but not limited to, foreclosure of the HACR Deed of Trust or the Authority Deed of Trust, at its sole discretion.

Section 401.5.2 In the event that NCRC fails, after diligent good faith efforts but prior to a date set out in the Schedule of Performance, which date has not been extended by

the Executive Director or otherwise extended by an event of Force Majeure, to obtain Entitlements necessary for the development of the Project or to secure financing necessary to construct and operate the Project, then upon written notice from NCRC to the Authority, NCRC may terminate this Agreement. In the event of NCRC's exercise of such termination, the right of termination will be NCRC's sole and exclusive remedy with regard to the Authority. If such termination occurs after NCRC has taken title to the HACR Parcel and the Church Parcel, at the election of the Authority NCRC will cooperate with the Authority to return title to the HACR Parcel to the Authority, or to dispose of the Site, subject to the Affordability Requirements contained in the Covenant Agreement, to another party acceptable to the Authority who agrees to assume NCRC's obligations under this Agreement or under the provisions of a similar agreement. The foregoing rights to terminate will not in any way limit NCRC or the Authority's right to terminate this Agreement as a remedy in the event of an uncured Event of Default. Notwithstanding any of the foregoing provisions, NCRC's indemnification obligations under this Agreement or any agreement ancillary hereto will remain in force following such termination with respect to any events occurring or claims accruing prior to the date of termination, for any losses or liabilities that arose or were incurred prior to the date of termination.

Section 401.6 Limitation on Liability

Notwithstanding anything to the contrary contained in this Agreement, neither NCRC nor the Authority will in any event be entitled to, and each hereby waives, any right to seek loss of profits, or any special, incidental or consequential damages of any kind or nature, however caused, from the other Party arising out of or in connection with this Agreement, even if the other Party has been advised of the possibility of the damages. In connection with such waiver, each Party is familiar with and hereby waives the provisions of Section 1542 of the California Civil Code, which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

SECTION 402 Institution of Legal Actions

In addition to any other rights or remedies (and except as otherwise provided in this Agreement), either Party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Riverside, State of California, or in any other appropriate State or Federal court with jurisdiction in that county.

SECTION 403 Applicable Law

The laws of the State of California will govern the interpretation and enforcement of this Agreement.

SECTION 404 Rights and Remedies Are Cumulative

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative, and the exercise by either Party of one or more of such rights or remedies will not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

SECTION 405 Specific Performance

Subject to the notice and cure provisions of Section 401, in the event of an uncured Event of Default with regard to any of the provisions of this Agreement or any agreement between the Parties ancillary hereto by either Party, the performance of which has not been extended by an event of Force Majeure, the non-defaulting Party at its option, may thereafter (but not before) commence an action for specific performance of the terms of this Agreement pertaining to such default.

SECTION 406 Additional Events of Default

In addition to Events of Default provided in other provisions of this Agreement, the following will also constitute Events of Default by NCRC under this Agreement, and, in the event of such NCRC default and after notice and opportunity to cure, the Authority will have the right to exercise all remedies available to it under the law and in equity, including, but not limited to termination of this Agreement in accordance with the applicable terms hereof:

- (a) NCRC's or any agent of NCRC's use of Authority funds for purposes other than or inconsistent with terms and restrictions set forth in this Agreement;
- (b) Discrimination by NCRC or NCRC's agent on the basis of characteristics prohibited by this Agreement or applicable law;
- (c) the imposition of any encumbrances or liens on the Project prohibited under this Agreement (other than permitted liens) without the Authority's prior written approval;
- (d) any material adverse change in the condition of NCRC or the Project which gives the Authority reasonable cause to believe that the Project cannot be operated according to the terms of this Agreement;
- (e) NCRC's failure to obtain and maintain the insurance coverage required under this Agreement;
- (f) Any breach by NCRC or its agents of any housing affordability requirements imposed in this Agreement or as providing in the Covenant Agreement;
- (g) In the event that the Project is materially damaged or destroyed by fire or other casualty and NCRC receives an award of insurance proceeds sufficient for the repair or reconstruction of the Project and fails to make such repair or reconstruction within a reasonable

time; or

(h) NCRC or any general partner of a limited partnership successor to NCRC: (i) files for bankruptcy, dissolution, or reorganization, or fails to obtain a full dismissal of any such involuntary filing brought by another party before the earlier of final relief or 30 days after such filing; (ii) makes a general assignment for the benefit of creditors; (iii) applies for the appointment of a receiver, trustee, custodian, or liquidator, or fails to obtain a full dismissal of an involuntary application brought by another party before the earlier of final relief or 60 days after such filing; or (iv) failure, inability or admission in writing of its inability to pay its debts as they become due.

PART 5 GENERAL PROVISIONS

SECTION 501 NCRC's Representations and Warranties

As an inducement to the Authority to enter into this Agreement and consummate the transactions described herein, NCRC hereby represents and warrants to the Authority, which representations and warranties are true and correct as of the date of this Agreement and which shall survive the Close of Escrow:

(a) NCRC has the legal power, right and authority to enter into this Agreement and the instruments referenced herein and to satisfy all of its obligations herein or in any instrument or document referred to herein (referred to collectively as the "Obligations");

(b) This Agreement and all documents required hereby to be executed by NCRC are, and shall be, valid, legally binding obligations of and enforceable against NCRC in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally;

(c) There is no charter, bylaw, or capital stock provision of NCRC, and no provision of any indenture, instrument, or agreement, written or oral, to which NCRC is a party or which governs its actions or which is otherwise binding upon NCRC or its property, nor is there any statute, rule or regulation, or any judgment, decree, or order of any court or agency which is binding on NCRC or its property which would be contravened by the execution, delivery or performance of any of the Obligations;

(d) There is no action, suit, or proceeding at law or in equity or by or before any Governmental Authority or other agency now pending, or, to the knowledge of NCRC, threatened against or affecting NCRC, or any of its properties or rights, which, if adversely determined, would materially impair the right of NCRC to execute or perform any of the Obligations, or would materially adversely affect its financial condition;

(e) Neither the execution and delivery of this Agreement, including any attachments hereto or documents related to this Agreement, nor the imposition of the Obligations, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Agreement and the documents referenced herein, conflicts with or results in the material

breach of any terms, conditions or provisions of, or constitutes a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, lease or other agreements or instruments to which NCRC is a party or by which it is bound;

(f) No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other similar proceedings are pending or threatened against NCRC, nor are any of such proceedings contemplated by NCRC;

(g) All reports, documents, instruments, information and forms of evidence delivered by NCRC to the Authority concerning or required by this Agreement are accurate, are correct and sufficiently complete to give the Authority true and accurate knowledge of their subject matter, and do not contain any misrepresentation or omission; and

(h) No representation, warranty or statement of NCRC in this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading.

NCRC's representations and warranties made in this Section will be continuing and must be true and correct as of the date of the Close of Escrow with the same force and effect as if remade in a separate certificate at that time. The truth and accuracy of NCRC's representations and warranties made herein will constitute a condition for the benefit of the Authority to the performance of the Authority's obligations hereunder. NCRC will upon learning of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of Closing, immediately give written notice of such fact or condition to the Authority.

SECTION 502 Notices, Demands and Communications between the Parties

Formal notices, demands and communications between the Authority and NCRC will be sufficiently given if served by personal service, delivered by courier or a recognized overnight delivery service (such as Federal Express or USPS expedited delivery), delivered by electronic transmission confirmed by same-day mailing of a hard copy in the U.S. Mail, ordinary mail, postage prepaid (except if the sender receives notice electronically that delivery failed), or by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Authority and NCRC, as designated in this Agreement. 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 notice as provided in this Section. Any notice that is transmitted by electronic transmission accompanied by delivery of a "hard" copy, will 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), will be deemed received on the documented date of receipt by the recipient; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required will be deemed received on the date of receipt thereof.

SECTION 503 Amendment to or Replacement of Legal Descriptions in Recorded Instruments

In the event that NCRC does not acquire title to the HACR Parcel at the same time that NCRC acquires title to the Church Parcel but at some later date, NCRC agrees as follows: (i) the legal descriptions of real property to be encumbered by all instruments recorded in the Official Records as provided in this Agreement, including, but not limited to, the Memorandum, the Notice of Affordability Restrictions, the HACR Deed of Trust, the Authority Deed of Trust and the Covenant Agreement, will all be amended to encumber title to the entire Site, and not only the Church Parcel, (ii) NCRC must promptly execute and acknowledge recordable instruments necessary to revise the legal description of all recorded instruments accordingly, and (iii) the priority of seniority for all instruments on both the HACR Parcel and the Church Parcel must be identical and NCRC must execute any instruments necessary to retain the required priorities. Further, the Authority and NCRC acknowledge that NCRC desires to and intends to combine the HACR Parcel and the Church Parcel in order to make the Site one legal parcel, and in order to accommodate the same, both the Authority and NCRC must execute and acknowledge, as necessary, all instruments necessary or required by the City in order to complete a lot merger, parcel map, lot line adjustment or any other method of combining the HACR Parcel and the Church Parcel to make a single legal parcel which might be required by the City. In the event of and following such merger, NCRC must, and the Authority, as necessary, will, execute and acknowledge all instruments necessary to revise the legal descriptions of all instruments recorded in the Official Records arising from or relating to this Agreement, including, but not limited to, the Memorandum, the Notice of Affordability Restrictions, the HACR Deed of Trust, the Authority Deed of Trust and the Covenant Agreement, in order to, as may be reasonably required by a title company or by the City, replace and revise the legal description in each such recorded instrument with the legal description of the merged parcels.

SECTION 504 Conflicts of Interest

SECTION 504.1 No member, official or employee of the Authority may have any personal interest, direct or indirect, in this Agreement nor may any such member, official or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested.

SECTION 504.2 NCRC warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

SECTION 505 Nonliability of Authority Officials and Employees

No member, official, employee or consultant of the Authority will be personally liable to NCRC, or any successor in interest, in the event of any default or breach by the Authority or for any amount which may become due to NCRC or to its successor, or on any obligations under the terms of this Agreement.

SECTION 506 Force Majeure

In addition to specific provisions of this Agreement, performance by either party hereunder will not be deemed to be in default where delays or defaults are due to Force Majeure Events.

SECTION 507 Approvals; Non-Substantive Amendments

SECTION 507.1 Except as otherwise expressly provided in this Agreement, approvals required of Authority or NCRC in this Agreement, including the attachments hereto, will not be unreasonably withheld or delayed. All approvals must be in writing. Except as and if specifically provided in this Agreement or any agreement ancillary hereto, failure by either Party to approve or disapprove a matter within the time provided such action will not be deemed approval or disapproval, respectively.

SECTION 507.2 Except as otherwise expressly provided in this Agreement, approvals required of the Authority will be deemed granted by the written approval of the Executive Director or designee. Notwithstanding the foregoing, at the sole discretion of the Executive Director, the Executive Director may refer to the Board of Commissioners any item requiring Authority approval.

SECTION 507.3 The Executive Director or designee will have the right to make non-substantive changes to the exhibits and attachments to this Agreement in order to ensure that each instrument is consistent with the terms and provisions of this Agreement.

SECTION 508 Inspection of Books and Records

NCRC will maintain complete, accurate and current records, accounts, documentation and other material pertaining to the Project, its operation and its financing and financial performance for a period of 5 years and must provide access during regular business hours to such records maintained by NCRC to any duly authorized representative, designee or agent of the Authority, upon reasonable advance notice, in order to inspect and copy such records, including records pertaining to income and household size of tenants. The Authority, for itself and its representatives, designees and agents, must comply with all laws, regulations and ordinances relating to the privacy of such tenant material.

SECTION 509 Independent Contractor; Commissions

NCRC and its agents will not act as, will not be, nor will they in any manner be construed as agents, officers or employees of the Authority. Neither the Authority nor NCRC will be liable for the payment of any real estate commissions, brokerage fees or finder's fees which may arise from the sale of the HACR Parcel to NCRC and each Party represents to the other that it has employed no broker, agent or finder in connection with the purchase of the HACR Parcel by NCRC.

SECTION 510 Media Releases

NCRC agrees to coordinate all media releases regarding the Project with the Authority. Any publicity generated by NCRC for the Project must make reference to the contribution of the

Authority in making the Project possible. The Authority's name must be prominently displayed in all pieces of publicity generated by NCRC, including, but not limited to, flyers, press releases, posters, signs, brochures, and public service announcements. NCRC agrees to cooperate with the Authority in any other Authority-generated publicity or promotional activities with respect to the Project.

SECTION 511 Further Assurances

NCRC will execute any further documents consistent with the terms of this Agreement, including documents in recordable form, as the Authority may from time to time find necessary or appropriate to effectuate its purposes in entering into this Agreement.

SECTION 512 Construction and Interpretation of Agreement

SECTION 512.1 The language in all parts of this Agreement will in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any Party. The Parties hereto acknowledge and agree that this Agreement has been prepared jointly by the Parties and has been the subject of arm's length and careful negotiation, that each Party has been given the opportunity to independently review this Agreement with legal counsel, and that each Party has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement will not be interpreted or construed against the Party preparing it, and instead other rules of interpretation and construction must be utilized.

SECTION 512.2 If any term or provision of this Agreement, the deletion of which would not adversely affect the receipt of any material benefit by any Party hereunder, is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement will not be affected thereby and each other term and provision of this Agreement will be valid and enforceable to the fullest extent permitted by law.

SECTION 512.3 The captions of the articles, sections, and subsections herein are inserted solely for convenience and under no circumstances are they or any of them to be treated or construed as a substantive part of this instrument.

SECTION 512.4 References in this instrument to this "Agreement" mean, refer to and include this instrument as well as any riders, exhibits, addenda and attachments hereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in this instrument. Any references to any covenant, condition, obligation, and/or undertaking "herein," "hereunder," or "pursuant hereto" (or language of like import) means, refers to, and includes the covenants, obligations, and undertakings existing pursuant to this instrument and any riders, exhibits, addenda, and attachments or other documents affixed to or expressly incorporated by reference in this instrument.

SECTION 512.5 As used in this Agreement, and as the context may require, the singular includes the plural and vice versa, and the masculine gender includes the feminine

and vice versa.

SECTION 513 Time of Essence

Time is of the essence with respect to the performance of each of the covenants, obligations and agreements contained in this Agreement.

SECTION 514 No Partnership

Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, or any other relationship between the Parties hereto other than lender and buyer or borrower, as applicable, according to the provisions contained herein, or cause Authority to be responsible in any way for the debts or obligations of NCRC or any other party.

SECTION 515 Compliance with Law

NCRC agrees to comply with all of the Governmental Requirements now in force, or which may hereafter be in force, of all municipal, county, state and federal authorities, pertaining to the Site, the Improvements constituting the Project, and operations of the Project. The judgment of any court of competent jurisdiction, or the admission of NCRC in any action or proceeding against it, whether Authority be a party thereto or not, that NCRC has violated any such ordinance or statute in the use of the Site, will be conclusive of that fact as between Authority and NCRC.

SECTION 516 Binding Effect

This Agreement, and the terms, provisions, promises, covenants and conditions hereof, will be binding upon and will inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors and assigns.

SECTION 517 No Third-Party Beneficiaries

Except for the County, which is intended to be a third-party beneficiary of the provisions hereof and to have the authority to enforce the provisions hereof, the Parties to this Agreement acknowledge and agree that the provisions of this Agreement are for the sole benefit of Authority and NCRC, and not for the benefit, directly or indirectly, of any other person or entity, except as otherwise expressly provided herein.

SECTION 518 Authority to Sign

NCRC hereby represents that the person(s) executing this Agreement and all instruments ancillary hereto on behalf of NCRC has full authority to do so and to bind NCRC to perform pursuant to the terms and conditions of this Agreement.

SECTION 519 Counterparts

This Agreement and any attachment to be executed by the Parties may be executed by each Party on a separate signature page, and when the executed signature pages are combined, will constitute

one single instrument.

SECTION 520 Attorneys' Fees

In any action between the Parties to interpret, enforce, reform, modify, terminate or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing Party in such action or proceeding will be entitled, in addition to injunctive relief, damages (if applicable) or any relief to which it might be entitled under this Agreement, reasonable costs and expenses including, without limitation, litigation costs, expert witness fees and reasonable attorneys' fees. As used herein, the terms "attorneys' fees" or "attorneys' fees and costs" means the fees and expenses of counsel to the Parties herein, including, without limitation, in-house or other counsel employed by the Authority or NCRC, which may include printing, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and others not admitted to the California State Bar but performing services under the supervision of an attorney, and fees and costs for expert witnesses. Such terms will also include, without limitation, all such fees, costs and expenses incurred with respect to appeals, arbitration and bankruptcy proceedings, and whether or not any action or proceeding is brought with respect to the matter for which the said fees and expenses were incurred.

PART 6 ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

(a) This Agreement will be executed in three duplicate originals each of which is deemed to be an original. This Agreement, including all attachments hereto and exhibits appended to such attachments constitutes the entire understanding and agreement of the Parties with respect to the subject matter hereof.

(b) This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to the subject matter hereof.

(c) All waivers of the provisions of this Agreement, as well as all amendments of this Agreement, must be in writing and signed by the appropriate authorities of the Authority or NCRC. This Agreement and any provisions hereof may be amended by mutual written agreement by NCRC and the Authority.

PART 7 EFFECTIVE DATE OF AGREEMENT

This Agreement will be dated for reference purposes as of the date set forth in the introductory paragraph hereof, but will not be effective until approved by the Board of Commissioners and executed by the Executive Director and an authorized representative of NCRC.

(REMAINDER OF PAGE INTENTIONALLY BLANK)

(SIGNATURES CONTINUE ON NEXT PAGE)

HOUSING AUTHORITY:

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic

By: Heidi Marshall, Executive Director

Date: _____

DEVELOPER:

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

By: Michael Finn, Chief Financial Officer

ATTEST:

KIMBERLY RECTOR
CLERK OF THE BOARD

BY: _____
DEPUTY

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: 
Amrit R. Dhillon, Deputy County Counsel

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EXHIBITS

EXHIBIT "A"	-	HACR Parcel
EXHIBIT "B"	-	Church Parcel
EXHIBIT "C"	-	Authority Deed of Trust
EXHIBIT "D"	-	Authority Promissory Note
EXHIBIT "E"	-	Covenant Agreement
EXHIBIT "F"	-	Environmental Indemnity
EXHIBIT "G"	-	HACR Deed of Trust
EXHIBIT "H"	-	HACR Promissory Note
EXHIBIT "I"	-	Reserved
EXHIBIT "J"	-	Notice of Affordability Restrictions
EXHIBIT "K"	-	Project Budget
EXHIBIT "L"	-	Schedule of Performance
EXHIBIT "M"	-	Scope of Development
EXHIBIT "N"	-	UCC-1 Financing Statement

EXHIBIT A

HACR PARCEL LEGAL DESCRIPTION

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

THAT PORTION OF LOT 3 OF LA BONITA TRACT AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 12 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID LOT, 165 FEET EAST OF THE SOUTHWEST CORNER, THENCE NORTH AND PARALLEL WITH THE WEST LINE OF SAID LOT TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED FILED FOR RECORD NOVEMBER 25, 1924 IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

THENCE EAST ON THE SOUTH LINE OF SAID 5 ACRES, 165.5 FEET; THENCE SOUTH AND PARALLEL WITH THE WEST LINE OF SAID LOT TO THE SOUTH LINE THEREOF; THENCE WEST ON THE SOUTH LINE OF SAID LOT, 165.5 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION INCLUDED IN MISSION BOULEVARD.
ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTH LINE OF SAID LOT 3, WHICH BEARS NORTH 89 DEGREES 55' 30" EAST, A DISTANCE OF 164.90 FEET (FORMERLY RECORDED 165.00 FEET) FROM THE SOUTHWEST CORNER THEREOF; SAID POINT ALSO BEING THE SOUTHWEST CORNER OF PARCEL NO. 2 AS CONVEYED TO LEROY L. HAINES AND WIFE, BY DEED RECEIVED FOR RECORDING NOVEMBER 5, 1948 AS INSTRUMENT NO. 591, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; THENCE NORTH 00 DEGREES 04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 267.27 FEET TO THE TRUE POINT OF BEGINNING. THENCE CONTINUING NORTH 00 DEGREES 04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 89 DEGREES 55' 30" EAST, ALONG THE NORTH LINE OF SAID PARCEL 2, A DISTANCE OF 164.80 FEET (FORMERLY RECORDED 165.00 FEET) TO THE NORTHEAST CORNER THEREOF; THENCE SOUTH 00 DEGREES 04' 30" EAST, ALONG THE EAST LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET; THENCE SOUTH 89 DEGREES 55' 30" WEST, A DISTANCE OF 164.86 FEET TO THE POINT OF BEGINNING.

APN: 169-070-031-7

EXHIBIT B
CHURCH PARCEL LEGAL DESCRIPTION

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

PARCEL 1:

THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 1, PAGE 12](#) OF MAPS, RIVERSIDE COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT; THENCE NORTH ON THE WEST LINE OF SAID LOT, TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED RECORDED NOVEMBER 25, 1924 IN [BOOK 621, PAGE 334](#) OF DEEDS, RIVERSIDE COUNTY RECORDS; THENCE EAST, ON THE SOUTH LINE OF SAID NORTH 5 ACRES, 165 FEET; THENCE SOUTH, PARALLEL WITH THE WEST LINE OF SAID LOT, TO THE SOUTH LINE OF SAID LOT; THENCE WEST, ON SAID SOUTH LINE 165 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE WESTERLY 4 FEET.

ALSO EXCEPTING THEREFROM THAT PORTION IN MISSION BOULEVARD.

PARCEL 2:

THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 1, PAGE 12](#) OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTH LINE OF SAID LOT 3, WHICH BEARS NORTH 89°55'30" EAST, A DISTANCE OF 164.90 FEET (FORMERLY RECORDED 165.00 FEET) FROM THE SOUTHWEST CORNER THEREOF, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF PARCEL NO. 2 AS CONVEYED TO LEROY L. HAINES AND WIFE, BY DEED RECEIVED FOR RECORDING NOVEMBER 05 1948 AS [INSTRUMENT NO. 591 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA; THENCE NORTH 00°04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 267.27 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 00°04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 89°55'30" EAST, ALONG THE NORTH LINE OF SAID PARCEL 2, A DISTANCE OF 164.80 FEET (FORMERLY RECORDED 165.00 FEET) TO THE NORTHEAST CORNER THEREOF; THENCE SOUTH 00°04'30" EAST, ALONG THE EAST LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET; THENCE SOUTH 89°55'30" WEST, A DISTANCE OF 164.86 FEET TO THE POINT OF BEGINNING.

[APN: 169-070-002](#)

EXHIBIT C
AUTHORITY DEED OF TRUST

EXEMPT RECORDING FEE CODE 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Housing Authority
of the County of Riverside
5555 Arlington Avenue
Riverside, CA 92504
Attn. Juan Garcia

APN: 169-070-002

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING
(WITH ASSIGNMENT OF RENTS)**

This DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING (WITH ASSIGNMENT OF RENTS) ("Deed of Trust") is made this ____ day of _____, 202_, by National Community Renaissance of California, a California nonprofit public benefit corporation (hereinafter referred to as "Trustor"), whose address 9421 Haven Avenue, Rancho Cucamonga, CA 91730, to Fidelity National Title Company ("Trustee"), for the benefit of the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic (hereinafter called "Beneficiary"), whose address is 5555 Arlington Avenue, Riverside, CA 92504.

WITNESSETH: That 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) That certain fee interest in the real property in the City of Jurupa Valley, County of Riverside, State of California, commonly known as 8877 Mission Boulevard, more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (such real property is hereafter referred to as 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 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, referred to herein as the "UCC"), and whether existing 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 Trustor's ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, computer 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 owned by tenants of the Real Property (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, 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 Real 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 financing, refinancing, construction 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 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 will 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 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:

1. due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:
 - (a) that certain Residual Receipts Promissory Note in the original principal amount of \$1,500,000.00 in favor of the Beneficiary ("Housing Authority" therein) executed by Trustor ("Borrower" therein) of even date herewith (the "Note");
 - (b) that certain Disposition, Development and Loan Agreement - - Jurupa Valley dated _____, 2023, and recorded concurrently with this Deed of Trust in the Official Records ("Official Records") of the County of Riverside, between Trustor and Beneficiary (the "DDLA"); and
 - (c) that certain Covenant Agreement (Including Rent Restrictions) dated _____, 2023 and recorded concurrently herewith in the Official Records, between Trustor ("Owner" therein) and Beneficiary ("Housing Authority" therein) ("Covenant Agreement").
2. All of the terms and provisions of the said Note, DDLA and the Covenant Agreement (collectively, the "Secured Obligations") are incorporated herein by reference, and this Deed of Trust will 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 instruments referred to collectively as the Secured Obligations will include riders, exhibits, addenda, implementation agreements, amendments, or attachments and exhibits thereto (which are hereby incorporated herein by this reference). Any capitalized term not otherwise defined herein will have the meaning ascribed to such term in the DDLA.

TRUSTOR COVENANTS that the Trustor is lawfully seized of the estate hereby conveyed and has the right to encumber the fee title 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 DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

1. That Trustor must pay the Note at the time and in the manner provided therein, and perform the obligations of the Trustor which are set forth in the DDLA and the Covenant Agreement at the time and in the manner respectively provided therein.
2. That Trustor may not permit or suffer the use of any of the property encumbered hereby for any purpose other than the uses set forth in the DDLA and the Covenant Agreement.
3. That the Secured Obligations are incorporated in and made a part of this Deed of Trust. Upon default of a Secured Obligation, and after giving 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. If applicable, Trustor's Tax Credit Investor, who will be a limited partner in the Partnership (capitalized terms used but not defined herein will have the

meanings ascribed thereto in the DDLA) will have the cure rights set forth in the DDLA, and may, but will not be obligated to, cure a default by Trustor, and Beneficiary will accept such cure as if it were made by Trustor.

4. Security Agreement and Fixture Filing.

a. Security Agreement. To the extent any of the real, personal or intangible property described as the Trust Estate is personal property, Trustor, as debtor, grants to Beneficiary, as secured party, a security interest therein and in all products and proceeds of any thereof, pursuant to the UCC, on the terms and conditions contained herein, to secure the Secured Obligations. Trustor hereby authorized Beneficiary to file any financing statement, fixture filing or similar filing to perfect the security interests granted in this Deed of Trust without Trustor's signature.

b. Fixture Filing. This Deed of Trust constitutes a fixture filing by Beneficiary, as a secured party, and Trustor, as debtor, under the UCC. This Deed of Trust as a fixture filing covers any and all fixtures included within the list of property described as the Trust Estate and any goods and other personal property that are now or hereafter will become a part of the Property as fixtures. For the purposes of this fixture filing, the respective addresses of Beneficiary and Trustor are set forth in the first paragraph of this Deed of Trust, such fixtures are affixed or to be affixed to the Property and Improvements described as the Trust Estate in this Deed of Trust, and this Deed of Trust, including this fixture filing, is recorded or to be recorded in the Official Records of Riverside County.

5. Payment of Principal and Interest; Prepayment and Late Charges. Trustor must 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 must 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 Deed of Trust, directly to the person owed payment. Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor will not be required to pay and discharge any such tax, assessment, charge or levy so long as Trustor is contesting the legality thereof in good faith and by appropriate proceedings, and Trustor has adequate funds to pay any such contested liabilities and such contest does not materially jeopardize Beneficiary's security hereunder.

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 the reasonable fees of counsel.

7. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Beneficiary under the Note will 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 must pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Deed of Trust, and leasehold payments or ground rents, if any, subject to applicable cure periods, directly to the person owed payment. Trustor must pay these obligations in the manner provided in **Section 6.**

a. Except for the liens permitted in writing by the Beneficiary, Trustor must promptly discharge any other lien which has attained priority over this 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; or (4) secures from the holder of the lien an agreement satisfactory to Beneficiary subordinating the lien to this 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 Deed of Trust, Beneficiary may give Trustor a notice identifying the lien. Trustor must satisfy such lien or take one or more of the actions set forth above within 30 days of the giving of notice.

9. **Assignment of Leases and Rents.**

a. Absolute Assignment. Trustor hereby absolutely and unconditionally grants, transfers, conveys, sells, sets over and assigns to Beneficiary all of Trustor's right, title and interest now existing and hereafter arising in and to the leases, rental agreements, subleases, concessions, licenses, franchises, occupancy agreements, tenancies, subtenancies and other agreements, either oral or written, now existing and hereafter arising which affect the Property, Trustor's interest therein or any Improvements located thereon, together with any and all security deposits, guaranties of the lessees' or tenants' obligations (including any and all security therefor), and other security under any such leases, subleases, concessions, licenses, franchises, occupancy agreements, tenancies, subtenancies and other agreements, and all supporting obligations, letters of credit (whether tangible or electronic) and letter of credit rights guaranteeing or supporting any of the foregoing (all of the foregoing, and any and all extensions, modifications and renewals thereof, will be referred to, collectively, as the "Leases"), and hereby gives to and confers upon Beneficiary the right to collect all the income, Rents, issues, profits, royalties and proceeds from the Leases and any and all prepaid Rent and security deposits thereunder (collectively, the "Rents"). The term "Rents" includes, but is not limited to, all minimum rents, additional rents, percentage rents, deficiency rents, common area maintenance charges, lease termination payments, purchase option payments, refunds of any type, prepayment of rents, settlements of litigation, settlements of past due rents, and liquidated damages following default, and all proceeds payable under any policy of insurance covering loss of rents, together with any and all rights and claims of any kind that Trustor may have against any tenant under the Leases or any other occupant of the Property. This Deed of Trust is intended by Beneficiary and Trustor to create and will be construed to create an absolute assignment to Beneficiary of all of Trustor's right, title and interest in and to the Leases and the Rents and will not be deemed merely to create a security interest therein for the payment of any indebtedness or the performance of any obligations under the Secured Obligations. Trustor irrevocably appoints Beneficiary its true and lawful attorney at the option of Beneficiary at any time a Default exists and remains uncured, to

demand, receive and enforce payment, to give receipts, releases and satisfactions and to sue, either in the name of Trustor or in the name of Beneficiary, for all such Rents and apply the same to the obligations secured by this Deed of Trust.

b. Revocable License to Collect. Notwithstanding the foregoing assignment of Rents, so long as no Default remains uncured, Trustor will have a revocable license to collect all Rents and to retain the same. Upon the occurrence and during the continuation of any Default, Trustor's license to collect and retain Rents will terminate automatically and without the necessity for any notice.

c. Collection and Application of Rents by Beneficiary. While any Default remains uncured: (i) Beneficiary may at any time, without notice, in person, by agent or by court-appointed receiver, and without regard to the adequacy of any security for the obligations secured by this Deed of Trust, enter upon any portion of the Property and/or, with or without taking possession thereof, in its own name sue for or otherwise collect Rents (including past due amounts); and (ii) upon written demand by Beneficiary therefor, Trustor will promptly deliver to Beneficiary all prepaid rents, deposits relating to Leases or Rents, and all other Rents then held by or thereafter collected by Trustor, whether prior to or during the continuance of any Default. Any Rents collected by or delivered to Beneficiary may be applied by Beneficiary against the obligations secured by this Deed of Trust, and all expenses, including attorney's fees and disbursements, in such order as Beneficiary will determine in its sole and absolute discretion. No application of Rents against any obligation secured by this Deed of Trust or other action taken by Beneficiary under this Section 9.c. will be deemed or construed to cure or waive any Default, or to invalidate any other action taken in response to such Default, or to make Beneficiary a mortgagee-in-possession of the Property.

d. Direction to Tenants. Trustor hereby irrevocably authorizes and directs the tenants under all Leases to pay all amounts owing to Trustor thereunder to Beneficiary following receipt of any written notice from Beneficiary that states that a Default remains uncured and that all such amounts are to be paid to Beneficiary. Trustor further authorizes and directs all such tenants to pay all such amounts to Beneficiary without any right or obligation to inquire as to the validity of Beneficiary's notice and regardless of the fact that Trustor has notified any such tenants that Beneficiary's notice is invalid or has directed any such tenants not to pay such amounts to Beneficiary.

e. No Obligation to Perform. Neither Beneficiary nor Trustee will have any obligation to exercise any right given to either of them under this Deed of Trust. Noting contained herein will operate or be construed to obligate Beneficiary or Trustee to perform any obligations of Trustor under any agreement or lease (including, without limitation, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such lease will have been joined as a party defendant in any action to foreclose and the estate of such lessee will have been thereby terminated). Prior to actual entry into and taking possession of the Property by Beneficiary, this assignment will not operate to place upon Beneficiary any responsibility for the operation, control, care, management or repair of the Property or any portion thereof, and the execution of this assignment by Trustor will constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Property is and will be that of Trustor, prior to such actual entry and taking of possession.

10. **Hazard or Property Insurance.** Trustor must 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 requires insurance. This insurance must be maintained in the amounts and for the periods as required in the DDLA. The insurance carrier providing the insurance will be chosen by Trustor subject to Beneficiary's approval which may 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 must be reasonably acceptable to Beneficiary and must include a standard mortgagee clause. All requirements hereof pertaining to insurance will be deemed satisfied if the Trustor complies with the insurance requirements under this Deed of Trust and the DDLA. Trustor must 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 must 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 must be applied to restore or repair 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 must be applied to the sums secured by this 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 Deed of Trust.

c. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to principal will 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 will pass to Beneficiary to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

d. Notwithstanding the above, the Beneficiary's rights to collect and apply the insurance proceeds hereunder will be subject and subordinate to the rights of senior lien holders, 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; Trustor's Loan Application; Leaseholds. Trustor must not destroy, damage or impair the Property, allow the Property to deteriorate, normal wear and tear excepted; or commit waste on the Property. Trustor will 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 Deed of Trust or Beneficiary's security interest. Trustor may cure such a default and reinstate, as provided in **Section 23**, 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 Deed of Trust or Beneficiary's security interest. Trustor will 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 Authority

Loan evidenced by the Note, including, but not limited to, representations concerning Trustor's use of Property for affordable housing. If this Deed of Trust is on a leasehold, Trustor must comply with all provisions of the lease. If Trustor acquires fee title to the Property, the leasehold and the fee title must 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 are further evidenced by the Covenant Agreement recorded concurrently herewith 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 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 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 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.

Any amounts disbursed by Beneficiary under this **Section 12** will become additional debt of Trustor secured by this Deed of Trust. Unless Trustor and Beneficiary agree to other terms of payment, these amounts will bear interest from the date of disbursement at the Note rate and will 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 will give Trustor at least 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 must 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 must be applied to the sums secured by this 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 Deed of Trust immediately before the taking, unless Trustor and Beneficiary otherwise agree in writing, the sums secured by this Deed of Trust will 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 must 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 must be applied to the sums secured by this 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 Property.

b. 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 Deed of Trust, whether or not then due.

c. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to principal must 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. **Trustor Not Released; Forbearance By Beneficiary Not a Waiver.** Except in connection with any successor in interest approved by Beneficiary in writing, extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Beneficiary to any successor in interest of Trustor will not operate to release the liability of the original Trustor or Trustor's successors in interest. Beneficiary will not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Trustor or Trustor's successors in interest. Any forbearance by Beneficiary in exercising any right or remedy will 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 Deed of Trust will bind and benefit the successors and assigns of Beneficiary and Trustor, subject to the provisions of **Section 22**. Trustor's covenants and agreements will be joint and several.

18. **Loan Charges.** If the loan secured by this 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 will 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.** Formal notices, demands and communications between the Beneficiary and Trustor will be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the Beneficiary and Trustor: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice will be deemed delivered on the date of receipt thereof); (ii) electronic transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice will be deemed delivered on the date of its successful electronic transmission unless the sender receives a notice of non-delivery); or (iii) personal delivery, including by means of professional messenger service, overnight or courier delivery service such as United Parcel Service or Federal Express, or by U.S.

Postal Service (in which event, the notice will 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. Any notice to Trustor provided for in this Deed of Trust will be given by delivering it or as provided above unless applicable law requires use of another method. The notice will 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 will also be provided to any Tax Credit Partner now or later owning an interest in Trustor at the address for such Tax Credit Partner which has been provided to Beneficiary. Any notice to Beneficiary will be given by first class mail to Beneficiary's address stated herein or any other address Beneficiary designates by notice to Trustor. Any notice provided for in this Deed of Trust will be deemed to have been given to Trustor or Beneficiary when given as provided in this Section.

20. **Governing Law; Severability.** This Deed of Trust will be governed by federal law and the laws of the State of California. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict will not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust and the Note are declared to be severable. Any action at law or in equity arising under this 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 will be filed in the Superior Court of Riverside County, State of California, or in Federal Court having jurisdiction over Riverside County 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 will be given one conformed copy of the Note and of this Deed of Trust.

22. **Transfer of the Property or a Beneficial Interest in Trustor.** Except as defined as a "Permitted Transfer" in or as otherwise allowed under the DDLA, 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" within the meaning of the DDLA) Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option may not be exercised by Beneficiary if exercise is prohibited by federal law as of the date of this Deed of Trust. Nothing in this Deed of Trust will be deemed to require Beneficiary's approval of a transfer of a limited partnership 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 must give Trustor and any senior lien holder, prior written notice of acceleration. The notice must 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 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 Deed of Trust without further notice or demand on Trustor.

b. Notwithstanding anything to the contrary contained herein as provided in the DDLA and upon written notice to Beneficiary, Trustor may (i) admit limited partners to Trustor, and provide for the purchase of any such limited partnership interest or interests by Trustor's general partner; (ii) remove for cause any General Partner by a limited partner of the Trustor, and

the replacement thereof, pursuant to the Partnership Agreement, provided Beneficiary receives 30 days advance written notice of such removal (without limiting Trustor's obligation to provide advance notice of such removal for cause of any General Partner by a limited partner and the replacement thereof set forth in the immediately preceding sentence, amendments to the Partnership Agreement required to effectuate the Permitted Transfer set forth in this clause (ii) will not require the consent of the Beneficiary; provided, however, Trustor must provide Beneficiary with an executed copy of such amended partnership agreement within 10 days of execution thereof); (iii) lease for occupancy of all or any of the Restricted Units (as defined in the Covenant Agreement); (iv) grant easements or permits to facilitate the development of the Property in accordance with the DDLA; and (v) the withdrawal and/or replacement of any limited partner of Trustor, (collectively a "Permitted Transfer"). Trustor must provide copies of all documentation related to Permitted Transfers to Beneficiary for its review. Permitted Transfers are not subject to Beneficiary's approval of such documentation.

23. **Trustor's Right to Reinstate.** If Trustor cures all defaults then existing under the Secured Obligations, Trustor will have the right to have enforcement of this 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 Deed of Trust; or (b) entry of a judgment enforcing this Deed of Trust. If not already required to cure a default under a Secured Obligation, Trustor must: (a) pay Beneficiary all sums which then would be due under this Deed of Trust and the Note as if no acceleration had occurred; (b) cure any default of any other covenants or agreements; (c) pay all expenses incurred by Beneficiary in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees; and (d) take such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Property and Trustor's obligation to pay the sums secured by this Deed of Trust will continue unchanged. Upon reinstatement by Trustor, this Deed of Trust and the obligations secured hereby will remain fully effective as if no acceleration had occurred. However, this right to reinstate will 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 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 payments due under the Note and this 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.** Except for Permitted Assignments, the Note and this Deed of Trust may not be assigned by Trustor without the Beneficiary's prior written consent.

26. **Hazardous Substances.** Trustor may not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Trustor may not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences will 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 multifamily property.

a. Trustor must 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 must promptly take all necessary remedial actions in accordance with Environmental Law.

b. As used in this **Section 26**, "Hazardous Substances" are those substances defined in the DDLA 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 must give notice to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this Deed of Trust. The notice must specify: (a) the default; (b) the action required to cure the default; (c) a date, which must not be more than 10 calendar days from the date of the mailing of the notice for a monetary default, or a date, which must not be more than 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 sums secured by this Deed of Trust and sale of the Property. The notice must 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 any lienholder or a Tax Credit Investor have not cured the default within that same period, subject to any non-recourse provisions then in effect, then Beneficiary at its option may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary will 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 must mail copies of a notice of sale in the manner prescribed by applicable law to Trustor, the Tax Credit Investor, any necessary lienholders and to the other persons prescribed by applicable law. Trustee must give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Trustee, without demand on Trustor, may 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 must 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 will be prima facie evidence of the truth of the statements made therein. Trustee must 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 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 Deed of Trust, Beneficiary will release and reconvey this Deed of Trust without charge to Trustor. Trustor will pay any recordation costs. The lien of the Covenant Agreement will not be released or reconveyed until the expiration of the term set forth therein notwithstanding the payment of all sums secured by this 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 Deed of Trust is recorded. Without conveyance of the Property, the successor trustee must 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 lender in a priority position senior to this Deed of Trust waives, postpones, extends, reduces, or modifies any provisions of such lender's deed of trust or any other loan document, including any provisions requiring the payment of money, will require the prior written approval of Beneficiary.

31. **Reserved.**

32. **General Partner Change.** Except as otherwise provided in the DDLA, if and at such time as the Trustor hereunder is a limited partnership, the withdrawal, removal, and/or replacement of a non-Affiliate general partner of the Trustor pursuant to the terms of the Partnership Agreement will not constitute a default under any of the Secured Obligations, and any such actions will not accelerate the maturity of the Authority Loan secured hereby, provided that any required substitute general partner that is not an affiliate of Trustor's limited partner is reasonably acceptable to Beneficiary and is selected with reasonable promptness, subject to Section 22.b above. Any proposed General Partner replacement must have the qualifications and financial responsibility as reasonably determined by Beneficiary necessary and adequate to fulfill the obligations undertaken in the DDLA, 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 located on or in the Property may 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 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 will be deemed to have subjected such replacement personal property and fixtures to the lien of this 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.

34. **Extended Low-Income Housing Commitment.** Notwithstanding anything to the contrary contained herein or in any instruments secured by this Deed of Trust or contained in any subordination agreement, at any time when the Subject Property or Trustor has received Federal Low Income Housing Tax Credits and is in a tax credit compliance period of which Beneficiary is aware, Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of

foreclosure during such time period (collectively, "Foreclosure") with respect to the property encumbered by this Deed of Trust, the following rule contained in Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986, as amended, will apply: for a period of 3 years from the date of Foreclosure, with respect to any unit that had been regulated by the regulatory agreement with the California Tax Credit Allocation Committee ("Extended Use Agreement"), (i) none of the tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code. Trustor acknowledges and agrees that any default, Event of Default, or breach (however such terms may be defined) under the Extended Use Agreement will be an Event of Default under this Deed of Trust and that any costs, damages or other amounts, including reasonable attorneys' fees incurred by Beneficiary as a result of an Event of Default by Trustor, and any amounts paid by Beneficiary to cure any default under the Extended Use Agreement will be an obligation of Trustor and become a part of the debt secured by this Deed of Trust.

IN WITNESS WHEREOF Trustor has executed this Deed of Trust as of the day and year set forth above.

TRUSTOR:

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

By: _____
Michael Finn, CFO

(Signature needs to be notarized)

ALL-PURPOSE ACKNOWLEDGMENT

Civil Code §1189

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

State of _____)
) ss.
County of _____)

On _____, before me, _____, **Notary Public**
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person whose name(s) are/is 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 _____
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Dated _____, 2023 Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer - Title(s):
- Co-Managing Member
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other:

Exhibit A
Legal Description

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

PARCEL 1:

THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 1, PAGE 12](#) OF MAPS, RIVERSIDE COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT; THENCE NORTH ON THE WEST LINE OF SAID LOT, TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED RECORDED NOVEMBER 25, 1924 IN [BOOK 621, PAGE 334](#) OF DEEDS, RIVERSIDE COUNTY RECORDS; THENCE EAST, ON THE SOUTH LINE OF SAID NORTH 5 ACRES, 165 FEET; THENCE SOUTH, PARALLEL WITH THE WEST LINE OF SAID LOT, TO THE SOUTH LINE OF SAID LOT; THENCE WEST, ON SAID SOUTH LINE 165 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE WESTERLY 4 FEET.

ALSO EXCEPTING THEREFROM THAT PORTION IN MISSION BOULEVARD.

PARCEL 2:

THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 1, PAGE 12](#) OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTH LINE OF SAID LOT 3, WHICH BEARS NORTH 89°55'30" EAST, A DISTANCE OF 164.90 FEET (FORMERLY RECORDED 165.00 FEET) FROM THE SOUTHWEST CORNER THEREOF, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF PARCEL NO. 2 AS CONVEYED TO LEROY L. HAINES AND WIFE, BY DEED RECEIVED FOR RECORDING NOVEMBER 05 1948 AS [INSTRUMENT NO. 591 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA; THENCE NORTH 00°04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 267.27 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 00°04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 89°55'30" EAST, ALONG THE NORTH LINE OF SAID PARCEL 2, A DISTANCE OF 164.80 FEET (FORMERLY RECORDED 165.00 FEET) TO THE NORTHEAST CORNER THEREOF; THENCE SOUTH 00°04'30" EAST, ALONG THE EAST LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET; THENCE SOUTH 89°55'30" WEST, A DISTANCE OF 164.86 FEET TO THE POINT OF BEGINNING.

[APN: 169-070-002](#)

EXHIBIT D

AUTHORITY PROMISSORY NOTE

RESIDUAL RECEIPTS PROMISSORY NOTE

Riverside, CA

3% Interest

\$1,500,000

_____, 2023

In installments as hereafter stated, for value received, NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, a California nonprofit public benefit corporation (“Borrower”) promises to pay the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity corporate and politic (“HOUSING AUTHORITY”) the sum of \$1,500,000.00, (the “Housing Authority Loan” or “Note Amount”) which at the time of payment is lawful for the payment of public and private debts.

This Promissory Note (the “Note”) is given in accordance with that certain Disposition, Development and Loan Agreement - - Jurupa Valley (the “DDLA”) executed by HOUSING AUTHORITY and Borrower, dated as of _____, 2023 recorded concurrently with Borrower’s Deed of Trust (as defined below) in the Official Records (“Official Records”) of the County of Riverside. Except to the extent otherwise expressly defined in this Note, all capitalized terms not defined herein will have the meanings established in the DDLA. This Note is secured by a Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) executed by Borrower for the benefit of the HOUSING AUTHORITY dated on or about the date hereof and recorded in the Official Records of the County of Riverside (the “Authority Deed of Trust”) on or about the date hereof, a Covenant Agreement executed by Borrower for the benefit of the HOUSING AUTHORITY dated on or about the date hereof and recorded in the Official Records on or about the date hereof (the “Covenant Agreement”), and a UCC-1 Fixture Filing (collectively, the “Housing Authority Loan Documents”). The rights and obligations of the Borrower and the Housing Authority under this Note will be governed by the DDLA and the following terms:

- (1) Borrower agrees for itself and its successors and assigns that the use of the Property encumbered by the Authority Deed of Trust will be subject to the restrictions on rent and occupancy set forth in the DDLA and the Covenant Agreement.
- (2) That the Housing Authority Loan will accrue simple interest at a rate of 3% per annum, except in the case of default as hereinafter provided, and will be repaid on an annual basis from the Public Agency Share of Residual Receipts, as defined herein. Interest will accrue 30 days from the date of issuance of the final Certificate of Occupancy or the equivalent thereof issued by the City of Jurupa Valley (the “Certificate of Occupancy”) for the apartment units constituting the Project.
- (3) This Note must be repaid according to the following:
 - (a) Fifty percent (50%) of the Project Residual Receipts, defined below, must be used towards the payment of all loans on the Project which are only payable from Residual Receipts, including, but not limited to, this Housing Authority Loan, and all other loans payable from Residual Receipts made by Government Authorities or by any other lender approved by the HOUSING AUTHORITY (“Public Agency Share of Residual Receipts”). Payment of the Public Agency Share of Residual Receipts must be allocated among all such lenders making Residual Receipts loans based on the ratio of the respective original principal

balances of such loans, and payment will continue until all such Residual Receipts loans, including this Housing Authority Loan, are repaid in full, and

(b) The remaining 50% of the Project Residual Receipts will be retained by Borrower.

- (4) The Project's Residual Receipts will be determined based on an annual review of certified financial statements for the Project. Annual audited financial statements must be submitted by Borrower to the HOUSING AUTHORITY within 120 days following the close of the Project's fiscal year (which is the calendar year), commencing on May 1 of the first full calendar year following the issuance of the Certificate of Occupancy. The first payment on this Note will be due on July 1st of the first full calendar year following the date of the issuance of the Certificate of Occupancy, to the extent of available Residual Receipts. Subsequent payments will be due on this Note on each July 1st thereafter to the extent of available Residual Receipts until the sooner of full repayment of the Housing Authority Loan or the Housing Authority Loan maturity date as set forth herein. All outstanding principal then due on this Note along with accrued interest will be due in full without demand or notice upon maturity of the Housing Authority Loan, which will be the later to occur of (i) January 1, 2078 or (ii) 55 years from and after issuance of the Certificate of Occupancy (the "Housing Authority Loan Term").
- (5) The term "Project Residual Receipts" used herein means the gross rental income from all residential and non-residential components of the Project, proceeds from loss of rent insurance, and any other income to the Borrower derived from the ownership, operation and management of the Project, not including interest on required reserve accounts, less the following operating expenses:
- i) auditing and accounting fees;
 - ii) a reasonable property management fee not to exceed \$70 per unit per month, increased annually by 3% per annum;
 - iii) operating expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which will include, but not be limited to, administration, on-site management, utilities, insurance, property taxes and assessments, on-site staff payroll, payroll taxes, monitoring fees and maintenance expense);
 - iv) replacement reserves, maintained in a separate account from operating reserves, not to exceed \$500 per unit per year for each unit in the Project and increasing annually if and as required by the lender holding the most senior permanent loan on the Project;
 - v) deferred developer fee, plus any required interest thereon;
 - vi) operating reserve account replenishment, in an annual amount confirmed in the Project Annual Budget approved by the HOUSING AUTHORITY;
 - vii) if applicable, an annual managing general partner asset management fee of \$ 25,000, increased by no more than 3% annually;
 - viii) if applicable, an annual limited partner asset management fee not to exceed \$10,000, which fee will be increased annually by 3% during each year of the Tax Credit compliance period for the Project, and thereafter any further increases will not be permitted without the written approval of the Housing Authority's Executive Director;

ix) payments of must-pay, non-contingent principal and interest on amortized loans and indebtedness senior to the Housing Authority Loan, which have been approved by HOUSING AUTHORITY (collectively, the "Senior Debt");

x) The HOUSING AUTHORITY'S annual monitoring fee in the amount of \$ _____;

xi) fees and costs paid for required social services provided to residents of the Project;

(xii) if applicable, payments of voluntary loans or capital contributions made by a Tax Credit Investor and any tax credit adjustors payable under a limited partnership agreement which has been approved by the HOUSING AUTHORITY; and

(xiii) all other Project fees and expenses which may be authorized in the annual budget for the Project approved by the HOUSING AUTHORITY.

- (6) Operating expenses will not include repayment of advances to the general partner of a limited partnership owner of the Project from its limited partner(s), general partner(s), their affiliate(s) and/or third parties (including without limitation, any advances or reimbursements for any portion of any deferred developer fee to pay any construction cost overruns) (collectively a "Partnership Loan"); provided, however, such Partnership Loan may be authorized by the Executive Director upon written request received by the HOUSING AUTHORITY. In considering a request for approval of a Partnership Loan, the Executive Director will consider the following: (i) whether such request was made pursuant to the terms of the limited partnership agreement, (ii) if a Project deficit exists and written evidence of such deficit is provided to the Executive Director, (iii) Borrower or its successor or assignee has demonstrated to HOUSING AUTHORITY, in writing, that the requested loan is the only reasonably available means of relieving such deficit, (iv) the Executive Director approves the loan terms, including, but not limited to the loan amount, interest rate, and maturity date. The Executive Director retains the right to defer such approval to the HOUSING AUTHORITY'S Board of Commissioners. Failure by the Executive Director to respond to such request within 30 days of the HOUSING AUTHORITY'S receipt of such written notice will be deemed disapproval of such request.
- (7) The Housing Authority Loan evidenced by this Note is secured by the Authority Deed of Trust encumbering real property located in the City of Jurupa Valley, Riverside County, California.
- (8) This Note may be prepaid in whole or in part at any time without prepayment penalty or premium.
- (9) Subject to the provisions and limitations of this **Section 9**, the obligation to repay this Note is a nonrecourse obligation of Borrower and its successors and assigns. Neither Borrower nor any partner, general or limited, owning a partnership interest in a limited partner owner of the real property encumbered by the Authority Deed of Trust, will have any personal liability for repayment of this Note, except as provided herein. The sole recourse of the HOUSING AUTHORITY will be the exercise of its rights against the real property (or any portion thereof) encumbered by the Authority Deed of Trust and any related security for the Housing Authority Loan; provided, however, that the foregoing will not (i) constitute a waiver of any other obligation evidenced by this Note or the Authority Deed of Trust; (ii) limit the right of the HOUSING AUTHORITY to name Borrower or its successors and assigns as a party defendant in any action or suit for judicial foreclosure and sale under this Note and the Authority Deed of Trust or any action or proceeding hereunder so long as no judgment in the nature of a deficiency judgment will be asked for or taken against

Borrower; (iii) release or impair either this Note or the Authority Deed of Trust; (iv) prevent or in any way hinder the HOUSING AUTHORITY 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 real 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 HOUSING AUTHORITY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, to 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 by this Note and/or secured by the Authority Deed of Trust. Notwithstanding the first foregoing sentence, the HOUSING AUTHORITY 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 HOUSING AUTHORITY as a result of fraud, misrepresentation or any criminal act or acts of Borrower, its successors and assigns, or any general partner, shareholder, officer, director or employee of Borrower, or of any general partner of a limited partnership owner of the real property encumbered by the Authority Deed of Trust; (b) any damages, costs and expenses incurred by the HOUSING AUTHORITY as a result of any misappropriation of funds provided to pay costs as described in the DDLA, 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 which must be paid prior to the Authority Deed of Trust; (d) the fair market value of any personal property or fixtures removed or disposed of by the Borrower or its successors and assigns other than in accordance with the Authority Deed of Trust; (e) any and all amounts owing by Borrower or its successors and assigns pursuant to any indemnity set forth in the DDLA and/or Authority Deed of Trust or the indemnification regarding Hazardous Substances pursuant to the DDLA; and (f) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

(10) The occurrence of any of the following events will constitute an "Event of Default" under this Note after notice and opportunity to cure pursuant to the terms set forth herein or in the DDLA:

a. Monetary Default. Borrower's failure to pay when due (i) any sums payable under the this Note or any advances made by HOUSING AUTHORITY under the DDLA or the Authority Deed of Trust, (ii) Borrower's or any agent of Borrower's use of HOUSING AUTHORITY funds to pay costs of or arising from the Project, the payment of which is not permitted by the DDLA, (iii) Borrower's or any agent of Borrower's failure to make any other payment due under the DDLA or any other Housing Authority Loan Document, and /or (iv) a default past any applicable notice and cure period under any instrument, promissory note or other document secured by the real property which is subject to the Authority Deed of Trust;

b. Non-Monetary Default - Operation. (1) Discrimination by Borrower or Borrower's agent on the basis of characteristics prohibited by the Housing Authority Loan Agreement or applicable law, (2) the imposition of any encumbrances or liens on the Project without HOUSING AUTHORITY's prior written approval (except for liens expressly permitted under the Housing Authority Loan Documents) including, but not limited to those liens or encumbrances expressly prohibited under the DDLA or which have the effect of reducing the priority of or invalidating the Authority Deed of Trust, (3) Borrower's failure to obtain and

maintain the insurance coverage required under the DDLA or Authority Deed of Trust, and/or (4) any material default under the DDLA or any other Housing Authority Loan Document;

c. General Performance of Loan Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents beyond any period provided to cure or remedy the same of any material obligations of the Borrower imposed in the DDLA or any other Housing Authority Loan Document; and

d. General Performance of Other Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents beyond any period provided to cure or remedy the same 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 HOUSING AUTHORITY is a party to such agreement.

- (11) HOUSING AUTHORITY must give written notice of default to Borrower, specifying the default complained of by the HOUSING AUTHORITY. Borrower will have 10 calendar days from the mailing of a notice of a monetary default by which such action to cure must be taken, and 30 days from the mailing of a notice of a non-monetary default by which such action to cure must be taken, but if a non-monetary default is not reasonably capable of being cured within 30 days, so long as Borrower has commenced a cure or remedy of such non-monetary default within the first 30-day period and diligently prosecutes such cure to completion thereafter, but not more than 60 additional days, such non-monetary default will be deemed cured. Delay in giving notice of default will not constitute a waiver of any default nor will it change the time of default. If applicable, the Tax Credit Investor will receive a copy of all notices and will have the right, but not the obligation, to cure any default, and the HOUSING AUTHORITY will accept a cure of any default made by a Tax Credit Investor with the same force and effect as if such cure had been made by the Borrower.
- (12) Any failures or delays by HOUSING AUTHORITY in asserting any of its rights and remedies as to any default will not operate as a waiver of any default or of any such rights or remedies. Delays by HOUSING AUTHORITY in asserting any of its rights and remedies will not deprive HOUSING AUTHORITY 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.
- (13) If any right created by this Note is held to be invalid or unenforceable as to any part of the obligations described herein by a court of competent jurisdiction, the remaining obligations of this Note will 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.
- (14) 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 HOUSING AUTHORITY 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.

- (15) Should default be made in payment of principal and interest due hereunder and such default should continue beyond the applicable notice and cure period provided in Section 11 of this Note, the whole sum of principal and interest will become immediately due at the option of the holder of this Note. If action is instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.
- (16) This Note has been negotiated and entered in the State of California, and will 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 must be filed in the Superior Court of Riverside County or, as applicable, in the Federal Court with jurisdiction over matters arising in 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.
- (17) No modification, rescission, waiver, release or amendment of any provision of this Note will be made except by a written agreement executed by Borrower and the duly authorized representative of the HOUSING AUTHORITY.
- (18) The HOUSING AUTHORITY may, in its sole and absolute discretion, assign its rights under this Note and its right to receive repayment of the Note without obtaining the consent of Borrower.
- (19) **(Reserved)**
- (20) Except as to the Authority Deed of Trust identified herein and other deeds of trust permitted under applicable provisions of the DDLA, Borrower must not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Authority Deed of Trust without the prior written approval of the HOUSING AUTHORITY in its sole discretion, which will not be unreasonably withheld or delayed.
- (21) The relationship of Borrower and the HOUSING AUTHORITY pursuant to this Note is that of debtor and creditor and is not construed to be, a joint venture, equity venture, partnership or other relationship.
- (22) Formal notices, demands and communications between the HOUSING AUTHORITY and Borrower will be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the HOUSING AUTHORITY and Borrower: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice will be deemed delivered on the date of receipt thereof); (ii) electronic transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice will be deemed delivered on the date of its successful electronic transmission unless the sender receives a notice of non-delivery); or (iii) personal delivery, including by means of professional messenger service, overnight or courier delivery service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice will 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.

- (23) Any captions or headings used in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
- (24) The undersigned, if comprising more than one person or entity, will be jointly and severally liable hereunder.
- (25) This Note will be binding upon Borrower and its heirs, successors and assigns, and will benefit the HOUSING AUTHORITY and its successors and assigns.

BORROWER:

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

By: _____
Michael Finn, Chief Financial Officer

EXHIBIT E
COVENANT AGREEMENT

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

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:
Housing Authority of the County of Riverside
5555 Arlington Avenue
Riverside, CA 92504
Attention: Juan Garcia

APN: 169-070-002 & 169-070-031

SPACE ABOVE THIS LINE FOR RECORDERS USE

COVENANT AGREEMENT
(Including Rental Restrictions)

(Jurupa Valley)

This COVENANT AGREEMENT (Including Rental Restrictions) (Jurupa Valley) (“Covenant”) is made and entered into as of the _____ day of _____, 2023, by and between the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic (“Housing Authority”), and National Community Renaissance of California, a California nonprofit public benefit corporation (“Owner”). Housing Authority and Owner are individually referred to herein as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, at the time this Covenant is recorded, Owner will own that certain real property consisting of approximately 3.54 acres of land commonly known as 8877 Mission Blvd., Jurupa Valley, California, also known as Assessor Parcel Number 169-070-002, more specifically described in Exhibit A attached hereto (“Church Parcel”); this Covenant is an encumbrance on the Church Parcel; and

WHEREAS, as provided in the Disposition, Development and Loan Agreement (defined below), upon the satisfaction of certain conditions precedent set forth therein, Owner will acquire title from the Housing Authority of a parcel of real property consisting of approximately .83 acres and commonly known as 8845 Mission Blvd., Jurupa Valley, also known as Assessor Parcel No. 169-070-031, more specifically described in Exhibit B attached hereto (“HACR Parcel”), which is adjacent to and surrounded on two sides by the Church Parcel (the Church Parcel and the HACR Parcel are referred to collectively as the “Site”). When Owner acquires the HACR Parcel, Owner has agreed with the Housing Authority that this Covenant will become an encumbrance on the HACR Parcel; and

WHEREAS, improving the Site with an affordable housing community will alleviate blighted conditions on the Property in satisfaction of Section 33031 of the California Health and Safety Code; and

WHEREAS, Housing Authority and Owner entered into a Disposition, Development and Loan Agreement - - Jurupa Valley dated _____, 2023 (“DDLA”), a Memorandum of which is recorded concurrently herewith in the Official Records of the County of Riverside (“Official Records”), the terms of which are incorporated herein by this reference. The term “Disposition, Development and Loan Agreement” as used herein will mean, refer to and include the DDLA, as well as any riders, exhibits, addenda, implementation agreements, amendments or exhibits, or attachments thereto. Any capitalized term not otherwise defined herein will have the meaning ascribed to such term in the DDLA; and

WHEREAS, the Housing Authority and Owner intend that an approximate 101-unit affordable housing rental community be developed, constructed and operated on the entirety of the Site, and Owner is or will be processing Entitlements with the City of Jurupa Valley (“City”) to develop the entire Site for low income housing purposes. When the Site is fully entitled, it will be developed with an approximate 101-unit multi-family low-income rental housing complex (“Project”). Consequently, at any time that Owner or any Affiliate acquires title to the HACR Parcel, Owner will cooperate with the Housing Authority to execute and record all instruments necessary to encumber the Owner’s title of the HACR Parcel with the lien of these Covenants; and

WHEREAS, the DDLA provides for, among other things, a loan from Housing Authority to Owner of \$1,500,000 (“Authority Loan”) to enable Owner to acquire the Church Parcel; and

WHEREAS, the Authority Loan is evidenced by a Promissory Note (“Authority Loan Note”) and secured by, among other instruments, a Deed of Trust (“Authority Loan Deed of Trust”) which is recorded concurrently herewith in the Official Records; and

WHEREAS, when Owner acquires the HACR Parcel from the Housing Authority, the Housing Authority will make a loan to Owner in the amount of the appraised Purchase Price of the HACR Parcel (“HACR Loan”) to enable owner to acquire the HACR Parcel. The HACR Loan is evidenced by a Promissory Note (“HACR Loan Note”) and secured by, among other instruments, a Deed of Trust (“HACR Loan Deed of Trust”), which will be recorded when Owner takes title to the HACR Parcel; and

WHEREAS, the DDLA, Authority Loan Note, Authority Loan Deed of Trust, HACR Loan Note and HACR Loan Deed of Trust, are collectively referred to herein as the “Affordable Housing Loan and Related Agreements”; and

WHEREAS, pursuant to the DDLA, Owner is required to restrict the use and occupancy of all of the Restricted Units to be constructed in the Project (all of the apartments except 1 manager's unit) for use by persons and families who qualify as no more than lower income households; when the development of Owner's affordable housing community is entitled and financing is committed, the Parties understand that a final determination will be made concerning permanent and final affordability restrictions for the Project, which then must be approved by the Housing Authority. The Parties agree that this Covenant must be amended at that time to incorporate the final affordability restrictions for the Project as a matter of public record. However, for a period of no less than 55 years, all of the Restricted Units in the Project must be made available for rent and occupancy by persons and families with family income which must be no higher than that qualifying them as "lower income households" within the meaning of California Health and Safety Code Section 50079.5; and Owner for itself and its successors and assigns agrees to amend this Covenant incorporating such specific affordability restrictions when they have been approved by the Housing Authority;

WHEREAS, this Covenant is entered into and is being recorded in accordance with the DDLA and the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.).

NOW, THEREFORE, Owner, for itself and its successors and assigns, hereby declares, covenants, acknowledges and agrees as follows:

1. Construction and Development of the Property. Owner agrees to develop and construct, or cause the development and construction, of the Project on the entire Site, as provided in the Scope of Development, within the times specified therefore in the Schedule of Performance, and in conformity with all Plans and specifications approved by the City and the Housing Authority in connection therewith.
2. Use of the Property. For itself and its successors and assigns, Owner agrees:
 - (a) that Owner must use the Site only for the uses specified in the Affordable Housing Loan and Related Agreements and this Covenant. No change in the use of the Site or the Project will be permitted without the prior written approval of the Housing Authority. The improvements to be constructed on the Site must comply with the current California Building Code including any

applicable accessibility and adaptability requirements for multifamily new construction development.

(b) The Site will be used for the development and operation of a multi-family affordable rental housing complex containing approximately 101 units of which 100 Restricted Units must be made available at an Affordable Rent (as defined in the DDLA) for occupancy by persons and families whose family income does not exceed that which would qualify them as “lower income households” as defined in and described in the DDLA and Scope of Development attached thereto, as the same may be modified with agreement of the Housing Authority at such time as the final affordability restrictions necessary to comply with entitlements and financing approvals are available.

(c) The maximum family incomes of residential tenants eligible to rent the Restricted Units will be determined on the basis of the Area Median Income for the County of Riverside Standard Metropolitan Area as most recently determined by the United States Department of Housing and Urban Development in its multi-family tax subsidy project (MTSP) income limits as adopted and published annually by the California Department of Housing and Community Development and, if the Project has been awarded low-income housing tax credits, by the California Tax Credit Allocation Committee, which are applicable to persons and families meeting the affordability restrictions set forth in this Covenant and as may be set forth in any amendment to this Covenant approved by the Housing Authority.

(d) The maximum monthly Affordable Rent, including a reasonable utility allowance for utilities and services (excluding telephone), that may be charged to tenants of the Restricted Units must not exceed 1/12 times the product of 30% times the applicable Area Median Income, adjusted for family size appropriate to the Restricted Unit in question, which family size will be determined as provided in the DDLA under State law and regulation or, during such time as the Project is within any tax credit compliance period, under Federal tax credit requirements.

(e) Housing Authority, and its respective successors and assigns, will have the right, but not the obligation, to monitor and enforce the covenants contained in this Section.

(f) Except for a resident manager, no officer, employee, agent, official or consultant of Owner may occupy any of the apartment units in the Project.

(g) Failure to comply with the affordability requirements of this Covenant is also an event of default under the terms of the Authority Loan and the HACR Loan. Pursuant to the Authority Loan Note evidencing the Authority Loan and the HACR Loan Note, subject to the right to notice and of cure, the Authority Loan and the HACR Loan will be due and payable in full at

the sole option of the Housing Authority if the housing provided in the Project does not meet the affordability requirements of this Covenant.

(h) Except for the non-discrimination provisions set forth in Section 5 below, this Covenant and the use and occupancy restrictions set forth herein will remain in effect for a period of no less than 55 years from the date of issuance of the Certificate of Occupancy (or its equivalent) for the last apartment unit in the Project by the City ("Term" or "Affordability Period"), without regard to (i) the term of the Authority Loan Note or the HACR Loan Note, or (ii) a transfer of title to the Project. The Project will be held, sold and conveyed, subject to the covenants, conditions, and restrictions contained in this Covenant and in the Affordable Housing Loan and Related Agreements.

3. Recording Priority of Covenant. This Covenant will be recorded in a first priority position senior to the Authority Loan Deed of Trust and the HACR Loan Deed of Trust on the Church Parcel and the HACR Parcel.

4. Maintenance of the Improvements. When construction of the improvements in the Project constituting the affordable housing community is completed, Owner, on behalf of itself and its successors and assigns, agrees to protect, maintain, and preserve the Project in compliance with all applicable federal and state laws and regulations and local ordinances. In addition, Owner and its successors and assigns will maintain all such improvements in the same aesthetic and sound condition (or better) as the condition of the Project at the time of recordation of the Certificate of Occupancy for the final apartment units in the Project, reasonable wear and tear excepted. This standard for the quality of maintenance of the Project must be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance will include frequent and regular inspection for graffiti, damage, deterioration or failure; repainting or repair or replacement of all surfaces, fencing, walls, and equipment, as necessary; emptying of trash receptacles and removal of litter; sweeping of public sidewalks adjacent to the Project, on-site walks and paved areas 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 basis and prior to 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; and maintaining security devices in good working order. In the event Owner, its successors or assigns, fails to maintain the Project in accordance with the standard for the quality of maintenance, the Housing Authority or its designee will have the right, but not the obligation, following notice and an opportunity to cure without a cure having been made, to enter the Project 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, will be deemed to be an advance by the Housing Authority under its Authority Loan Deed of Trust or the HACR Loan Deed of Trust, at the option of the Housing Authority.

5. Nondiscrimination. Owner will 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 will be considered a material breach of this Covenant and may result in termination, debarment or other sanctions. This language must be incorporated into all contracts between Owner and any contractor, consultant, subcontractor, subconsultant, vendor and supplier. Owner will comply with all applicable 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 and Orders issued pursuant to said Acts with respect to its use of the Project.

Owner also agrees for itself and its successors and assigns, and that, except as may be required to comply with the restrictions contained in this Covenant, as it may be amended by the Parties from time to time, and to comply with the restrictions of any other regulatory agreements which may be recorded against title to the Site, Owner will not discriminate against or segregate 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 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 Project, nor may Owner or any person claiming under or through Owner, 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 Project.

Except as may be required to comply with the restrictions contained in this Covenant, as it may be amended from time to time, and with the restrictions of any other regulatory agreements recorded against the Project, Owner and its successors and assigns must refrain from restricting the rental, sale, or lease of the Project 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 Project, or any portion thereof, after the date of this Covenant will 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 must 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 may 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 will 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 must 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 may 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 must 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 may 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 in this Covenant, Owner must, upon notice from Housing Authority, promptly pay to Housing Authority all reasonable fees and

costs, including monetary fees and administrative and attorneys' fees, incurred by Housing Authority 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 DDLA or this Covenant.

6. Insurance. Without limiting or diminishing Owner's obligation to indemnify or hold Housing Authority harmless, at such time as the final Certificate of Completion for the improvements constituting the Project has been issued by the City, Owner will procure and maintain or cause to be maintained, at its sole cost and expense, insurance coverage complying with applicable requirements contained in the DDLA, the Authority Loan Deed of Trust or the HACR Loan Deed of Trust; in the event of conflict in the language of those instruments, the requirement providing the greatest protection to the Housing Authority will prevail. Failure by the Owner to maintain required insurance coverage will, at the election of the Housing Authority, after notice and an opportunity to cure without a cure having been made, constitute a default under this Covenant. Owner will provide the Housing Authority with such copies of certificates of insurance and endorsements as may be required and, if requested to do so by the County's Risk Manager, provide copies of policies, including all endorsements and all attachments showing such insurance to be in full force and effect. All the required policies of insurance must contain provisions regarding notice of material modification, cancellation, expiration or reduction in coverage as may be required to comply with the DDLA, the Authority Loan Deed of Trust and the HACR Loan Deed of Trust. All insurance coverage maintained by Owner will be construed as primary insurance, and any insurance, self-insured retention or self-insured insurance program maintained by the Housing Authority, will not be construed as contributory. The Housing Authority reserves the right to adjust the types of insurance required under this Covenant as may be reasonably required in the event of a material change in the affordable housing community constructed on the Project and also periodically, not more frequently than every 10 years, to adjust the monetary limits of liability if in the reasonable judgment of the County Risk Manager, the amount or type of insurance has become inadequate. Owner agrees to notify Housing Authority in writing of any claim by any third party or any incident or event which may give rise to a claim arising from performance of obligations established under this Covenant.

7. Hold Harmless/Indemnification. Owner will indemnify and hold harmless the Housing Authority, its officers, Board of Commissioners, 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 acts, actions or lack of acts or actions of Owner, its officers, employees, subcontractors, agents or representatives, arising

out of or in any way relating to this Covenant, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature, except if due to the gross negligence or willful misconduct of the Housing Authority or its representatives; provided however, any such gross negligence or willful misconduct will only affect Owner's duty to indemnify for the specific act found to be grossly negligent or due to willful misconduct, and will not preclude Owner's duty to indemnify for any other act or omission of Owner as required herein. Owner will defend the Indemnitees, at its sole expense, including, but not limited, the cost of reasonable attorney fees, cost of investigation, defense and settlements or awards, in any claim or action based upon such alleged acts or omissions. With respect to any action or claim subject to indemnification herein by Owner, Owner will have the right to use counsel of its own choice and will have the right to adjust, settle, or compromise any such action or claim without the prior consent of Housing Authority; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever will limit or circumscribe Owner's indemnification to Indemnitees as set forth herein. Owner's obligation hereunder will be satisfied when Owner has provided Housing Authority with the appropriate form of dismissal relieving Housing Authority from any liability for the action or claim involved. The specified insurance limits required in the Affordable Housing Loan and Related Agreements and this Covenant will 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 will be interpreted to comply with Civil Code 2782. Such interpretation will not relieve the Owner from indemnifying the Indemnitees to the fullest extent allowed by law. The indemnity set forth herein will survive the expiration and earlier termination of this Covenant.

8. Notices. Formal notices, demands and communications between the Housing Authority and Borrower will be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the Housing Authority and Borrower: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice will be deemed delivered on the date of receipt thereof); (ii) electronic transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice will be deemed delivered on the date of its successful electronic transmission unless the sender receives a notice of non-delivery); or (iii) personal delivery, including by means of professional messenger service, overnight or courier delivery service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice will 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. All mailing must 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:

If to the Housing Authority: Housing Authority of the County of Riverside
c/o Deputy Executive Director
5555 Arlington Avenue
Riverside, CA 92504

If to Owner: c/o National Community Renaissance of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attn: CFO

9. Remedies. In the event of any breach of any agreement or covenant contained herein, after the expiration of any notice and cure rights set out in Section 11 hereof without a cure having been made, the Housing Authority will have the right to exercise all available rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the cure of such breach of agreement or covenant.

10. Term. The non-discrimination covenants, conditions and restrictions contained in Section 5 of this Covenant will remain in effect in perpetuity. Every other covenant, condition and restriction contained in this Covenant will continue in full force and effect for the Term, as defined in Section 2(h) of this Covenant.

11. Notice and Opportunity to Cure. Prior to exercising any remedies hereunder, the Housing Authority must provide Owner with written notice of such default delivered to Section 8 above. Any monetary default must be cured within 10 days of delivery of written notice. Except as otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within 30 days of delivery of such notice, Owner will have such 30-day period to effect a cure prior to exercise of remedies by Housing Authority. If the non-monetary default is such that it is not reasonably capable of being cured within 30 days of delivery of such notice of default, or if such cure period is extended by agreement or by an event of Force Majeure, and Owner (i) initiates corrective action within said 30-day period, and (ii) diligently, continually, and in good faith works to effect a cure as soon as possible, then Owner will have such additional time, but in no event no later than 120 days from delivery of such notice as is reasonably necessary to cure the default prior to exercise of any remedies by the Housing Authority.

Housing Authority, upon providing Owner with any notice under this Covenant, will at the same time provide a copy of such default notice to any Tax Credit Investor or Permitted Lender who has given written notice to Housing Authority of its interest in the Project. Each Tax

Credit Investor or Permitted Lender will have the option, at its sole discretion, to remedy the default complained of, and the Housing Authority must accept performance by a Tax Credit Investor and/or Permitted Lender as if the same had been made 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 11, Housing Authority and its successors and assigns, without regard to whether Housing Authority 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 may 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 thereof at any later time.

12. Sale, Assignment or Transfer of the Project or Site. Except as otherwise defined as a "Permitted Transfer" in the DDLA, Owner covenants and agrees not to sell, transfer, assign or otherwise dispose of the Project or any portion thereof or interest therein without obtaining the prior written consent of Housing Authority, in its discretion not to be unreasonably withheld or delayed. Any sale, assignment, or transfer of the Project must be memorialized by an assignment and assumption agreement signed by the transferee, the form and substance of which have been first approved in writing by the Housing Authority. Such assignment and assumption agreement must, among other things, provide that the transferee has assumed in writing and in full, all of Owner's duties and obligations under the DDLA and this Covenant, provided, however Owner will not be released of its obligations under the DDLA and this Covenant unless the Housing Authority agrees in writing to do so.

13. Amendments or Modifications. This Covenant may be changed or modified only by a written amendment signed by authorized representatives of both Parties.

14. Governing Law; Venue; Severability. This Covenant is governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Covenant must be filed only in the Superior Court of the State of California located in Riverside, California, or, as applicable, in the Federal Court with jurisdiction over Riverside County, 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

15. Binding Effect. The rights and obligations of this Covenant will bind and inure to the benefit of the respective heirs, successors and assigns of the Parties.

16. Permitted Mortgages. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Covenant will defeat or render invalid or in any way impair the lien or charge of any deed of trust or mortgage on the Project permitted by the DDLA, or the lien or charge of a deed of trust made by the Owner for the benefit of any lender first approved in writing by the Housing Authority (each, a "Permitted Lender") and nothing herein or in the DDLA will prohibit or otherwise limit the exercise of a Permitted Lender's rights and remedies under its security instrument(s) including a deed of trust or mortgage recorded on the Project, including a foreclosure or deed-in-lieu of foreclosure and subsequent transfer thereafter.

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

18. Operation of Project. At such time as the Project to be constructed on the Site and the Project has been completed and occupied, Owner will comply with the following requirements:

- (a) Project Monitoring and Evaluation; Tenant Checklist. Periodically at the request of the Housing Authority but not less frequently than annually, Owner will submit a tenant checklist form to Housing Authority, in a form approved by the Housing Authority as it may be revised from time to time, summarizing the composition, number and percentage of lower income, low income, very low-income and extremely low-income households who are tenants of the Restricted Units.
- (b) Tenant Lease. Owner will use a written lease or rental agreement to rent the Restricted Units, which will have a term of not less than one year, unless by mutual agreement between the tenant and Owner. Housing Authority must review the initial form of the lease agreement prior to Owner executing any leases and, provided that Owner uses the approved lease form, Owner will be permitted to enter into residential leases without Housing Authority's prior written consent.
- (c) 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. Agreement 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 apartment unit after the tenant has moved out of the apartment. 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 the attorneys' fees or other legal costs of Owner even if the tenant wins in a court proceeding by Owner against the tenant. The tenant,

however, may be obligated to pay such costs if the tenant loses.

- (9) Mandatory supportive services. Agreement that the tenant (other than a tenant in transitional housing) must accept supportive services that are offered.

(d) Written Selection Policies. Owner must adopt written tenant selection policies and criteria that meet the following requirements:

(1) Are consistent with the purpose of providing housing for lower income, low income, very low income and extremely low-income households.

(2) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease/rental agreement.

(3) Provide for: (i) selection of tenants from a written waiting list in the chronological order of their satisfaction of all eligibility requirements, insofar as is practicable; and (ii) prompt written notification to any rejected applicant of the grounds for any rejection;

(4) To the extent permitted by law, provide first priority in the selection of otherwise eligible tenants to persons displaced by the Housing Authority (if any); and

(5) Carry out the affirmative marketing procedures of the Housing Authority in order to provide information and otherwise attract eligible persons from all racial, ethnic and gender groups in the housing market area. Owner and Housing Authority will cooperate to effectuate this provision during the Owner's initial lease-up of the Restricted Units and as vacancies occur.

19. Covenant Runs with Property. In accordance with California Civil Code Section 1461 et seq., all conditions, covenants and restrictions contained in this Covenant will be covenants running with the land. Housing Authority and the County of Riverside will be deemed the beneficiaries of the covenants, conditions and restrictions of this Covenant both for and in their own right and for the purpose of protecting the interests of the community, without regard to whether the Housing Authority or the County of Riverside has been, remains, or is an owner of any land or interest therein in the Project or in the surrounding areas.

20. Access to Project. Representatives of the Housing Authority will have the right of access to the Project during normal business hours, upon 24 hours' written notice to Owner (except in the case of an emergency, in which event Housing Authority will provide such notice as may be practical under the circumstances), without charges or fees, to review the operation of the Project in accordance with this Covenant and the DDLA.

21. Management. Owner will be responsible for the operation of the Project either by

direct management or by contracting its managerial functions to a third party property manager reasonably acceptable to the Housing Authority. The Housing Authority confirms that National Community Renaissance of California is a property management company acceptable to the Housing Authority. Owner will include in any property management agreement a provision providing for the termination of the agreement in the event that the property manager violates any federal, state or local health and safety laws and regulations which violation is not cured within 30 days following the giving of notice of such violation by the Housing Authority or any other governmental entity. Provided, however, that in the case of a violation that cannot be cured within such 30-day period, that such cure will commence within 30 days of notification and will be diligently prosecuted to completion not later than 60 days after notification.

22. Counterparts. This Covenant may be signed by the different Parties hereto in counterparts, each of which will be an original, but all of which together will constitute one and the same agreement.

23. Entire Agreement. This Covenant sets forth and contains the entire understanding and agreement of the Parties hereto at the time of execution. There are no oral or written representations, understandings, or ancillary covenants, undertakings or agreements relating to the subject matter contained herein which are not contained or expressly referred to within this Covenant.

[SIGNATURES ON THE NEXT PAGE]

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

HOUSING AUTHORITY:

HOUSING AUTHORITY OF THE COUNTY
OF RIVERSIDE, a public entity, corporate and
politic

OWNER:

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


By: _____
Heidi Marshall, Executive Director

By: _____
Michael Finn, Chief Financial Officer

Date: _____

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By:  _____
Amrit P. Dhillon, Deputy County Counsel

(Signatures need to be notarized)

ALL-PURPOSE ACKNOWLEDGMENT

Civil Code §1189

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

State of _____)
) ss.
County of _____)

On _____, before me, _____, **Notary Public**
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person whose name(s) are/is 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 _____
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document:

Document Dated _____, 2023 Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer - Title(s):
- Co-Managing Member
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other:

ALL-PURPOSE ACKNOWLEDGMENT

Civil Code §1189

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 _____)
County of _____) ss.

On _____, before me, _____, **Notary Public**
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person whose name(s) are/is 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 _____
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Dated _____, 2023 Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer - Title(s):
- Co-Managing Member
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other:

EXHIBIT "A"

LEGAL DESCRIPTION OF CHURCH PARCEL

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

PARCEL 1:

THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 1, PAGE 12](#) OF MAPS, RIVERSIDE COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT; THENCE NORTH ON THE WEST LINE OF SAID LOT, TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED RECORDED NOVEMBER 25, 1924 IN [BOOK 621, PAGE 334](#) OF DEEDS, RIVERSIDE COUNTY RECORDS; THENCE EAST, ON THE SOUTH LINE OF SAID NORTH 5 ACRES, 165 FEET; THENCE SOUTH, PARALLEL WITH THE WEST LINE OF SAID LOT, TO THE SOUTH LINE OF SAID LOT; THENCE WEST, ON SAID SOUTH LINE 165 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE WESTERLY 4 FEET.

ALSO EXCEPTING THEREFROM THAT PORTION IN MISSION BOULEVARD.

PARCEL 2:

THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 1, PAGE 12](#) OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTH LINE OF SAID LOT 3, WHICH BEARS NORTH 89°55'30" EAST, A DISTANCE OF 164.90 FEET (FORMERLY RECORDED 165.00 FEET) FROM THE SOUTHWEST CORNER THEREOF, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF PARCEL NO. 2 AS CONVEYED TO LEROY L. HAINES AND WIFE, BY DEED RECEIVED FOR RECORDING NOVEMBER 05 1948 AS [INSTRUMENT NO. 591 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA; THENCE NORTH 00°04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 267.27 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 00°04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 89°55'30" EAST, ALONG THE NORTH LINE OF SAID PARCEL 2, A DISTANCE OF 164.80 FEET (FORMERLY RECORDED 165.00 FEET) TO THE NORTHEAST CORNER THEREOF; THENCE SOUTH 00°04'30" EAST, ALONG THE EAST LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET; THENCE SOUTH 89°55'30" WEST, A DISTANCE OF 164.86 FEET TO THE POINT OF BEGINNING.

[APN: 169-070-002](#)

EXHIBIT "B"

LEGAL DESCRIPTION OF HACR PARCEL

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

THAT PORTION OF LOT 3 OF LA BONITA TRACT AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 12 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID LOT, 165 FEET EAST OF THE SOUTHWEST CORNER, THENCE NORTH AND PARALLEL WITH THE WEST LINE OF SAID LOT TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED FILED FOR RECORD NOVEMBER 25, 1924 IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

THENCE EAST ON THE SOUTH LINE OF SAID 5 ACRES, 165.5 FEET; THENCE SOUTH AND PARALLEL WITH THE WEST LINE OF SAID LOT TO THE SOUTH LINE THEREOF; THENCE WEST ON THE SOUTH LINE OF SAID LOT, 165.5 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION INCLUDED IN MISSION BOULEVARD.
ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTH LINE OF SAID LOT 3, WHICH BEARS NORTH 89 DEGREES 55' 30" EAST, A DISTANCE OF 164.90 FEET (FORMERLY RECORDED 165.00 FEET) FROM THE SOUTHWEST CORNER THEREOF; SAID POINT ALSO BEING THE SOUTHWEST CORNER OF PARCEL NO. 2 AS CONVEYED TO LEROY L. HAINES AND WIFE, BY DEED RECEIVED FOR RECORDING NOVEMBER 5, 1948 AS INSTRUMENT NO. 591, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; THENCE NORTH 00 DEGREES 04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 267.27 FEET TO THE TRUE POINT OF BEGINNING. THENCE CONTINUING NORTH 00 DEGREES 04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 89 DEGREES 55' 30" EAST, ALONG THE NORTH LINE OF SAID PARCEL 2, A DISTANCE OF 164.80 FEET (FORMERLY RECORDED 165.00 FEET) TO THE NORTHEAST CORNER THEREOF; THENCE SOUTH 00 DEGREES 04' 30" EAST, ALONG THE EAST LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET; THENCE SOUTH 89 DEGREES 55' 30" WEST, A DISTANCE OF 164.86 FEET TO THE POINT OF BEGINNING.

APN: 169-070-031-7

EXHIBIT F
ENVIRONMENTAL INDEMNITY

ENVIRONMENTAL INDEMNITY

THIS ENVIRONMENTAL INDEMNITY (this "Indemnity"), dated as of _____, 2023 ("Effective Date"), is made by National Community Renaissance of California, a California nonprofit public benefit corporation (referred to as "Indemnitor"), whose address for purposes of giving notices is 9421 Haven Avenue, Rancho Cucamonga, CA 91730, in favor of the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic, whose address for purposes of giving notices is 5555 Arlington Avenue, Riverside, CA 92504 ("HACR").

WITNESSETH

Indemnitor is the owner of the real property in the City of Jurupa Valley, more particularly described on Exhibit A hereto, and the real property improvements located and to be located thereon (collectively referred to as the "Property");

National Community Renaissance of California, a California nonprofit public benefit corporation ("NCRC") and HACR, entered into that certain Disposition, Development and Loan Agreement, dated as of _____, 2023 (the "DDLA"), pursuant to which HACR agreed to provide a loan in the amount of \$1,500,000 to enable NCRC to acquire the Property. Further, upon satisfaction of certain condition set out in the DDLA, HACR has agreed to sell to NCRC or its Permitted Assignee and convey property owned by HACR commonly known as 8845 Mission Blvd., Jurupa Valley, CA 92509 (the "HACR Parcel") which is contiguous to the Property; Indemnitor intends to merge the Property and the HACR Parcel to form a larger legal lot containing, after anticipated dedications, 4.22 acres, more or less (the merged parcels will be referred to collectively as the "Site"), for the purpose of developing on the Site a multifamily affordable apartment rental community containing approximately 101 units and related improvements and amenities (the "Grace Vista Project" or the "Project"); and

Indemnitor has agreed to execute and deliver to HACR this Indemnity to induce HACR to make the loan and to sell the HACR Parcel to Indemnitor.

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

Section 1. DEFINITIONS

For the purpose of this Indemnity, "Hazardous Materials" or "Hazardous Substances" will 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,” “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, “Authority Loan Documents” will refer to the DDLA, any agreement entered into in the form of an Exhibit or 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 will 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 in, on or under the Site or the Grace Vista Project, 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 Site free of any lien imposed pursuant to any such laws, regulations, or orders.

(b) Indemnitor covenants that the Site and any improvements now or in the future located thereon 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 in compliance with all applicable environmental laws and required in connection with the development of the Grace Vista Project in conformance with the Authority Loan Documents.

(c) Indemnitor further agrees that Indemnitor will not release or dispose of any Hazardous Materials at or on the Site without the express written approval of HACR and that any such release or disposal must be effected in strict compliance with all applicable laws and all conditions, if any, established by HACR.

(d) HACR will have the right, at any time, to conduct an environmental audit of the Site and the Grace Vista Project, as applicable, at HACR’s expense, unless Hazardous Materials are found in violation of this Indemnity, then at Indemnitor’s sole cost and expense. Indemnitor must cooperate in the conduct of any such environmental audit but in no event will

such audit be conducted unless HACR believes that such audit is warranted. Other than in an emergency, such audit will be conducted only after prior notice has been given to Indemnitor and only in the presence of a representative of Indemnitor. If necessary to protect the interest of HACR, Indemnitor must give HACR and its agents and employees access to the Property and the Site and all improvements thereon to remove, or otherwise to mitigate against the effects of, Hazardous Materials.

(e) Indemnitor must not install, or permit to be installed, anywhere on the Site or in any improvements now located thereon or to be constructed by Indemnitor, 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 on the Site, Indemnitor must 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 should fail to so do within the cure period permitted under applicable law, regulation, or order, HACR 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 will be added to the Obligations (as hereinafter defined) of Indemnitor under this Section 2.

(f) Indemnitor must immediately advise HACR in writing of any of the following: (i) any pending or threatened environmental claim against Indemnitor or the Site and all improvements thereon, (ii) any condition or occurrence on the Site and all improvements thereon that (A) results in noncompliance by Indemnitor with any applicable environmental law, (B) could reasonably be anticipated to cause the Site and all improvements thereon to be subject to any restrictions on the ownership, occupancy, use or transferability thereof under any environmental law, or (C) could reasonably be anticipated to form the basis of an environmental claim against the Site and all improvements thereon or Indemnitor.

2.2 Indemnity. Indemnitor must and hereby agrees to indemnify, protect, and hold HACR 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 HACR 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 Site and all improvements thereon, which were stored, discharged, released or emitted after the Effective Date hereof;
- (b) The breach of any covenant made by Indemnitor in Section 2.1 hereof; or
- (c) The enforcement by HACR 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 any Hazardous Substance present or released in, on, or around any part of the Site and all improvements thereon or in the soil, groundwater, or soil vapor or under the Site that first arise, commence or occur after the actual dispossession of the Grace Vista Project from Indemnitor and all entities which control, are controlled by, or are under common control with Indemnitor, following transfer of the Grace Vista Project to a Partnership Assignee in accordance with the DDLA.

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 Authority Loan Documents or affecting any of the rights of HACR with respect thereto. The obligations of Indemnitor hereunder will be absolute and unconditional irrespective of:

- (a) The validity, regularity, or enforceability of the DDLA or any other instrument or document executed or delivered in connection therewith;
- (b) Any alteration, amendment, modification, release, termination, or cancellation of the Authority 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 Authority Loan Documents;
- (c) Any exculpatory provision in any of the Authority Loan Documents or any document delivered in connection therewith limiting HACR's recourse to property encumbered by the deed(s) of trust securing Indemnitor's obligations to HACR under the Authority Loan Documents, or to any other security, or limiting HACR'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 Section 2.2 (a) is a continuing indemnity and will 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 to HACR relating to the loan to Indemnitor from HACR which is secured by a deed of trust in favor of HACR on the Property, as provided in the Authority Loan Documents); and (b) must continue to be effective or will 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 HACR 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 to HACR

under the Authority Loan Documents, this Indemnity will not terminate if any of the following shall have occurred:

(a) HACR 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 Site or the improvements thereon or any portion thereof, whether by exercise of 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 HACR, NCRC, or any other interested party under the DDLA 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 HACR protect, secure, perfect, or insure any security interest or lien in or on any property subject hereto,

(f) Any requirement that HACR exhaust any right or take any action against NCRC, the Partnership 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 HACR 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 HACR, including, without limitation, an election to proceed by non-judicial foreclosure or which destroys

or otherwise impairs the subrogation rights of HACR or any other right of HACR to proceed against Indemnitor.

Section 5. NOTICES

Formal notices, demands and communications between HACR and the Indemnitor will be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of HACR and the Indemnitor: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice will be deemed delivered on the date of receipt thereof); (ii) electronic transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice will be deemed delivered on the date of its successful electronic transmission unless the sender receives a notice of non-delivery); or (iii) personal delivery, including by means of professional messenger service, overnight or courier delivery service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice will 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. All mailing must 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:

In the case of HACR:

Housing Authority of the County of Riverside
5555 Arlington Avenue
Riverside, CA 92504
Attn: Deputy Director

In the case of Indemnitor:

c/o National Community Renaissance of California
9421 Haven Avenue
Rancho Cucamonga, CA
Attn: Chief Financial Officer

Section 6. MISCELLANEOUS

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

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

6.3 No failure on the part of HACR to exercise, and no delay in exercising, any right hereunder or under the Authority Loan Documents will operate as a waiver thereof, nor will 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 HACR 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 will, 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 will (a) be binding upon Indemnitor, and Indemnitor's successors and assigns, except upon a Partnership Assignee under the DDLA which delivers a separate Environmental Indemnity to HACR upon Construction Closing of the Grace Vista Project; and (b) inure, together with all rights and remedies of HACR hereunder, to the benefit of HACR, its Board of Commissioners, respective directors, officers, employees, and agents, any successors to HACR'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 HACR's rights and remedies under the Authority 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, HACR may, subject to, and in accordance with, the provisions of the Authority Loan Documents, assign or otherwise transfer all or any portion of its rights and obligations under the Authority Loan Documents, to any other person, and such other person will thereupon become vested with all of the rights and obligations in respect thereof that were granted to HACR herein or otherwise. None of the rights or obligations of Indemnitor hereunder may be assigned or otherwise transferred without the prior written consent of HACR, except as provided in the Authority 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. Indemnitor agrees that a final judgment in any such action or proceeding will 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 will 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 will 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.

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

INDEMNITOR:

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

Michael Finn, Chief Financial Officer

EXHIBIT A

LEGAL DESCRIPTION

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

PARCEL 1:

THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 1, PAGE 12](#) OF MAPS, RIVERSIDE COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT; THENCE NORTH ON THE WEST LINE OF SAID LOT, TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED RECORDED NOVEMBER 25, 1924 IN [BOOK 621, PAGE 334](#) OF DEEDS, RIVERSIDE COUNTY RECORDS; THENCE EAST, ON THE SOUTH LINE OF SAID NORTH 5 ACRES, 165 FEET; THENCE SOUTH, PARALLEL WITH THE WEST LINE OF SAID LOT, TO THE SOUTH LINE OF SAID LOT; THENCE WEST, ON SAID SOUTH LINE 165 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE WESTERLY 4 FEET.

ALSO EXCEPTING THEREFROM THAT PORTION IN MISSION BOULEVARD.

PARCEL 2:

THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 1, PAGE 12](#) OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTH LINE OF SAID LOT 3, WHICH BEARS NORTH 89°55'30" EAST, A DISTANCE OF 164.90 FEET (FORMERLY RECORDED 165.00 FEET) FROM THE SOUTHWEST CORNER THEREOF, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF PARCEL NO. 2 AS CONVEYED TO LEROY L. HAINES AND WIFE, BY DEED RECEIVED FOR RECORDING NOVEMBER 05 1948 AS [INSTRUMENT NO. 591 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA; THENCE NORTH 00°04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 267.27 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 00°04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 89°55'30" EAST, ALONG THE NORTH LINE OF SAID PARCEL 2, A DISTANCE OF 164.80 FEET (FORMERLY RECORDED 165.00 FEET) TO THE NORTHEAST CORNER THEREOF; THENCE SOUTH 00°04'30" EAST, ALONG THE EAST LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET; THENCE SOUTH 89°55'30" WEST, A DISTANCE OF 164.86 FEET TO THE POINT OF BEGINNING.

[APN: 169-070-002](#)

EXHIBIT G
HACR DEED OF TRUST

EXEMPT RECORDING FEE CODE 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Housing Authority
of the County of Riverside
5555 Arlington Avenue
Riverside, CA 92504
Attn. Juan Garcia

APN: 169-070-031

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING
(WITH ASSIGNMENT OF RENTS)**

This DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING (WITH ASSIGNMENT OF RENTS) ("Deed of Trust") is made this ____ day of _____, 202_, by National Community Renaissance of California, a California nonprofit public benefit corporation (hereinafter referred to as "Trustor"), whose address 9421 Haven Avenue, Rancho Cucamonga, CA 91730, to Fidelity National Title Company ("Trustee"), for the benefit of the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic (hereinafter called "Beneficiary"), whose address is 5555 Arlington Avenue, Riverside, CA 92504.

WITNESSETH: That 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) That certain fee interest in the real property in the City of Jurupa Valley, County of Riverside, State of California, commonly known as 8845 Mission Boulevard, more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (such real property is hereafter referred to as 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 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, referred to herein as the "UCC"), and whether existing 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 Trustor's ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, computer 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 owned by tenants of the Real Property (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, 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 Real 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 financing, refinancing, construction 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 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 will 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 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:

1. due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:
 - (a) that certain Residual Receipts Promissory Note in the original principal amount of \$ 352,000.00 in favor of the Beneficiary ("Housing Authority" therein) executed by Trustor ("Borrower" therein) of even date herewith (the "Note");
 - (b) that certain Disposition, Development and Loan Agreement - - Jurupa Valley dated _____, 2023 and recorded in the Official Records ("Official Records") of the County of Riverside, between Trustor and Beneficiary (the "DDLA"); and
 - (c) that certain Covenant Agreement (Including Rent Restrictions) dated _____, 2023 and recorded in the Official Records, between Trustor ("Owner" therein) and Beneficiary ("Housing Authority" therein) ("Covenant Agreement").
2. All of the terms and provisions of the said Note, DDLA and the Covenant Agreement (collectively, the "Secured Obligations") are incorporated herein by reference, and this Deed of Trust will 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 instruments referred to collectively as the Secured Obligations will include riders, exhibits, addenda, implementation agreements, amendments, or attachments and exhibits thereto (which are hereby incorporated herein by this reference). Any capitalized term not otherwise defined herein will have the meaning ascribed to such term in the DDLA.

TRUSTOR COVENANTS that the Trustor is lawfully seized of the estate hereby conveyed and has the right to encumber the fee title 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 DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

1. That Trustor must pay the Note at the time and in the manner provided therein, and perform the obligations of the Trustor which are set forth in the DDLA and the Covenant Agreement at the time and in the manner respectively provided therein.
2. That Trustor may not permit or suffer the use of any of the property encumbered hereby for any purpose other than the uses set forth in the DDLA and the Covenant Agreement.
3. That the Secured Obligations are incorporated in and made a part of this Deed of Trust. Upon default of a Secured Obligation, and after giving 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. If applicable, Trustor's Tax Credit Investor, who will be a

limited partner in the Partnership (capitalized terms used but not defined herein will have the meanings ascribed thereto in the DDLA) will have the cure rights set forth in the DDLA, and may, but will not be obligated to, cure a default by Trustor, and Beneficiary will accept such cure as if it were made by Trustor.

4. Security Agreement and Fixture Filing.

a. **Security Agreement.** To the extent any of the real, personal or intangible property described as the Trust Estate is personal property, Trustor, as debtor, grants to Beneficiary, as secured party, a security interest therein and in all products and proceeds of any thereof, pursuant to the UCC, on the terms and conditions contained herein, to secure the Secured Obligations. Trustor hereby authorized Beneficiary to file any financing statement, fixture filing or similar filing to perfect the security interests granted in this Deed of Trust without Trustor's signature.

b. **Fixture Filing.** This Deed of Trust constitutes a fixture filing by Beneficiary, as a secured party, and Trustor, as debtor, under the UCC. This Deed of Trust as a fixture filing covers any and all fixtures included within the list of property described as the Trust Estate and any goods and other personal property that are now or hereafter will become a part of the Property as fixtures. For the purposes of this fixture filing, the respective addresses of Beneficiary and Trustor are set forth in the first paragraph of this Deed of Trust, such fixtures are affixed or to be affixed to the Property and Improvements described as the Trust Estate in this Deed of Trust, and this Deed of Trust, including this fixture filing, is recorded or to be recorded in the Official Records of Riverside County.

5. Payment of Principal and Interest; Prepayment and Late Charges. Trustor must 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 must 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 Deed of Trust, directly to the person owed payment. Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor will not be required to pay and discharge any such tax, assessment, charge or levy so long as Trustor is contesting the legality thereof in good faith and by appropriate proceedings, and Trustor has adequate funds to pay any such contested liabilities and such contest does not materially jeopardize Beneficiary's security hereunder.

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 the reasonable fees of counsel.

7. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Beneficiary under the Note will 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 must pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Deed of Trust, and leasehold payments or ground rents, if any, subject to applicable cure periods, directly to the person owed payment. Trustor must pay these obligations in the manner provided in **Section 6.**

a. Except for the liens permitted in writing by the Beneficiary, Trustor must promptly discharge any other lien which has attained priority over this 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; or (4) secures from the holder of the lien an agreement satisfactory to Beneficiary subordinating the lien to this 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 Deed of Trust, Beneficiary may give Trustor a notice identifying the lien. Trustor must satisfy such lien or take one or more of the actions set forth above within 30 days of the giving of notice.

9. **Assignment of Leases and Rents.**

a. Absolute Assignment. Trustor hereby absolutely and unconditionally grants, transfers, conveys, sells, sets over and assigns to Beneficiary all of Trustor's right, title and interest now existing and hereafter arising in and to the leases, rental agreements, subleases, concessions, licenses, franchises, occupancy agreements, tenancies, subtenancies and other agreements, either oral or written, now existing and hereafter arising which affect the Property, Trustor's interest therein or any Improvements located thereon, together with any and all security deposits, guaranties of the lessees' or tenants' obligations (including any and all security therefor), and other security under any such leases, subleases, concessions, licenses, franchises, occupancy agreements, tenancies, subtenancies and other agreements, and all supporting obligations, letters of credit (whether tangible or electronic) and letter of credit rights guaranteeing or supporting any of the foregoing (all of the foregoing, and any and all extensions, modifications and renewals thereof, will be referred to, collectively, as the "Leases"), and hereby gives to and confers upon Beneficiary the right to collect all the income, Rents, issues, profits, royalties and proceeds from the Leases and any and all prepaid Rent and security deposits thereunder (collectively, the "Rents"). The term "Rents" includes, but is not limited to, all minimum rents, additional rents, percentage rents, deficiency rents, common area maintenance charges, lease termination payments, purchase option payments, refunds of any type, prepayment of rents, settlements of litigation, settlements of past due rents, and liquidated damages following default, and all proceeds payable under any policy of insurance covering loss of rents, together with any and all rights and claims of any kind that Trustor may have against any tenant under the Leases or any other occupant of the Property. This Deed of Trust is intended by Beneficiary and Trustor to create and will be construed to create an absolute assignment to Beneficiary of all of Trustor's right, title and interest in and to the Leases and the Rents and will not be deemed merely to create a security interest therein for the payment of any indebtedness or the performance of any obligations under the Secured Obligations. Trustor irrevocably appoints Beneficiary its true and

lawful attorney at the option of Beneficiary at any time a Default exists and remains uncured, to demand, receive and enforce payment, to give receipts, releases and satisfactions and to sue, either in the name of Trustor or in the name of Beneficiary, for all such Rents and apply the same to the obligations secured by this Deed of Trust.

b. Revocable License to Collect. Notwithstanding the foregoing assignment of Rents, so long as no Default remains uncured, Trustor will have a revocable license to collect all Rents and to retain the same. Upon the occurrence and during the continuation of any Default, Trustor's license to collect and retain Rents will terminate automatically and without the necessity for any notice.

c. Collection and Application of Rents by Beneficiary. While any Default remains uncured: (i) Beneficiary may at any time, without notice, in person, by agent or by court-appointed receiver, and without regard to the adequacy of any security for the obligations secured by this Deed of Trust, enter upon any portion of the Property and/or, with or without taking possession thereof, in its own name sue for or otherwise collect Rents (including past due amounts); and (ii) upon written demand by Beneficiary therefor, Trustor will promptly deliver to Beneficiary all prepaid rents, deposits relating to Leases or Rents, and all other Rents then held by or thereafter collected by Trustor, whether prior to or during the continuance of any Default. Any Rents collected by or delivered to Beneficiary may be applied by Beneficiary against the obligations secured by this Deed of Trust, and all expenses, including attorney's fees and disbursements, in such order as Beneficiary will determine in its sole and absolute discretion. No application of Rents against any obligation secured by this Deed of Trust or other action taken by Beneficiary under this Section 9.c. will be deemed or construed to cure or waive any Default, or to invalidate any other action taken in response to such Default, or to make Beneficiary a mortgagee-in-possession of the Property.

d. Direction to Tenants. Trustor hereby irrevocably authorizes and directs the tenants under all Leases to pay all amounts owing to Trustor thereunder to Beneficiary following receipt of any written notice from Beneficiary that states that a Default remains uncured and that all such amounts are to be paid to Beneficiary. Trustor further authorizes and directs all such tenants to pay all such amounts to Beneficiary without any right or obligation to inquire as to the validity of Beneficiary's notice and regardless of the fact that Trustor has notified any such tenants that Beneficiary's notice is invalid or has directed any such tenants not to pay such amounts to Beneficiary.

e. No Obligation to Perform. Neither Beneficiary nor Trustee will have any obligation to exercise any right given to either of them under this Deed of Trust. Noting contained herein will operate or be construed to obligate Beneficiary or Trustee to perform any obligations of Trustor under any agreement or lease (including, without limitation, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such lease will have been joined as a party defendant in any action to foreclose and the estate of such lessee will have been thereby terminated). Prior to actual entry into and taking possession of the Property by Beneficiary, this assignment will not operate to place upon Beneficiary any responsibility for the operation, control, care, management or repair of the Property or any portion thereof, and the execution of this assignment by Trustor will constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Property is and will be that of Trustor, prior to such actual entry and taking of possession.

10. **Hazard or Property Insurance.** Trustor must 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 requires insurance. This insurance must be maintained in the amounts and for the periods as required in the DDLA. The insurance carrier providing the insurance will be chosen by Trustor subject to Beneficiary's approval which may 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 must be reasonably acceptable to Beneficiary and must include a standard mortgagee clause. All requirements hereof pertaining to insurance will be deemed satisfied if the Trustor complies with the insurance requirements under this Deed of Trust and the DDLA. Trustor must 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 must 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 must be applied to restore or repair 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 must be applied to the sums secured by this 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 Deed of Trust.

c. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to principal will 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 will pass to Beneficiary to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

d. Notwithstanding the above, the Beneficiary's rights to collect and apply the insurance proceeds hereunder will be subject and subordinate to the rights of senior lien holders, 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; Trustor's Loan Application; Leaseholds.** Trustor must not destroy, damage or impair the Property, allow the Property to deteriorate, normal wear and tear excepted; or commit waste on the Property. Trustor will 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 Deed of Trust or Beneficiary's security interest. Trustor may cure such a default and reinstate, as provided in **Section 23**, 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 Deed of

Trust or Beneficiary's security interest. Trustor will 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 HACR Loan evidenced by the Note, including, but not limited to, representations concerning Trustor's use of Property for affordable housing. If this Deed of Trust is on a leasehold, Trustor must comply with all provisions of the lease. If Trustor acquires fee title to the Property, the leasehold and the fee title must 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 are further evidenced by the Covenant Agreement recorded concurrently herewith 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 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 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 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.

Any amounts disbursed by Beneficiary under this **Section 12** will become additional debt of Trustor secured by this Deed of Trust. Unless Trustor and Beneficiary agree to other terms of payment, these amounts will bear interest from the date of disbursement at the Note rate and will 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 will give Trustor at least 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 must 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 must be applied to the sums secured by this 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 Deed of Trust immediately before the taking, unless Trustor and Beneficiary otherwise agree in writing, the sums secured by this Deed of Trust will 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 must 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 must be applied to the sums secured by this 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 Property.

b. 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 Deed of Trust, whether or not then due.

c. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to principal must 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. Trustor Not Released; Forbearance By Beneficiary Not a Waiver. Except in connection with any successor in interest approved by Beneficiary in writing, extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Beneficiary to any successor in interest of Trustor will not operate to release the liability of the original Trustor or Trustor's successors in interest. Beneficiary will not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Trustor or Trustor's successors in interest. Any forbearance by Beneficiary in exercising any right or remedy will 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 Deed of Trust will bind and benefit the successors and assigns of Beneficiary and Trustor, subject to the provisions of **Section 22**. Trustor's covenants and agreements will be joint and several.

18. Loan Charges. If the loan secured by this 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 will 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. Formal notices, demands and communications between the Beneficiary and Trustor will be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the Beneficiary and Trustor: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice will be deemed delivered on

the date of receipt thereof); (ii) electronic transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice will be deemed delivered on the date of its successful electronic transmission unless the sender receives a notice of non-delivery); or (iii) personal delivery, including by means of professional messenger service, overnight or courier delivery service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice will 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. Any notice to Trustor provided for in this Deed of Trust will be given by delivering it or as provided above unless applicable law requires use of another method. The notice will 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 will also be provided to any Tax Credit Partner now or later owning an interest in Trustor at the address for such Tax Credit Partner which has been provided to Beneficiary. Any notice to Beneficiary will be given by first class mail to Beneficiary's address stated herein or any other address Beneficiary designates by notice to Trustor. Any notice provided for in this Deed of Trust will be deemed to have been given to Trustor or Beneficiary when given as provided in this Section.

20. **Governing Law; Severability.** This Deed of Trust will be governed by federal law and the laws of the State of California. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict will not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust and the Note are declared to be severable. Any action at law or in equity arising under this 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 will be filed in the Superior Court of Riverside County, State of California, or in Federal Court having jurisdiction over Riverside County 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 will be given a conformed copy of the Note and of this Deed of Trust.

22. **Transfer of the Property or a Beneficial Interest in Trustor.** Except as defined as a "Permitted Transfer" in or as otherwise allowed under the DDLA, 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" within the meaning of the DDLA) Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option may not be exercised by Beneficiary if exercise is prohibited by federal law as of the date of this Deed of Trust. Nothing in this Deed of Trust will be deemed to require Beneficiary's approval of a transfer of a limited partnership 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 must give Trustor and any senior lien holder, prior written notice of acceleration. The notice must 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 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 Deed of Trust without further notice or demand on Trustor.

b. Notwithstanding anything to the contrary contained herein as provided in the DDLA and upon written notice to Beneficiary, Trustor may (i) admit limited partners to Trustor, and provide for the purchase of any such limited partnership interest or interests by Trustor's general partner; (ii) remove for cause any General Partner by a limited partner of the Trustor, and the replacement thereof, pursuant to the Partnership Agreement, provided Beneficiary receives 30 days advance written notice of such removal (without limiting Trustor's obligation to provide advance notice of such removal for cause of any General Partner by a limited partner and the replacement thereof set forth in the immediately preceding sentence, amendments to the Partnership Agreement required to effectuate the Permitted Transfer set forth in this clause (ii) will not require the consent of the Beneficiary; provided, however, Trustor must provide Beneficiary with an executed copy of such amended partnership agreement within 10 days of execution thereof); (iii) lease for occupancy of all or any of the Restricted Units (as defined in the Covenant Agreement); (iv) grant easements or permits to facilitate the development of the Property in accordance with the DDLA; and (v) the withdrawal and/or replacement of any limited partner of Trustor, (collectively a "Permitted Transfer"). Trustor must provide copies of all documentation related to Permitted Transfers to Beneficiary for its review. Permitted Transfers are not subject to Beneficiary's approval of such documentation.

23. **Trustor's Right to Reinstate.** If Trustor cures all defaults then existing under the Secured Obligations, Trustor will have the right to have enforcement of this 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 Deed of Trust; or (b) entry of a judgment enforcing this Deed of Trust. If not already required to cure a default under a Secured Obligation, Trustor must: (a) pay Beneficiary all sums which then would be due under this Deed of Trust and the Note as if no acceleration had occurred; (b) cure any default of any other covenants or agreements; (c) pay all expenses incurred by Beneficiary in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees; and (d) take such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Property and Trustor's obligation to pay the sums secured by this Deed of Trust will continue unchanged. Upon reinstatement by Trustor, this Deed of Trust and the obligations secured hereby will remain fully effective as if no acceleration had occurred. However, this right to reinstate will 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 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 payments due under the Note and this 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.** Except for Permitted Assignments, the Note and this Deed of Trust may not be assigned by Trustor without the Beneficiary's prior written consent.

26. **Hazardous Substances.** Trustor may not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Trustor may not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences will 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 multifamily property.

b. Trustor must 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 must promptly take all necessary remedial actions in accordance with Environmental Law.

b. As used in this **Section 26**, "Hazardous Substances" are those substances defined in the DDLA 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 must give notice to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this Deed of Trust. The notice must specify: (a) the default; (b) the action required to cure the default; (c) a date, which must not be more than 10 calendar days from the date of the mailing of the notice for a monetary default, or a date, which must not be more than 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 sums secured by this Deed of Trust and sale of the Property. The notice must 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 any lienholder or a Tax Credit Investor have not cured the default within that same period, subject to any non-recourse provisions then in effect, then Beneficiary at its option may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary will 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 must mail copies of a notice of sale in the manner prescribed by applicable law to Trustor, the Tax Credit Investor, any necessary lienholders and to the other persons prescribed by applicable law. Trustee must give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Trustee, without demand on Trustor, may 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 must 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 will be prima facie evidence of the truth of the statements made therein. Trustee must 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 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 Deed of Trust, Beneficiary will release and reconvey this Deed of Trust without charge to Trustor. Trustor will pay any recordation costs. The lien of the Covenant Agreement will not be released or reconveyed until the expiration of the term set forth therein notwithstanding the payment of all sums secured by this 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 Deed of Trust is recorded. Without conveyance of the Property, the successor trustee must 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 lender in a priority position senior to this Deed of Trust waives, postpones, extends, reduces, or modifies any provisions of such lender's deed of trust or any other loan document, including any provisions requiring the payment of money, will require the prior written approval of Beneficiary.

31. **Reserved.**

32. **General Partner Change.** Except as otherwise provided in the DDLA, if and at such time as the Trustor hereunder is a limited partnership, the withdrawal, removal, and/or replacement of a non-Affiliate general partner of the Trustor pursuant to the terms of the Partnership Agreement will not constitute a default under any of the Secured Obligations, and any such actions will not accelerate the maturity of the Authority Loan secured hereby, provided that any required substitute general partner that is not an affiliate of Trustor's limited partner is reasonably acceptable to Beneficiary and is selected with reasonable promptness, subject to Section 22.b above. Any proposed General Partner replacement must have the qualifications and financial responsibility as reasonably determined by Beneficiary necessary and adequate to fulfill the obligations undertaken in the DDLA, 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 located on or in the Property may 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 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 will be deemed to have subjected such replacement personal property and fixtures to the lien of this 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.

34. Extended Low-Income Housing Commitment. Notwithstanding anything to the contrary contained herein or in any instruments secured by this Deed of Trust or contained in any subordination agreement, at any time when the Subject Property or Trustor has received Federal Low Income Housing Tax Credits and is in a tax credit compliance period of which Beneficiary is aware, Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of foreclosure during such time period (collectively, "Foreclosure") with respect to the property encumbered by this Deed of Trust, the following rule contained in Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986, as amended, will apply: for a period of 3 years from the date of Foreclosure, with respect to any unit that had been regulated by the regulatory agreement with the California Tax Credit Allocation Committee ("Extended Use Agreement"), (i) none of the tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause), (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code. Trustor acknowledges and agrees that any default, Event of Default, or breach (however such terms may be defined) under the Extended Use Agreement will be an Event of Default under this Deed of Trust and that any costs, damages or other amounts, including reasonable attorneys' fees incurred by Beneficiary as a result of an Event of Default by Trustor, and any amounts paid by Beneficiary to cure any default under the Extended Use Agreement will be an obligation of Trustor and become a part of the debt secured by this Deed of Trust.

IN WITNESS WHEREOF Trustor has executed this Deed of Trust as of the day and year set forth above.

TRUSTOR:

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

By: _____
Michael Finn, CFO

(Signature needs to be notarized)

Exhibit A
Legal Description

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

THAT PORTION OF LOT 3 OF LA BONITA TRACT AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 12 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID LOT, 165 FEET EAST OF THE SOUTHWEST CORNER, THENCE NORTH AND PARALLEL WITH THE WEST LINE OF SAID LOT TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED FILED FOR RECORD NOVEMBER 25, 1924 IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

THENCE EAST ON THE SOUTH LINE OF SAID 5 ACRES, 165.5 FEET; THENCE SOUTH AND PARALLEL WITH THE WEST LINE OF SAID LOT TO THE SOUTH LINE THEREOF; THENCE WEST ON THE SOUTH LINE OF SAID LOT, 165.5 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION INCLUDED IN MISSION BOULEVARD.
ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTH LINE OF SAID LOT 3, WHICH BEARS NORTH 89 DEGREES 55' 30" EAST, A DISTANCE OF 164.90 FEET (FORMERLY RECORDED 165.00 FEET) FROM THE SOUTHWEST CORNER THEREOF; SAID POINT ALSO BEING THE SOUTHWEST CORNER OF PARCEL NO. 2 AS CONVEYED TO LEROY L. HAINES AND WIFE, BY DEED RECEIVED FOR RECORDING NOVEMBER 5, 1948 AS INSTRUMENT NO. 591, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA; THENCE NORTH 00 DEGREES 04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 267.27 FEET TO THE TRUE POINT OF BEGINNING. THENCE CONTINUING NORTH 00 DEGREES 04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 89 DEGREES 55' 30" EAST, ALONG THE NORTH LINE OF SAID PARCEL 2, A DISTANCE OF 164.80 FEET (FORMERLY RECORDED 165.00 FEET) TO THE NORTHEAST CORNER THEREOF; THENCE SOUTH 00 DEGREES 04' 30" EAST, ALONG THE EAST LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET; THENCE SOUTH 89 DEGREES 55' 30" WEST, A DISTANCE OF 164.86 FEET TO THE POINT OF BEGINNING.

APN: 169-070-031-7

EXHIBIT H
HACR PROMISSORY NOTE

RESIDUAL RECEIPTS PROMISSORY NOTE

Riverside, CA

3% Interest

\$352,000.000

_____, 202__

In installments as hereafter stated, for value received, NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, a California nonprofit public benefit corporation (“Borrower”) promises to pay the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity corporate and politic (“HOUSING AUTHORITY”) the sum of \$352,000.00, (the “HACR Loan” or “Note Amount”) which at the time of payment is lawful for the payment of public and private debts.

This Promissory Note (the “Note”) is given in accordance with that certain Disposition, Development and Loan Agreement - - Jurupa Valley (the “DDLA”) executed by HOUSING AUTHORITY and Borrower, dated as of _____, 2023, s recorded in the Official Records (“Official Records”) of the County of Riverside on _____ as Instrument Number _____. Except to the extent otherwise expressly defined in this Note, all capitalized terms not defined herein will have the meanings established in the DDLA. This Note is secured by a Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) executed by Borrower for the benefit of the HOUSING AUTHORITY dated on or about the date hereof and recorded in the Official Records of the County of Riverside (the “HACR Deed of Trust”) on or about the date hereof, a Covenant Agreement executed by Borrower for the benefit of the HOUSING AUTHORITY dated _____, 2023 and recorded in the Official Records on _____, 2023, as Instrument No. _____ (the “Covenant Agreement”), and a UCC-1 Fixture Filing (collectively, the “Housing Authority Loan Documents”). The rights and obligations of the Borrower and the Housing Authority under this Note will be governed by the DDLA and the following terms:

- (1) Borrower agrees for itself and its successors and assigns that the use of the Property encumbered by the HACR Deed of Trust will be subject to the restrictions on rent and occupancy set forth in the DDLA and the Covenant Agreement.
- (2) That the HACR Loan will accrue simple interest at a rate of 3% per annum, except in the case of default as hereinafter provided, and will be repaid on an annual basis from the Public Agency Share of Residual Receipts, as defined herein. Interest will accrue 30 days from the date of issuance of the final Certificate of Occupancy or the equivalent thereof issued by the City of Jurupa Valley (the “Certificate of Occupancy”) for the apartment units constituting the Project.
- (3) This Note must be repaid according to the following:
 - (a) Fifty percent (50%) of the Project Residual Receipts, defined below, must be used towards the payment of all loans on the Project which are only payable from Residual Receipts, including, but not limited to, this HACR Loan, and all other loans payable from Residual Receipts made by Government Authorities or by

any other lender approved by the HOUSING AUTHORITY (“Public Agency Share of Residual Receipts”). Payment of the Public Agency Share of Residual Receipts must be allocated among all such lenders making Residual Receipts loans based on the ratio of the respective original principal balances of such loans, and payment will continue until all such Residual Receipts loans, including this HACR Loan, are repaid in full, and

(b) The remaining 50% of the Project Residual Receipts will be retained by Borrower.

- (4) The Project’s Residual Receipts will be determined based on an annual review of certified financial statements for the Project. Annual audited financial statements must be submitted by Borrower to the HOUSING AUTHORITY within 120 days following the close of the Project’s fiscal year (which is the calendar year), commencing on May 1 of the first full calendar year following the issuance of the Certificate of Occupancy. The first payment on this Note will be due on July 1st of the first full calendar year following the date of the issuance of the Certificate of Occupancy, to the extent of available Residual Receipts. Subsequent payments will be due on this Note on each July 1st thereafter to the extent of available Residual Receipts until the sooner of full repayment of the HACR Loan or the HACR Loan maturity date as set forth herein. All outstanding principal then due on this Note along with accrued interest will be due in full without demand or notice upon maturity of the HACR Loan, which will be the later to occur of (i) January 1, 2078 or (ii) 55 years from and after issuance of the Certificate of Occupancy (the “HACR Loan Term”).
- (5) The term “Project Residual Receipts” used herein means the gross rental income from all residential and non-residential components of the Project, proceeds from loss of rent insurance, and any other income to the Borrower derived from the ownership, operation and management of the Project, not including interest on required reserve accounts, less the following operating expenses:
- i) auditing and accounting fees;
 - ii) a reasonable property management fee not to exceed \$70 per unit per month, increased annually by 3% per annum;
 - iii) operating expenses (any expense reasonably and normally incurred in carrying out the Project’s day-to-day activities, which will include, but not be limited to, administration, on-site management, utilities, insurance, property taxes and assessments, on-site staff payroll, payroll taxes, monitoring fees and maintenance expense);
 - iv) replacement reserves, maintained in a separate account from operating reserves, not to exceed \$500 per unit per year for each unit in the Project and increasing annually if and as required by the lender holding the most senior permanent loan on the Project;
 - v) deferred developer fee, plus any required interest thereon;
 - vi) operating reserve account replenishment, in an annual amount confirmed in the Project Annual Budget approved by the HOUSING AUTHORITY;

- vii) if applicable, an annual managing general partner asset management fee of \$ 25,000, increased by no more than 3% annually;
- viii) if applicable, an annual limited partner asset management fee not to exceed \$10,000, which fee will be increased annually by 3% during each year of the tax credit compliance period for the Project, and thereafter any further increases will not be permitted without the written approval of the Housing Authority's Executive Director;
- ix) payments of must-pay, non-contingent principal and interest on amortized loans and indebtedness senior to the HACR Loan, which have been approved by HOUSING AUTHORITY (collectively, the "Senior Debt");
- x) The HOUSING AUTHORITY'S annual monitoring fee in the amount of \$ _____;
- xi) fees and costs paid for required social services provided to residents of the Project;
- xii) if applicable, payments of voluntary loans or capital contributions made by a Tax Credit Investor and any tax credit adjustors payable under a limited partnership agreement which has been approved by the HOUSING AUTHORITY; and
- xiii) all other Project fees and expenses which may be authorized in the annual budget for the Project approved by the HOUSING AUTHORITY.

- (6) Operating expenses will not include repayment of advances to the general partner of a limited partnership owner of the Project from its limited partner(s), general partner(s), their affiliate(s) and/or third parties (including without limitation, any advances or reimbursements for any portion of any deferred developer fee to pay any construction cost overruns) (collectively a "Partnership Loan"); provided, however, such Partnership Loan may be authorized by the Executive Director upon written request received by the HOUSING AUTHORITY. In considering a request for approval of a Partnership Loan, the Executive Director will consider the following: (i) whether such request was made pursuant to the terms of the limited partnership agreement, (ii) if a Project deficit exists and written evidence of such deficit is provided to the Executive Director, (iii) Borrower or its successor or assignee has demonstrated to HOUSING AUTHORITY, in writing, that the requested loan is the only reasonably available means of relieving such deficit, (iv) the Executive Director approves the loan terms, including, but not limited to the loan amount, interest rate, and maturity date. The Executive Director retains the right to defer such approval to the HOUSING AUTHORITY'S Board of Commissioners. Failure by the Executive Director to respond to such request within 30 days of the HOUSING AUTHORITY'S receipt of such written notice will be deemed disapproval of such request.
- (7) The HACR Loan evidenced by this Note is secured by the HACR Deed of Trust encumbering real property located in the City of Jurupa Valley, Riverside County, California.
- (8) This Note may be prepaid in whole or in part at any time without prepayment penalty or premium.
- (9) Subject to the provisions and limitations of this Section 9, the obligation to repay this Note is a nonrecourse obligation of Borrower and its successors and assigns. Neither Borrower

nor any partner, general or limited, owning a partnership interest in a limited partner owner of the real property encumbered by the HACR Deed of Trust, will have any personal liability for repayment of this Note, except as provided herein. The sole recourse of the HOUSING AUTHORITY will be the exercise of its rights against the real property (or any portion thereof) encumbered by the HACR Deed of Trust and any related security for the HACR Loan; provided, however, that the foregoing will not (i) constitute a waiver of any other obligation evidenced by this Note or the HACR Deed of Trust; (ii) limit the right of the HOUSING AUTHORITY to name Borrower or its successors and assigns as a party defendant in any action or suit for judicial foreclosure and sale under this Note and the Authority Deed of Trust or any action or proceeding hereunder so long as no judgment in the nature of a deficiency judgment will be asked for or taken against Borrower; (iii) release or impair either this Note or the HACR Deed of Trust; (iv) prevent or in any way hinder the HOUSING AUTHORITY 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 real 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 HOUSING AUTHORITY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, to 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 by this Note and/or secured by the HACR Deed of Trust. Notwithstanding the first foregoing sentence, the HOUSING AUTHORITY 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 HOUSING AUTHORITY as a result of fraud, misrepresentation or any criminal act or acts of Borrower, its successors and assigns, or any general partner, shareholder, officer, director or employee of Borrower, or of any general partner of a limited partnership owner of the real property encumbered by the Authority Deed of Trust; (b) any damages, costs and expenses incurred by the HOUSING AUTHORITY as a result of any misappropriation of funds provided to pay costs as described in the DDLA, 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 which must be paid prior to the HACR Deed of Trust; (d) the fair market value of any personal property or fixtures removed or disposed of by the Borrower or its successors and assigns other than in accordance with the HACR Deed of Trust; (e) any and all amounts owing by Borrower or its successors and assigns pursuant to any indemnity set forth in the DDLA and/or HACR Deed of Trust or the indemnification regarding Hazardous Substances pursuant to the DDLA, and (f) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

- (10) The occurrence of any of the following events will constitute an "Event of Default" under this Note after notice and opportunity to cure pursuant to the terms set forth herein or in the DDLA:

a. Monetary Default. Borrower's failure to pay when due (i) any sums payable under the this Note or any advances made by HOUSING AUTHORITY under the DDLA or the HACR Deed of Trust, (ii) Borrower's or any agent of Borrower's use of HOUSING AUTHORITY funds to pay costs of or arising from the Project, the payment of which is not permitted by the DDLA, (iii) Borrower's or any agent of Borrower's failure to make any other payment due under the DDLA or any other Housing Authority Loan Document, and /or (iv) a default past any applicable notice and cure period under any instrument, promissory note or other document secured by the real property which is subject to the HACR Deed of Trust;

b. Non-Monetary Default - Operation. (1) Discrimination by Borrower or Borrower's agent on the basis of characteristics prohibited by the DDLA or applicable law, (2) the imposition of any encumbrances or liens on the Project without HOUSING AUTHORITY's prior written approval (except for liens expressly permitted under the Housing Authority Loan Documents) including, but not limited to those liens or encumbrances expressly prohibited under the DDLA or which have the effect of reducing the priority of or invalidating the HACR Deed of Trust, (3) Borrower's failure to obtain and maintain the insurance coverage required under the DDLA or HACR Deed of Trust, and/or (4) any material default under the DDLA or any other Housing Authority Loan Document;

c. General Performance of Loan Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents beyond any period provided to cure or remedy the same of any material obligations of the Borrower imposed in the DDLA or any other Housing Authority Loan Document; and

d. General Performance of Other Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents beyond any period provided to cure or remedy the same 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 HOUSING AUTHORITY is a party to such agreement.

(11) HOUSING AUTHORITY must give written notice of default to Borrower, specifying the default complained of by the HOUSING AUTHORITY. Borrower will have 10 calendar days from the mailing of a notice of a monetary default by which such action to cure must be taken, and 30 days from the mailing of a notice of a non-monetary default by which such action to cure must be taken, but if a non-monetary default is not reasonably capable of being cured within 30 days, so long as Borrower has commenced a cure or remedy of such non-monetary default within the first 30-day period and diligently prosecutes such cure to completion thereafter, but not more than 60 additional days, such non-monetary default will be deemed cured. Delay in giving notice of default will not constitute a waiver of any default nor will it change the time of default. If applicable, the Tax Credit Investor will receive a copy of all notices and will have the right, but not the obligation, to cure any default, and the HOUSING AUTHORITY will accept a cure of any default made by a Tax Credit Investor with the same force and effect as if such cure had been made by the Borrower.

- (12) Any failures or delays by HOUSING AUTHORITY in asserting any of its rights and remedies as to any default will not operate as a waiver of any default or of any such rights or remedies. Delays by HOUSING AUTHORITY in asserting any of its rights and remedies will not deprive HOUSING AUTHORITY 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.
- (13) If any right created by this Note is held to be invalid or unenforceable as to any part of the obligations described herein by a court of competent jurisdiction, the remaining obligations of this Note will 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.
- (14) 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 HOUSING AUTHORITY 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.
- (15) Should default be made in payment of principal and interest due hereunder and such default should continue beyond the applicable notice and cure period provided in Section 11 of this Note, the whole sum of principal and interest will become immediately due at the option of the holder of this Note. If action is instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.
- (16) This Note has been negotiated and entered in the State of California, and will 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 must be filed in the Superior Court of Riverside County or, as applicable, in the Federal Court with jurisdiction over matters arising in 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.
- (17) No modification, rescission, waiver, release or amendment of any provision of this Note will be made except by a written agreement executed by Borrower and the duly authorized representative of the HOUSING AUTHORITY.
- (18) The HOUSING AUTHORITY may, in its sole and absolute discretion, assign its rights under this Note and its right to receive repayment of the Note without obtaining the consent of Borrower.

- (19) (Reserved)
- (20) Except as to the HACR Deed of Trust identified herein and other deeds of trust permitted under applicable provisions of the DDLA, Borrower must not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the HACR Deed of Trust without the prior written approval of the HOUSING AUTHORITY in its sole discretion, which will not be unreasonably withheld or delayed.
- (21) The relationship of Borrower and the HOUSING AUTHORITY pursuant to this Note is that of debtor and creditor and is not construed to be, a joint venture, equity venture, partnership or other relationship.
- (22) Formal notices, demands and communications between the HOUSING AUTHORITY and Borrower will be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the HOUSING AUTHORITY and Borrower: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice will be deemed delivered on the date of receipt thereof); (ii) electronic transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice will be deemed delivered on the date of its successful electronic transmission unless the sender receives a notice of non-delivery); or (iii) personal delivery, including by means of professional messenger service, overnight or courier delivery service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice will 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.
- (23) Any captions or headings used in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
- (24) The undersigned, if comprising more than one person or entity, will be jointly and severally liable hereunder.
- (25) This Note will be binding upon Borrower and its heirs, successors and assigns, and will benefit the HOUSING AUTHORITY and its successors and assigns.

BORROWER:

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

By: _____
Michael Finn, Chief Financial Officer

EXHIBIT I
RESERVED

EXHIBIT J

NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

Recording Requested by
FIDELITY NATIONAL
TITLE COMPANY

-- and --

When Recorded, Return to:

Housing Authority
of the County of Riverside
5555 Arlington Avenue
Riverside, CA 92504
Attn: Juan Garcia

APN: 169-070-031

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**NOTICE OF AFFORDABILITY RESTRICTIONS
ON TRANSFER OF PROPERTY**

NOTICE IS HEREBY GIVEN that, in order to carry out certain obligations under the Community Redevelopment Law of the State of California (Health and Safety Code Section 3300 et seq.), certain real property located at 8877 Mission Blvd., Jurupa Valley, California (County of Riverside) and known as Assessor's Parcel Number 169-070-002 and more particularly described in Exhibit A ("**Church Parcel**"), together with all buildings, structures and other improvements to be constructed thereon ("**Improvements**"), is subject to certain affordability covenants and restrictions identified in that certain Covenant Agreement dated _____, 2023 between the Housing Authority of the County of Riverside, a public entity corporate and politic ("**HACR**"), and National Community Renaissance of California, a California nonprofit public benefit corporation ("**Owner**") recorded concurrently herewith and incorporated herein by this reference ("**Restrictions**"). The Property and the Improvements to be constructed thereon are referred to collectively as the "**Grace Vista Project.**"

The affordability covenants and restrictions contained in the Restrictions include, without limitation, and as further described in the Restrictions:

1. Approximately 100 of the apartment units in the Grace Vista Project must be made available for occupancy by Low and Very Low Income Households at a maximum monthly Affordable Rent which must not exceed 1/12 times the product of 30% times the applicable area median income, adjusted for family size appropriate to the affordable unit in question. The maximum family incomes of eligible persons and families will be determined on the basis of the area median income for the County of Riverside standard metropolitan area calculated as provided in the Restrictions and for eligible tenants qualifying as no more than "Lower Income Households" as defined in California Health and Safety Code Section 50079.5, within the allocation among Lower Income Households, Very Low Income Households, extremely low income households and other qualifying households specifically provided in the Restrictions.

2. Additional requirements concerning operation, management, and maintenance of the Grace Vista Project are also imposed by the Restrictions.

In the event of any conflict between this Notice of Affordability Restrictions on Transfer of Property ("**Notice**") and the Restrictions, the terms of the Restrictions will prevail.

The Restrictions must maintain in effect for a period of 55 years after issuance by the City of Jurupa Valley of the final certificate of occupancy for the construction of the last residential building in the Grace Vista Project.

The Notice is being recorded and filed by HACR in compliance with Health and Safety Code Sections 33334.3(f)(3) and (4) and/or Section 33413(c)(5), as amended effective this date, and will be indexed against HACR and Owner.

This Notice may be executed in counterparts and multiple originals, each of which will be deemed to be an original and will constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum as of the date indicated above.

HOUSING AUTHORITY:

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic

By: _____
Heidi Marshall, Executive Director

OWNER:

National Community Renaissance of California nonprofit public benefit corporation

By: _____
Michael Finn, Chief Financial Officer

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By:  _____
Amrit P. Dhillon, Deputy County Counsel

Exhibit "A"

(legal description of Church Parcel)

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

PARCEL 1:

THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 1, PAGE 12](#) OF MAPS, RIVERSIDE COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT; THENCE NORTH ON THE WEST LINE OF SAID LOT, TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED RECORDED NOVEMBER 25, 1924 IN [BOOK 621, PAGE 334](#) OF DEEDS, RIVERSIDE COUNTY RECORDS; THENCE EAST, ON THE SOUTH LINE OF SAID NORTH 5 ACRES, 165 FEET; THENCE SOUTH, PARALLEL WITH THE WEST LINE OF SAID LOT, TO THE SOUTH LINE OF SAID LOT; THENCE WEST, ON SAID SOUTH LINE 165 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE WESTERLY 4 FEET.

ALSO EXCEPTING THEREFROM THAT PORTION IN MISSION BOULEVARD.

PARCEL 2:

THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 1, PAGE 12](#) OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTH LINE OF SAID LOT 3, WHICH BEARS NORTH 89°55'30" EAST, A DISTANCE OF 164.90 FEET (FORMERLY RECORDED 165.00 FEET) FROM THE SOUTHWEST CORNER THEREOF, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF PARCEL NO. 2 AS CONVEYED TO LEROY L. HAINES AND WIFE, BY DEED RECEIVED FOR RECORDING NOVEMBER 05 1948 AS [INSTRUMENT NO. 591 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA; THENCE NORTH 00°04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 267.27 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 00°04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET TO THE NORTHWEST CORNER THEREOF; THENCE NORTH 89°55'30" EAST, ALONG THE NORTH LINE OF SAID PARCEL 2, A DISTANCE OF 164.80 FEET (FORMERLY RECORDED 165.00 FEET) TO THE NORTHEAST CORNER THEREOF; THENCE SOUTH 00°04'30" EAST, ALONG THE EAST LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET; THENCE SOUTH 89°55'30" WEST, A DISTANCE OF 164.86 FEET TO THE POINT OF BEGINNING.

[APN: 169-070-002](#)

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 the document.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

_____ Signature

(SEAL)

_____ OPTIONAL _____

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Notice of Affordability Restrictions on Transfer of Property

Document Dated _____, 2023 Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____ Right Thumbprint of Signer

- Individual
- Corporate Officer - Title(s): _____
- Co-Managing Member
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other:

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 the document.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____ before me, _____, notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/hers/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.

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- Individual
- Corporate Officer - Title(s): _____
- Co-Managing Member
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other:

EXHIBIT K
PROJECT BUDGET

[TO BE PROVIDED BY NATIONAL CORE]

Exhibit K
SOURCES AND USES BUDGET

PERMANENT	TIEBREAKER?	AMOUNT	INT. RATE	TERM (Yr)	AMORT.	DSCR
Permanent Loan		\$ 6,439,136	5.50%	30	35	1.15
Construction Period Income		\$ -				
Permit and Plan Check Fee Waiver	Yes	\$ -				
Impact Fee Waiver	Yes	\$ -				
Donated Land	Yes	\$ -	3.00%	55		
County Acquisition Loan	Yes	\$ 1,500,000	3.00%	55		
AHP	No	\$ -	0.00%	30		
MHP	Yes	\$ -	3.00%	55		
HCD NPLH	Yes	\$ -	0.00%	0		
HCD: Other UMR Governed Program	Yes	\$ -	3.00%	55		
AHSC Loan	Yes	\$ -	3.00%	55		
ASHC Grant	Yes	\$ -	0.00%	0		
LACDA General Funds	Yes	\$ -	3.00%	57		
LACDA MHHF	Yes	\$ -	3.00%	57		
Local No Place Like Home	Yes	\$ -	3.00%	55		
HHH	Yes	\$ -	3.00%	0		
Other: County/City Loans	Yes	\$ 8,843,012	3.00%	0		
Other:	Yes	\$ -	3.00%	55		
Accrued and Deferred Soft loan Interest		\$ 450,994				
Developer Fee Contribution		\$ 1,969,944				
Required Deferred Developer Fee		\$ 883,613				
Additional Deferred Developer Fee		\$ -				
Capital Contributions						
Private Market Rate Equity		\$ -				
General Partner		\$ 100				
Limited Partners (Tax Credit Equity)		\$ 25,665,901				
TOTAL SOURCES		\$ 45,752,700				
Surplus/(Shortfall)	No	\$ (2)				

Units Reserved	

Credit pricing (Federal): \$ 0.92
 Credit pricing (State): \$ 0.85

CONSTRUCTION	AMOUNT	INT. RATE	TERM (Mo)	Aggregate Basis
Tax-Exempt Construction Loan	\$ 23,159,554	5.25%	24	\$ 43,697,271
Construction Loan Taxable Tail	\$ 1,382,941	5.50%	24	
Permit and Plan Check Fee Waiver	Yes	\$ -		
Impact Fee Waiver	Yes	\$ -		% of Aggregate Basis funded with Bond Proceeds 53.00%
Donated Land	Yes	\$ -	3%	
County Acquisition Loan	Yes	\$ -	3%	
AHP	No	\$ -	0%	
LACDA General Funds	Yes	\$ -	3%	
LACDA MHHF	Yes	\$ -	3%	
AHSC Loan	Yes	\$ -	3%	
ASHC Grant	Yes	\$ -	0%	
Local No Place Like Home	Yes	\$ -	3%	
HHH	Yes	\$ -	3%	
Other: County/City Loans	Yes	\$ 8,843,012	3%	
Other:	Yes	\$ -	3%	
Accrued and Deferred Soft loan Interest	\$ 450,994			
Developer Fee Contribution	\$ 1,969,944			
Required Deferred Developer Fee	\$ 883,613			
Additional Deferred Developer Fee	\$ -			
Costs Deferred Until Completion	\$ 1,362,774			
Capital Contributions				
General Partner	\$ 100			
Limited Partners (Tax Credit Equity)	\$ 7,699,770			
TOTAL SOURCES	\$ 45,752,702			
Surplus/(Shortfall)	\$ -			

Summary of Costs Deferred Until Conversion

Replacement Reserve	\$ -
Transition Reserve	\$ -
3-Month Operating Reserve	\$ 275,382
Permanent Financing Costs	\$ 79,392
Capitalized Developer Fee	\$ 1,008,000

LIHTC EQUITY PAY-IN SCHEDULE			DEVELOPER FEE PAY-IN SCHEDULE		
Closing	10.0%	\$ 2,566,590	Closing	20.0%	\$ 504,000
25% Construction Complete	0.0%	\$ -	25% Construction Complete	0.0%	\$ -
50% Construction Complete	10.0%	\$ 2,566,590	50% Construction Complete	30.0%	\$ 756,000
60% Construction Complete	0.0%	\$ -	60% Construction Complete	0.0%	\$ -
70% Construction Complete	0.0%	\$ -	70% Construction Complete	0.0%	\$ -
Completion	10.0%	\$ 2,566,590	Completion	10.0%	\$ 252,000
Conversion	70.0%	\$ 17,966,131	Conversion	40.0%	\$ 1,008,000
8609	0.0%	\$ -	8609	0.0%	\$ -
TOTAL		\$ 25,665,901	TOTAL		\$ 2,520,000
			Deferred Fee		\$ 883,613
			TOTAL		\$ 3,403,613

	Unit Type	Unit Count	Cost/Unit	TOTAL	Cost/D.U.	Residential Cost	Commercial Cost	TAX CREDIT ELIGIBLE Const/Rehab	Acq
ACQUISITION									
Land Cost or Value	Lump Sum	1	\$ 2,500,000	\$ 2,500,000	\$ 24,752	\$ 2,500,000	\$ -		
Acq/Predev Loan Interest	Lump Sum	1	\$ 30,000	\$ 30,000	\$ 297	\$ 30,000	\$ -	\$ 30,000	
Land Lease Rent Prepayment	Lump Sum	1	\$ -	\$ -	\$ -	\$ -	\$ -		
Existing Improvements Value	Percentage of PP	0.85	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Demolition	Lump Sum	1	\$ 175,238	\$ 175,238	\$ 1,735	\$ 175,238	\$ -		\$ -
Environmental Remediation	Units	1	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Off-Site Improvements (eligible)	Units	1	\$ 692,278	\$ 692,279	\$ 6,854	\$ 692,279	\$ -	\$ 692,279	
Off-Site Improvements (ineligible)	Lump Sum	1	\$ -	\$ -	\$ -	\$ -	\$ -		
CONSTRUCTION									
Site Work	Units	101	\$ 45,465	\$ 4,591,984	\$ 45,465	\$ 4,591,984	\$ -	\$ 4,591,984	
Structures	Units	101	\$ 189,438	\$ 19,133,265	\$ 189,438	\$ 19,133,265	\$ -	\$ 19,133,265	
Personal Property	Units	101	\$ -	\$ -	\$ -	\$ -	\$ -		
General Requirements	Constr. Cost	\$ 24,592,766	7.00%	\$ 1,721,494	\$ 17,044	\$ 1,721,494	\$ -	\$ 1,721,494	
Contractor Overhead	Constr. Cost	\$ 24,592,766	3.00%	\$ 737,783	\$ 7,305	\$ 737,783	\$ -	\$ 737,783	
Contractor Profit	Constr. Cost	\$ 24,592,766	4.00%	\$ 983,711	\$ 9,740	\$ 983,711	\$ -	\$ 983,711	
Prevailing Wages	If Applicable	No	\$ 4,883,506	\$ -	\$ -	\$ -	\$ -		\$ -
Payment and Performance Bond	Constr. Contract	\$ 28,035,754	1.250%	\$ 307,410	\$ 3,044	\$ 307,410	\$ -	\$ 307,410	
General Liability Insurance	Constr. Contract	\$ 28,343,164	1.250%	\$ 307,410	\$ 3,044	\$ 307,410	\$ -	\$ 307,410	
Hard Cost Contingency	Hard Costs	\$ 28,650,574	5%	\$ 1,432,529	\$ 14,183	\$ 1,432,529	\$ -	\$ 1,432,529	
ARCHITECTURAL FEES									
Design	Lump Sum	1	\$ 600,000	\$ 600,000	\$ 5,941	\$ 600,000	\$ -	\$ 600,000	
Supervision	Lump Sum	1	\$ 300,000	\$ 300,000	\$ 2,970	\$ 300,000	\$ -	\$ 300,000	
Engineering	Lump Sum	1	\$ 500,000	\$ 500,000	\$ 4,950	\$ 500,000	\$ -	\$ 500,000	
CONSTRUCTION INTEREST & FEES									
Construction Loan Interest	See Constr. Loan Interest Tab		\$ -	\$ 1,561,091	\$ 15,456	\$ 1,561,091	\$ -	\$ 915,125	
Origination Fee	Loan Amt	1	1.00%	\$ 245,425	\$ 2,430	\$ 245,425	\$ -	\$ 143,870	
Lender Expenses		1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Bond Premium			0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	
HHH Construction Period Interest			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Taxes	Value	\$ 2,500,000	1.250%	\$ 31,250	\$ 309	\$ 31,250	\$ -	\$ 31,250	
Insurance	Lump Sum	1	\$ 80,000	\$ 80,000	\$ 792	\$ 80,000	\$ -	\$ 80,000	
PERMANENT FINANCING									
Loan Origination Fee	Lump Sum	1	\$ 64,392	\$ 64,392	\$ 638	\$ 64,392	\$ -	\$ -	
Credit Enhancement/Application Fee	Lump Sum	1	\$ 0	\$ 0	\$ -	\$ -	\$ -	\$ -	
Taxes			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Insurance	Expenses	1	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	
TITLE, RECORDING, & ESCROW									
Acquisition	Lump Sum	1	\$ 5,000	\$ 5,000	\$ 50	\$ 5,000	\$ -	\$ -	
Construction	Lump Sum	1	\$ 80,000	\$ 80,000	\$ 792	\$ 80,000	\$ -	\$ 80,000	
Permanent	Lump Sum	1	\$ 5,000	\$ 5,000	\$ 50	\$ 5,000	\$ -	\$ -	
LEGAL FEES									
Acquisition	Lump Sum	1	\$ 30,000	\$ 30,000	\$ 297	\$ 30,000	\$ -	\$ -	
Construction Closing	Lump Sum	1	\$ 35,000	\$ 35,000	\$ 347	\$ 35,000	\$ -	\$ 35,000	
Lender Legal	Lump Sum	1	\$ 10,000	\$ 10,000	\$ 99	\$ 10,000	\$ -	\$ 10,000	
Permanent Closing	Lump Sum	1	\$ 10,000	\$ 10,000	\$ 99	\$ 10,000	\$ -	\$ -	
Organization of Partnership	Lump Sum	1	\$ 25,000	\$ 25,000	\$ 248	\$ 25,000	\$ -	\$ -	
Syndication	Lump Sum	1	\$ 35,000	\$ 35,000	\$ 347	\$ 35,000	\$ -	\$ -	
RESERVES									
Replacement Reserve	years	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transition Reserve	Months	3	\$ 91,794	\$ 275,382	\$ 2,727	\$ 275,382	\$ -	\$ -	
OTHER PROJECT COSTS									
Appraisal	Lump Sum	1	\$ 15,000	\$ 15,000	\$ 149	\$ 15,000	\$ -	\$ 15,000	
TCAC Application Fee	Lump Sum	1	\$ 2,000	\$ 2,000	\$ 20	\$ 2,000	\$ -	\$ -	
TCAC Reservation Fee	Tax Credits	\$ 28,838,091	0.10%	\$ 28,839	\$ 286	\$ 28,839	\$ -	\$ -	
TCAC Monitoring Fee	Units	101	\$ 410	\$ 41,410	\$ 410	\$ 41,410	\$ -	\$ -	
TCAC Performance Deposit	Tax Credits	\$ 16,478,910	0.10%	\$ -	\$ -	\$ -	\$ -	\$ -	
CDLAC Application Fee	Lump Sum	1	\$ 25,000	\$ 25,000	\$ 248	\$ 25,000	\$ -	\$ -	
CDLAC Performance Deposit	CDLAC Allocation	\$ 23,159,554	0.50%	\$ 100,000	\$ 990	\$ 100,000	\$ -	\$ -	
CDLAC State Filing Fee	CDLAC Allocation	\$ 23,159,554	0.042%	\$ 9,728	\$ 96	\$ 9,728	\$ -	\$ -	
CDLAC Fee	CDLAC Allocation	\$ 23,159,554	0.015%	\$ 3,474	\$ 34	\$ 3,474	\$ -	\$ -	
Underwriter Fee	CDLAC Allocation	\$ 23,159,554	0.50%	\$ 115,798	\$ 1,147	\$ 115,798	\$ -	\$ -	
Bond Origination Fee	CDLAC Allocation	\$ 23,159,554	0.2500%	\$ 57,899	\$ 573	\$ 57,899	\$ -	\$ -	
Application Fee	Lump Sum	1	\$ 2,500	\$ 2,500	\$ 25	\$ 2,500	\$ -	\$ -	
Trustee Acceptance Fee	Lump Sum	1	\$ 2,750	\$ 2,750	\$ 27	\$ 2,750	\$ -	\$ -	
County Counsel	Lump Sum	1	\$ 2,500	\$ 2,500	\$ 25	\$ 2,500	\$ -	\$ -	
Bond Counsel	Lump Sum	1	\$ 50,000	\$ 50,000	\$ 495	\$ 50,000	\$ -	\$ -	
Trustee Legal Fees	Lump Sum	1	\$ 3,500	\$ 3,500	\$ 35	\$ 3,500	\$ -	\$ -	
TEFRA Public Notice Fee	Lump Sum	1	\$ 2,500	\$ 2,500	\$ 25	\$ 2,500	\$ -	\$ -	
Bond Issuance Contingency	Lump Sum	1	\$ 80,000	\$ 80,000	\$ 792	\$ 80,000	\$ -	\$ -	
Environmental Audit	Lump Sum	1	\$ 85,000	\$ 85,000	\$ 842	\$ 85,000	\$ -	\$ 85,000	
Local Development Impact Fees	Lump Sum	101	\$ 12,000	\$ 1,212,000	\$ 12,000	\$ 1,212,000	\$ -	\$ 1,212,000	
Permit Processing Fees	Lump Sum	101	\$ 6,000	\$ 606,000	\$ 6,000	\$ 606,000	\$ -	\$ 606,000	
Leasing Expense	Lump Sum	1	\$ 30,000	\$ 30,000	\$ 297	\$ 30,000	\$ -	\$ -	
Leasing Fee	Units	100	\$ 250	\$ 25,000	\$ 248	\$ 25,000	\$ -	\$ -	
Marketing	Lump Sum	1	\$ 10,000	\$ 10,000	\$ 99	\$ 10,000	\$ -	\$ -	
Furnishings (Common Area)	Lump Sum	1	\$ 68,175	\$ 68,175	\$ 675	\$ 68,175	\$ -	\$ 68,175	
Furnishings (Homeless Units)	SN Units	0	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	
Market Study	Lump Sum	1	\$ 15,000	\$ 15,000	\$ 149	\$ 15,000	\$ -	\$ -	
Audit/Cost Certification	Lump Sum	1	\$ 25,000	\$ 25,000	\$ 248	\$ 25,000	\$ -	\$ -	
Soft Cost Contingency	Development Bud	\$ 6,568,685	5%	\$ 328,435	\$ 3,252	\$ 328,435	\$ -	\$ 328,435	
Temporary Relocation	Lump Sum	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Permanent Relocation	Lump Sum	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3rd Party Construction Manager	Months of Constr	18	\$ 6,500	\$ 117,000	\$ 1,158	\$ 117,000	\$ -	\$ 117,000	
Green Consultant and LEED Certification	Lump Sum	1	\$ 60,000	\$ 60,000	\$ 594	\$ 60,000	\$ -	\$ 60,000	
Soils and Survey	Lump Sum	1	\$ 65,000	\$ 65,000	\$ 644	\$ 65,000	\$ -	\$ 65,000	
Deputy Inspections	Lump Sum	1	\$ 75,000	\$ 75,000	\$ 743	\$ 75,000	\$ -	\$ 75,000	
Security	Construction	18	\$ 6,000	\$ 108,000	\$ 1,069	\$ 108,000	\$ -	\$ 108,000	
Accrued and Deferred Soft Loan Interest	Public Financing	\$ 450,994	\$ 450,994	\$ 4,485	\$ 450,994	\$ -	\$ 450,994		
Other:	Lump Sum	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other:	Lump Sum	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other:	Lump Sum	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
DEVELOPER COSTS									
Consultant/Processing Agent	Lump Sum	1	\$ 50,000	\$ 50,000	\$ 495	\$ 50,000	\$ -	\$ -	
Project Administration			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Broker Fees Paid to a Related Party			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Const. Oversight by Developer			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4% Developer Fee	Limiting Agency		\$ 5,373,557	\$ 5,373,557	\$ 53,204	\$ 5,373,557	\$ -	\$ 5,373,557	
9% Developer Fee			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL PROJECT COST									
				\$ 45,752,702	\$ 452,997	\$ 45,752,702	\$ -	\$ 41,197,271	\$ -
TCAC PROJECT COSTS (less syndication costs)				\$ 45,617,702	\$ 451,660	\$ 45,617,702	\$ -	\$ -	\$ -

EXHIBIT L
SCHEDULE OF PERFORMANCE

- | | | |
|----|--|--|
| 1. | Close escrow on the Grace Evangelical Lutheran Church of Glen Avon property as provided in the Fourth Amendment to Purchase and Sale Agreement and Joint Escrow Instructions dated April 4, 2022. | On or before June 28, 2023 |
| 2. | Agree to participate and/or conduct community meetings as requested by the HACR in relation to the Project. | Ongoing, as needed |
| 3. | File application for entitlement approval with the City of Jurupa Valley | Within six (6) months of the close of escrow on the HACR |
| 4. | Identify sources of funding for Project and commence financing process after consultation with HACR staff. Evaluate and provide a comprehensive description of the estimated feasibility of all funding applications to be submitted in connection with financing the Project on a quarterly basis commencing upon the effective date. | Quarterly report commencing upon DDLA approval |
| 5. | Secure project entitlements from the City of Jurupa Valley | Within twelve (12) months of submitting complete application for entitlement approval |
| 6. | File application(s) for financing approvals | Within six (6) months of securing entitlement approvals |
| 7. | Close escrow on construction financing | Within sixty (60) days of receiving approval of financing commitments sufficient to begin construction |
| 8. | Complete project construction and convert to permanent financing | Within 36 months of closing on construction loan |

EXHIBIT M

SCOPE OF DEVELOPMENT

Borrower: National Community Renaissance of California
Address: 8845 and 8877 Mission Blvd.
(APN 169-070-031 and 169-070-002)
Jurupa Valley, CA

Project Title: Grace Vista Affordable Apartment Home Community

Project Description:

The Grace Vista Affordable Apartment Home Community (Community) is a proposed fully affordable multi-family apartment community along Mission Boulevard in the community of Glen Avon in the City of Jurupa Valley. The rectangular site is comprised of two parcels totaling approximately 4.3 acres at the northwest corner of Mission Blvd and Pedley Road. The Bravo Estates Mobile Home Park borders the site to the north and the east. Directly across Mission Blvd to the south is the Jurupa Valley Community Health Center operated by the Riverside University Health System. To the west are small business, including offices and an auto parts store as well as vacant land owned by Habitat for Humanity.

The site currently consists of vacant land owned by the Housing Authority of the County of Riverside (APN: 169-070-031) and vacant land, an existing church building, and parking lot owned by the Grace Lutheran Evangelical Church of Glen Avon (APN: 169-070-002). The applicant is currently in escrow to purchase the parcel owned by the Church and is negotiating an Exclusive Negotiating Agreement with the County of Riverside for the parcel owned by the Housing Authority. The building and parking lot would be demolished to accommodate the new apartment home community.

It is anticipated that the community will be comprised of at least one three-story, double-loaded corridor buildings developed at a density of about 25 units per acre to accommodate approximately 101 units. The community will be 100% affordable to households earning 80% of the Area Median Income or less with the average income not exceeding 60% of the Area Median Income (excluding the manager's unit), though the exact affordability breakdown for the units has not yet been established. While site and building design is still underway, the community will include amenities for residents such as a pool, community room(s), kids tot lot/playground, pedestrian walkways, and landscaped seating areas (exact amenities to be determined). The project will be financed using the Low Income Housing Tax Credit program operated by California Tax Credit Allocation Committee and other sources, as a large family project. As such, 25% of units would have at least 2 bedrooms and 25% at least 3 bedrooms.

To assist residents of the proposed community, National Community Renaissance (National CORE), the Applicant, in partnership with its sister non-profit Hope Through Housing Foundation, will employ staff and provide a range of supportive services onsite based on the specific needs of the households selected to live in the community. Typical supportive services include counseling, financial literacy, youth programs, healthy living education, and job training. National CORE, the proposed community's developer, general contractor, property manager, and service provider, is an award-winning, non-profit affordable housing organization in Rancho Cucamonga, California, with a portfolio of over 10,000 affordable and market rate housing units nationally.

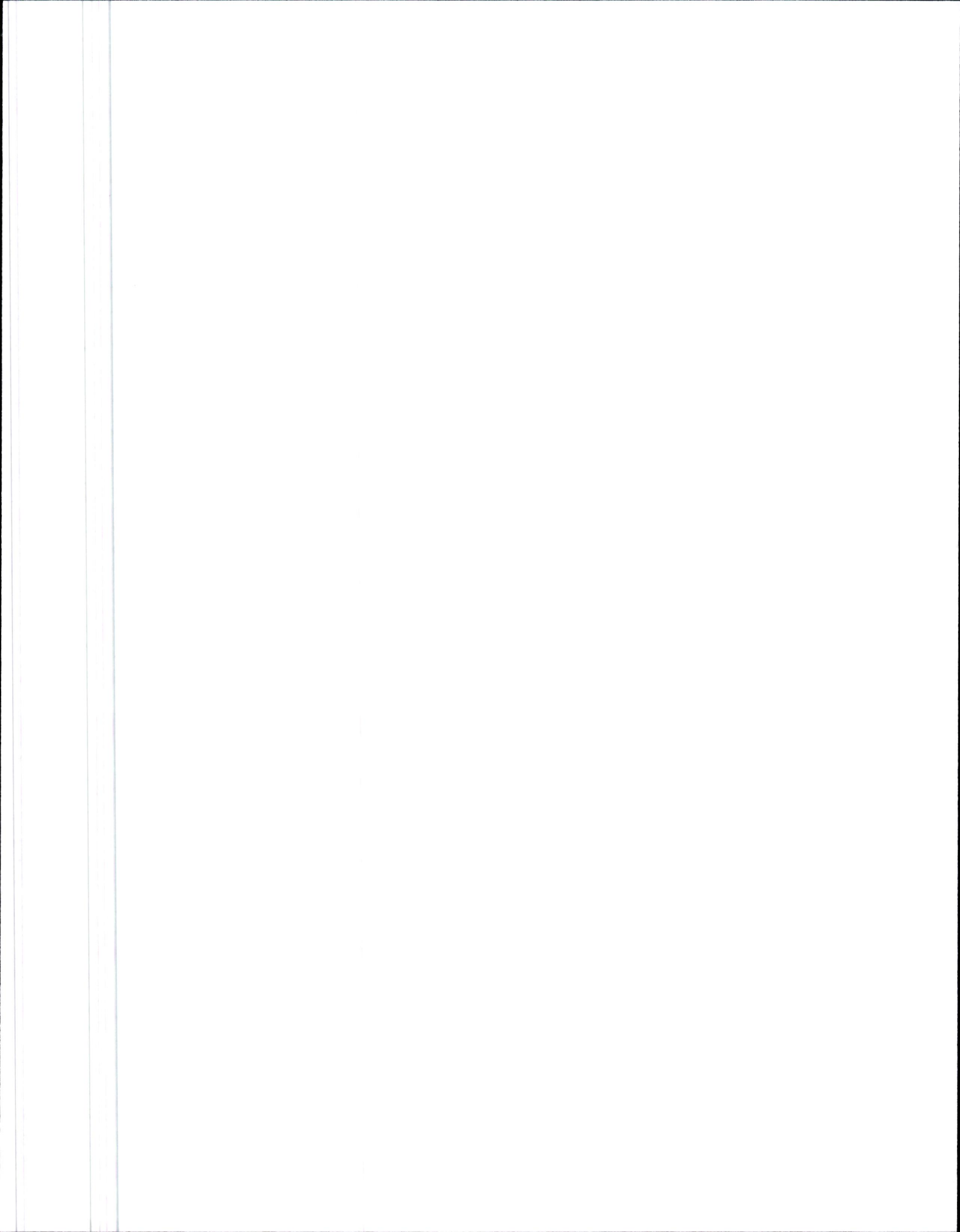


EXHIBIT N
UCC-1 FINANCING STATEMENT

[TO BE ATTACHED]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
National Community Renaissance of California

OR
1b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX
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1c. MAILING ADDRESS

CITY Rancho Cucamonga	STATE CA	POSTAL CODE 91730	COUNTRY USA
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1d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION Non-profit	1f. JURISDICTION OF ORGANIZATION Rancho Cucamonga	1g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
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2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR
2b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX
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2c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
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2d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
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3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR
3b. INDIVIDUAL'S LAST NAME

FIRST NAME	MIDDLE NAME	SUFFIX
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3c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
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4. This FINANCING STATEMENT covers the following collateral:

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (OPTIONAL FEE) All Debtors Debtor 1 Debtor 2 (optional)

8. OPTIONAL FILER REFERENCE DATA

Instructions for UCC Financing Statement (Form UCC1)

Please type or laser-print this form. Be sure it is completely legible. Read all Instructions, especially Instruction 1; correct Debtor name is crucial. Follow Instructions completely.

Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. Filing office cannot give legal advice. Do not insert anything in the open space in the upper portion of this form; it is reserved for filing office use.

When properly completed, send Filing Office Copy, with required fee, to filing office. If you want an acknowledgment, complete item B and, if filing in a filing office that returns an acknowledgment copy furnished by filer, you may also send Acknowledgment Copy; otherwise detach. If you want to make a search request, complete item 7 (after reading Instruction 7 below) and send Search Report Copy, otherwise detach. Always detach Debtor and Secured Party Copies.

If you need to use attachments, you are encouraged to use either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP).

A. To assist filing offices that might wish to communicate with filer, filer may provide information in item A. This item is optional.

B. Complete item B if you want an acknowledgment sent to you. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form a carbon or other copy of this form for use as an acknowledgment copy.

1. **Debtor name:** Enter only one Debtor name in item 1, an organization's name (1a) or an individual's name (1b). Enter Debtor's exact full legal name. Don't abbreviate.
 - 1a. **Organization Debtor.** "Organization" means an entity having a legal identity separate from its owner. A partnership is an organization; a sole proprietorship is not an organization, even if it does business under a trade name. If Debtor is a partnership, enter exact full legal name of partnership; you need not enter names of partners as additional Debtors. If Debtor is a registered organization (e.g., corporation, limited partnership, limited liability company), it is advisable to examine Debtor's current filed charter documents to determine Debtor's correct name, organization type, and jurisdiction of organization.
 - 1b. **Individual Debtor.** "Individual" means a natural person; this includes a sole proprietorship, whether or not operating under a trade name. Don't use prefixes (Mr., Mrs., Ms.). Use suffix box only for titles of lineage (Jr., Sr., III) and not for other suffixes or titles (e.g., M.D.). Use married woman's personal name (Mary Smith, not Mrs. John Smith). Enter individual Debtor's family name (surname) in Last Name box, first given name in First Name box, and all additional given names in Middle Name box.

For both organization and individual Debtors: Don't use Debtor's trade name, DBA, AKA, FKA, Division name, etc. in place of or combined with Debtor's legal name; you may add such other names as additional Debtors if you wish (but this is neither required nor recommended).
 - 1c. An address is always required for the Debtor named in 1a or 1b.
 - 1d. Reserved for Financing Statements to be filed in North Dakota or South Dakota only. If this Financing Statement is to be filed in North Dakota or South Dakota, the Debtor's taxpayer identification number (tax ID#) — social security number or employer identification number must be placed in this box.
 - 1e, f, g. "Additional information re organization Debtor" is always required. Type of organization and jurisdiction of organization as well as Debtor's exact legal name can be determined from Debtor's current filed charter document. Organizational ID #, if any, is assigned by the agency where the charter document was filed; this is different from tax ID #; this should be entered preceded by the 2-character U.S. Postal identification of state of organization if one of the United States (e.g., CA12345, for a California corporation whose organizational ID # is 12345); if agency does not assign organizational ID #, check box in item 1g indicating "none."
2. If an additional Debtor is included, complete item 2, determined and formatted per Instruction 1. To include further additional Debtors, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names.
3. Enter information for Secured Party or Total Assignee, determined and formatted per Instruction 1. To include further additional Secured Parties, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names. If there has been a total assignment of the Secured Party's interest prior to filing this form, you may either (1) enter Assignor S/P's name and address in item 3 and file an Amendment (Form UCC3) [see item 5 of that form]; or (2) enter Total Assignee's name and address in item 3 and, if you wish, also attaching Addendum (Form UCC1Ad) giving Assignor S/P's name and address in item 12.
4. Use item 4 to indicate the collateral covered by this Financing Statement. If space in item 4 is insufficient, put the entire collateral description or continuation of the collateral description on either Addendum (Form UCC1Ad) or other attached additional page(s).
5. If filer desires (at filer's option) to use titles of lessee and lessor, or consignee and consignor, or seller and buyer (in the case of accounts or chattel paper), or bailee and bailor instead of Debtor and Secured Party, check the appropriate box in item 5. If this is an agricultural lien (as defined in applicable Commercial Code) filing or is otherwise not a UCC security interest filing (e.g., a tax lien, judgment lien, etc.), check the appropriate box in item 5, complete items 1-7 as applicable and attach any other items required under other law.
6. If this Financing Statement is filed as a fixture filing or if the collateral consists of timber to be cut or as-extracted collateral, complete items 1-5, check the box in item 6, and complete the required information (items 13, 14 and/or 15) on Addendum (Form UCC1Ad).
7. This item is optional. Check appropriate box in item 7 to request Search Report(s) on all or some of the Debtors named in this Financing Statement. The Report will list all Financing Statements on file against the designated Debtor on the date of the Report, including this Financing Statement. There is an additional fee for each Report. If you have checked a box in item 7, file Search Report Copy together with Filing Officer Copy (and Acknowledgment Copy). Note: Not all states do searches and not all states will honor a search request made via this form; some states require a separate request form.
8. This item is optional and is for filer's use only. For filer's convenience of reference, filer may enter in item 8 any identifying information (e.g., Secured Party's loan number, law firm file number, Debtor's name or other identification, state in which form is being filed, etc.) that filer may find useful.

Note: If Debtor is a trust or a trustee acting with respect to property held in trust, enter Debtor's name in item 1 and attach Addendum (Form UCC1Ad) and check appropriate box in item 17. If Debtor is a decedent's estate, enter name of deceased individual in item 1b and attach Addendum (Form UCC1Ad) and check appropriate box in item 17. If Debtor is a transmitting utility or this Financing Statement is filed in connection with a Manufactured-Home Transaction or a Public-Finance Transaction as defined in applicable Commercial Code, attach Addendum (Form UCC1Ad) and check appropriate box in item 18.

May 1, 2023

**Summary Report Pursuant To
California Health and Safety Code Section 33433
On A Disposition, Development and Loan
Agreement
By and Between
The Housing Authority of The County of Riverside and
National Community Renaissance of California**

The following Summary Report has been prepared pursuant to California Health and Safety Code Section 33433 ("Section 33433"). The Summary Report sets forth certain details of the proposed Disposition, Development and Loan Agreement ("DDLA") between the Housing Authority of the County of Riverside ("HACR") and National Community Renaissance of California, a California nonprofit public benefit corporation ("NCRC"). The DDLA obligates HACR to transfer for fair market value approximately 0.83 acres of residentially zoned real property located at 8845 Mission Boulevard in the City of Jurupa Valley, State of California, 92509 and referred to as Assessor's Parcel Number (APN) 169-070-031, more particularly described on Exhibit A hereto ("Property") to NCRC, or its permitted assignees, for the construction of an approximately 100 affordable rental units and one resident manager unit ("Project"). It is contemplated that the Project will be developed, constructed, owned, and operated by a separate limited partnership assignee controlled by NCRC.

HACR is California Housing Authority acting under the California Housing Authorities Law, Part 2 of Division 24 of the Health and Safety Code (the "Housing Authorities Law").

Assembly Bill No. x1 26, as modified by Assembly Bill No. 1484 ("Dissolution Act"), added Parts 1.8 and 1.85 to Division 24 of the California Community Redevelopment Law (Health and Safety Code sections 33000 et seq., the "CRL"). The Redevelopment Agency for the County of Riverside ("RDA") was dissolved on February 1, 2012 such that the RDA is now deemed a former redevelopment agency under Health and Safety Code section 34173.

Pursuant to Health and Safety Code Section 34176 (a), and County of Riverside Resolution No. 2012-035, all housing functions previously performed by the former RDA, including related rights, powers, liabilities, duties, obligations, and housing assets (excluding unencumbered amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the successor agency) were transferred to the HACR.

The proposed sale of the Property to NCRC, or its assignees, is subject to the reporting requirements imposed by Section 33433 because prior to dissolution, the former redevelopment agency committed low and moderate income housing funds in connection with the acquisition and proposed disposition of the Property for affordable housing purposes. Section 33433 requires the selling entity to prepare a report that summarizes the following information in connection with the sale of the Property:

- (i) The cost of the agreement to the agency, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the agency, plus the expected interest on any loans or bonds to finance the agreements.
- (ii) The estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the redevelopment plan.
- (iii) The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The purchase price or present value of the lease payments which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use consistent with the redevelopment plan, then the agency shall provide as part of the summary an explanation of the reasons for the difference.
- (iv) An explanation of why the sale or lease of the property will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation.

It is the intent of this Summary Report to meet all of the Section 33433 requirements and provide the required information and data. This Summary Report is based upon the information contained within the DDLA, and is organized into the following six sections:

1. Salient Points of the DDLA: This section summarizes the major responsibilities imposed on HACR and NCRC in the DDLA with respect to the Property.
2. Cost of the DDLA to HACR: This section details the total cost to HACR associated with implementing the terms of the DDLA.
3. Estimated Value of the Interests to be Conveyed Determined at the Highest and Best Use Permitted Under the Existing Zoning: This section estimates the value of the interest to be conveyed determined at the highest and best use permitted under the Property's existing zoning.
4. Estimated Reuse Value of the Interests to be Conveyed: This section summarizes the valuation estimate for the Property based on the required scope of development, and the other conditions and covenants required by the DDLA.
5. Consideration Received and Comparison with the Established Value: This section describes the compensation to be received by HACR, and explains any difference between the compensation to be received and the established value of the Property.
6. Blight Elimination: This section describes the existing blighting conditions on the Property, and explains how the DDLA will assist in alleviating the blighting influence.

1. SALIENT POINTS OF THE DDLA

Description of the Property and Project

The Property to be sold by HACR to NCRC is approximately 0.83 acres of residentially zoned real property located at 8845 Mission Boulevard in the City of Jurupa Valley, State of California, 92509 and referred to as Assessor's Parcel Number (APN) 169-070-031. A legal description of the Property is shown on Exhibit A and map of the Property is shown in **Exhibit B**. On April 14, 2009 (Minute Order 3.11 and 4.1), the County Board of Supervisors and former RDA Board of Directors authorized the acquisition of the Property from Philip W. Smith, Brian C. Smith, Larry A. Smith and Robin I. Richart, as tenants-in-common, for a purchase price of \$362,000 plus escrow fees and miscellaneous costs associated with the acquisition.

The Property was acquired primarily for the purpose of carrying out its obligation to eliminate blight and for future affordable housing development. The Property consists of vacant land. HACR, in its capacity as Housing Successor to the former RDA, has determined that the highest and best use for the Property would be to enter into a Disposition, Development and Loan Agreement for the development of Project and sale of the Property to NCRC or its assignee.

Scope of Development

The proposed scope of development includes the construction and development on the Property of an approximately 100 affordable rental units and one resident manager unit. Forty-nine percent (49%) of the units in the Project will be restricted to very low income households whose incomes do not exceed fifty percent (50%) of the Area Median Income (AMI). The maximum qualifying income for all other units in the Project will be one hundred twenty percent (120%) of AMI. Affordability will be restricted for no less than fifty-five (55) years from the issuance by the City of Jurupa Valley of a Certificate of Occupancy for the last building in the Project for which construction is completed. The affordability restrictions will be set forth in an agreement containing a covenant agreement to be recorded against the land upon sale of the Property to NCRC, or its permitted assignee, and will run with the land.

NCRC Responsibilities

The DDLA requires NCRC to accept the following responsibilities related to the Property:

1. NCRC will acquire the Property at a purchase price equal to fair market value based on the appraised value. NCRC will pay Three Hundred Fifty-Two Thousand Dollars (\$352,000) cash for the Property to be financed by HACR. The HACR loan will be evidenced by a promissory note to be paid from residual receipts from the project. The HACR loan will be secured by a deed of trust.
2. NCRC must accept the Property in an "as-is" condition.
3. NCRC shall develop the Property pursuant to the Scope of Development attached to the DDLA.

4. NCRC is responsible for satisfying all requirements of the California Environmental Quality Act, obtaining all necessary entitlements and easements to carry out entire Scope of Development.
5. NCRC shall maintain affordability restrictions of the restricted units pursuant to the Agreement Containing Covenants attached to the DDLA, which covenants shall be recorded against the Property upon transfer to NCRC, or its assignee.
6. NCRC must satisfy all conditions precedent to closing, including obtaining all Project entitlements and securing all financing for the development of the Project by December 31, 2024 pursuant to the DDLA and the Schedule of Performance attached thereto.

HACR Responsibilities

The DDLA imposes the following responsibilities on HACR, subject to the satisfaction of certain conditions precedent set forth therein:

1. HACR must sell the Property to NCRC for a purchase price equal to appraised fair market value of Three Hundred Fifty-Two Thousand Dollars (\$352,000) evidenced by a promissory note and secured by a deed of trust, with the balance of the fair market value purchase price carried back by HACR.
2. Upon completion of the Project, HACR shall monitor affordability restrictions for the entire affordability period of at least 55 years.

2. COST OF THE TRANSFER OF FEE TITLE TO HACR

The cost of acquiring the Property borne by HACR is approximately \$362,000 from tax exempt housing bond proceeds. Additional costs that may be incurred by HACR in connection with the proposed sale include escrow fees and miscellaneous costs associated with the acquisition.

Costs Incurred by Agency

Land Acquisition	\$362,000
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3. ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED DETERMINED AT THE HIGHEST USE PERMITTED UNDER THE EXISTING ZONING

Section 33433 requires HACR to identify the value of the interests being transferred at the highest and best use allowed by the Property's zoning. The valuation must be based on the assumption that near-term development is required, but the valuation does not take into consideration any extraordinary use, quality and/or income restrictions that are being imposed on the development by HACR.

In an Appraisal Report prepared by Kinetic Valuation Group, Inc., dated August 23, 2022 (the "Appraisal"), the appraiser, concluded that given the Property's residential zoning

and considering the current property uses in the immediate and greater surrounding areas, the highest and best use of the Property is for multi-family residential development. The Appraiser's valuation for the Property was based on a pro-rata amount of the number of units proposed on the site in combination with the adjacent parcel. Based on the above, the estimated fair market value of the Property is determined to be \$352,000.

4. ESTIMATED REUSE VALUE OF THE INTERESTS TO BE CONVEYED

Re-use value is defined as the highest price in term of cash or its equivalent which a property or development right is expected to bring for a specified use in a competitive open market, subject to the covenants, conditions, and restrictions imposed by any agreements to develop Project.

The method used to establish the re-use value is based on the anticipated income characteristics for project, the operating expenses and the cost of development for Project. The DDLA imposes affordability covenant restrictions on the Project. The Property can only be used for the development of affordable housing for the period set forth in the DDLA.

The anticipated cost for development of project including indirect and direct cost is unknown at this time, but expected to be substantial. Taking into consideration the cost of construction, the affordability and use restrictions imposed on the Project, the fair re-use value is less than \$0, an amount less than the purchase price due under the DDLA. It is also anticipated that the developer will secure other sources of financing that will require loan servicing and additional monitoring fees.

5. CONSIDERATION RECEIVED IN COMPARISON WITH THE ESTABLISHED VALUE

The DDLA imposes extraordinary controls on the Project. Specifically, the Developer must accept a 55-year covenant that imposes income and affordability restrictions on the Project. The impacts created by these requirements reduce the Property's value. The DDLA requires NCRC to pay \$352,000 for the Property with the fair market value purchase price carried back by HACR. In order to make the project financially feasible and in recognition of the long-term affordability restrictions impacting fair reuse value, the HACR loans will accrue simple interest at 3% per annum and the Developer will make annual debt service payments on these obligations based on the residual receipts generate by the Project. With the consideration of the value of the land compared to development costs and operating costs, the cost to develop and maintain the project exceeds the Fair Re-Use value.

6. BLIGHT ELIMINATION

The Property consists of vacant land. Development of the Project on the Property will provide much needed affordable housing on a vacant Property. The Project will increase employment during the construction phase. Thus, the proposed Project fulfills the blight elimination requirement imposed by Section 33433.

Exhibit A

LEGAL DESCRIPTION

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

THAT PORTION OF LOT 3 OF LA BONITA TRACT, IN THE CITY OF JURUPA VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 1, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID LOT, 165 FEET EAST OF THE SOUTHWEST CORNER;

THENCE NORTH AND PARALLEL WITH THE WEST LINE OF SAID LOT, TO A POINT IN THE SOUTH LINE OF THE NORTH 5 ACRES OF SAID LOT CONVEYED TO HARRY O. NORTHRUP AND WIFE, BY DEED RECORDED NOVEMBER 25, 1924 IN BOOK 621, PAGE 334 DEEDS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE EAST ON THE SOUTH LINE OF SAID 5 ACRES, 165.5 FEET; THENCE SOUTH AND PARALLEL WITH THE WEST LINE OF SAID LOT TO THE SOUTH LINE THEREOF;

THENCE WEST ON THE SOUTH LINE OF SAID LOT, 165.5 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION INCLUDED IN MISSION BOULEVARD.

ALSO EXCEPTING THEREFROM THAT PORTION DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTH LINE OF SAID LOT 3, WHICH BEARS NORTH 89° 55 30" EAST, A DISTANCE OF 164.90 FEET (FORMERLY RECORDED 165.00 FEET) FROM THE SOUTHWEST CORNER THEREOF, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF PARCEL 2, AS CONVEYED TO LEROY L. HAINES AND WIFE, BY DEED RECEIVED FOR RECORDING NOVEMBER 5, 1948 AS INSTRUMENT NO. 1948-591, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE NORTH 00° 04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 267.27 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING NORTH 00° 04' WEST, ALONG THE WESTERLY LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET TO THE NORTHWEST CORNER THEREOF;

THENCE NORTH 89° 55' 30" EAST, ALONG THE NORTH LINE OF SAID PARCEL 2, A DISTANCE OF 164.80 FEET (FORMERLY RECORDED 165.00 FEET) TO THE NORTHEAST CORNER THEREOF;

THENCE SOUTH 00° 04' 30" EAST, ALONG THE EAST LINE OF SAID PARCEL 2, A DISTANCE OF 320.00 FEET;

THENCE SOUTH 89° 55' 30" WEST, A DISTANCE OF 164.86 FEET TO THE POINT OF BEGINNING.

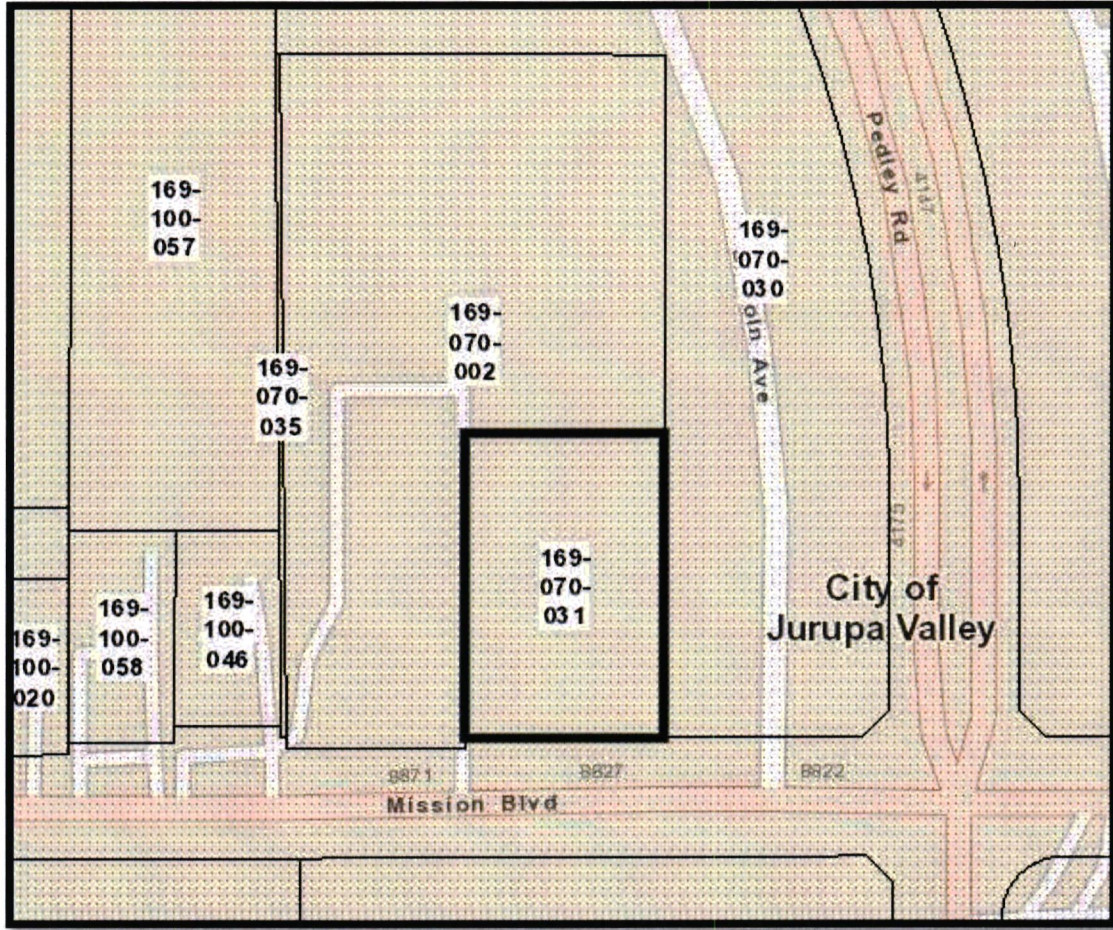
APN: 169-070-031

Exhibit B

Depiction of Property

Site Vicinity Map

APN 169-070-031



Site Map

"Church Parcel" APN 169-070-002
"HACR Parcel" APN 169-070-031



THE PRESS-ENTERPRISE

1825 Chicago Ave, Suite 100
Riverside, CA 92507
951-684-1200
951-368-9018 FAX

PROOF OF PUBLICATION (2010, 2015.5 C.C.P)

Publication(s): The Press-Enterprise

PROOF OF PUBLICATION OF

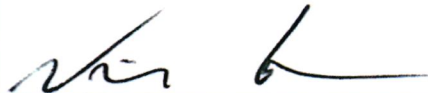
Ad Desc.: /

I am a citizen of the United States. I am over the age of eighteen years and not a party to or interested in the above entitled matter. I am an authorized representative of THE PRESS-ENTERPRISE, a newspaper in general circulation, printed and published daily in the County of Riverside, and which newspaper has been adjudicated a newspaper of general circulation by the Superior Court of the County of Riverside, State of California, under date of April 25, 1952, Case Number 54446, under date of March 29, 1957, Case Number 65673, under date of August 25, 1995, Case Number 267864, and under date of September 16, 2013, Case Number RIC 1309013; that the notice, of which the annexed is a printed copy, has been published in said newspaper in accordance with the instructions of the person(s) requesting publication, and not in any supplement thereof on the following dates, to wit:

05/08, 05/15/2023

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date: May 15, 2023
At: Riverside, California



Legal Advertising Representative, The Press-Enterprise

COUNTY OF RIVERSIDE HHPWS
3403 10TH STREET, SUITE 300
RIVERSIDE, CA 92501

Ad Number: 0011601233-01

P.O. Number:

Ad Copy:

NOTICE OF PUBLIC HEARING BY THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE REGARDING A DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT REGARDING REAL PROPERTY IDENTIFIED AS ASSESSOR'S PARCEL NUMBERS 169-070-031 AND 169-070-002 LOCATED IN THE CITY OF JURUPA VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, TO NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA FOR THE DEVELOPMENT OF AFFORDABLE HOUSING

NOTICE IS HEREBY GIVEN THAT the Housing Authority of the County of Riverside's ("Authority") Board of Commissioners ("BOC") will hold a Public Hearing on or about May 23, 2023, at the hour of 9:30 a.m. or as soon thereafter as the matter can be heard, in the Board Chambers, County Administrative Center, 4080 Lemon Street 1st Floor, Riverside, CA 92501, for the purpose of considering a proposed Disposition, Development and Loan Agreement ("Agreement") by and between the Authority and National Community Renaissance of California, a California nonprofit public benefit corporation ("NCRC"), pursuant to California Health and Safety Code Section 33433. The proposed Agreement provides for 1) a predevelopment grant from Authority to NCRC of \$320,000 to pay costs for escrow, title, site maintenance, property taxes, insurance, relocation and demolition, 2) the conveyance by the Authority to NCRC of certain real property consisting of approximately 0.83 acres, identified as Assessor's Parcel Number (APN) 169-070-031 appraised for \$352,000 and 3) a loan from the Authority to NCRC of \$1,500,000 to enable NCRC to close escrow to acquire a contiguous parcel of real property consisting of 3.54 acres (APN 169-070-002), both located at the northwest corner of Mission Blvd and Pedley Road and the development thereon of approximately 100 affordable rental units and one resident manager unit. The affordable rental units will be occupied by and rented to very low and low income households. The community will include amenities for residents such as a pool, community room(s), kids tot lot/playground, pedestrian walkways, and landscaped seating areas. The affordable units will be restricted by an Agreement Containing Covenants to remain continually affordable for the longest feasible time, but not less than 55 years. The project will be financed using the Low Income Housing Tax Credit program operated by California Tax Credit Allocation Committee and other sources, as a large family project.

The following documents are available for public inspection and copying during regular business hours (8:00 a.m. to 5:00 p.m., Monday through Friday) at the offices of the County located at 3403 Tenth Street, Suite 300, Riverside, CA 92501: (1) A copy of the proposed Agreement and all attachments, and (2) A Summary Report prepared pursuant to Section 33433.

At any time before the date and time set forth above for the public hearing by the Authority, any written comments on or objections to the proposed Agreement and/or the Summary Report may be filed with the County Clerk. All persons wishing to question, comment, object to, or be heard on any or all such matters at the public hearing will be given an opportunity to appear and be so heard. If you later desire to challenge actions of the Authority in connection with these actions, you could be limited to raising issues you have raised at or before the public hearing.

Further information concerning this matter may also be obtained by contacting Juan Garcia, Principal Development Specialist at 951-955-8126. This information will be made available in alternative formats upon request. If you require assistance or auxiliary aids in order to participate at this public hearing, please contact the County Clerk at 951-955-1060 or email COB@RIVCO.ORG in advance of the meeting.

Press-Enterprise
Published: 5/8, 5/15/23

NOTICE OF PUBLIC HEARING BY THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE REGARDING A DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT REGARDING REAL PROPERTY IDENTIFIED AS ASSESSOR'S PARCEL NUMBERS 169-070-031 AND 169-070-002 LOCATED IN THE CITY OF JURUPA VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, TO NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA FOR THE DEVELOPMENT OF AFFORDABLE HOUSING

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Publish: May 8, 2023
 May 15, 2023



State of California - Department of Fish and Wildlife
2023 ENVIRONMENTAL DOCUMENT FILING FEE
CASH RECEIPT
 DFW 753.5a (REV. 01/01/23) Previously DFG 753.5a

RIVERSIDE COUNTY
 CLERK/BOARD OF SUPERVISORS

2023 JUN 29 AM 10:28

RECEIPT NUMBER: 23-141551
STATE CLEARINGHOUSE NUMBER (If applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY HOUSING AND WORKFORCE SOLUTIONS	LEAD AGENCY EMAIL	DATE 05/24/2023
COUNTY/STATE AGENCY OF FILING RIVERSIDE	DOCUMENT NUMBER E-202300568	

PROJECT TITLE
DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT

PROJECT APPLICANT NAME HOUSING AND WORKFORCE SOLUTIONS	PROJECT APPLICANT EMAIL	PHONE NUMBER
PROJECT APPLICANT ADDRESS 3403 TENTH STREET SUITE # 300,	CITY RIVERSIDE	STATE CA
		ZIP CODE 92501

PROJECT APPLICANT (Check appropriate box)

Local Public Agency School District Other Special District State Agency Private Entity

CHECK APPLICABLE FEES:

<input type="checkbox"/> Environmental Impact Report (EIR)	\$3,839.25	\$ _____
<input type="checkbox"/> Mitigated/Negative Declaration (MND)(ND)	\$2,764.00	\$ _____
<input type="checkbox"/> Certified Regulatory Program (CRP) document - payment due directly to CDFW	\$1,305.25	\$ _____
<input checked="" type="checkbox"/> Exempt from fee		
<input checked="" type="checkbox"/> Notice of Exemption (attach)		
<input type="checkbox"/> CDFW No Effect Determination (attach)		
<input type="checkbox"/> Fee previously paid (attach previously issued cash receipt copy)		
<input type="checkbox"/> Water Right Application or Petition Fee (State Water Resources Control Board only)	\$850.00	\$ _____
<input checked="" type="checkbox"/> County documentary handling fee		\$ _____ \$50.00
<input type="checkbox"/> Other		\$ _____

PAYMENT METHOD:

Cash Credit Check Other

TOTAL RECEIVED \$ _____ \$50.00

SIGNATURE X <i>C. Sandoval</i>	AGENCY OF FILING PRINTED NAME AND TITLE Deputy Cassandra Sandoval
-----------------------------------	---

2023-4-156234
 05-23-23 10.1



FILED / POSTED

County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder

E-202300568
05/24/2023 04:32 PM Fee: \$ 50.00
Page 1 of 2

Removed: 6/26/2023 By: J. Rodriguez Deputy



Notice of Exemption

To:

Office of Planning and Research

For U.S Mail: Street Address:
P.O. Box 3044 1400 Tenth St.
Sacramento, CA 95812-3044 Sacramento, CA 95814

From:

Public
Agency: County of Riverside
Address: 4080 Lemon Street, Suite 400
Riverside, CA 92501
Contact: Mervyn Manalo
Phone: (951) 955-0774

County Clerk

County of Riverside
2724 Gateway Drive
P.O. Box 751
Address: Riverside, CA 92502-0751

Lead Agency (if different from above):

Address: _____
Contact: _____
Phone: _____

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

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

Project Title: Disposition, Development and Loan Agreement

Project Location (include county): County of Riverside- 8845 and 8877 Mission Blvd, City of Jurupa Valley, State of California, identified with Assessor Parcel Numbers 169-070-031 and 169-070-002

Project Description:

The Housing Authority of the County of Riverside (HACR) is the legal owner of a parcel of real property consisting of approximately 0.83 acres of land, located at 8845 Mission Blvd., City of Jurupa Valley, County of Riverside, State of California, identified with Assessor's Parcel Number (APN) 169-070-031 (HACR Parcel).

Pursuant to applicable provisions of the Dissolution Law, the CRL and the "Housing Authorities Law" (California Health and Safety Code, Sections 34200, et seq.), notwithstanding any other provision of law, whenever the Board of Commissioners determines that any real property owned by the HACR can be used to provide housing affordable to low income families, and this use is in the HACR's best interest, the HACR may sell, convey or otherwise dispose of the real property to provide that affordable housing without complying with other provisions of Title 3, Division 2, Part 2, Chapter 5, Article 8 of the California Government Code. The HACR is committed to providing affordable housing and services to the residents of the County of Riverside.

Developer desires to acquire the HACR Parcel from the HACR and real property adjacent to the HACR Parcel, consisting of approximately 3.54 acres of land, located 8877 Mission Blvd., Jurupa Valley, California, and also identified as APN 169-070-002 (Church Parcel) to develop and construct an approximately 101-unit multifamily affordable rental housing complex, including one manager's unit, a community center, and open space and related amenities, on the entire Site to provide housing affordable to persons and families of low and very low income and also possibly providing additional support services to residents with special needs.

Under the terms of the proposed Disposition, Development and Loan Agreement for the HACR Parcel, including the loan for acquisition of the Church Parcel, approximately forty-nine percent (49%) of the units not occupied by an on-site manager will be restricted to extremely low and low income households whose incomes do not exceed sixty percent (60%) of the Area Median Income for Riverside County (AMI). At least thirty percent (30%) of these "Restricted Units" will be restricted to occupancy by extremely low-income households whose incomes do not exceed thirty percent (30%) of AMI. The maximum qualifying income for all other units in the project will be one hundred twenty percent (120%) of AMI.

There is an unmet need for affordable housing within the County of Riverside. Consistent with applicable provisions of the Health and Safety Code and subject to the satisfaction of certain conditions precedent, the Property will be sold at fair market value. Developer shall be responsible for all (i) entitlements, land use approvals, permits and CEQA compliance, (ii) construction and

MAY 23 2023 10.1

RECEIVED RIVERSIDE COUNTY
CLERK/BOARD OF SUPERVISORS

2023 JUN 29 AM 10:27

COUNTY OF RIVERSIDE BOARD OF COMMISSIONERS

4080 LEMON STREET, SUITE 400

RIVERSIDE, CA 92501



PETER ALDANA
 ASSESSOR-COUNTY CLERK-RECORDER
 P.O. BOX 751
 RIVERSIDE CA 92502-0751

PRESORTED
 FIRST CLASS



US POSTAGE PAID PITNEY BOWERS



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 02 4W
 0000348159 JUN 28 2023



EREJ985 92501



2023 JUN 29 AM 10:28

CLERK OF SUPERIOR COURT
 COUNTY OF RIVERSIDE, CALIFORNIA