

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



ITEM: 3.16
(ID # 21896)

MEETING DATE:

FROM : HOUSING AND WORKFORCE SOLUTIONS:

Tuesday, June 06, 2023

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Form of the Loan Agreement for the Use of PLHA Program Funds for Aloe Palm Canyon Apartments and All Attachments Thereto, in the City of Palm Springs and Authorize the Director of HWS to Execute a Form of the PLHA Loan Agreement, a Form of the Covenant Agreement and Forms of the Subsequent Subordination Agreements; District 4. [\$3,150,000 - 100% Permanent Local Housing Allocation (PLHA) Funds] [Making Findings as the Responsible Agency Pursuant to CEQA] Clerk of the Board to File the Notice of Exemption.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find, in its independent judgment and analysis as a Responsible Agency under the California Environmental Quality Act (CEQA) in issuing certain limited approvals, after it reviewed and considered the information in the previously adopted Notice of Exemption (NOE) by the City of Palm Springs, as lead agency, on January 14, 2021 (Resolution No. 24844) approving a Planned Development District (Case No. 5.1520 PD-390) to construct a two-story affordable housing development with 71 units located at 1475 Palm Canyon Drive for Aloe Palm Canyon (Project), formerly known as Agave at Palm Canyon, that the Project is exempt from CEQA as an affordable housing project that meets criteria found in Section 15192 and 15194 of the CEQA Guidelines;

Continued on Page 2

ACTION:Policy


Heidi Marshall, Director 5/22/2023

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Washington, Perez, and Gutierrez
Nays: None
Absent: Spiegel
Date: June 6, 2023
xc: HWS, Recorder

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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RECOMMENDED MOTION: That the Board of Supervisors:

2. Approve the attached form of Loan Agreement for the Use of PLHA Program Funds, including all attachments thereto, (PLHA Loan Agreement), between the County and Aloe Palm Canyon, L.P., a California limited partnership (Partnership), providing a loan derived from the PLHA Program in the amount of \$3,000,000.00 (PLHA Loan), to be used to pay a portion of the development and construction costs for a multi-family affordable rental housing project in the City of Palm Springs;
3. Approve the attached forms of PLHA Loan Deed of Trust, Security Instrument and Fixture Filing with Assignment of Rents (PLHA Loan Deed of Trust), PLHA Loan Promissory Note, Environmental Indemnity and PLHA Covenant Agreement;
4. Approve the allocation of \$150,000.00 for direct staff costs associated with management of the Project by Housing and Workforce Solutions (HWS) staff;
5. Authorize the Director of the HWS, or designee, to execute the PLHA Loan Agreement and PLHA Covenant Agreement conforming in form and substance to the attached PLHA Loan Agreement and PLHA Covenant Agreement, subject to approval as to form by County Counsel;
6. Authorize the Director of the HWS, or designee, to negotiate and execute a Subordination Agreement subordinating the PLHA Loan Deed of Trust to a Deed of Trust for the benefit of Silicon Valley Bank, a division of First-Citizens Bank & Trust Company, and its successors, transferees and assigns, a senior lender securing a construction loan for the Project for a not to exceed amount of \$25,000,000.00, subject to approval as to form by County Counsel;
7. Authorize the Director of the HWS, or designee, to negotiate and execute a Subordination Agreement subordinating the PLHA Loan Deed of Trust to a Deed of Trust for the benefit of JLL Real Estate Capital LLC, and its successors, transferees and assigns, a senior lender securing a permanent financing loan for the Project for a not to exceed amount of \$8,000,000.00, subject to approval as to form by County Counsel;
8. Authorize the Director of the HWS, or designee, to take all necessary steps to implement the PLHA Loan Agreement and Subordination Agreement, including but not limited to, signing amendments, following subordination agreements and subsequent necessary and relevant documents, subject to approval as to form by County Counsel; and
9. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk within 5 business days.

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$1,500,000	\$ 1,650,000	\$3,150,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Permanent Local Housing Allocation Funds (100%)			Budget Adjustment: No	
			For Fiscal Year: 22/23, 23/24	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

West Hollywood Community Housing Corporation (WHCHC), a California nonprofit public benefit corporation, participates in the development and construction of housing that is affordable to low-income households to serve the Los Angeles and Riverside County areas including Palm Springs.

WHCHC is proposing to utilize \$3,000,000 in Permanent Local Housing Allocation (PLHA) funds allocated from the California Department of Housing and Community Development (HCD) PLHA Program (PLHA Loan) for the development and new construction of Aloe Palm Canyon Apartments Affordable Housing Project, a proposed 71-unit, multi-family affordable rental housing complex, for low-income families located on an approximately 1.75 acre lot at 1475 North Palm Canyon Drive, southwest corner of North Palm Canyon Drive and West Steven Road, Palm Springs, CA 92262, County of Riverside, State of California, identified as Assessor’s Parcel Numbers 505-182-004 and 505-182-010 (Project).

The Project received an award of No Place Like Home (NPLH) Program funds from HCD on June 23, 2021, for an amount up to \$6,413,275 and California Housing Accelerator (CHA) Tier 3 funds from HCD on December 29, 2022, for an amount up to \$20,928,000. The Project also received funding commitment from the City of Palm Springs for \$7,004,300. The PLHA Loan will be used to pay a portion of the development and construction costs for the Project. The PLHA Loan will be evidenced by a promissory note (PLHA Loan Promissory Note) which will be secured by a deed of trust encumbering the Project (PLHA Loan Deed of Trust), each attached. If there are any realized cost savings to the project, then any remaining PLHA funds will not be disbursed.

The Project will provide 71, one-bedroom housing units comprised within a two-story building. Amenities include a community room with a kitchen and computer room/library, a fitness room, and a laundry room. An office for the full-time onsite building managers is located adjacent to the front entrance to the building. Three offices are located onsite for supportive services. Aloe Palm Canyon will include private balconies or patios in each unit and ground floor outdoor shared recreational space. Under the County’s PLHA program, a total of 33 units will be income restricted (PLHA Units). A total of 26 PLHA Units will be reserved for households whose incomes do not exceed 80% of the area median income and 7 units will be restricted to individual households whose incomes do not exceed 50% of the area median income for the

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County of Riverside (PLHA Affordable Units). The PLHA Affordable Units will be restricted for a period of at least 55 years from the recordation of the Notice of Completion.

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

Aloe Palm Canyon Apartments	\$3,000,000	PLHA Project Funding
Aloe Palm Canyon Apartments	\$150,000	PLHA Direct Staffing (5%)
Total	\$3,150,000	

Construction Sources	
City of Palm Springs Loan	\$7,004,300
County of Riverside PLHA Loan	\$3,000,000
Construction Loan	\$22,637,674
Low Income Investment Fund (LIIF)	\$10,000,000
Deferred Costs & Fees	\$1,488,776
Total	\$44,130,750

Permanent Sources	
Permanent Loan (JLL Capital)	\$6,085,175
California Housing Accelerator (HCD)	\$20,928,000
No Place Like Home (HCD)	\$6,413,275
City of Palm Springs	\$7,004,300
County of Riverside PLHA Loan	\$3,000,000
Deferred Developer Fee	\$700,000
Total	\$44,130,750

The County PLHA Covenant Agreement will be in a lien position junior to a City of Palm Springs Density of Bonus Agreement and an HCD regulatory agreement. The County PLHA Covenant Agreement will be senior to all other security instruments. Upon construction financing closing, Silicon Valley Bank (SVB), a division of First-Citizens Bank & Trust Company, and its successors, transferees and assigns, the Low Income Investment Fund (LIIF) and the City of Palm Springs as construction lenders (collectively, Senior Lender) is senior to the County's PLHA Loan. SVB requires as a condition precedent to the funding of their respective loan that

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the County's PLHA Loan is subordinate to the bank's lien. Subordination of the PLHA Loan Deed of Trust (Subordination Agreement) is necessary since an economically feasible alternative method of financing the Project on comparable terms is not available without subordination. As a result of the subordination requirement, deed of trust lien priority during the construction phase shall be as follows: 1st priority SVB Construction Loan, 2nd priority LIIF Construction Loan, 3rd priority City of Palm Springs Loan, and 4th priority County PLHA Loan. Upon Project completion and permanent financing, lien priority will be as follows: 1st priority JLL Capital Permanent Loan, 2nd priority HCD NPLH/CHA Loan (single deed of trust), 3rd priority City of Palm Springs Loan, and 4th priority County PLHA Loan.

Any potential significant effects of the Project have been addressed by the City of Palm Springs, as Lead Agency, in the previously adopted Notice of Exemption (NOE) on January 14, 2021 (Resolution No. 24844) approving a Planned Development District (Case No. 5.1520 PD-390) to construct a two-story affordable housing development with 71 units located at 1475 Palm Canyon Drive for Aloe Palm Canyon, formerly known as Agave at Palm Canyon, that the Project is exempt from CEQA as an affordable housing project that meets criteria found in Section 15192 and 15194 of the CEQA Guidelines. Entering into the PLHA Loan Agreement will not result in any new significant environmental effects; the actions will not substantially increase the severity of the environmental effects; no considerably different mitigation measures have been identified; and no mitigation measures found infeasible have become feasible. As a result, no further environmental documentation is required for California Environmental Quality Act purposes.

County Counsel has reviewed and approved as to form the attached form of the PLHA Loan Agreement, including all exhibits (PLHA Loan Agreement), including, but not limited to the forms of the PLHA Loan Deed of Trust, Security Instrument and Fixture Filing with Assignment of Rents (PLHA Loan Deed of Trust), PLHA Loan Promissory Note, Environmental Indemnity, PLHA Covenant Agreement and Subordination Agreement. Staff recommends that the Board of Supervisors approve the attached forms of PLHA Loan Agreement, PLHA Loan Deed of Trust, PLHA Loan Promissory Note, Environmental Indemnity, PLHA Covenant Agreement and Subordination Agreement. Staff further recommends that the Board of Supervisors authorize the Director of the Housing and Workforce Solutions, or designee, to negotiate and execute a subordination agreement, as required conditions to the senior lender financing, subordinating the PLHA Loan Deed of Trust to the deed of trust securing the senior lender loan as discussed herein, subject to approval as to form by County Counsel.

Impact on Residents and Businesses

The development of Aloe Palm Canyon Apartments in the City of Palm Springs will have a positive impact on the citizen and businesses within the County of Riverside. The Project is expected to generate construction, permanent maintenance and property management jobs, as well as provide affordable housing for residents of the County of Riverside.

SUPPLEMENTAL:

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Additional Fiscal Information

No impact upon the County's General Fund; the County's contribution to the Project will be fully funded with PLHA funds allocated from the California Department of Housing and Community Development PLHA Program.

ATTACHMENTS:

- Form of Loan Agreement for the Use of PLHA Program Funds, including all exhibits
- Form of PLHA Loan Deed of Trust
- Form of PLHA Loan Promissory Note
- Form of Environmental Indemnity
- Form of PLHA Covenant Agreement
- Form of the Subordination Agreement
- Notice of Exemption


Brianna Lontajo, Principal Management Analyst 5/31/2023


Kristine Bell-Valdez, Supervising Deputy County Counsel 5/24/2023



FILED / POSTED

County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder

E-202300606
06/07/2023 12:43 PM Fee: \$ 50.00
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Removed: By: 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: Loan Agreement for the Use of Permanent Local Housing Allocation (PLHA) Program Funds
1475 North Palm Canyon Drive, southwest corner of North Palm Canyon Drive and West
Steven Road, Palm Springs, CA 92262, County of Riverside, State of California, identified
Project Location (include county): as Assessor's Parcel Numbers 505-182-004 and 505-182-010

Project Description:
The project proposes to utilize \$3,000,000 in Permanent Local Housing Allocation (PLHA) funds allocated from the California Department of Housing and Community Development PLHA Program for the development and new construction of Aloe Palm Canyon Apartments Affordable Housing Project, a proposed 71-unit multi-family affordable rental housing complex for low-income families.

Project Sponsor: County of Riverside Department of Housing and Workforce Solutions

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

Lead agency or Responsible Agency

June 6, 2023 and has made the following determinations regarding the above described project:
(tentative date)

Pursuant to the California Environmental Quality Act (CEQA), the PLHA Loan Agreement was reviewed and determined to be exempt from CEQA as an affordable housing project that meets criteria found in Section 15192 and 15194 of the CEQA Guidelines. Any potential significant effects of the project have been addressed by the City of Palm Springs, as Lead Agency, in the previously adopted Notice of Exemption (NOE) on January 14, 2021 (Resolution No. 24844) approving a Planned Development District (Case No. 5.1520 PD-390) to construct a two-story affordable housing development with 71 units located at 1479 Palm Canyon Drive for Aloe Palm Canyon, formerly known as Agave at Palm Canyon. Entering into the PLHA Loan Agreement will not result in any new significant environmental effects; the actions will not substantially increase the severity of the environmental effects; no considerably different mitigation measures have been identified; and no mitigation measures found infeasible have become feasible. As a result, no further environmental documentation is required for California Environmental Quality Act purposes.

Signature: (Public Agency) [Signature] Title: Development Manager

Juan Garcia

Date: 6/23/23 Date received for filing at OPR: _____

JUN 6 2023

3.16

1 NO FEE FOR RECORDING PURSUANT
2 TO GOVERNMENT CODE SECTION 27383
3 Title and Escrow Order No.

4 RECORDING REQUESTED BY AND
5 WHEN RECORDED MAIL TO:

6 County of Riverside
7 3403 Tenth Street, Suite #300
8 Riverside, CA 92501
9 Attn: Mervyn Manalo

10 SPACE ABOVE THIS LINE FOR RECORDERS USE

11 LOAN AGREEMENT FOR THE USE OF PLHA PROGRAM FUNDS
12 (Aloe Palm Canyon)

13 This LOAN AGREEMENT FOR THE USE OF PLHA PROGRAM FUNDS
14 (“Agreement”) is made and entered into this ____ day of _____, 2023 by and
15 between the COUNTY OF RIVERSIDE, a political subdivision of the State of California
16 (“COUNTY” or “County”), and ALOE PALM CANYON, L.P., a California limited partnership
17 (“BORROWER”). The COUNTY and BORROWER may be individually referred to herein as
18 a “Party” and collectively as the “Parties.”

19 RECITALS:

20 WHEREAS, COUNTY is the recipient of funds derived from the Permanent Local
21 Housing Allocation (“PLHA”) Program which was enacted under the Building Homes and Jobs
22 Act, included as part of California Senate Bill (SB) 2 (Chapter 364, Statutes of 2017);

23 WHEREAS, the PLHA Program was designed to provide a permanent source of
24 funding to local governments in California to help cities and counties implement plans to
25 increase the affordable housing stock;

26 WHEREAS, the State of California (the “State”), Department of Housing and
27 Community Development (“HCD”) issued a Notice of Funding Availability (“NOFA”), dated
28 February 26, 2020, to provide approximately \$195,000,000 under the PLHA Program through
its Entitlement and Non-entitlement Local Government Formula Component from the Fund for
assistance to local governments pursuant to HSC section 50470 et seq. and SB 2 (Chapter 364,

1 Statutes of 2017) (the “PLHA Statutes”);

2 WHEREAS, to implement the PLHA Program, HCD adopted and issued the HCD
3 2019 PLHA Final Guidelines (“Guidelines” or “PLHA Guidelines”);

4 WHEREAS, the County is an eligible local government for the program to
5 administer one or more eligible activities, including on behalf of other local governments that
6 have delegated County to submit an application and administer their PLHA formula allocations;

7 WHEREAS, HSC Section 50470 authorizes the HCD to allocate moneys collected
8 and deposited in the Fund for the PLHA Program, with 90 percent of PLHA funds to local
9 governments, and to adopt Guidelines to implement the PLHA Program;

10 WHEREAS, pursuant to the PLHA Program, the County and the California
11 Department of Housing and Community Development (“HCD”) entered into that certain
12 Standard Agreement dated June 17th, 2021, including Exhibits A, B, C, D and E (collectively,
13 the “PLHA Standard Agreement for County’s Allocation”), which allocates PLHA funding to
14 the County for use in the County in the estimated funding amount of \$23,977,026 for Allocation
15 Years 2019-2023;

16 WHEREAS, pursuant to Section 300(c) of the PLHA Final Guidelines (“HCD
17 Guidelines”), a local government may delegate to another local government to submit an
18 application and administer the formula component of PLHA funds on its behalf, provided the
19 local governments enter into an agreement and the funds are expended for eligible activities
20 consistent with program requirements;

21 WHEREAS, consistent with HCD Guidelines, the City of Palm Springs, a
22 California charter city and municipal corporation (“City”), delegated to County the responsibility
23 for submitting an application for administering its formula component for Allocation Years
24 2019-2023 (“City’s Allocations”) in the estimated funding amount of \$1,153,422;

25 WHEREAS, pursuant to the PLHA Program, the County and HCD entered into
26 that certain Standard Agreement dated October 6, 2021, including Exhibits A, B, C, D and E
27 (collectively, the “PLHA Standard Agreement for City’s Allocation”), which allocates PLHA
28 funding to the County for use in the City;

1 WHEREAS, in connection therewith, City and County entered in that certain
2 Agreement for the PLHA Program under HCD for Allocation Years 2019-2023 dated June 30,
3 2020 (the “County and City PLHA Agreement”), which provides for the use of PLHA funds by
4 the County within the City to increase the affordable housing stock within the City;

5 WHEREAS, the PLHA Statutes, HCD Guidelines, the NOFA, PLHA Standard
6 Agreement for County’s Allocation, PLHA Standard Agreement for City’s Allocation, County
7 and City PLHA Agreement and all applicable rules and regulations imposed by HCD on PLHA
8 funding recipients shall collectively be referred to herein as the “PLHA Program”;

9 WHEREAS, BORROWER, a California limited partnership registered to do
10 business in the State of California and an affordable housing developer, is an experienced
11 developer of affordable housing that has among its purposes the provision of decent housing that
12 is affordable to low income persons;

13 WHEREAS, BORROWER desires to perform the following in the City,
14 collectively referred to herein as the “Project”: (i) acquire that certain real property of
15 approximately 1.75 acres of vacant land located at 1475 N. Palm Canyon Drive, southwest corner
16 of N. Palm Canyon Drive and W. Steven Road, Palm Springs, CA 92262, County of Riverside,
17 State of California, identified as Assessor’s Parcel Numbers 505-182-004 and 505-182-010, as
18 more specifically described in the legal description and depicted on the site map attached hereto
19 as **Exhibit A** and incorporated herein by this reference (“Property”), and (ii) construct and
20 operate thereon a multi-family affordable rental housing project, Aloe Palm Canyon Apartments,
21 for low-income family households consisting of sixty-nine (69) affordable rental units (each, a
22 “Unit,” collectively, the “Units”) and two (2) on-site manager units;

23 WHEREAS, the purpose of this Agreement is, among other things, for COUNTY
24 to provide a loan of PLHA funds (consisting of PLHA funds allocated for use in the City pursuant
25 to the PLHA Standard Agreement, as well as other PLHA funds available to the COUNTY for
26 the purposes set forth herein) to BORROWER in the maximum amount of \$3,000,000 to pay a
27 portion of the construction and operation costs related to the Project, as more fully described
28 herein;

1 WHEREAS, in consideration of the loan of PLHA funds, BORROWER has
2 agreed to restrict the “PLHA Units” (as defined in **Section 1** below) to rental to and occupancy
3 by qualified Low and Very Low Income Households consistent with the PLHA Program
4 requirements and as defined more specifically herein; and

5 WHEREAS, the development of the Project as described herein increases the
6 available affordable housing stock within the City and the County and complies with the
7 objectives set forth in the PLHA Program.

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

11 1. PURPOSE. The aforementioned Recitals are incorporated herein by this
12 reference. COUNTY has agreed to lend up to **Three Million Dollars (\$3,000,000)** in PLHA
13 funds (“PLHA Loan”) to BORROWER upon the satisfaction of the conditions precedent to
14 distribution of PLHA Loan funds set forth in **Section 12** below. Subject to **Sections 49** and **50**
15 below, BORROWER shall undertake and complete the Project in accordance with all
16 entitlements and the Scope of Work and Project Description set forth in **Exhibit B**, and shall
17 utilize the PLHA Loan funds as required herein and in strict compliance with the PLHA Program.
18 Once the Project is completed, during the Affordability Period (as defined in **Section 15** below),
19 at most approximately forty nine percent (49%) of the Units not occupied by a manager or thirty-
20 three (33) of the Units constructed on the Property shall be restricted to rental to and occupancy
21 by qualified Low and Very Low Income Households (collectively, “PLHA Units” or “Restricted
22 Units”) at an Affordable Rent (as hereinafter defined). At least twenty percent (20%) of the
23 PLHA Units or seven (7) PLHA Units shall be restricted to occupancy by Very Low Income
24 Households at or below 50% of the area median income: 7 one-bedroom units. Twenty-six (26)
25 PLHA Units shall be rented to and occupied by Low Income Households at or below 80% of the
26 area median income: 26 one-bedroom units. One-bedroom units shall be approximately 600
27 square feet each.

28 For purposes hereof:

- 1 a. a “Household” is one or more persons occupying an Affordable Unit.
- 2 b. “Low Income” has the meaning set forth in HSC Section 50079.5,
- 3 which is a Household whose income does not exceed 80% of the area
- 4 median income, adjusted for actual family size.
- 5 c. “Very Low Income” has the meaning set forth in HSC Section 50105,
- 6 which is a Household whose income does not exceed 50% of the area
- 7 median income, adjusted for actual family size.
- 8 d. “area median income” shall refer to the most recent area median
- 9 family income published by HCD for Riverside County, available at
- 10 the following link: [https://www.hcd.ca.gov/grants-and-](https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits)
- 11 [funding/income-limits/state-and-federal-income-rent-and-loan-value-](https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits)
- 12 [limits](https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits).
- 13 e. “Qualified Household” means a Low Income Household or a Very
- 14 Low Income Household.

15 The PLHA Units shall be rented to and occupied by Very Low and Low

16 Income Households at an “Affordable Rent” in compliance with the Multifamily Housing

17 Program guidelines Section 7312 and the Section 7301 definition of “Affordable Rent” and the

18 PLHA Program. COUNTY shall review and approve proposed rents prior to entry into leases for

19 occupancy of the PLHA Units by BORROWER. BORROWER shall ensure the PLHA Units are

20 rented to qualified applicants at the rent levels required herein during the Affordability Period.

21 The maximum monthly allowances for utilities and services (excluding telephone) shall not

22 exceed the utility allowance permitted by a Covenant Agreement entered into by COUNTY and

23 BORROWER substantially in the form attached as **Exhibit H** hereto upon Closing (as defined in

24 **Section 12**).

25 Income and Affordable Rent limitations for Very Low Income Households

26 and Low Income Households must be calculated in accordance with the Multifamily Housing

27 Program (MHP), as required by the PLHA Program. BORROWER shall utilize the most recently

28 available “MHP Income and Rent Calculator” published by HCD, available on the following web

1 page: <https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent->
2 [and-loan-value-limits.](https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits)

3 This PLHA Loan Agreement, a Promissory Note for the benefit of
4 COUNTY and given by BORROWER upon Closing, substantially in the form attached as
5 **Exhibit F** hereto (the “PLHA Note”), a Deed of Trust for the benefit of COUNTY and given by
6 BORROWER upon Closing, substantially in the form attached as **Exhibit E** hereto (the “PLHA
7 Deed of Trust”), a Covenant Agreement for the benefit of COUNTY and given by BORROWER
8 upon Closing, substantially in the form attached as **Exhibit H** hereto (the “PLHA Covenant
9 Agreement”), an Environmental Indemnity for the benefit of COUNTY and given by
10 BORROWER upon Closing, substantially in the form attached as **Exhibit J** hereto (the
11 “Environmental Indemnity”) and any other agreement entered into by COUNTY and
12 BORROWER in connection with the PLHA Loan for the Project shall collectively be referred to
13 herein as the “PLHA Loan Documents.” BORROWER shall comply with the terms and
14 conditions of the PLHA Loan Documents, any other agreements entered into in connection with
15 the development and/or financing for the Project, and any instrument secured against the Property.
16 BORROWER shall strictly comply with all requirements of the PLHA Program.

17 2. BORROWER’S OBLIGATIONS. Upon the commencement of the
18 Effective Date (defined in **Section 55** below), BORROWER shall undertake and complete the
19 following activities within the time periods set forth herein and in **Exhibit D**:

- 20 a. Satisfy the conditions precedent to distribution of PLHA Loan funds
21 set forth in **Section 12** below.
- 22 b. Acquire fee title to the Property and assemble any necessary permanent
23 and construction financing no later than the date set forth in **Exhibit D**,
24 including any County approved extensions thereto.
- 25 c. Develop the Project in accordance with the timeline set forth in **Exhibit**
26 **D**.
- 27 d. Operate the Project in such a manner so that it will remain affordable
28 to Qualified Households for the Affordability Period as defined in

1 **Section 15** herein without regard to (i) the term of the PLHA Note, or
2 (ii) transfer of ownership.

- 3 e. Maintain the Project in compliance with applicable local, state, federal
4 laws, codes and regulations as further described in **Section 18** below
5 until the expiration of the Term of this Agreement set forth in **Section**
6 **7** below, and the Affordability Period set forth in **Section 15** below.

7 3. **COUNTY'S OBLIGATIONS.** COUNTY hereby agrees to undertake and
8 complete the following activities, subject to its receipt of PLHA funds from HCD and
9 BORROWER's satisfactory completion of the conditions precedent to disbursement of PLHA
10 funds set forth in this Agreement:

- 11 a. Provide the PLHA Loan to BORROWER in the amount identified in
12 **Section 1**, to be used to pay a portion of eligible construction costs for
13 the Project in accordance with the PLHA Program; and
14 b. Comply with all of its obligations under the PLHA Standard
15 Agreement, City Standard Agreement and all other applicable
16 requirements of the PLHA Program.

17 4. **PLHA Loan.** Subject to the satisfaction of the conditions precedent to
18 disbursement of the PLHA Loan set forth in **Section 12** below, COUNTY shall provide financing
19 to Borrower in the form of a loan in the amount of the PLHA Loan, pursuant to the following
20 terms and conditions:

- 21 a. Term of PLHA Loan. . The maturity date of the PLHA Loan shall be
22 the later to occur of (i) July 1, 2079 or (ii) fifty-five (55) years from the
23 recording of the Notice of Completion in the Official Records for the
24 building for which construction is completed for the Project (the
25 "PLHA Loan Term"). The term, "Official Records" used herein shall
26 mean the Official Records of the Recorder's Office of the County of
27 Riverside.
28 b. Principal. The total amount of the PLHA Loan shall not exceed

1 **\$3,000,000**, and shall be evidenced by the PLHA Note, which note
2 shall be secured by the PLHA Deed of Trust.

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

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

6 (1) That the PLHA Loan will accrue simple interest at a rate of three
7 percent (3%) per annum, except in the case of an event of default
8 as hereinafter provided wherein a higher default interest rate shall
9 apply as more specifically set forth in the PLHA Note, and shall be
10 repaid on an annual basis from the Project's Residual Receipts
11 (defined in **Section 4** below). Interest will begin to accrue 30 days
12 from the recordation of the Notice of Completion in the Official
13 Records.

14 (2) The PLHA Note shall be repaid by BORROWER to COUNTY as
15 follows:

16 i) Fifty percent (50%) of the Project's Residual
17 Receipts shall be paid to COUNTY and the City of
18 Palm Springs ("City"), pro rata with respect to the
19 amounts of their respective loans for the Project,
20 annually in accordance with the terms set forth
21 herein. The pro rata share split shall be fifty percent
22 (50%) to the City and fifty percent (50%) to
23 COUNTY ("Pro Rata Share"). Such payment of the
24 Pro Rata Share of fifty percent (50%) of the
25 Project's Residual Receipts to City and COUNTY
26 shall continue annually until the City's promissory
27 note and COUNTY's PLHA Note are repaid in full,
28 respectively; and

1 ii) The remaining fifty percent (50%) of the Project's
2 Residual Receipts will be paid to BORROWER.

3 (3) The Project's Residual Receipts shall be determined based on an
4 annual review of certified financial statements for the Project.
5 Annual audited financial statements shall be submitted by
6 BORROWER to COUNTY within one hundred twenty (120) days
7 following the close of the Project fiscal year commencing on April
8 1st of the first full calendar year following the recordation of the
9 Notice of Completion. All outstanding principal along with
10 accrued interest shall be due upon the maturity date of the PLHA
11 Note and the expiration of the PLHA Loan Term as set forth in
12 **Section 4.a.** The first payment from BORROWER to COUNTY
13 shall be due on July 1st in the first full calendar year following the
14 date of the recordation of the Notice of Completion, to the extent
15 of available Residual Receipts, calculated in accordance with the
16 PLHA Note. Subsequent payments shall be made on each July 1st
17 thereafter to the extent of available Residual Receipts until the
18 earlier of full repayment of the PLHA Loan or the PLHA Loan
19 maturity date as set forth above.

20 (4) The term "Project Residual Receipts" used herein shall mean the
21 gross rental and other income from all residential and non-
22 residential components of the Project, including, without
23 limitation, proceeds from loss of rent insurance, and any other
24 income to the BORROWER derived from the ownership, operation
25 and management of the Project and the Property, but excluding
26 interest on required reserve accounts, less the following operating
27 expenses:

28 i) auditing and accounting fees;

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- ii) a reasonable property management fee not to exceed \$55 per unit per month, increased annually by an amount not to exceed the greater of (i) three and a half percent (3.5%) or (ii) the increase in the Consumer Price Index for Riverside-San Bernardino-Ontario, CA area (“CPI”);
 - iii) operating expenses (any expense reasonably and normally incurred in carrying out the Project’s day-to-day activities, which shall include administration, on-site management costs, utilities, on-site staff payroll, payroll taxes, and maintenance);
 - iv) required deposits into replacement reserves, established in a separate account from operating reserves, limited to \$300 per unit per year for all units in the Project, increased annually by an amount not to exceed the greater of (i) three percent (3%) or (ii) the increase in CPI;
 - v) required operating reserve replenishments in an amount up to \$175,000 per year;
 - vi) required payments of principal and interest on amortized loans and indebtedness senior to the PLHA Loan, which have been approved by COUNTY (collectively, the “Senior Debt”);
 - vii) COUNTY’s Monitoring Fee in the total annual amount of \$7,100, increased annually by an amount equal to the increase in CPI for the San Bernardino-Riverside-Ontario, CA area, but in no event to

1 exceed 5% annually. In the event of a decrease in
2 CPI, the Monitoring Fee currently in effect shall
3 remain the same and shall not decrease, as more
4 specifically discussed in **Section 30**;

5 viii) repayment of any operating deficit loans made by a
6 partner to the BORROWER and payment of unpaid
7 tax credit adjustment payments owed to a limited
8 partner of BORROWER;

9 ix) General Partner Management Fee up to \$38,168 and
10 increasingly annually by three and a half percent
11 (3.5%), or such greater amount allowed by HCD;
12 and

13 x) payment of deferred developer fees pursuant to
14 BORROWER'S limited partnership agreement.

15 The calculation of annual operating expenses shall be subject to the
16 reasonable approval of the Director or designee.

17 e. Security. The PLHA Note shall be secured by the PLHA Deed of Trust.
18 The PLHA Deed of Trust and this Agreement shall be recorded in a lien
19 position junior to the PLHA Covenant Agreement and any deed of trust
20 securing a third party, commercial bank construction or permanent loan
21 including, without limitation, the Citi Loan or another mutually acceptable
22 senior lender as agreed to by the Parties in writing (the "Senior Loan").

23 f. Prepayment. Prepayment of principal and/or interest under the PLHA Note
24 may occur at any time without penalty; provided, however (i) the
25 requirements of **Section 18**, Compliance with Laws and Regulations, shall
26 remain in full force and effect for the term of this Agreement specified in
27 **Section 7** below; and (ii) the affordability requirements set forth in the
28 PLHA Covenant Agreement shall remain in effect until the expiration of

1 the Affordability Period.

2 5. PRIOR COUNTY APPROVAL. Except as otherwise expressly provided
3 in this Agreement, approvals required of the COUNTY shall be deemed granted by the written
4 approval of the Director. Notwithstanding the foregoing, the Director may, in their sole
5 discretion, refer to the governing body of the COUNTY any item requiring COUNTY approval;
6 otherwise, "COUNTY approval" means and refers to approval by the Director or designee.

7 6. MODIFICATIONS. The Director or designee shall have the right to make
8 non-substantive changes to the attachments to this Agreement in order to ensure that all such
9 attachments are consistent with the terms and provisions of this Agreement.

10 7. TERM OF AGREEMENT. This Agreement shall become effective upon
11 the Effective Date, as defined in **Section 55** below, and unless terminated earlier pursuant to the
12 terms hereof, shall continue in full force and effect until the later to occur of (i) July 1, 2079 or
13 (ii) fifty-five (55) years from the recordation of the Notice of Completion in the Official Records
14 for the last building for which rehabilitation is completed for the Project ("Term of Agreement").

15 8. BORROWER'S REPRESENTATIONS. BORROWER represents and
16 warrants to COUNTY as follows:

- 17 a. Authority. BORROWER is a duly organized limited partnership,
18 validly existing and in good standing under the laws of the State of
19 California. The copies of the documents evidencing the
20 organization of BORROWER, which have been delivered to
21 COUNTY, are true and complete copies of the originals, as
22 amended to the date of this Agreement. BORROWER, and the
23 persons executing and delivering the PLHA Loan Documents on
24 its behalf, have full right, power and lawful authority to enter into
25 this Agreement and accept the PLHA Loan funds and undertake
26 development of the Project and all obligations as provided in the
27 PLHA Loan Documents. The execution, performance and delivery
28 of this Agreement by BORROWER has been fully authorized by

1 all requisite actions on the part of BORROWER.

2 b. No Conflict. To the best of BORROWER's knowledge,
3 BORROWER's execution, delivery and performance of its
4 obligations under this Agreement will not constitute a default or a
5 breach under contract, agreement or order to which BORROWER
6 is a party or by which it is bound.

7 c. No Bankruptcy. BORROWER is not the subject of a bankruptcy
8 proceeding.

9 d. General. BORROWER has access to professional advice and
10 support to the extent necessary to enable BORROWER to fully
11 comply with the terms of this Agreement, and to otherwise carry
12 out the Project. Neither BORROWER nor any of its principals is
13 presently debarred, suspended, proposed for debarment, declared
14 ineligible, or voluntarily excluded from participation in connection
15 with the transaction contemplated by this Agreement.

16 e. Use of PLHA Funds. Borrower represents and warrants that it will
17 use all PLHA funds in a manner consistent and in compliance with
18 all applicable state and federal statutes, rules, regulations, and laws,
19 including without limitation, all rules and laws regarding the PLHA
20 Program, as well as any contracts for the PLHA funds entered into
21 between City and County and any contracts County may have with
22 HCD.

23 f. Prior to Closing. BORROWER shall, upon learning of any fact or
24 condition which would cause any of the warranties and
25 representations in this Section 8 not to be true as of Closing,
26 immediately give written notice of such fact or condition to
27 COUNTY. Such exception(s) to a representation shall not be
28 deemed a breach by BORROWER hereunder, but shall constitute

1 an exception which COUNTY shall have the right to approve or
2 disapprove if such exception would have an effect on the value
3 and/or operation of the Project Site.

4 g. Applicable Requirements. BORROWER represents and warrants
5 that after Closing, the Property and all improvements located
6 thereon, including any portion thereof, shall comply with all
7 applicable Governmental Requirements (as defined in **Section**
8 **18.b**) and all covenants or restrictions of record (together, the
9 “**Applicable Requirements**”). If the Property and all
10 improvements located thereon do not comply with said Applicable
11 Requirements, BORROWER shall promptly rectify the same at
12 BORROWER’s expense.

13 h. CEQA. BORROWER represents and warrants that the Project will
14 be developed in full compliance with all applicable requirements of
15 the California Environmental Quality Act (“CEQA”). concerning
16 this Agreement, including without limitation any challenge to
17 CEQA compliance.

18 i. Labor Laws. BORROWER represent and warrants that it shall
19 comply with any applicable labor regulations and all other
20 applicable State laws, including, without limitation, California
21 prevailing wage law, as set forth in Labor Code Section 1720 et
22 seq. (“State Prevailing Wage Law”) and, to the extent applicable,
23 shall pay prevailing wages in accordance with the State Prevailing
24 Wage Law in connection with the construction of the
25 improvements which compromise the Project.

26 9. COMPLETION SCHEDULE. From and after the Effective Date,
27 BORROWER shall proceed consistent with the Schedule of Performance (“Schedule of
28 Performance”) set forth in **Exhibit D**, (as such schedule may be amended pursuant to **Section**

1 **11)**, subject to Force Majeure Delays, as defined in **Section 10**.

2 10. FORCE MAJEURE DELAYS. “Force Majeure” means event(s) beyond
3 the reasonable control of BORROWER, and which could not have been reasonably anticipated,
4 which prevent(s) BORROWER from complying with any of its non-payment obligations under
5 this Agreement, including, but not limited to: acts of God, acts of war, acts or threats of terrorism,
6 civil disorders, strikes, labor disputes, flood, fire, explosion, earthquake or other similar acts.

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

25 11. EXTENSION OF TIME. COUNTY may grant an extension to the
26 Schedule of Performance set forth in **Exhibit D** for the purpose of completing BORROWER's
27 activities which cannot be completed as outlined in **Exhibit D** despite commercially reasonable
28 efforts to do so. BORROWER shall request said extension in writing, stating the reasons

1 therefore, which extension must be first approved in writing by the COUNTY in its reasonable
2 discretion. The Director or designee, on behalf of the COUNTY and without referring such
3 matter to the County’s Board of Supervisors may extend all pending deadlines in the Schedule
4 of Performance on two (2) or fewer occasions, so long as the aggregate duration of such
5 administrative time extensions is no greater than one hundred twenty (120) days. Every term,
6 condition, covenant, and requirement of this Agreement shall continue in full force and effect
7 during the period of any such extension.

8 12. CONDITIONS PRECEDENT TO DISBURSEMENT OF PLHA LOAN

9 FUNDS. The date upon which the PLHA Deed of Trust is recorded in the official records of
10 Riverside County shall be referred to herein as the “Closing.” COUNTY shall disburse PLHA
11 Loan funds in accordance with this Agreement to BORROWER subject to the Closing having
12 occurred and Borrower’s satisfaction of the conditions precedent set forth below. COUNTY
13 shall not be obligated to effect the Closing until the following conditions precedent have been
14 satisfied:

- 15 a. BORROWER executes this Agreement and delivers to COUNTY for
16 recordation in the Official Records;
- 17 b. Borrower submits written evidence to COUNTY that Borrower has
18 obtained sufficient financing commitments necessary to undertake the
19 construction and operation of the Project as required herein;
- 20 c. BORROWER provides COUNTY with evidence of insurance as
21 required herein;
- 22 d. BORROWER executes the PLHA Deed of Trust, in recordable form,
23 and delivers such document to COUNTY for recordation in the Official
24 Records;
- 25 e. BORROWER executes the PLHA Note, and delivers it to COUNTY;
- 26 f. BORROWER executes the PLHA Covenant Agreement, in recordable
27 form, and delivers to the COUNTY for recordation in the Official
28 Records;

- 1 g. COUNTY executes and records a Request for Notice of Default for any
2 Senior Loan conforming in form and substance to **Exhibit I** attached
3 hereto;
- 4 h. BORROWER executes the Environmental Indemnity, and delivers it
5 to COUNTY;
- 6 i. BORROWER has caused the Property to be divided or reconfigured at
7 BORROWER's cost in such a manner that the Project may be financed
8 and obtain title insurance;
- 9 j. BORROWER causes a title company, reasonably acceptable to
10 COUNTY, at BORROWER'S expense, to issue or be irrevocably
11 committed to issue an ALTA lender's policy in favor of COUNTY,
12 insuring the PLHA Deed of Trust as a subordinate priority monetary
13 lien against the Property junior to the deed of trust securing the Senior
14 Loan and such other financing as has been approved as senior by the
15 COUNTY for the development of the Project;
- 16 k. BORROWER provides satisfactory evidence that Senior Loan and any
17 other financing obtained for the Project will close concurrently with
18 the Closing;
- 19 l. BORROWER provides a financial pro forma or similar satisfactory
20 evidence that the Senior Loan, permanent financing and any other
21 financing obtained for the Project, when combined with the PLHA
22 Loan, will result in the development and operation of the Project being
23 financially feasible;
- 24 m. BORROWER is not in default under the terms of this Agreement or
25 any other agreement related to the financing of the Project;
- 26 n. BORROWER provides satisfactory evidence that it has secured any
27 and all necessary land use entitlements, permits, and approvals which
28 may be required for construction of the Project pursuant to the

1 applicable rules and regulations of City, COUNTY, and any other
2 governmental agency with jurisdiction over such construction work.
3 BORROWER shall have secured, without limitation, the following in
4 connection with the Project: all entitlements, changes of zoning, lot line
5 adjustments, any and all necessary studies required including but not
6 limited to archaeological, cultural, and environmental, and traffic
7 studies and lead-based paint surveys. BORROWER shall have paid all
8 costs, charges and fees associated therewith;

- 9 o. BORROWER provides duly executed documents and instruments
10 evidencing that BORROWER owns fee title to the Property;
- 11 p. BORROWER provides satisfactory evidence that it has satisfied all
12 conditions precedent to the issuance of all permits necessary for the
13 development of the Property and all such permits are available for
14 issuance, other than payment of fees; and
- 15 q. BORROWER provides satisfactory evidence to COUNTY, if
16 applicable, that it has hired a qualified professional firm to review and
17 monitor prevailing wage compliance for all submission of contractors'
18 certified payrolls to COUNTY.

19 13. OUTSIDE CLOSING DATE. If the Closing fails to occur by **July 31, 2023**
20 (the "Outside Closing Date"), then this Agreement shall automatically terminate and be of no
21 further force and effect and Borrower shall be released and discharged from any obligations
22 under this Agreement, except as to those obligations which by their terms survive termination of
23 this Agreement. The PLHA Loan funds allocated, reserved, or placed in a PLHA account
24 pursuant to this Agreement may be reallocated by COUNTY.

25 Notwithstanding the foregoing, the Parties hereto acknowledge that many of the
26 potential sources of financing for the Project are subject to competitive awards, and that it is
27 difficult to identify with certainty the period of time needed to obtain financing and entitlements
28 necessary for construction of a Phase. In light of the foregoing, the Outside Closing Date (i) if

1 applicable, may be automatically extended to such closing date as required by the Tax Credit
2 Allocation Committee pursuant to an award of Low Income Housing Tax Credits for the Project
3 made prior to the Outside Closing Date, or (ii) shall be subject to written extension with the
4 consent of the Director or his or her designee through **July 31, 2023**. The Director shall
5 reasonably consider any request for extensions to the Outside Closing Date based on
6 BORROWER's updates on progress toward obtaining financing and entitlements.

7 14. DISBURSEMENT OF FUNDS; RETENTION. Upon and after the Closing,
8 COUNTY shall disburse the PLHA Loan Funds in accordance herewith. Disbursement of PLHA
9 Loan funds shall occur upon the receipt of copies of invoices and conditional (upon receipt of
10 payment) lien releases for construction costs to be paid with the proceeds of the PLHA Loan.
11 Any disbursement of funds is expressly conditioned upon the satisfaction of conditions set forth
12 above. COUNTY shall disburse to BORROWER the PLHA Loan funds above on a "cost-as-
13 incurred" basis for construction hard costs, site work, structures, architecture design and survey
14 & engineering costs under itemized schedule shown in **Exhibit C** as follows:

- 15 a. Up to fifty percent (50%) of the PLHA Loan may be disbursed at
16 Closing.
- 17 b. Up to ninety percent (90%) of the PLHA Loan upon fifty-one
18 percent (51%) completion of Project, as certified and documented
19 by the project architect/engineer.
- 20 c. COUNTY shall release final draw down of ten percent (10%) of
21 the PLHA Loan following receipt of all of the items listed below,
22 in such form as is satisfactory to COUNTY:
- 23 1) Conditional lien release from general contractor;
 - 24 2) recorded Notice of Completion;
 - 25 3) Permanent Certificate of Occupancy;
 - 26 4) architect certification identifying units that are accessible to
27 individuals with mobility impairments and units that are
28 accessible to individuals with sensory impairments in

- 1 compliance with Applicable California law;
- 2 5) if applicable, submission of documentation that shows
- 3 compliance with the Uniform Relocation Assistance and Real
- 4 Property Acquisition Policies Act of 1970 and 24 CFR Part
- 5 42;
- 6 6) submission of a Project completion report including Tenant
- 7 Checklist which is attached hereto and by this reference
- 8 incorporated herein;
- 9 7) Tenant Selection Policy;
- 10 8) Management Plan;
- 11 9) Certified statement of final development costs; and
- 12 10) Certified statement of final sources and uses of funds for the
- 13 Project.

14 15. TERMS OF AFFORDABILITY. The PLHA Units in the Project shall
15 remain occupied and rented by Qualified Households for an Affordable Rent as set forth herein
16 and in the PLHA Covenant Agreement until the later of (i) fifty-five (55) years from the
17 recordation of the Notice of Completion in the Official Records for the last building for which
18 construction is completed for the Project, or (ii) July 1, 2079 (the "Affordability Period").

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

- 26 a. Builder's All Risk (Course of Construction) Insurance.
- 27 BORROWER shall provide a policy of Builder's All Risk (Course
- 28 of Construction) insurance coverage including (if the work is

1 located in an earthquake or flood zone or if required on financed or
2 bond financing arrangements) coverage for earthquake and flood,
3 covering the COUNTY, BORROWER and every subcontractor, of
4 every tier, for the entire Project, including property to be used in
5 the construction of the work while such property is at off-site
6 storage locations or while in transit or temporary off-site
7 storage. Such policy shall include, but not be limited to, coverage
8 for fire, collapse, faulty workmanship, debris removal, expediting
9 expense, fire department service charges, valuable papers and
10 records, trees, grass, shrubbery and plants. If scaffolding, false
11 work and temporary buildings are insured separately by the
12 BORROWER or others, evidence of such separate coverage shall
13 be provided to County prior to the start of the work. Such policy
14 shall be written on an all risk basis and a completed value
15 form. Such policy shall cover the full insurable value. Such policy
16 shall also provide coverage for temporary structures (on-site
17 offices, etc.), fixtures, machinery and equipment being installed as
18 part of the work. BORROWER shall be responsible for any and all
19 deductibles under such policy. Upon request by COUNTY,
20 BORROWER shall declare all terms, conditions, coverages and
21 limits of such policy. Such policy shall name the COUNTY as a
22 loss payee as their interest may appear. If the County so provides,
23 in its sole discretion, the All Risk (Course of Construction)
24 insurance for the Project, then BORROWER shall assume the cost
25 of any and all applicable policy deductibles (currently, \$50,000 per
26 occurrence) and shall insure its own machinery, equipment, tools,
27 etc. from any loss of any nature whatsoever.
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- b. Worker’s Compensation.
If the BORROWER has employees as defined by the State of California, the BORROWER shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers’ Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside. Policy shall name the COUNTY as Additional Insureds.
- c. Comprehensive General Liability Insurance.
Comprehensive General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of BORROWER’S performance of its obligations hereunder. Policy’s limit of liability shall not be less than \$2,000,000 per occurrence and \$3,000,000 in the aggregate. Policy shall name the County of Riverside as Additional Insureds.
- d. Vehicle Liability Insurance.
If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then BORROWER shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the COUNTY as Additional Insureds.
- e. General Insurance Provisions – All Lines.

1 1) Any insurance carrier providing insurance coverage
2 hereunder shall be admitted to the State of California and have an
3 A M BEST rating of not less than A: VIII (A:8) unless such
4 requirements are waived, in writing, by the County Risk Manager.
5 If the County's Risk Manager waives a requirement for a particular
6 insurer such waiver is only valid for that specific insurer and only
7 for one policy term.

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

20 3) BORROWER shall cause BORROWER'S
21 insurance carrier(s) to furnish the County of Riverside with either
22 1) a properly executed original Certificate(s) of Insurance and
23 certified original copies of Endorsements effecting coverage as
24 required herein, and 2) if requested to do so orally or in writing by
25 the County Risk Manager, provide original Certified copies of
26 policies including all Endorsements and all attachments thereto,
27 showing such insurance is in full force and effect. Further, said
28 Certificate(s) and policies of insurance shall contain the covenant

1 of the insurance carrier(s) that a minimum of thirty (30) days
2 written notice shall be given to the County of Riverside prior to any
3 material modification, cancellation, expiration or reduction in
4 coverage of such insurance. If BORROWER insurance carrier(s)
5 policies does not meet the minimum notice requirement found
6 herein, BORROWER shall cause BORROWER'S insurance
7 carrier(s) to furnish a 30 day Notice of Cancellation Endorsement.

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

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

28 6) If, during the term of this Agreement or any

1 extension thereof, there is a material change in the scope of
2 services; or, there is a material change in the equipment to be used
3 in the performance of the scope of work; or, the term of this
4 Agreement, including any extensions thereof, exceeds five (5)
5 years; the COUNTY reserves the right to adjust the types of
6 insurance and the monetary limits of liability required under this
7 Agreement, if in the County Risk Management's reasonable
8 judgment, the amount or type of insurance carried by the
9 BORROWER has become inadequate.

10 7) BORROWER shall pass down the insurance
11 obligations contained herein to all tiers of subcontractors working
12 under this Agreement.

13 8) The insurance requirements contained in this
14 Agreement may be met with a program(s) of self- insurance
15 acceptable to the COUNTY.

16 9) BORROWER agrees to notify COUNTY of any
17 claim by a third party or any incident or event that may give rise to
18 a claim arising from the performance of this Agreement

19 17. FINANCIAL AND PROJECT RECORDS. BORROWER shall maintain
20 financial, programmatic, statistical, and other supporting records of its operations and financial
21 activities in accordance with the requirements of any financing secured by the Project and any
22 applicable Governmental Requirements, which records shall be open to inspection and audit by
23 authorized representatives of COUNTY and HCD during regular working hours. COUNTY and
24 HCD, or any of their representatives, have the right of access with at least forty-eight (48) hours
25 prior notice, to any pertinent books, documents, papers, or other records of BORROWER, in
26 order to make audits, examinations, excerpts, and transcripts. Said records shall be retained for
27 such time as may be required by the regulations of the PLHA Program, but in no event no less
28 than five (5) years after the Project completion date as evidenced by recordation of the Notice of

1 Completion; except records of individual tenant income verifications, project rents, and project
2 inspections must be retained for the most recent five (5) year period, until five (5) years after the
3 Affordability Period terminates. If any litigation, claim, negotiation, audit, or other action has
4 been started before the expiration of the regular period specified, the records must be retained
5 until completion of the action and resolution of all issues which arise from it, or until the end of
6 the regular period, whichever is later.

7 18. COMPLIANCE WITH LAWS AND REGULATIONS;
8 INDEMNIFICATION. By executing this Agreement, BORROWER hereby certifies that it will
9 adhere to and comply with all applicable federal, state and local laws, regulations and ordinances.
10 BORROWER agrees to indemnify, defend, and hold the Indemnified Parties (as defined in
11 Section 38) harmless from and against any and all liabilities, costs or fees (including, but not
12 limited to, attorneys' costs and fees) arising out of, in connection with or related to
13 BORROWER's failure to comply with any and all applicable federal, state and local laws,
14 regulations and ordinances in connection with the development of the Project. Without
15 limitation, BORROWER shall comply with the following as they may be applicable to
16 BORROWER in connection with the use of PLHA Loan funds and/or development of the Project
17 on the Property:

- 18 a. PLHA Program. BORROWER shall comply with all requirements
19 set forth in a Notice of Funding Availability ("NOFA"), dated
20 February 26, 2020, issued by HCD to provide approximately
21 \$195,000,000 under the Permanent Local Housing Allocation
22 ("PLHA") Program through its Entitlement and Non-entitlement
23 Local Government Formula Component from the Building Homes
24 and Jobs Trust Fund for assistance to Local Governments pursuant
25 to Health and Safety Code section 50470 et seq. and Senate Bill
26 (SB) 2 (Chapter 364, Statutes of 2017), the HCD 2019 PLHA Final
27 Guidelines ("Guidelines" or "PLHA Guidelines") adopted and
28 issued to implement the PLHA Program, any Standard Agreement

1 for the PLHA funds applicable to COUNTY or City, and all
2 applicable rules and regulations imposed by HCD on PLHA
3 funding recipients.

4 b. Governmental Requirements. BORROWER shall carry out
5 development, construction and operation of the Project in
6 conformity with all applicable Governmental Requirements. For
7 purposes of this Agreement, "Governmental Requirements" means
8 all laws, ordinances, statutes, codes, rules, resolutions, regulations,
9 policy statements, orders, and decrees (including, without
10 limitation, those relating to land use, subdivision, zoning,
11 environmental, labor relations, prevailing wage, and building and
12 fire codes) of the United States, the State of California, the County
13 or any other political subdivision in which the Property is located
14 or which exercises jurisdiction over BORROWER or the
15 construction, maintenance, management, use, or operation of the
16 Project

17 c. CEQA. Prior to Closing, BORROWER shall have performed all
18 necessary final actions and obtained the final approvals required by
19 CEQA for the development and construction of the Project within
20 the time frames set forth herein. Such final actions and approvals
21 may include, but are not limited to the following: (i) completing
22 requisite activities to comply with CEQA, (ii) all final action and
23 approvals for environmental and land use permits by any
24 governmental authorities having jurisdiction over the Property, and
25 (iii) resolution or final adjudication of any legal challenges,
26 including such challenges based on CEQA. This Agreement does
27 not restrict the lead agency from considering any feasible
28 mitigation measures and alternatives, including the "no project"

1 alternative and does not bind the lead agency to any definite course
2 of action prior to CEQA compliance.

3 The commencement of any development and construction
4 identified herein is contingent upon BORROWER obtaining all
5 required environmental and land use permits, including CEQA
6 compliance with any applicable public agencies. In the event any
7 action is brought challenging the legality of compliance with
8 CEQA or any other law applicable to the Project, including any
9 actions related to any of the proposed uses of the Property or this
10 Agreement, BORROWER shall indemnify, defend (with counsel
11 reasonably acceptable to COUNTY), and hold harmless the
12 Indemnified Parties (as defined in **Section 38**), at its sole cost and
13 expense for, from and against any and all claims, actions,
14 proceedings, demands, liabilities, costs, expenses, including
15 reasonable attorney's fees and costs, damages and losses, cause or
16 causes or action and suit or suits (collectively, "Claims") arising
17 from or in connection with the failure to comply with such
18 applicable law, or any action to attack, set aside, void, or annul any
19 approvals of the City, County, and any other Governmental
20 Authority with jurisdiction over the Project or the Property, or
21 COUNTY, its advisory agencies, or legislative body.

- 22 d. Displacement, relocation, and acquisition. The relocation
23 requirements of the California Relocation Assistance Act,
24 California Government Code § 7260 et seq. and the implementing
25 regulations thereto in 25 California Code of Regulations § 6000 et
26 seq., the Uniform Relocation Assistance and Real Property
27 Acquisition Policies Act of 1970 (42 U.S.C. 4201-4655) and
28 implementing regulations at 49 CFR Part 24, and any other local,

1 state, or federal laws or regulations governing the Project and the
2 provision and administration of Relocation Payments and advisory
3 assistance. BORROWER must ensure that it has taken all
4 reasonable steps to comply with the foregoing and minimize the
5 displacement of persons as a result of this project assisted with
6 PLHA Funds.

7 BORROWER shall comply and stay current with all applicable
8 local, state and federal building codes and laws as from time to time
9 amended, including, but not limited to, the Americans with
10 Disabilities Act requirements. BORROWER shall cause all
11 improvements to be completed at BORROWER's cost in a
12 workmanlike manner and in compliance with all applicable law.

13 e. Permits and Entitlements. BORROWER shall be responsible for
14 obtaining all permits, entitlements and land use approvals required
15 by the County or City for the development, construction and
16 operation of the Project, ensuring that the use of the Property for
17 the purposes described in this Agreement complies with the zoning
18 and other City and County land use regulations (including any
19 applicable exemptions and/or exceptions) applicable to the
20 Project. Before commencement of demolition, construction or
21 development of any buildings, structures or other work of
22 improvement upon any portion of the Property, BORROWER
23 shall, at its own expense, secure or cause to be secured, any and all
24 permits which may be required by the City, COUNTY or any other
25 Governmental Authority affected by such construction,
26 development or work.

27 f. Hazardous Materials. BORROWER shall develop, construct and
28 use the Project and the Property (i) in compliance with all

1 applicable environmental laws; and (ii) will not permit the presence
2 of any Hazardous Substance on the Property.

3 “Hazardous Materials” or “Hazardous Substances” shall include,
4 but not be limited to, oil, flammable explosives, asbestos, urea
5 formaldehyde insulation, radioactive materials, hazardous wastes,
6 toxic or contaminated substances or similar materials, including,
7 without limitation, any substances defined as “extremely hazardous
8 substances,” “hazardous substances,” “hazardous materials,”
9 “hazardous waste” or “toxic substances” in the Comprehensive
10 Environmental Response, Compensation and Liability Act of 1980,
11 as amended, including the Superfund Amendments and
12 Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.
13 (“CERCLA”); the Hazardous Materials Transportation Act, 49
14 U.S.C. §§ 1801, et seq.; the Resource Conservation and Recovery
15 Act of 1976, as amended, 42 U.S.C. §§ 6901, et seq.; the Toxic
16 Substances Control Act, as amended, 15 U.S.C. §§ 2601 et seq.; the
17 Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq.; the Federal
18 Water Pollution Control Act, as amended, 33 U.S.C. §§ 1251 et
19 seq.; the Occupational Safety and Health Act, as amended, 29
20 U.S.C. §§ 651; the Emergency Planning and Community Right-to-
21 Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Mine Safety
22 and Health Act of 1977, as amended, 30 U.S.C. §§ 801 et seq.; the
23 Safe Drinking Water Act, as amended, 42 U.S.C. §§ 300f et seq.;
24 and those substances defined as “hazardous waste” in § 25117 of
25 the California Health and Safety Code, as “infectious waste” in §
26 25117.5 of the California Health and Safety Code, or as “hazardous
27 substances” in § 25316 of the California Health and Safety Code,
28 or “hazardous materials” as defined in § 353 of the California

1 Vehicle Code; waste that exhibits the characteristics set forth in §
2 25141 (b) of the California Health and Safety Code; and in the
3 regulations adopted and orders and publications promulgated
4 pursuant to said laws. Hazardous Materials shall expressly exclude
5 substances typically used in the construction, development,
6 operation and maintenance of an apartment complex provided such
7 substances are used in accordance with all applicable laws.

8 19. INCOME TARGETING REQUIREMENTS. Pursuant to **Section 1** above,
9 BORROWER hereby agrees to restrict the PLHA Units, which shall be at most approximately
10 forty nine percent (49%) of the Units not occupied by a manager or thirty-three (33) of the Units
11 constructed on the Property shall be restricted to rental to and occupancy by qualified Low and
12 Very Low Income Households (collectively, “PLHA Units”) at an Affordable Rent (as
13 hereinafter defined). At least twenty percent (20%) of the PLHA Units or seven (7) PLHA Units
14 shall be restricted to occupancy by Very Low Income Households at or below 50% of the area
15 median income: 7 one-bedroom units. Twenty-six (26) PLHA Units shall be rented to and
16 occupied by Low Income Households at or below 80% of the area median income: 26 one-
17 bedroom units.

18 20. RENT LIMITATIONS. The PLHA Units shall be rented to and occupied
19 by Very Low and Low Income Households at an Affordable Rent in compliance with the
20 Multifamily Housing Program (“MHP”) guidelines Section 7312 and the Section 7301 definition
21 of “Affordable Rent.” Maximum income and Affordable Rent shall be determined in accordance
22 with subsection d) below. COUNTY shall review and approve proposed rents prior to entry into
23 leases for occupancy of the PLHA Units by BORROWER. BORROWER shall ensure the PLHA
24 Units are rented to qualified applicants at the described rent levels herein during the Affordability
25 Period. The maximum monthly allowances for utilities and services (excluding telephone) shall
26 not exceed the utility allowance as described in c. below.

27 a. Initial Occupancy of Vacant Units: All PLHA Units shall be
28 occupied by and rented to Qualified Households for an Affordable Rent within the time period

1 set forth in the Schedule of Performance attached to this Agreement (“Lease Deadline”) for the
2 newly constructed buildings of the Project. If an Affordable Unit remains unoccupied or not
3 leased to an eligible tenant for longer than ninety (90) consecutive days, BORROWER must
4 provide to COUNTY information about current marketing efforts and an enhanced plan for
5 marketing the unit so that it is leased promptly.

6 BORROWER may request from COUNTY an extension of the Lease Deadline if
7 BORROWER can provide to COUNTY written evidence showing efforts of commercially
8 reasonable marketing efforts and proof that the circumstances that led to the failure to lease the
9 Affordable Unit(s) by the Lease Deadline were beyond the BORROWER’s control. The
10 extension and duration of such extension is subject to COUNTY’s approval in its reasonable
11 discretion and not guaranteed. The Director, or designee, has the authority, at their discretion,
12 to consent to an extension of the Lease Deadline.

13 b. Rent Limitations: In order to calculate net rent to be charged, an
14 applicable utility allowance must be subtracted from the gross rents permitted by the PLHA
15 Program.

16 c. Utility Allowances: For Projects not receiving financing from tax
17 credits, BORROWER shall use the Utility Allowances published by the Housing Authority of
18 the County of Riverside to establish maximum monthly allowances for utilities and services to
19 be used by the BORROWER in calculating Affordable Rents. Projects assisted with tax credits
20 may use the Utility Allowances published by the Housing Authority of the County of Riverside
21 or the California Utility Allowance Calculator (CUAC) published annually by the Treasurer of
22 the State of California. The CUAC and use instructions can be found at:
23 <https://www.treasurer.ca.gov/ctcac/cuac/index.asp>.

24 d. Approval: The BORROWER shall submit to the COUNTY for
25 review and written approval, proposed rents for all of the PLHA Units prior to lease-up.

26 21. TENANT PROTECTIONS. During the Affordability Period,
27 BORROWER shall adhere to all applicable tenant protections and selection standards set forth
28 in applicable Governmental Requirements, as may be amended from time to time, and the

1 following requirements:

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

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

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

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

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

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

1 tenant.

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

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

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

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

18 (9) Mandatory supportive services. Agreement by the tenant
19 (other than a tenant in transitional housing) to accept
20 supportive services that are offered.

21 c. Violence Against Women Reauthorization Act of 2013. (Pub. L. 113–
22 4, 127 Stat. 54) (“VAWA 2013”). VAWA 2013 reauthorizes and
23 amends the Violence Against Women Act of 1994, as previously
24 amended, (title IV, sec. 40001–40703 of Pub. L. 103–322, 42 U.S.C.
25 13925 et seq.) VAWA 2013, among other things, bars eviction and
26 termination due to a tenant's status as a victim of domestic violence,
27 dating violence, or stalking, and requires landlords to maintain
28 survivor-tenant confidentiality. VAWA 2013 prohibits a tenant who

1 is a survivor of domestic violence, dating violence, sexual assault, and
2 stalking from being denied assistance, tenancy, or occupancy rights
3 based solely on criminal activity related to an act of violence
4 committed against them. It extends housing protections to survivors
5 of sexual assault, and adds “intimate partner” to the list of eligible
6 relationships in the domestic violence definition. Protections also now
7 cover an “affiliated individual,” which includes any lawful occupant
8 living in the survivor’s household, or related to the survivor by blood
9 or marriage including the survivor’s spouse, parent, brother, sister,
10 child, or any person to whom the survivor stands in loco parentis.
11 VAWA 2013 allows a lease bifurcation so a tenant or lawful occupant
12 who engages in criminal activity directly relating to domestic
13 violence, dating violence, sexual assault, or stalking against an
14 affiliated individual or other individual, or others may be evicted or
15 removed without evicting or removing or otherwise penalizing a
16 victim who is a tenant or lawful occupant. If victim cannot establish
17 eligibility, BORROWER must give a reasonable amount of time to
18 find new housing or establish eligibility under another covered
19 housing program. A Notice of Rights under VAWA 2013 for tenants
20 must be provided at the time a person applies for housing, when a
21 person is admitted as a tenant of a housing unit, and when a tenant is
22 threatened with eviction or termination of housing benefits. Tenants
23 must request an emergency transfer and reasonably believe that they
24 are threatened with imminent harm from further violence if the tenant
25 remains in the same unit. The provisions of VAWA 2013 that are
26 applicable to HCD programs are found in title VI of VAWA 2013,
27 which is entitled “Safe Homes for Victims of Domestic Violence,
28 Dating Violence, Sexual Assault, and Stalking.” Section 601 of

1 VAWA 2013 amends subtitle N of VAWA (42 U.S.C. 14043e et seq.)
2 to add a new chapter entitled "Housing Rights."

3 22. FEDERAL REQUIREMENTS. BORROWER shall comply with all
4 applicable federal regulations and guidelines.

5 23. REPAYMENT INCOME. COUNTY must record the receipt and
6 expenditure of PLHA repayment income in accordance with the standards specified in the PLHA
7 Program.

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

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

28 26. NONDISCRIMINATION. BORROWER shall not discriminate on the

1 basis of race, gender, religion, national origin, ethnicity, sexual orientation, age or disability in
2 the solicitation, selection, hiring or treatment of any contractors or consultants, to participate in
3 subcontracting/subconsulting opportunities. BORROWER understands and agrees that violation
4 of this clause shall be considered a material breach of this Agreement and may result in
5 termination, debarment or other sanctions. This language shall be incorporated into all contracts
6 between BORROWER and any contractor, consultant, subcontractor, subconsultants, vendors
7 and suppliers. BORROWER shall comply with the provisions of the California Fair Employment
8 and Housing Act (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of
9 1964 (P.L. 88-352), as amended, and all applicable local, state and federal laws with respect to
10 its use of the Property.

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

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

28 a) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs,

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

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

24 c) In contracts: “There shall be no discrimination against or segregation of any person or
25 group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955
26 of the Government Code, as those bases are defined in Sections 12926, 12926.1,
27 subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2
28 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or

1 enjoyment of the land, nor shall the transferee itself or any person claiming under or
2 through him or her, establish or permit any such practice or practices of discrimination or
3 segregation with reference to the selection, location, number, use, or occupancy, of tenants,
4 lessees, sublessees, subtenants, or vendees of the land.”

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

10 27. PROHIBITION AGAINST CONFLICTS OF INTEREST:

- 11 a. No member, official or employee of COUNTY shall have any personal
12 interest, direct or indirect, in this Agreement nor shall any such
13 member, official or employee participate in any decision relating to the
14 this Agreement which affects his or her personal interests or the
15 interests of any corporation, partnership or association in which he or
16 she is, directly or indirectly, interested.
- 17 b. BORROWER warrants that it has not paid or given, and will not pay
18 or give, any third party any money or other consideration for obtaining
19 the PLHA Loan.

20 28. INTENTIONALLY OMITTED.

21 29. PROJECT MONITORING AND EVALUATION.

22 a. Tenant Checklist. BORROWER shall submit a Tenant Checklist Form
23 to COUNTY, as shown in **Exhibit G** which is attached hereto and by this reference is
24 incorporated herein and may be revised by COUNTY, summarizing the racial/ethnic
25 composition, number and percentage of Very Low Income and Low Income Households who
26 are tenants of the COUNTY PLHA Units. The Tenant Checklist Form shall be submitted upon
27 completion of the construction and thereafter, on an annual basis on or before March 31st and
28 September 30th. BORROWER shall maintain financial, programmatic, statistical and other

1 supporting records of its operations and financial activities in accordance with the requirements
2 of the PLHA Program, including the submission of Tenant Checklist Form. Except as otherwise
3 provided for in this Agreement, BORROWER shall maintain and submit records to COUNTY
4 within ten business days of COUNTY's request which clearly documents BORROWER's
5 performance under each requirement of the PLHA Program. A list of document submissions and
6 timeline are shown in **Exhibit D** and such list may be amended from time to time subject to HCD
7 and COUNTY reporting requirements.

8 b. Inspections. During the Affordability Period, COUNTY may perform
9 annual on-site inspections of COUNTY PLHA-assisted rental housing to determine compliance
10 with the property standards of the PLHA Program and to verify the information submitted by the
11 owners in accordance with the requirements of the PLHA Program. If there are observed
12 deficiencies for any of the inspectable items in the property standards established by COUNTY,
13 a follow-up on-site inspection to verify that deficiencies are corrected must occur within 12
14 months. COUNTY may establish a list of non-hazardous deficiencies for which correction can
15 be verified by third party documentation (e.g., paid invoice for work order) rather than re-
16 inspection. Health and safety deficiencies must be corrected immediately. COUNTY may adopt
17 a more frequent inspection schedule for properties that have been found to have health and safety
18 deficiencies. The property owner must annually certify to the COUNTY that each building and
19 all Units in the Project are suitable for occupancy, taking into account State and local health,
20 safety, and other applicable codes, ordinances, and requirements, and the ongoing property
21 standards. For projects with one-to-four COUNTY PLHA Units, COUNTY may inspect 100
22 percent of the COUNTY PLHA Units and the inspectable items (site, building exterior, building
23 systems, and common areas) for each building housing COUNTY PLHA Units.

24 c. Income Certification. The income of a tenant must be determined
25 initially in accordance with California Code of Regulations, Title 25, Section 6924. In addition,
26 annually thereafter BORROWER must re-examine each tenants annual income to determine that
27 they remain a Qualified Tenant.

28 30. MONITORING FEE. BORROWER shall pay an annual compliance

1 monitoring fee to the COUNTY in the total annual amount of \$7,100 (increased annually by an
2 amount equal to the increase of the Consumer Price Index (CPI) for the San Bernardino-
3 Riverside-Ontario, CA area, but in no event to exceed 5% annually) ("Monitoring Fee"). The
4 first Monitoring Fee payment is due on July 1st of each year for the monitoring period of July 1st
5 to June 30th commencing on the July 1st following the issuance of a Certificate of Occupancy for
6 the Project and may be pro-rated for a partial first year. The Monitoring Fee will be due on each
7 July 1st thereafter and will continue until the expiration of the Affordability Period. The
8 Monitoring Fee is to be adjusted upwards annually, increased by an amount equal to the increase
9 in CPI for the San Bernardino-Riverside-Ontario, CA area. In the event of a decrease in the
10 applicable CPI, the Monitoring Fee currently in effect shall remain the same and shall not
11 decrease.

12 31. ACCESS TO PROJECT SITE. Representatives of the COUNTY and HCD
13 shall have the right of access to the Property, upon 24 hours' written notice to BORROWER
14 (except in the case of an emergency, in which case COUNTY or HCD shall provide such notice
15 as may be practical under the circumstances), without charges or fees, during normal business
16 hours to review the operation of the Project in accordance with this Agreement and the PLHA
17 Covenant Agreement, subject to the rights of tenants.

18 32. EVENTS OF DEFAULT. The occurrence of any of the following events
19 shall constitute an "Event of Default" under this Agreement:

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

1 under the terms of any Senior Loan documents or any other
2 instrument or document secured against the Property following
3 expiration of any applicable notice and cure periods;

4 b. Non-Monetary Default. (1) Discrimination by BORROWER or
5 BORROWER's agent(s) on the basis of characteristics prohibited
6 by this Agreement or applicable law; (2) the imposition of any
7 encumbrances or liens on the Project without COUNTY's prior
8 written approval that are prohibited under this Agreement or that
9 have the effect of reducing the priority or invalidating the lien of
10 the PLHA Deed of Trust; (3) BORROWER's failure to obtain and
11 maintain the insurance coverage required under this Agreement; (4)
12 any material default under this Agreement, the PLHA Deed of
13 Trust, PLHA Covenant Agreement, PLHA Note or any document
14 executed by BORROWER in connection with this Agreement,
15 and/or (5) a default under the terms of any Senior Loan documents
16 or any other instrument or document secured against the Property
17 or the Project following expiration of any applicable notice and
18 cure periods;

19 c. General Performance of Loan Obligations. Any substantial or
20 continuous or repeated breach by BORROWER or BORROWER's
21 agents of any material obligations of BORROWER under this
22 Agreement;

23 d. General Performance of Other Obligations. Any substantial or
24 continuous or repeated breach by BORROWER or BORROWER's
25 agents of any material obligations of BORROWER related to the
26 Project imposed by any other agreement with respect to the
27 financing, development, or operation of the Project; whether or not
28 COUNTY is a party to such agreement; but only following any

1 applicable notice and cure periods with respect to any such
2 obligation;

3 e. Representations and Warranties. A determination by COUNTY
4 that any of BORROWER's representations or warranties made in
5 this Agreement, any statements made to COUNTY by
6 BORROWER, or any certificates, documents, or schedules
7 supplied to COUNTY by BORROWER were false in any material
8 respect when made, or that BORROWER concealed or
9 intentionally failed to disclose a material fact to COUNTY.

10 f. Damage to Project. In the event that the Project is materially
11 damaged or destroyed by fire or other casualty, and BORROWER
12 receives an award or insurance proceeds sufficient for the repair or
13 reconstruction of the Project, and BORROWER does not use such
14 award or proceeds to repair or reconstruct the Project.

15 g. Bankruptcy, Dissolution and Insolvency. BORROWER's or
16 general partner and co-general partner of BORROWER's (1) filing
17 for bankruptcy, dissolution, or reorganization, or failure to obtain a
18 full dismissal of any such involuntary filing brought by another
19 party before the earlier of final relief or ninety (90) days after such
20 filing; (2) making a general assignment for the benefit of creditors;
21 (3) applying for the appointment of a receiver, trustee, custodian,
22 or liquidator, or failure to obtain a full dismissal of any such
23 involuntary application brought by another party before the earlier
24 of final relief or ninety (90) days after such filing; (4) insolvency;
25 or (5) failure, inability or admission in writing of its inability to pay
26 its debts as they become due.

27 33. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. Formal
28 notices, demands and communications between the COUNTY and the BORROWER shall be

1 sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt
2 requested, or as set forth below, to the principal offices of the COUNTY and the BORROWER,
3 as designated below. Such written notices, demands and communications may be sent in the
4 same manner to such other addresses as either party may from time to time designate by mail
5 as provided in this Section 33. Any notice that is transmitted by electronic facsimile
6 transmission followed by delivery of a “hard” copy, shall be deemed delivered upon its
7 transmission; any notice that is personally delivered (including by means of professional
8 messenger service, courier service such as United Parcel Service or Federal Express, or by U.S.
9 Postal Service), shall be deemed received on the documented date of receipt by the recipient;
10 and any notice that is sent by registered or certified mail, postage prepaid, return receipt required
11 shall be deemed received on the date of delivery thereof.

12 a. Subject to the Force Majeure Delay, failure or delay by BORROWER to
13 perform any term or provision of this Agreement constitutes a default under this Agreement.
14 BORROWER must immediately commence to cure, correct or remedy such failure or delay and
15 shall complete such cure, correction or remedy with reasonable diligence.

16 b. COUNTY shall give written notice of default to BORROWER, specifying
17 the default complained of by COUNTY. Failure or delay in giving such notice shall not
18 constitute a waiver of any default, nor shall it change the time of default. Except as otherwise
19 expressly provided in this Agreement, any failures or delays by COUNTY in asserting any of
20 its rights and remedies as to any default shall not operate as a waiver of any default or of any
21 such rights or remedies. Delays by COUNTY in asserting any of its rights and remedies shall
22 not deprive COUNTY of its right to institute and maintain any actions or proceedings which it
23 may deem necessary to protect, assert or enforce any such rights or remedies.

24 c. If a monetary event of default occurs, prior to exercising any remedies
25 hereunder, COUNTY shall give BORROWER written notice of such default. BORROWER
26 shall have a period of ten (10) days after such notice is given within which to cure the default
27 prior to exercise of remedies by COUNTY.

28 d. If a non-monetary event of default occurs, prior to exercising any remedies

1 hereunder, COUNTY shall give BORROWER written notice of such default. If the default is
2 reasonably capable of being cured within thirty (30) days, BORROWER shall have such period
3 to effect a cure prior to exercise of remedies by COUNTY. If the default is such that it is not
4 reasonably capable of being cured within thirty (30) days, and BORROWER (i) initiates
5 corrective action within said period, and (ii) diligently, continually, and in good faith works to
6 effect a cure as soon as possible, then BORROWER shall have such additional time as is
7 reasonably necessary to cure the default prior to exercise of any remedies by the injured party,
8 but in no event no more than one hundred twenty (120) days from the date of the notice of
9 default. In no event shall COUNTY be precluded from exercising remedies following the initial
10 thirty (30) day cure period if its security becomes or is about to become materially jeopardized
11 by any failure to cure a default or the default is not cured within one hundred twenty (120) days
12 after the first notice of default is given.

13 e. Notwithstanding anything to the contrary contained in the PLHA Loan
14 Documents, COUNTY hereby agrees that BORROWER'S limited partner shall have the right,
15 but not obligation, to cure any defaults of the BORROWER hereunder and under any of the
16 PLHA Loan Documents, and the COUNTY agrees to accept cures tendered by the
17 BORROWER'S limited partner on behalf of the BORROWER within the applicable cure
18 periods set forth therein. Copies of all notices which are sent to BORROWER under the terms
19 of the PLHA Loan Documents shall also be sent to the BORROWER'S limited partner at the
20 addresses set forth in **Section 53**.

21 34. COUNTY REMEDIES. Upon the occurrence of an Event of Default, after
22 notice and opportunity to cure, COUNTY's obligation to disburse PLHA funds shall terminate,
23 and COUNTY shall also have the right, but not the obligation to, in addition to other rights and
24 remedies permitted by this Agreement or applicable law, proceed with any or all of the
25 following remedies in any order or combination COUNTY may choose in its sole discretion:

- 26 a. Terminate this Agreement, in which event the entire PLHA Loan
27 amount as well as any other monies advanced to BORROWER by
28 COUNTY under this Agreement including administrative costs,

1 shall immediately become due and payable to COUNTY at the
2 option of COUNTY.

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

24 35. LIMITATION ON LIABILITY. Notwithstanding anything to the contrary
25 contained herein, neither BORROWER nor COUNTY shall in any event be entitled to, and each
26 hereby waives, any right to seek loss of profits, or any special, incidental or consequential
27 damages of any kind or nature, however caused, from the other Party arising out of or in
28 connection with the PLHA Loan Documents, even if the other Party has been advised of the

1 possibility of the damages, and in connection with such waiver each Party is familiar with and
2 hereby waives the provision of § 1542 of the California Civil Code which provides as follows:

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

9 36. HOLD HARMLESS AND INDEMNIFICATION. BORROWER shall
10 indemnify and hold harmless the County of Riverside, its Agencies, Boards, Districts, Special
11 Districts and Departments, and their respective directors, officers, members, elected and
12 appointed officials, employees, agents and representatives (individually and collectively, the
13 “Indemnified Parties”) from any claim or liability, costs or fees (including, but not limited to,
14 attorneys’ costs and fees), resulting from any act or failure to act of BORROWER, its officers,
15 employees, subcontractors, agents or representatives, in connection with, arising out of, or in any
16 way relating to this Agreement, the PLHA Loan Documents, the Property or the Project, including
17 but not limited to property damage, bodily injury, or death or any other element of any kind or
18 nature whatsoever. BORROWER shall defend the Indemnified Parties, at its sole expense, in any
19 claim or action based upon such alleged acts or omissions. The indemnification obligations of
20 BORROWER set forth in this Agreement shall survive the repayment of the PLHA Loan and the
21 expiration or earlier termination of this Agreement.

22 With respect to any action or claim subject to indemnification herein by BORROWER,
23 BORROWER shall, at its sole cost, have the right to use counsel of its own choice and shall have
24 the right to adjust, settle, or compromise any such action or claim without the prior consent of
25 COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner
26 whatsoever limits or circumscribes BORROWER’S indemnification obligations to COUNTY as
27 set forth herein.

28 BORROWER’S obligation hereunder shall be satisfied when BORROWER has provided

1 to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action
2 or claim involved.

3 The specified insurance limits required in this Agreement shall in no way limit or
4 circumscribe BORROWER's obligations to indemnify and hold harmless COUNTY herein from
5 third party claims.

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

9 BORROWER's obligations set forth in this **Section 36** shall survive the expiration or
10 earlier termination of this Agreement.

11 37. TERMINATION.

12 a. BORROWER. BORROWER may terminate this Agreement upon written
13 notice of such termination prior to disbursement of any PLHA Loan funds by COUNTY.

14 b. COUNTY. Notwithstanding the provisions of **Section 37(a)**, COUNTY
15 may suspend or terminate this Agreement upon written notice to BORROWER of the action being
16 taken and the reason for such action in the event one of the following events occur:

17 (1) In the event BORROWER fails to perform the covenants
18 herein contained at such times and in such manner as
19 provided in this Agreement after the expiration of any
20 extensions granted and the applicable notice and cure
21 provision hereof; or

22 (2) In the event there is a conflict with any federal, state or local
23 law, ordinance, regulation or rule rendering any material
24 provision, in the judgment of COUNTY of this Agreement
25 invalid or untenable; or

26 (3) In the event the PLHA funding from HCD identified in
27 **Section 1** above is terminated or otherwise becomes
28 unavailable.

1 c. Upon expiration or earlier termination of this Agreement, BORROWER
2 shall transfer to COUNTY any unexpended PLHA funds in its possession at the time of expiration
3 of the Agreement.

4 38. AFFORDABILITY RESTRICTIONS. COUNTY and BORROWER, on
5 behalf of its successors and assigns, hereby declare their express intent that the restrictions set
6 forth in this Agreement shall continue in full force and effect for the duration of the Affordability
7 Period (as defined in **Section 15** above). Each and every contract, deed or other instrument
8 hereafter executed covering and conveying the Property or any portion thereof shall be held
9 conclusively to have been executed, delivered and accepted subject to such restrictions,
10 regardless of whether such restrictions are set forth in such contract, deed or other instrument.
11 Borrower shall execute and record as a lien against the Property, the PLHA Covenant Agreement
12 setting forth the affordability use and income restriction required in this Agreement. The PLHA
13 Covenant Agreement shall be in a lien position senior to this PLHA Loan Agreement.

14 39. RESERVED.

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

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

26 42. AUTHORITY TO EXECUTE. The persons executing this Agreement or
27 exhibits attached hereto on behalf of the parties to this Agreement hereby warrant and represent
28 that they have the authority to execute this Agreement and warrant and represent that they have

1 the authority to bind the respective parties to this Agreement to the performance of its obligations
2 hereunder.

3 43. WAIVER. Failure by a party to insist upon the strict performance of any
4 of the provisions of this Agreement by the other party, or the failure by a party to exercise its
5 rights upon the default of the other party, shall not constitute a waiver of such party's rights to
6 insist and demand strict compliance by the other party with the terms of this Agreement
7 thereafter.

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

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

20 46. SEVERABILITY. Each paragraph and provision of this Agreement is
21 severable from each other provision, and if any provision or part thereof is declared invalid by a
22 competent court of law, the remaining provisions shall nevertheless remain in full force and effect.

23 47. MINISTERIAL ACTS. COUNTY's Director of HWS, or designee(s), are
24 authorized to take such ministerial actions as may be necessary or appropriate to implement the
25 terms, provisions, and conditions of this Agreement as it may be amended from time to time by
26 both parties.

27 48. MODIFICATION OF AGREEMENT. COUNTY or BORROWER may
28 consider it in its best interest to change, modify or extend a term or condition of this Agreement,

1 provided such change, modification or extension is agreed to in writing by the other party. Any
2 such change, extension or modification, which is mutually agreed upon by COUNTY and
3 BORROWER shall be incorporated in written amendments to this Agreement. Such
4 amendments shall not invalidate this Agreement, nor relieve or release COUNTY or
5 BORROWER from any obligations under this Agreement, except for those parts thereby
6 amended. No amendment to this Agreement shall be effective and binding upon the parties,
7 unless it expressly makes reference to this Agreement, is in writing, is signed and acknowledged
8 by duly authorized representatives of all parties, and approved by the County.

9 49. SCHEDULE OF PERFORMANCE. BORROWER shall use
10 commercially reasonable efforts to satisfy the obligations set forth herein and in the Schedule of
11 Performance in a timely manner and by the dates set forth herein and therein. The Project shall
12 be completed and a Notice of Completion shall have been recorded in the Official Records no
13 later than the date set forth in the Schedule of Performance (the "Completion Deadline").
14 Provided that all construction and permanent financing remains committed to the Project,
15 BORROWER may request an extension of the Completion Deadline from COUNTY
16 ("Extension"), which may be granted if the BORROWER can provide proof that all construction
17 and permanent financing remains committed to the Project and that the circumstances that led to
18 the failure to complete the Project by the Completion Deadline were beyond the BORROWER's
19 control. Extension is subject to COUNTY's reasonable approval, and not guaranteed. The
20 Assistant County Executive Officer/EDA, or designee, has the authority, at his or her discretion,
21 to consent to such Extension.

22 50. PROJECT FINANCING CONTINGENCY. This Agreement is expressly
23 conditioned upon BORROWER's delivery to COUNTY, on or prior to the date set forth in the
24 Schedule of Performance of written documentation of such binding loan commitments required
25 to fully finance the development, construction and operation of the Project (less the PLHA Loan),
26 on terms and conditions acceptable to BORROWER and COUNTY, including, but not limited
27 any conventional construction and/or permanent financing. Either COUNTY or BORROWER
28 may elect to terminate this Agreement with ten (10) days prior written notice to the other party if

1 BORROWER fails to acquire the project financing as required by this **Section 50**. Upon such
2 termination, this Agreement shall be null and void, and:

- 3 a. If BORROWER elects to terminate this Agreement,
4 BORROWER shall be released and discharged by COUNTY
5 from its obligations under this Agreement; or
- 6 b. If COUNTY elects to terminate this Agreement, COUNTY shall
7 be released and discharged by BORROWER from its obligations
8 under this Agreement.

9 At that time all costs incurred by each party on the Project will be borne by the
10 Party incurring such costs, and each party shall be released from all liability under this
11 Agreement, except those obligations which by their terms survive termination.

12 51. EXHIBITS AND ATTACHMENTS. Each of the attachments and exhibits
13 attached hereto is incorporated herein by this reference. To the extent BORROWER is required
14 to execute and deliver to COUNTY an agreement substantially in the form attached hereto,
15 execution and delivery of such agreement constitutes consideration given to COUNTY for the
16 PLHA Loan funds and other obligations of COUNTY hereunder.

17 52. MEDIA RELEASES. BORROWER agrees to allow COUNTY to provide
18 input regarding all media releases regarding the Project. Any publicity generated by
19 BORROWER for the Project must make reference to the contribution of COUNTY in making the
20 Project possible. COUNTY's name shall be prominently displayed in all pieces of publicity
21 generated by BORROWER, including flyers, press releases, posters, signs, brochures, and public
22 service announcements. BORROWER agrees to cooperate with COUNTY in any COUNTY-
23 generated publicity or promotional activities with respect to the Project.

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

1 COUNTY

2 County of Riverside
3 Department of Housing and Workforce Solutions
4 3403 Tenth Street, Suite #300
5 Riverside, CA 92501
6 Attn: Director

7 BORROWER

8 Aloe Palm Canyon, L.P.
9 c/o West Hollywood Community Housing Corporation
10 7530 Santa Monica Blvd.,
11 West Hollywood, CA 90046
12 Attention: Jesse Slansky, President & CEO

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

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

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

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

28 58. CONSTRUCTION AND INTERPRETATION OF AGREEMENT. The
language in all parts of this Agreement shall 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 over a considerable period of time, that each

1 party has been given the opportunity to independently review this Agreement with legal counsel,
2 and that each party has the requisite experience and sophistication to understand, interpret, and
3 agree to the particular language of the provisions hereof. Accordingly, in the event of an
4 ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement shall not
5 be interpreted or construed against the party preparing it, and instead other rules of interpretation
6 and construction shall be utilized.

7 a. If any term or provision of this Agreement, the deletion of which
8 would not adversely affect the receipt of any material benefit by any party hereunder, shall be
9 held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this
10 Agreement shall not be affected thereby and each other term and provision of this Agreement
11 shall be valid and enforceable to the fullest extent permitted by law. It is the intention of the
12 parties hereto that in lieu of each clause or provision of this Agreement that is illegal, invalid, or
13 unenforceable, there be added as a part of this Agreement an enforceable clause or provision as
14 similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible.

15 b. The captions of the articles, sections, and subsections herein are
16 inserted solely for convenience and under no circumstances are they or any of them to be treated
17 or construed as part of this instrument.

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

26 d. As used in this Agreement, and as the context may require, the
27 singular includes the plural and vice versa, and the masculine gender includes the feminine and
28 vice versa.

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

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

6 61. NO THIRD PARTY BENEFICIARIES. The parties to this Agreement
 7 acknowledge and agree that the provisions of this Agreement are for the sole benefit of COUNTY
 8 and BORROWER, and not for the benefit, directly or indirectly, of any other person or entity,
 9 except as otherwise expressly provided herein.

10 62. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.

11 a. This Agreement shall be executed in three duplicate originals each
 12 of which is deemed to be an original. This Agreement, including all attachments hereto and
 13 exhibits appended to such attachments shall constitute the entire understanding and agreement of
 14 the parties.

15 b. This Agreement integrates all of the terms and conditions
 16 mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements
 17 between the parties with respect to all or any part of the Property.

18 c. All waivers of the provisions of this Agreement must be in writing
 19 and signed by the appropriate authorities of the COUNTY or the BORROWER, and all
 20 amendments hereto must be in writing and signed by the appropriate authorities of the COUNTY
 21 and the BORROWER. This Agreement and any provisions hereof may be amended by mutual
 22 written agreement by the BORROWER and the COUNTY.

23 ///

(SIGNATURES ON THE NEXT PAGE)

24
 25
 26
 27
 28

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

COUNTY:

County of Riverside, a political
subdivision of the State of California

By: form - do not sign
Heidi Marshall, Director
Housing and Workforce Solutions

Date: _____

(COUNTY Signature needs to be notarized)

APPROVED AS TO FORM:
MINH C. TRAN, County Counsel

By: 
Amrit P. Dhillon, Deputy County Counsel

BORROWER:

ALOE PALM CANYON, L.P.,
a California limited partnership

By: Aloe Palm Canyon LLC,
a California limited liability company

Its: General Partner

By: West Hollywood Community Housing Corporation,
a California nonprofit public benefit corporation

Its: Sole Member

By: form - do not sign

Name: Jesse Slansky

Its: President and Chief Executive Officer

Date: _____, 2023

(BORROWER signature must be notarized)

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT HERE>

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING THOSE PORTIONS OF LOTS 5, 6 AND 12 IN BLOCK A OF LAS PALMAS ESTATES, AS SHOWN BY MAP ON FILE IN BOOK 15, PAGES 15 AND 16 OF MAPS, RECORDS OF RIVERSIDE COUNTY, TOGETHER WITH THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, IN THE TOWNSHIP 4 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A

BEGINNING AT THE NORTHEASTERLY CORNER OF LOT 11 OF SAID LAS PALMAS ESTATES MAP; THENCE ALONG THE NORTH LINE OF SAID LOT 11, S89°50'00"W A DISTANCE OF 152.05 FEET TO THE WEST LINE OF SAID LOT;

THENCE SOUTHERLY ALONG SAID WEST LINE, S00°10'00"E A DISTANCE OF 39.98 FEET TO THE NORTHEAST CORNER OF LOT 7 OF SAID LAS PALMAS ESTATES MAP;

THENCE SOUTHWESTERLY ALONG THE NORTH LINE OF SAID LOT, S84°57'00"W A DISTANCE OF 130.49 FEET TO THE EASTERLY RIGHT OF WAY LINE OF CAMINO DEL NORTE, BEING 25.00 FEET IN HALF WIDTH, AS SHOWN ON SAID LAS PALMAS ESTATES MAP, AND THE BEGINNING OF A NON TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS 116.04 FEET TO WHICH A RADIAL LINE BEARS N89°50'00"E;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 32°33'54" AN ARC DISTANCE OF 65.95 FEET TO THE MOST SOUTHERLY CORNER OF LOT 1 TRACT 3630, RECORDED IN MAP BOOK 62, PAGE 14 OF SAID COUNTY;

THENCE ALONG THE EASTERLY LINES OF SAID LOT 1 OF SAID TRACT THE FOLLOWING TWO COURSES:

1. N49°30'58"E A DISTANCE OF 147.53 FEET;
2. N00°10'00"W A DISTANCE OF 211.88 FEET TO THE SOUTH RIGHT OF WAY LINE OF STEVENS ROAD, BEING 40 FEET IN HALF WIDTH, AS SHOWN ON SAID LAS PALMAS ESTATES MAP;

THENCE ALONG SAID SOUTH RIGHT OF WAY LINE N89°50'00"E A DISTANCE OF 299.50 FEET TO THE WEST RIGHT OF WAY LINE OF PALM CANYON ROAD, FORMERLY MAIN BOULEVARD, BEING 30.00 FEET IN HALF WIDTH, AS SHOWN ON SAID LAS PALMAS ESTATES MAP;

THENCE ALONG SAID WEST RIGHT OF WAY LINE THE FOLLOWING THREE COURSES:

1. S00°00'00"W A DISTANCE OF 211.88 FEET;
2. S89°50'00"W A DISTANCE OF 20.00 FEET;
3. S00°00'00"W A DISTANCE OF 106.83 FEET TO THE POINT OF BEGINNING.

SAID DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN PARCEL MERGER GRANT DEED PM 22-04-1475, RECORDED JANUARY 26, 2023 AS INSTRUMENT NO. 2023-0024886 OFFICIAL RECORDS.

Assessor's Parcel Number: 505-182-010, 505-182-004

EXHIBIT "B"

Scope of Work and Project Description

Borrower: ALOE PALM CANYON, L.P., a California Limited Partnership

Address: 7530 Santa Monica Blvd., West Hollywood, CA 90046

Project Title: Aloe Palm Canyon Apartments

Location: Approximately 1.75 acres of vacant land located at 1475 N. Palm Canyon Drive, southwest corner of N. Palm Canyon Drive and W. Steven Road, Palm Springs, CA 92262, County of Riverside, State of California, also identified as Assessor's Parcel Numbers 505-182-004 and 505-182-010.

Project Description:

ALOE PALM CANYON, L.P., a California limited partnership, will utilize \$3,000,000 in PLHA funds for the development and construction of a new multifamily affordable housing project and related amenities located at 1475 N. Palm Canyon Drive, southwest corner of N. Palm Canyon Drive and W. Steven Road, Palm Springs, CA 92262, County of Riverside, State of California, identified as Assessor's Parcel Numbers 505-182-004 and 505-182-010. When complete, the Project will consist of a total of 71 one-bedroom units (approximately 600 square feet) including 69 affordable rental units and 2 on-site manager units.

At most approximately forty nine percent (49%) of the Units not occupied by a manager or thirty-three (33) of the Units constructed on the Property shall be restricted to rental to and occupancy by qualified Low and Very Low Income Households (collectively, "PLHA Units" or "Restricted Units") at an Affordable Rent (as hereinafter defined). At least twenty percent (20%) of the PLHA Units or seven (7) PLHA Units shall be restricted to occupancy by Very Low Income Households at or below 50% of the area median income: 7 one-bedroom units. Twenty-six (26) PLHA Units shall be rented to and occupied by Low Income Households at or below 80% of the area median income: 26 one-bedroom units. One-bedroom units shall be approximately 600 square feet each.

The **Scope of Work** shall comply with all entitlements for the Project and include construction of a multi-family apartment complex and related amenities consisting of a total of 71 apartment units. The project will include a community room with a kitchen and computer room/library, a fitness room, and a laundry room. An office for the full-time onsite building managers is located adjacent to the front entrance to the building. Three offices are located onsite for supportive services. Aloe Palm Canyon will include private balconies or patios in each unit and ground floor outdoor shared recreational space.

Exhibit C

Aloe Palm Canyon Apartments Financial Pro Forma

Sources and Uses of Funds; Development Budget; Operating & Loan Details



PROJECT SUMMARY		CA Housing Accelerator
Project Name	Aloe Palm Canyon	
Address	1475 N. Palm Canyon Drive	
City, State ZIP	Palm Springs, CA 92262	
Site Area (sq ft)		76,230
Landscaped Area (sq ft)		0
Parking Area (sq ft)		0
Unit Summary		
Studio		0
One Bedroom		71
Two Bedroom		0
Three Bedroom		0
Four Bedroom		0
Total		71
Residential Area		
1st Floor (sq ft)		19,800
2nd Floor (sq ft)		19,140
Total (sq ft)		38,940
Residential Parking Spaces		
Single		71
Tandem		0
Total		71
Assumptions		
Residential Vacancy Factor (1)		5.00%
Perm Loan Rate (2)		6.00%
Debt Service Coverage Ratio		1.25
Current TCAC 4% Rate		NA
Credit Rate (Cents per Dollar)		NA
Construction Loan Rate		5.48%



INCOME SUMMARY												
UNIT SIZE	% AMI	#	%	SQ FT	TOTAL SQ FT	GROSS RENT	UTILITY ALLOW.	NET RENT	MONTHLY RENT	VPS	MONTHLY SUBSIDY	MONTHLY INCOME
One Bedroom	20%	25	36%	600	15,000	\$330	\$59	\$271	\$6,775	\$1,537	\$30,175	\$36,950
One Bedroom	30%	7	10%	600	4,200	\$495	\$59	\$436	\$3,052	\$1,537	\$7,294	\$10,346
One Bedroom	40%	0	0%	600	0	\$660	\$59	\$601	\$0			\$0
One Bedroom	50%	3	4%	600	1,800	\$825	\$59	\$766	\$2,298			\$2,298
One Bedroom	60%	12	17%	600	7,200	\$990	\$59	\$931	\$11,172			\$11,172
One Bedroom	80%	22	32%	600	13,200	\$1,320	\$59	\$1,261	\$27,742			\$27,742
Manager 1 BR		2		1,033	2,066				\$0			\$0
Subtotal		71	100%		43,466							\$88,508
									51,039	37,469		
Gross Annual Rental Income									\$612,468			\$1,062,096
Laundry/Vending Income @ \$6 per unit per month												\$5,112
Less: Vacancy @ 5.00% per year												(\$53,360)
Effective Gross Annual Rental Income												\$1,013,848
Less: Operating Expenses @ \$6,834 per unit												(\$485,239)
Net Operating Income												\$528,608
Cash Flow Available for Debt Service												\$422,887
Aver. AMI 48.41%												



OPERATING EXPENSE SUMMARY					
		YEAR 1	PER SQ FT	PER UNIT	PER MON
			38,940	71	
ADMINISTRATIVE EXPENSES					
Advertising		\$1,500	\$0.04	\$21	\$125
Legal		\$1,500	\$0.04	\$21	\$125
Accounting/Audit		\$15,000	\$0.39	\$211	\$1,250
Security		\$15,000	\$0.39	\$211	\$1,250
Real Page Software	17.30	\$14,324	\$0.37	\$202	\$1,194
SUBTOTAL ADMINISTRATIVE EXPENSES		\$47,324	\$1.22	\$667	\$3,944
MANAGEMENT FEE	\$680	\$46,920	\$1.20	\$661	\$3,910
UTILITIES					
Gas	\$150	\$10,650	\$0.27	\$150	\$888
Electric	\$300	\$21,300	\$0.55	\$300	\$1,775
Water/Sewer	\$550	\$25,850	\$0.66	\$364	\$2,154
SUBTOTAL UTILITIES		\$57,800	\$1.48	\$814	\$4,817
PAYROLL					
On-Site Manager		\$55,000	\$1.41	\$775	\$4,583
Maintenance Personnel		\$35,000	\$0.90	\$493	\$2,917
Benefits & Compensation		\$25,200	\$0.65	\$355	\$2,100
SUBTOTAL PAYROLL		\$115,200	\$2.96	\$1,623	\$9,600
INSURANCE		\$44,395	\$1.14	\$625	\$3,700
MAINTENANCE					
Painting		\$8,000	\$0.21	\$113	\$667
Repairs		\$25,000	\$0.64	\$352	\$2,083
Trash Removal		\$7,000	\$0.18	\$99	\$583
Exterminating		\$4,000	\$0.10	\$56	\$333
Grounds		\$7,500	\$0.19	\$106	\$625
Elevator		\$7,500	\$0.19	\$106	\$625
SUBTOTAL MAINTENANCE		\$59,000	\$1.52	\$831	\$4,917
OTHER EXPENSES					
Business License Tax		\$5,000	\$0.13	\$70	\$417
County Loan Monitoring Fees		\$6,900	\$0.18	\$97	\$575
Other		\$0	\$0.00	\$0	\$0
SUBTOTAL OTHER EXPENSES		\$11,900	\$0.31	\$168	\$992
SUBTOTAL OPERATING EXPENSES		\$382,539	\$9.82	\$5,388	\$31,878
Service Amenities		\$75,000	\$1.93	\$1,056	\$6,250
Replacement Reserves	\$300	\$20,700	\$0.53	\$292	\$1,725
Real Estate Taxes		\$7,000	\$0.18	\$99	\$583
TOTAL EXPENSES		\$485,239	\$12.46	\$6,834	\$40,437
Asset Management Fee		\$25,000	\$0.64	\$352	\$2,083
Managing General Partner Fee		\$11,000	\$0.28	\$155	\$917
TOTAL PROJECT EXPENSES		\$36,000	\$0.92	\$507	\$3,000



Aloe Palm Canyon

DEVELOPMENT BUDGET				
	BUDGET	PER SQ FT	PER UNIT	ELIG BASIS
ACQUISITION		38,940	71	
Land Value	\$2,300,000	\$59	\$32,394	*****
Demo	\$0	\$0	\$0	*****
Existing Improvements Value	\$0	\$0	\$0	\$0
Off-Site Improvements	\$0	\$0	\$0	\$0
SUBTOTAL ACQUISITION COSTS	\$2,300,000	\$59	\$32,394	\$0
CONSTRUCTION				
Site Work	\$3,874,000	\$99	\$54,563	\$3,874,000
Structures	\$23,747,900	\$610	\$334,477	\$23,747,900
General Requirements	\$1,381,095	\$35	\$19,452	\$1,381,095
Contractor Overhead & Profit	\$1,933,533	\$50	\$27,233	\$1,933,533
Insurance Pmt Perf Bond	\$1,063,443	\$27	\$14,978	\$1,063,443
SUBTOTAL CONSTRUCTION COSTS \$450,704	\$31,999,971	\$822	\$450,704	\$31,999,971
ARCHITECTURE				
Design	\$400,000	\$10	\$5,634	\$400,000
Supervision	\$200,000	\$5	\$2,817	\$200,000
Survey & Engineering	\$375,000	\$10	\$5,282	\$375,000
SUBTOTAL ARCHITECTURE COSTS	\$975,000	\$25	\$13,732	\$975,000
CONSTRUCTION LOAN				
Construction Interest Expense 20	\$2,174,000	\$56	\$30,620	\$0
Origination Fee 0.75%	\$269,782.55	\$7	\$3,800	\$269,783
Real Estate Taxes	\$0	\$0	\$0	\$0
Property Insurance	\$618,750	\$16	\$8,715	\$618,750
Title & Recording	\$120,000	\$3	\$1,690	\$120,000
Bank Inspector	\$30,000	\$1	\$423	\$30,000
Other Lender Costs & Fees	\$20,000	\$1	\$282	\$20,000
SUBTOTAL CONSTRUCTION LOAN	\$3,232,533	\$83	\$45,529	\$1,058,533
PERMANENT FINANCING				
Loan Origination Fee 1.1500%	\$69,980	\$2	\$986	*****
Application Fee	\$27,628	\$1	\$389	*****
Title & Recording	\$10,000	\$0	\$141	*****
LEGAL	\$45,000	\$1	\$634	*****
SUBTOTAL PERMANENT FINANCING	\$152,607	\$4	\$2,149	\$0
LEGAL FEES				
Lender Legal Paid by Applicant	\$75,000	\$2	\$1,056	\$75,000
Transaction Legal Fees	\$75,000	\$2	\$1,056	\$15,000
SUBTOTAL ATTORNEY COSTS	\$150,000	\$4	\$2,113	\$90,000
RESERVES				
Transition Reserve	\$67,444	\$2	\$950	*****
Three Month Operating Reserve	\$311,332	\$8	\$4,385	*****
SUBTOTAL RESERVE COSTS	\$378,776	\$10	\$5,335	\$0
OTHER PROJECT COSTS				
Appraisal Costs	\$10,000	\$0	\$141	\$10,000
Hard Cost Contingency 5.75%	\$1,839,998	\$47	\$25,915	\$1,839,998
Environmental Audit	\$50,000	\$1	\$704	\$50,000
Local Development Impact Fees	\$30,000	\$1	\$423	\$30,000
Permit Processing Fees \$500	\$40,000	\$1	\$563	\$40,000
Capital Fees	\$0	\$0	\$0	\$0
Marketing	\$10,000	\$0	\$141	*****
Furnishings	\$65,000	\$2	\$915	\$65,000
Market Study	\$10,000	\$0	\$141	\$10,000
Accounting/Reimbursables	\$25,000	\$1	\$352	*****
Soft Cost Contingency 3%	\$211,223.37	\$5	\$2,975	\$211,223
ACBCI Monitoring	\$32,200	\$1	\$454	\$32,200
Construction Mgmt, Deputy Inspections & Security	\$268,441	\$7	\$3,781	\$268,441
Green Building Certification	\$60,000	\$2	\$845	\$60,000
Lease Up Expense & Fee \$500	15,000	\$0	\$211	*****
Predevelopment Interest & Fees	\$75,000	\$2	\$1,056	*****
SUBTOTAL OTHER COSTS	\$2,741,863	\$70	\$38,618	\$2,616,863
DEVELOPER COSTS				
Developer Overhead/Profit	\$2,200,000	\$56	\$30,986	\$2,200,000
Consultant/Processing Agent	\$0	\$0	\$0	\$0
Project Administration	\$0	\$0	\$0	\$0
Broker Fees Paid to a Related Party	\$0	\$0	\$0	\$0
Construction Oversight by Developer	\$0	\$0	\$0	\$0
SUBTOTAL DEVELOPER COSTS	\$2,200,000	\$56	\$30,986	\$2,200,000
TOTAL DEVELOPMENT COSTS	\$44,130,750	\$1,133	\$621,560	\$38,940,366



CASH FLOW		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
REVENUE																
Rental Revenue	2.5%	\$531,168	\$544,447	\$558,058	\$572,010	\$586,310	\$600,968	\$615,992	\$631,392	\$647,177	\$663,356	\$679,940	\$696,938	\$714,362	\$732,221	\$750,526
Other Income - PSH	2.5%	\$81,300	\$83,333	\$85,416	\$87,551	\$89,740	\$91,983	\$94,283	\$96,640	\$99,056	\$101,533	\$104,071	\$106,673	\$109,339	\$112,073	\$114,875
Rental Subsidy Income	2.5%	\$1,228	\$89,716	\$81,959	\$94,298	\$96,615	\$98,930	\$101,256	\$104,043	\$108,644	\$109,310	\$112,043	\$114,844	\$117,715	\$120,658	\$123,675
Other Income	2.5%	\$362,100	\$371,153	\$380,431	\$389,842	\$399,691	\$409,683	\$419,925	\$430,423	\$441,184	\$452,213	\$463,519	\$475,107	\$486,984	\$499,159	\$511,638
Less: Vacancy	5.0%	\$5,112	\$5,240	\$5,371	\$5,505	\$5,643	\$5,784	\$5,928	\$6,077	\$6,228	\$6,384	\$6,544	\$6,707	\$6,875	\$7,047	\$7,223
Less: Vacancy (PSH)	5.0%	(\$30,935)	(\$31,708)	(\$32,294)	(\$32,958)	(\$33,709)	(\$34,541)	(\$40,469)	(\$42,492)	(\$44,617)	(\$46,847)	(\$49,190)	(\$51,649)	(\$54,232)	(\$56,943)	(\$59,780)
Less: Vacancy	5.0%	(\$22,170)	(\$22,724)	(\$23,665)	(\$23,953)	(\$24,306)	(\$24,721)	(\$25,003)	(\$25,453)	(\$25,915)	(\$26,394)	(\$26,891)	(\$27,407)	(\$27,942)	(\$28,496)	(\$29,069)
Less: Vacancy	5.0%	(\$256)	(\$262)	(\$275)	(\$289)	(\$303)	(\$318)	(\$334)	(\$351)	(\$369)	(\$387)	(\$406)	(\$427)	(\$448)	(\$470)	(\$494)
SUBTOTAL NET REVENUE		\$1,013,848	\$1,039,184	\$1,063,806	\$1,088,966	\$1,114,682	\$1,140,966	\$1,167,829	\$1,195,279	\$1,223,329	\$1,251,988	\$1,281,267	\$1,311,178	\$1,341,730	\$1,372,935	\$1,404,802
ADMINISTRATIVE EXPENSES																
Advertising	3.5%	\$1,500	\$1,553	\$1,607	\$1,663	\$1,721	\$1,782	\$1,844	\$1,908	\$1,975	\$2,044	\$2,116	\$2,190	\$2,267	\$2,346	\$2,428
Legal	3.5%	\$1,500	\$1,553	\$1,607	\$1,663	\$1,721	\$1,782	\$1,844	\$1,908	\$1,975	\$2,044	\$2,116	\$2,190	\$2,267	\$2,346	\$2,428
Accounting/Audit	3.5%	\$15,000	\$15,525	\$16,068	\$16,631	\$17,213	\$17,815	\$18,438	\$19,084	\$19,752	\$20,443	\$21,159	\$21,900	\$22,666	\$23,459	\$24,280
Security	3.5%	\$15,000	\$15,525	\$16,068	\$16,631	\$17,213	\$17,815	\$18,438	\$19,084	\$19,752	\$20,443	\$21,159	\$21,900	\$22,666	\$23,459	\$24,280
Real Page Software	3.5%	\$14,324	\$14,826	\$15,345	\$15,882	\$16,438	\$17,013	\$17,606	\$18,225	\$18,882	\$19,523	\$20,208	\$20,913	\$21,645	\$22,403	\$23,187
SUBTOTAL ADMINISTRATIVE EXPENSES		\$47,324	\$48,981	\$50,695	\$52,469	\$54,306	\$56,207	\$58,174	\$60,210	\$62,317	\$64,488	\$66,756	\$69,092	\$71,510	\$74,013	\$76,604
MANAGEMENT FEE																
	3.5%	\$46,920	\$48,562	\$50,282	\$52,021	\$53,842	\$55,726	\$57,677	\$59,695	\$61,785	\$63,947	\$66,185	\$68,502	\$70,899	\$73,381	\$75,948
UTILITIES																
Fuel	3.5%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas	3.5%	\$10,650	\$11,023	\$11,409	\$11,808	\$12,221	\$12,649	\$13,092	\$13,550	\$14,024	\$14,515	\$15,023	\$15,548	\$16,091	\$16,656	\$17,239
Electric	3.5%	\$21,300	\$22,046	\$22,817	\$23,616	\$24,442	\$25,298	\$26,183	\$27,100	\$28,048	\$29,030	\$30,046	\$31,097	\$32,186	\$33,312	\$34,474
Water/Sewer	3.5%	\$25,850	\$26,755	\$27,691	\$28,660	\$29,663	\$30,702	\$31,776	\$32,884	\$34,040	\$35,231	\$36,464	\$37,740	\$39,061	\$40,428	\$41,843
SUBTOTAL UTILITIES		\$57,800	\$59,823	\$61,917	\$64,084	\$66,327	\$68,648	\$71,051	\$73,538	\$76,112	\$78,775	\$81,533	\$84,386	\$87,340	\$90,397	\$93,561
PAYROLL																
On-Site Manager	3.5%	\$55,000	\$56,925	\$58,917	\$60,979	\$63,114	\$65,323	\$67,609	\$69,975	\$72,424	\$74,959	\$77,583	\$80,298	\$83,109	\$86,018	\$89,028
Maintenance Personnel	3.5%	\$35,000	\$36,225	\$37,493	\$38,805	\$40,163	\$41,569	\$43,024	\$44,530	\$46,088	\$47,701	\$49,371	\$51,099	\$52,887	\$54,738	\$56,654
Manager's Unit Free Rent	3.5%	\$25,200	\$26,082	\$26,995	\$27,940	\$28,918	\$29,930	\$30,977	\$32,061	\$33,184	\$34,345	\$35,547	\$36,791	\$38,079	\$39,412	\$40,791
SUBTOTAL PAYROLL		\$115,200	\$119,232	\$123,405	\$127,724	\$132,195	\$136,821	\$141,610	\$146,567	\$151,696	\$157,008	\$162,501	\$168,189	\$174,075	\$180,188	\$186,474
INSURANCE																
	3.5%	\$44,395	\$45,949	\$47,557	\$49,222	\$50,944	\$52,727	\$54,573	\$56,483	\$58,460	\$60,506	\$62,624	\$64,815	\$67,084	\$69,432	\$71,862
MAINTENANCE																
Painting	3.5%	\$8,000	\$8,280	\$8,570	\$8,870	\$9,180	\$9,501	\$9,834	\$10,178	\$10,534	\$10,903	\$11,285	\$11,680	\$12,089	\$12,512	\$12,950
Repairs	3.5%	\$25,000	\$25,875	\$26,781	\$27,718	\$28,688	\$29,692	\$30,731	\$31,807	\$32,920	\$34,072	\$35,265	\$36,499	\$37,777	\$39,099	\$40,467
Trash Removal	3.5%	\$7,000	\$7,245	\$7,499	\$7,761	\$8,033	\$8,314	\$8,605	\$8,906	\$9,218	\$9,540	\$9,874	\$10,220	\$10,577	\$10,948	\$11,331
Exterminating	3.5%	\$4,000	\$4,140	\$4,295	\$4,455	\$4,620	\$4,791	\$4,967	\$5,156	\$5,357	\$5,571	\$5,798	\$6,038	\$6,291	\$6,558	\$6,838
Grounds	3.5%	\$7,500	\$7,763	\$8,034	\$8,315	\$8,606	\$8,908	\$9,219	\$9,542	\$9,876	\$10,222	\$10,579	\$10,950	\$11,333	\$11,730	\$12,140
Elevator	3.5%	\$7,500	\$7,763	\$8,034	\$8,315	\$8,606	\$8,908	\$9,219	\$9,542	\$9,876	\$10,222	\$10,579	\$10,950	\$11,333	\$11,730	\$12,140
SUBTOTAL MAINTENANCE		\$59,000	\$61,061	\$63,202	\$65,414	\$67,704	\$70,073	\$72,526	\$75,064	\$77,692	\$80,411	\$83,225	\$86,138	\$89,153	\$92,273	\$95,503
OTHER EXPENSES																
Business License Tax	3.5%	\$5,000	\$5,175	\$5,356	\$5,544	\$5,738	\$5,938	\$6,146	\$6,361	\$6,584	\$6,814	\$7,053	\$7,300	\$7,555	\$7,820	\$8,093
Parking Covenant Fee	3.5%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.0%	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900
Other	3.5%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	3.5%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUBTOTAL OTHER EXPENSES		\$11,900	\$12,075	\$12,256	\$12,444	\$12,638	\$12,838	\$13,046	\$13,261	\$13,484	\$13,714	\$13,953	\$14,200	\$14,455	\$14,720	\$14,993
SUBTOTAL OPERATING EXPENSES																
		\$382,539	\$395,687	\$409,294	\$423,378	\$437,995	\$453,042	\$468,657	\$484,818	\$501,545	\$518,858	\$536,776	\$555,322	\$574,517	\$594,384	\$614,945
Service Amenities																
	3.5%	\$75,000	\$77,825	\$80,342	\$83,154	\$86,064	\$89,074	\$92,194	\$95,421	\$98,761	\$102,217	\$105,795	\$109,498	\$113,330	\$117,297	\$121,402
Replacement Reserves																
	2.0%	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700	\$20,700
Real Estate Taxes																
	2.0%	\$7,000	\$7,140	\$7,283	\$7,428	\$7,577	\$7,729	\$7,883	\$8,041	\$8,202	\$8,366	\$8,533	\$8,704	\$8,878	\$9,055	\$9,236
TOTAL EXPENSES		\$485,239	\$501,152	\$517,619	\$534,660	\$552,296	\$570,547	\$589,434	\$608,980	\$629,208	\$650,141	\$671,804	\$694,223	\$717,425	\$741,435	\$766,284
NET OPERATING INCOME																
		\$528,608	\$538,042	\$546,187	\$554,305	\$562,386	\$570,420	\$578,395	\$586,299	\$594,121	\$601,847	\$609,463	\$616,954	\$624,305	\$631,499	\$638,519
Debt Service																
	0.42%	\$421,822	\$421,822	\$421,822	\$421,822	\$421,822	\$421,822	\$421,822	\$421,822	\$421,822	\$421,822	\$421,822	\$421,822	\$421,822	\$421,822	\$421,822
HCD MHP DSV/NPLH MONITORING F																
		\$26,936	\$26,936	\$26,936	\$26,936	\$26,936	\$26,936	\$26,936	\$26,936	\$26,936	\$26,936	\$26,936	\$26,936	\$26,936	\$26,936	\$26,936
Debt Service Coverage Ratio																
		1.18	1.20	1.22	1.24	1.25	1.27	1.29	1.31	1.32	1.34	1.36	1.37	1.39	1.41	1.42
CASH FLOW AFTER DEBT SERVICE																
		\$79,850	\$89,284	\$97,430	\$105,548	\$113,629	\$121,662	\$129,637	\$137,542	\$145,363	\$153,089	\$160,705	\$168,197	\$175,548	\$182,742	\$189,761
TCAC 25% test (1st 3 yrs)																
		18.93%	21.17%	23.10%												
Deferred Developer Fee																
		\$79,850	\$89,284	\$97,430	\$105,548	\$113,629	\$121,662	\$129,637	\$137,542	\$145,363	\$153,089	\$160,705	\$168,197	\$175,548	\$182,742	\$189,761
Deferred Developer Fee Balance																
	\$700,000	\$620,150	\$530,865	\$433,436	\$327,888	\$214,260	\$97,598	\$0	\$0	\$0	\$0					



DEBT CALCULATION	
Annual Net Operating Income	\$528,608
Debt Service Coverage Ratio	1.25
Cash Flow Available for Debt Service	\$422,887
	6.11%
Permanent Loan Term	35
MAXIMUM PERMANENT LOAN	\$6,100,533

Loan	\$	6,085,175
Debt Service	\$	421,822



Aloe Palm Canyon
CA Housing Accelerator

PERMANENT USES & SOURCES		
	AMOUNT	PER UNIT
DEVELOPMENT COSTS (USES)		71
Land	\$2,300,000	\$32,394
Hard Costs	\$31,999,971	\$450,704
Soft Costs	\$9,830,779	\$138,462
TOTAL USES	\$44,130,750	\$621,560
PERM FINANCING (SOURCES)	AMOUNT	PER UNIT
Permanent Loan (JLL Capital)	\$6,085,175	\$85,707
CHA (HCD)	\$20,928,000	\$294,761
NPLH (HCD)	\$6,413,275	\$90,328
City of Palm Springs	\$7,004,300	\$98,652
Riverside County	\$3,000,000	\$42,254
Deferred Fee	\$700,000	\$9,859
TOTAL SOURCES	\$44,130,750	\$621,560
Check	\$0	0

CONSTRUCTION USES & SOURCES		
	AMOUNT	PER UNIT
DEVELOPMENT COSTS (USES)		
Land	\$2,300,000	\$32,394
Hard Costs	\$31,999,971	\$450,704
Soft Costs	\$9,830,779	\$138,462
TOTAL USES	\$44,130,750	\$621,560
CONSTRUCTION FIN (SOURCES)		
Construction Loan	\$22,637,674	\$318,840
LIIF	\$10,000,000	\$140,845
City of Palm Springs	\$7,004,300	\$98,652
Riverside County	\$3,000,000	\$42,254
Deferred Costs & Fee	\$1,488,776	\$20,969
TOTAL SOURCES	\$44,130,750	\$621,560
Check	\$0	

Maximum Generated Fee	2,200,000
Deferred Developer Fee	(700,000)
Cash Developer Fee	1,500,000

EXHIBIT D

SCHEDULE OF PERFORMANCE

1.	<u>Financing.</u> Borrower shall timely submit applications for financing for the Project.	Completed.
2.	<u>Additional Financing.</u> If necessary, Borrower shall re-apply for financing for the Project or apply for additional financing.	Following COUNTY approval and execution of the Agreement, but in no event later than June 30, 2023.
3.	<u>Project Budget and Plans.</u> Borrower shall submit to COUNTY the Project Budget and Plans.	A draft Project Budget and Plans shall be submitted not later than 120 days prior to the date proposed for Closing, with a final Project Budget delivered prior to Closing.
4.	<u>Financing Commitments and Documents.</u> Borrower shall submit to COUNTY financing commitments and draft legal agreements for all construction and permanent financing for the Project.	As soon as reasonably practical, but in no event later than 90 days prior to the Outside Closing Date.
5.	<u>Escrow – Purchase of the Property.</u> If applicable, BORROWER shall open Escrow for the purchase of the Property.	At least 90 days prior to the date proposed for Closing but in no event later than 90 days prior to the Outside Closing Date.
6.	<u>Conditions Precedent to the Closing.</u> BORROWER shall satisfy all conditions precedent to Closing.	Not later than the later to occur of (i) the Outside Closing Date, or (ii) such date as required by TCAC pursuant to an award of LIHTCs made prior to the Outside Closing Date.
7.	<u>Closing Date.</u> The Deed of Trust and all liens required for construction financing for the Project shall be recorded in the Official Records of Riverside County provided all conditions precedent in Section 12 of Agreement remain satisfied.	Not later than the later to occur of (i) the Outside Closing Date, or (ii) such date as required by TCAC pursuant to an award of LIHTCs for the Project made prior to the Outside Closing Date.
8.	<u>Construction Commencement.</u> Borrower shall commence construction of the Project.	Within 90 days of the Closing Date.
9.	<u>Construction Completion.</u> Borrower shall complete construction of the Improvements for the Project (as shown on the Final Construction	Within 30 months of the Closing Date.

	Drawings upon which Borrower's building permit is based).	
10.	<u>Leasing.</u> Borrower shall have entered into leases with Qualified Tenants for the PLHA Units.	Within four (4) months of Notice of Completion.
11.	<u>Submission of Final actual project costs and Sources and Uses of Funds</u>	Within eleven (11) months from Notice of Completion.
12.	<u>Submission of Initial Tenant Checklist report (Exhibit G)</u>	Within 3 months from Notice of Completion.

DOCUMENT SUBMISSION SCHEDULE

Documents	Due Date
1. Construction Activities Reporting	Monthly, due by the 5 th of each month
2. Liability and Certificate of Workers' Compensation Insurance for Borrower and General Contractor (GC)	BORROWER – At Closing. GC –At Closing, but in no event later than the start of construction. Copies of Certificates must be filed and up-to-date throughout the course of the Project with COUNTY additionally insured.
3. Project Site Photos	Bimonthly, due by the 5 th of each month
4. The filing of the Notice of Completion	End of Construction
5. Certificate of Occupancy	End of Construction
6. Tenant Checklist Reporting	Completion of Project; and Semi-Annually– Sept 30th & March 31st
7. Conditional/Unconditional Release for Final from GC, and if applicable, Sub-contractors	Completion of Project
8. Project Completion Report	Completion of Project
9. Final Development Cost - Sources and Uses	Completion of Project
10. Final Cost Certification by CPA	Completion of Project and Audits
11. Final 15/30 Year Cash Flow Projection	Completion of Project
12. Affirmative Fair Housing Marketing Plan, HCD form 935.2A	Marketing Stage
13. Management Plan	Marketing Stage
14. Tenant Selection Policy	Marketing Stage
15. Copy of Lease Agreement	Marketing Stage
16. Flyers, Community Contacts, Outreach, Press Releases, Grand Opening info	Marketing Stage
17. Project Operating Budget	Annual submission
18. Audited Yearly Income Expense Report for the Project	Annual submission

Exhibit E

PLHA DEED OF TRUST

[attached]

Exhibit F

PLHA NOTE

[attached]

[insert street address], [insert city]

Exhibit G: Sample Tenant Checklist

Project Name:

Address:

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

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

Prepared by:

Title:

Phone Number:

Problems or questions please call Mervyn Manalo at (951) 955-0774

If you would like this form prepared on Microsoft Excel e-mailed to you, please contact mmanalo@rivco.org

Exhibit H

COVENANT AGREEMENT

[attached]

Exhibit I

REQUEST FOR NOTICE OF DEFAULT

[attached]

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT HERE>

Exhibit J

ENVIRONMENTAL INDEMNITY

[attached]

EXEMPT RECORDING FEE
Government Code Section 27383

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
3403 Tenth Street, Suite #300
Riverside, CA 92501
Attn. Mervyn Manalo

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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

This DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING WITH ASSIGNMENT OF RENTS (“Deed of Trust”) is made this _____ day of _____, 2023 by ALOE PALM CANYON, L.P., a California limited partnership, (hereinafter referred to as “Trustor”), whose address is 7530 Santa Monica Blvd., West Hollywood, CA 90046. The trustee is COMMONWEALTH LAND TITLE INSURANCE COMPANY, a California corporation (“Trustee”). The beneficiary is the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (hereinafter called “Beneficiary”), whose address is 3403 Tenth Street, Suite #300, Riverside, CA 92501.

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 located at 1475 N. Palm Canyon Drive, southwest corner of N. Palm Canyon Drive and W. Steven Road, Palm Springs, CA 92262, County of Riverside, State of California, also identified as Assessor’s Parcel Numbers 505-182-004 and 505-182-010, and more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (such interest in real property is hereafter referred to as the “Subject Property”);

(B) 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 Trustorship, use,

management, operation leasing or occupancy of the Trust Estate, including those past due and unpaid (the "Rents");

(E) all present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code (the "UCC"), and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, theater equipment, seating, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property, but not including personal property that is donated to Trustor (the "Goods," and together with the Real Property, the "Property"); and

(F) all present and future right, title and interest of Trustor in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written material (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Real 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 Real Property or any other portion of the Trust Estate) (i) permits, approvals and other governmental authorizations, (ii) improvement plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers, supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) takeout, refinancing and permanent loan commitments, (v) warranties, guaranties, indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (vi) claims, demands, awards, settlements, and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Real 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 shall have, in addition to all rights and remedies provided herein, all the rights and

remedies of a “secured party” under the UCC and other applicable California law. Trustor covenants and agrees that this 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:

(i) 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 Promissory Note Secured by Deed of Trust (PLHA Loan Funds) in favor of the Beneficiary (“County” therein) executed by Trustor (“Borrower” therein) of even date herewith (the “Note”) in the principal amount of **\$3,000,000**;

(b) that certain Loan Agreement for the Use of PLHA Program Funds dated March 21, 2023 and recorded in the Official Records of the County of Riverside (“Official Records”) on or about the date hereof, between Trustor (“Borrower” therein) and Beneficiary (“County” therein) (the “PLHA Loan Agreement”); and

(c) that certain Covenant Agreement (PLHA Loan Funds) dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Trustor (“Borrower” therein) and Beneficiary (“County” therein) (“PLHA Covenant Agreement”).

(ii) payment of indebtedness of the Trustor to the Beneficiary in the original principal amount of **Three Million Dollars (\$3,000,000)** (the “PLHA Loan”), together with any interest or other amounts due according to the terms of the Note and/or the PLHA Loan Agreement.

Said Note, PLHA Loan Agreement and PLHA Covenant Agreement (collectively, referred to as the “Secured Obligations”) and all of their terms are incorporated herein by reference and this Deed of Trust shall secure any and all extensions, amendments, modifications or renewals thereof however evidenced, and additional advances evidenced by any note reciting that it is secured hereby. The Secured Obligations as used herein shall mean, refer to and include the Note, PLHA Loan Agreement and PLHA Covenant Agreement, as well as any riders, exhibits, addenda, implementation agreements, amendments, or attachments thereto (which are hereby incorporated herein by this reference). Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the PLHA Loan Agreement.

TRUSTOR COVENANTS that the Trustor is lawfully seized of the estate hereby conveyed and has the right to grant and convey the fee 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 shall pay the Note at the time and in the manner provided therein, and perform the obligations of the Trustor as set forth in the PLHA Loan Agreement and Covenant Agreement at the time and in the manner respectively provided therein.

2. That Trustor shall not permit or suffer the use of any of the Property for any purpose other than the use set forth in the PLHA Loan Agreement and Covenant Agreement.

3. That the Secured Obligations are incorporated in and made a part of this Deed of Trust. Upon default of any obligation under a Secured Obligation, and after the giving of notice and the expiration of any applicable cure period, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable.

4. That all rents, profits and income from the property covered by this Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor so long as no default exists hereunder after the giving of notice and the expiration of any applicable cure period, to collect such rents, profits and income for use in accordance with the provisions of the PLHA Loan Agreement and PLHA Covenant Agreement.

4a. That upon default hereunder or under any of the Secured Obligations and after giving notice and opportunity to cure, Beneficiary shall be entitled to the appointment of receiver by any court having jurisdiction, without notice, to take possession and protect the Trust Estate described herein and operate the Real Property and collect the rents, profits and income therefrom.

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

6. **Taxes and Insurance.** Trustor shall pay before delinquency all taxes and assessments affecting said Real 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.

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

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

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

Except for the liens permitted in writing by the Beneficiary, Trustor shall promptly discharge any other lien which shall have 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) bonds around the lien (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 shall satisfy such lien or take one or more of the actions set forth above within 30 days of the giving of notice.

9. **Subordinate Priority Position.** This Deed of Trust shall be recorded in a subordinate priority position junior in priority to the PLHA Covenant Agreement and deeds of trust executed by Borrower for the benefit of: Silicon Valley Bank, a division of First Citizens Bank & Trust Company ("SVB"), securing a construction loan in a principal amount up to \$22,436,064; Low Income Investment Fund, a California nonprofit public benefit corporation ("LIIF"), for a construction loan in a principal amount of \$10,000,000; Jones Lang LaSalle Incorporated ("JLL"), securing a permanent loan in a principal amount up to \$6,120,000; California Department of Housing & Community Development ("HCD"), for a permanent loan in a principal amount of \$27,341,275 (\$20,928,000 from California Housing Accelerator and \$6,413,275 from No Place Like Home Program); and City of Palm Springs, a California municipal corporation ("City"), for a construction-to-permanent loan in a principal amount of \$ 7,004,300 (collectively, "Senior Loan"). SVB, LIIF, JLL, HCD and City is hereafter referred to as a "Senior Lender" or "Senior Lien Holder".

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

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

b. Unless Beneficiary and Trustor otherwise agree in writing and subject to the rights of senior lenders, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Trustor determines that such restoration or repair is economically feasible and there is no default continuing beyond the expiration of all applicable cure periods. If Trustor determines that such restoration or repair is not economically feasible or if a default exists after expiration of all applicable cure periods, the insurance proceeds shall be applied to the sums secured by this 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 shall not extend or postpone the due date of Note. If under **Section 27** the Property is acquired by Beneficiary, Trustor's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Beneficiary to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

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

11. Preservation, Maintenance and Protection of the Property; Trustor's Loan Application; Leaseholds. Trustor shall not destroy, damage or impair the Real Property, allow the Real Property to deteriorate, or commit waste on the Real Property; normal wear and tear excepted. Trustor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Beneficiary's good faith judgment could result in forfeiture of the Real 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 Real Property or other material impairment of the lien created by this Deed of Trust or Beneficiary's security interest. Trustor shall also be in default if Trustor, during the loan application process, gave materially false or inaccurate information or statements to Beneficiary (or failed to provide Beneficiary with any material information) in connection with the loan evidenced by the Note, including, but not limited to representations concerning Trustor's use of the Real Property for affordable housing. If this Deed of Trust is on a leasehold, Trustor shall comply with all provisions of the lease. If Trustor acquires

fee title to the Property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

The Trustor acknowledges that the Real Property is subject to certain use and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the Property is located), limiting the Property's use to activities that comply with the PLHA Program (as defined in the PLHA Loan Agreement). 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 applicable 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** shall become additional debt of Trustor secured by this Deed of Trust. Unless Trustor and Beneficiary agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Beneficiary to Trustor requesting payment.

13. Reserved.

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

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

a. In the event of a total taking of the Real Property, the proceeds shall 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 Real Property in which the fair market value of the Real 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 shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Real Property immediately before the taking. Any balance shall be paid to Trustor. In the event of a partial taking of the Real Property in which the fair market value of the Real Property immediately before the taking is less than the amount of

the sums secured immediately before the taking, unless Trustor and Beneficiary otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Deed of Trust whether or not the sums are then due. Notwithstanding the foregoing, so long as the value of Beneficiary's lien is not impaired, any condemnation proceeds may be used by Trustor for repair and/or restoration of the project.

b. If the Real 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 Real 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 shall not extend or postpone the due date of the payments referred to in **Sections 5 and 6** or change the amount of such payments.

16. 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 shall not operate to release the liability of the original Trustor or Trustor's successors in interest. Beneficiary shall 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 shall not be a waiver of or preclude the exercise of any right or remedy.

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

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

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

the address set forth in the PLHA Loan Agreement. Any notice to Beneficiary shall be given by first class mail to Beneficiary's address stated herein or any other address Beneficiary designates by notice to Trustor. Any notice required to be given to a Senior Lien Holder shall be given by first class mail to such other address the Senior Lien Holder designates by notice to the Trustor. Any notice provided for in this Deed of Trust shall be deemed to have been given to Trustor or Beneficiary when given as provided in this Section.

20. **Governing Law; Severability.** This Deed of Trust and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. Each paragraph and provision of this Deed of Trust is severable from each other provision, and if any provision or part thereof is declared invalid, the remaining provisions shall nevertheless remain in full force and effect. 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 shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

21. **Trustor's Copy.** Trustor shall 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 otherwise allowed under the PLHA Loan Agreement, if all or any part of the Real 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 Real Property for activities that comply with the PLHA Loan Agreement) Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by applicable law as of the date of this Deed of Trust. Nothing in this Deed of Trust shall be deemed to require Beneficiary's approval of a conveyance of an easement interest in the Property for utility purposes.

a. If Beneficiary exercises the aforementioned option, Beneficiary shall give Trustor and the Senior Lien Holder, prior written notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Trustor must pay all sums secured by this 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. Reserved.

23. **Trustor's Right to Reinstate.** If Trustor meets certain conditions, Trustor shall 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. Those conditions are that Trustor: (a) pays Beneficiary all sums which then would be due under this Deed of Trust and the Note as if no acceleration had

occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Real Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unchanged. Upon reinstatement by Trustor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under **Section 22**.

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

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

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

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

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

27. **Acceleration; Remedies.** Beneficiary shall give notice to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this Deed of Trust. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, which

shall not be more than ten (10) calendar days from the date of the mailing of the notice for a monetary default, or a date, which shall not be more than sixty (60) 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 shall further inform Trustor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Trustor to acceleration and sale. If the default is not cured by the Trustor on or before the date specified in the notice, and the Senior Lien Holder has not cured the default within that same period, subject to any non-recourse provisions then in effect, 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 shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Section 27**, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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

b. Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this 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 shall release this Deed of Trust without charge to Trustor. Trustor shall pay any recordation costs. The lien of the Covenant Agreement shall not be released or reconveyed until the expiration of the term set forth therein notwithstanding the payment of all sums secured by this 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 shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

30. **Modification of Senior Loan Documents.** Any agreement or arrangement, in which a Senior Lender waives, postpones, extends, reduces, or modifies any provisions of the Senior Lien Holder Deed of Trust or any other Senior Lenders loan documents, including any provisions requiring the payment of money, shall require the prior written approval of Beneficiary.

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

32. **Severability.** Each paragraph and provision of this Deed of Trust is severable from each other provision, and if any provision or part thereof is declared invalid by a competent court of law, the remaining provisions shall nevertheless remain in full force and effect.

33. **Counterparts.** This Deed of Trust may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.

[Remainder of Page Blank]

[Signatures on Following Page]

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

TRUSTOR:

ALOE PALM CANYON, L.P.,
a California limited partnership

By: Aloe Palm Canyon LLC,
a California limited liability company

Its: General Partner

By: West Hollywood Community Housing Corporation,
a California nonprofit public benefit corporation

Its: Sole Member

By: form - do not sign

Name: Jesse Slansky

Its: President and Chief Executive Officer

Date: _____, 2023

(TRUSTOR signature must be notarized)

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT HERE>

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING THOSE PORTIONS OF LOTS 5, 6 AND 12 IN BLOCK A OF LAS PALMAS ESTATES, AS SHOWN BY MAP ON FILE IN BOOK 15, PAGES 15 AND 16 OF MAPS, RECORDS OF RIVERSIDE COUNTY, TOGETHER WITH THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, IN THE TOWNSHIP 4 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A

BEGINNING AT THE NORTHEASTERLY CORNER OF LOT 11 OF SAID LAS PALMAS ESTATES MAP; THENCE ALONG THE NORTH LINE OF SAID LOT 11, S89°50'00"W A DISTANCE OF 152.05 FEET TO THE WEST LINE OF SAID LOT;

THENCE SOUTHERLY ALONG SAID WEST LINE, S00°10'00"E A DISTANCE OF 39.98 FEET TO THE NORTHEAST CORNER OF LOT 7 OF SAID LAS PALMAS ESTATES MAP;

THENCE SOUTHWESTERLY ALONG THE NORTH LINE OF SAID LOT, S84°57'00"W A DISTANCE OF 130.49 FEET TO THE EASTERLY RIGHT OF WAY LINE OF CAMINO DEL NORTE, BEING 25.00 FEET IN HALF WIDTH, AS SHOWN ON SAID LAS PALMAS ESTATES MAP, AND THE BEGINNING OF A NON TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS 116.04 FEET TO WHICH A RADIAL LINE BEARS N89°50'00"E;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 32°33'54" AN ARC DISTANCE OF 65.95 FEET TO THE MOST SOUTHERLY CORNER OF LOT 1 TRACT 3630, RECORDED IN MAP BOOK 62, PAGE 14 OF SAID COUNTY;

THENCE ALONG THE EASTERLY LINES OF SAID LOT 1 OF SAID TRACT THE FOLLOWING TWO COURSES:

1. N49°30'58"E A DISTANCE OF 147.53 FEET;
2. N00°10'00"W A DISTANCE OF 211.88 FEET TO THE SOUTH RIGHT OF WAY LINE OF STEVENS ROAD, BEING 40 FEET IN HALF WIDTH, AS SHOWN ON SAID LAS PALMAS ESTATES MAP;

THENCE ALONG SAID SOUTH RIGHT OF WAY LINE N89°50'00"E A DISTANCE OF 299.50 FEET TO THE WEST RIGHT OF WAY LINE OF PALM CANYON ROAD,

FORMERLY MAIN BOULEVARD, BEING 30.00 FEET IN HALF WIDTH, AS SHOWN ON SAID LAS PALMAS ESTATES MAP;

THENCE ALONG SAID WEST RIGHT OF WAY LINE THE FOLLOWING THREE COURSES:

1. S00°00'00"W A DISTANCE OF 211.88 FEET;
2. S89°50'00"W A DISTANCE OF 20.00 FEET;
3. S00°00'00"W A DISTANCE OF 106.83 FEET TO THE POINT OF BEGINNING.

SAID DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN PARCEL MERGER GRANT DEED PM 22-04-1475, RECORDED JANUARY 26, 2023 AS INSTRUMENT NO. 2023-0024886 OFFICIAL RECORDS.

Assessor's Parcel Number: 505-182-010, 505-182-004

PROMISSORY NOTE SECURED BY DEED OF TRUST

PLHA LOAN FUNDS

\$3,000,000 (“Loan Amount”) _____, 2023 (“Note Date”)

FOR VALUE RECEIVED, ALOE PALM CANYON, L.P., a California limited partnership (“BORROWER”), promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), at 3403 Tenth Street, Suite #300, Riverside, CA 92501, or order, the sum of **Three Million Dollars (\$3,000,000 USD)** (the “PLHA Loan” or “Note Amount”) which at the time of payment is due in funds lawful for the payment of public and private debts.

This Promissory Note Secured by Deed of Trust – PLHA Loan Funds (this “Note”) is given in accordance with that certain Loan Agreement for the Use of PLHA Program Funds executed by COUNTY and BORROWER, dated as of _____, 2023 and recorded in the Official Records of the County of Riverside (“Official Records”) on or about the date hereof (the “PLHA Loan Agreement”). Except to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings ascribed to such terms in the PLHA Loan Agreement. The 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 COUNTY dated _____, 2023 and recorded on or about the date hereof in the Official Records (the “PLHA Deed of Trust” or “Deed of Trust”). This Note, the PLHA Loan Agreement, the Deed of Trust, the Covenant (as hereinafter defined) and all agreements entered into in connection with the foregoing, and any amendments or modifications thereto, shall collectively be referred to herein as the “PLHA Loan Documents.”

The rights and obligations of the BORROWER and COUNTY under this Note shall be governed by the PLHA Loan Documents and the following terms:

1. The PLHA Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to the Permanent Local Housing Allocation (“PLHA”) Program Statutes, Final Guidelines, Notice Of Funding Availability, a Standard Agreement and applicable rules and regulations imposed by the Department of Housing and Community Development (“HCD”) on PLHA funding recipients (collectively, the “PLHA Program”). BORROWER agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on rent and occupancy set forth in the PLHA Program regulations, the PLHA Loan Documents and that certain Covenant Agreement dated on or about the date hereof and recorded on or about the date hereof in the Official Records between BORROWER and COUNTY (“Covenant”).
2. That the PLHA Loan will accrue simple interest at a rate of three percent (3%) per annum, except in the case of default, as hereinafter provided, and shall be repaid on an annual basis from the Project’s Residual Receipts as defined herein. Interest will accrue 30 days from the date of recordation of the Notice of Completion in the Official Records.
3. This Note shall be repaid according to the following: i) fifty percent (50%) of the Project’s Residual Receipts shall be paid to COUNTY and the City of Palm Springs (“City”), pro

rata with respect to the amounts of their respective loans for the Project, annually in accordance with the terms set forth herein. The pro rata share split shall be fifty percent (50%) to the City and fifty percent (50%) to COUNTY ("Pro Rata Share"). Such payment of the Pro Rata Share of fifty percent (50%) of the Project's Residual Receipts to City and COUNTY shall continue annually until the City's promissory note and COUNTY's PLHA Note are repaid in full, respectively; and ii) the remaining fifty percent (50%) of the Project's Residual Receipts will be paid to BORROWER.

4. The Project's Residual Receipts shall be determined based on an annual review of audited financial statements for the Project. Annual audited financial statements shall be submitted by BORROWER within one hundred twenty (120) days following the close of the project fiscal year commencing on April 1 of the first full calendar year following the recordation of the Notice of Completion for the Project. All outstanding principal along with accrued interest shall be due upon the later to occur of (i) July 1, 2079 or (ii) fifty-five (55) years from and after the recordation of the Notice of Completion (the "Maturity Date"). The first payment shall be due on July 1st in the first full calendar year following the date of the recordation of the Notice of Completion for the Project, to the extent of available Residual Receipts, as set forth herein. Subsequent payments shall be made on July 1st thereafter to the extent of available Residual Receipts until the sooner of full repayment of the PLHA Loan or the Maturity Date as set forth above.
5. The term "Project Residual Receipts" as used herein shall mean 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 \$55 per unit per month, increased annually by an amount not to exceed the greater of (i) three and a half percent (3.5%) or (ii) the increase in the Consumer Price Index for Riverside-San Bernardino-Ontario, CA area ("CPI");
 - iii) operating expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which shall include administration, on-site management costs, utilities, on-site staff payroll, payroll taxes, and maintenance);
 - iv) required deposits into replacement reserves, established in a separate account from operating reserves, limited to \$300 per unit per year for all units in the Project, increased annually by an amount not to exceed the greater of (i) three percent (3%) or (ii) the increase in CPI;
 - v) required operating reserve replenishments in an amount up to \$175,000 per year;
 - vi) required payments of principal and interest on amortized loans and indebtedness senior to the PLHA Loan, which have been approved by COUNTY (collectively, the "Senior Debt");
 - vii) COUNTY's Monitoring Fee in the total annual amount of \$7,100, increased annually by an amount equal to the increase in CPI for the San Bernardino-Riverside-Ontario, CA area, but in no event to exceed 5% annually. In the event of a decrease in CPI, the Monitoring Fee currently in effect shall remain the same

- and shall not decrease, as more specifically discussed in **Section 30** of the PLHA Loan Agreement;
- viii) repayment of any operating deficit loans made by a partner to the BORROWER and payment of unpaid tax credit adjustment payments owed to a limited partner of BORROWER;
 - ix) General Partner Management Fee up to \$38,168 and increasingly annually by three and a half percent (3.5%), or such greater amount allowed by HCD; and
 - x) payment of deferred developer fees pursuant to BORROWER'S limited partnership agreement.
6. The PLHA Loan evidenced by this Note is secured by that certain PLHA Deed of Trust executed by BORROWER for the benefit of COUNTY, dated on or about the date hereof and recorded in the Official Records.
7. This Note may be prepaid in whole or in part by the undersigned at any time without prepayment penalty or premium, provided however notwithstanding such prepayment, BORROWER shall be required to adhere to the affordability restrictions contained in the Covenants until the expiration of the Term contained therein.
8. Subject to the provisions and limitations of this **Section 8**, the obligation to repay the Note Amount is a nonrecourse obligation of BORROWER and its partners. Neither BORROWER nor its shareholders, members or partners shall have any personal liability for repayment of the Note Amount, except as provided in this **Section 8**. The sole recourse of the COUNTY shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the PLHA Loan; provided, however, that the foregoing shall not (i) constitute a waiver of any other obligation evidenced by this Note or the Deed of Trust; (ii) limit the right of the COUNTY to name BORROWER as a party defendant in any action or suit for judicial foreclosure and sale under this Note and the Deed of Trust or any action or proceeding hereunder so long as no judgment in the nature of a deficiency judgment shall be asked for or taken against BORROWER; (iii) release or impair either this Note or the Deed of Trust; (iv) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, any other remedy against the mortgaged Property or any other instrument securing this Note or as prescribed by law or in equity in case of default; (v) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, its remedies in respect of any deposits, insurance proceeds, condemnation awards or other monies or other collateral or letters of credit securing this Note; or (vi) affect in any way the validity of any guarantee or indemnity from any person of all or any of the obligations evidenced and secured by this Note and the Deed of Trust. Notwithstanding the first sentence of this **Section 8**, the COUNTY may recover directly from BORROWER or, unless otherwise prohibited by any applicable law, from any other party: (a) any actual damages, costs and expenses incurred by the COUNTY as a result of fraud, misrepresentation or any criminal act or acts of BORROWER or any general partner, member, shareholder, officer, director or employee of BORROWER, or of any general partner of such member or general partner; (b) any damages, costs and expenses incurred by the COUNTY as a result of any misappropriation of funds provided to pay costs as

described in the PLHA Loan Agreement, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; (c) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the Deed of Trust; (d) the fair market value of any personal property or fixtures removed or disposed of by the BORROWER other than in accordance with the Deed of Trust; (e) any and all amounts owing by BORROWER pursuant to any indemnity set forth in the PLHA Loan Agreement and/or Deed of Trust or the indemnification regarding Hazardous Substances pursuant to the PLHA Loan Agreement and/or Deed of Trust, and (f) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

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

a. Monetary Default. (1) BORROWER's failure to pay when due any sums payable under this Note or any advances made by COUNTY under the PLHA Loan Agreement, (2) BORROWER'S or any agent of BORROWER'S use of PLHA funds for costs other than those costs permitted under the PLHA Loan Agreement or for uses inconsistent with terms and restrictions set forth therein, (3) BORROWER'S or any agent of BORROWER'S failure to make any other payment of any assessment or tax due under the PLHA Loan Agreement, and /or (4) default past any applicable notice and cure period under the terms of (i) any Deed of Trust executed by BORROWER and any other Senior Debt, and (ii) any other instrument or document secured against the Property;

b. Non-Monetary Default - Operation. (1) Discrimination by BORROWER or BORROWER'S agent on the basis of characteristics prohibited by the PLHA Loan Documents or applicable law, (2) the imposition of any encumbrances or liens on the Project without COUNTY's prior written approval that are prohibited under this agreement or that have the effect of reducing the priority or invalidating the lien of the PLHA Deed of Trust, (3) BORROWER's failure to obtain and maintain the insurance coverage required under the PLHA Loan Agreement, (4) any material default under the PLHA Loan Documents, or any document executed by the COUNTY in connection with the PLHA Program, and/or (5) default past any applicable notice and cure period under the terms of any Deed of Trust executed by BORROWER in connection with the Senior Citi Loan and any other Senior Debt and any other instrument or document secured against the Property;

c. General Performance of Loan Obligations. Any substantial or continuous or repeated breach by BORROWER or BORROWER'S agents of any material obligations on BORROWER imposed by the PLHA Loan Documents; and

d. General Performance of Other Obligations. Any substantial or continuous or repeated breach by BORROWER or BORROWER'S agents of any material obligations imposed on the Project by any other agreement with respect to the financing, development, or operation of the Project; whether or not COUNTY is a party to such agreement.

10. COUNTY shall give written notice of default to BORROWER, specifying the default complained of by the COUNTY. BORROWER shall have ten (10) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default. Notwithstanding anything to the contrary contained in the PLHA Loan Documents, COUNTY hereby agrees that BORROWER'S limited partner shall have the right, but not the obligation, to cure any defaults of the BORROWER hereunder and under any of the PHLA Loan Documents, and the COUNTY agrees to accept cures tendered by BORROWER'S limited partner on behalf of the BORROWER within the applicable cure periods set forth therein. Copies of all notices which are sent to the BORROWER under the terms of the PHLA Loan Documents shall also be sent to the BORROWER'S limited partner.
11. Any failures or delays by COUNTY in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by COUNTY in asserting any of its rights and remedies shall not deprive COUNTY of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.
12. If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations shall be completely performed and paid. In the event that any provision or clause of this Note conflicts with applicable law, such conflict will not affect other provisions of this Note which can be given effect without the conflicting provision, and to this end the provisions of this Note are declared to be severable.
13. BORROWER hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this Note, and expressly agrees that, without in any way affecting the liability of BORROWER hereunder, the COUNTY may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder and release any security now or hereafter securing this Note. BORROWER further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this Note, or on any deed of trust, security agreement, guaranty or other agreement now or hereafter securing this Note.
14. Should default be made in payment of principal and interest when due and such default shall continue beyond the applicable notice and cure period provided in the PLHA Loan Agreement, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.
15. This Note has been negotiated and entered in the State of California, and shall be governed by, construed and enforced in accordance with the internal laws of the State of California, applied to contracts made in California by California domiciliaries to be wholly performed in California. Any action at law or in equity arising under this Note or brought by a party

hereto for the purpose of enforcing, construing or determining the validity of any provision of this Note shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

16. No modification, rescission, waiver, release or amendment of any provision of this Note shall be made except by a written agreement executed by BORROWER and the duly authorized representative of the COUNTY.
17. The COUNTY may, in its sole and absolute discretion, assign its rights under this Note and its right to receive repayment of the Note Amount without obtaining the consent of BORROWER.
18. Except as otherwise permitted in the PLHA Loan Documents, in no event shall BORROWER assign or transfer any portion of this Note or any rights herein without the prior express written consent of the COUNTY, which consent the COUNTY may give or withhold in its sole and absolute discretion. In the absence of specific written agreement by the COUNTY, no unauthorized assignment or transfer, or approval thereof by the COUNTY, shall be deemed to relieve BORROWER or any other party from any obligations under the PLHA Loan Agreement or this Note. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.
19. Except as to the permitted deeds of trust identified herein, BORROWER shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion, provided, however, that the permitted deeds of trust may be refinanced provided that neither the position of the COUNTY's loan nor the BORROWER's ability to make payments as required by this Note shall be impaired; the terms of any refinancing shall be commercially reasonable, and no cash proceeds from any such refinancing shall be used for purposes other than repaying the senior debt.
20. The relationship of BORROWER and the COUNTY pursuant to this Note is that of debtor and creditor and shall not be, or be construed to be, a joint venture, equity venture, partnership or other relationship.
21. (a) Formal notices, demands and communications between the COUNTY and BORROWER shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the COUNTY and BORROWER as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or "kick-out" sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of

receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.

(b) COUNTY address for purposes of receiving notices pursuant to this Note is:

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

(c) BORROWER address for purposes of receiving notices pursuant to this Note is:

Aloe Palm Canyon, L.P.
c/o West Hollywood Community Housing Corporation
7530 Santa Monica Blvd.,
West Hollywood, CA 90046
Attention: Jesse Slansky, President & CEO

22. The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
23. The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
24. This Note shall be binding upon BORROWER and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.
25. Counterparts. This Note may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.

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[SIGNATURES ON FOLLOWING PAGE]

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

BORROWER:

ALOE PALM CANYON, L.P.,
a California limited partnership

By: Aloe Palm Canyon LLC,
a California limited liability company

Its: General Partner

By: West Hollywood Community Housing Corporation,
a California nonprofit public benefit corporation

Its: Sole Member

By: form - do not sign
Name: Jesse Slansky
Its: President and Chief Executive Officer
Date: _____, 2023

ENVIRONMENTAL INDEMNITY

THIS ENVIRONMENTAL INDEMNITY (this “Indemnity”), dated as of _____, 2023, is made by ALOE PALM CANYON, L.P., a California limited partnership (referred to as “Indemnitor”), whose address for purposes of giving notices is 7530 Santa Monica Blvd., West Hollywood, CA 90046, in favor of the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY” or “County”), whose address for purposes of giving notices is 3403 Tenth Street, Suite #300, Riverside, CA 92501.

WITNESSETH

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

WHEREAS, Indemnitor and COUNTY have entered into that certain Loan Agreement for the Use of PLHA Program Funds (Aloe Palm Canyon), dated as of _____, 2023 (the “Loan Agreement”), pursuant to which COUNTY agreed to loan to Indemnitor, or its assignee, Three Million Dollars (\$3,000,000) in PLHA Program funds (the “PLHA Loan”) for the purpose of developing an approximately seventy-one (71) unit multifamily rental affordable housing development and related improvements and amenities on the Property; and

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

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

Section 1. DEFINITIONS

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

Section 2. COVENANTS AND INDEMNITY

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

2.1 Covenants.

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

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

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

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

exercise this right only if Indemnitor has failed to commence action to mitigate the effects of the Hazardous Materials within thirty (30) days of receipt of notice from COUNTY.

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

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

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

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

Notwithstanding the foregoing, Indemnitor's liability under this Section 2.2 shall not extend to (i) any Hazardous Substance present or released in, on, or around any part of the Property, or in the soil, groundwater, or soil vapor or under the Property that first arise, commence or occur after the actual dispossession of the Property from Indemnitor and all entities which control, are controlled by, or are under common control with Indemnitor, following foreclosure or acquisition of the

Property by a deed in lieu of foreclosure, or (ii) any Obligations arising from the gross negligence or intentional misconduct of COUNTY or any of its Indemnified Parties.

Section 3. INDEMNITOR'S UNCONDITIONAL OBLIGATIONS

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

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

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

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

- (a) COUNTY has at any time or in any manner participated in the management or control of, taken possession of (whether personally, by agent or by appointment

of a receiver), or taken title to the Property or any portion thereof, whether by foreclosure, deed in lieu of foreclosure, sale under power of sale or otherwise; or

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

Section 4. WAIVER

Indemnitor hereby waives the following:

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

Section 5. NOTICES

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

In the case of COUNTY:

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

In the case of Indemnitor:

Aloe Palm Canyon, L.P.
c/o West Hollywood Community Housing Corporation
7530 Santa Monica Blvd.,
West Hollywood, CA 90046
Attention: Jesse Slansky, President & CEO

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

Section 6. MISCELLANEOUS

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

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

6.3 No failure on the part of COUNTY to exercise, and no delay in exercising, any right hereunder or under the PLHA Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of COUNTY provided herein and in the other loan

documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law.

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

6.5 This Indemnity shall (a) be binding upon Indemnitor, and Indemnitor's successors and assigns; and (b) inure, together with all rights and remedies of COUNTY hereunder, to the benefit of COUNTY, its respective directors, officers, employees, and agents, any successors to COUNTY's interest in the Property, any other person who acquires any portion of the Property at a foreclosure sale or otherwise through the exercise of COUNTY's rights and remedies under the PLHA Loan Documents, any successors to any such person, and all directors, officers, employees, and agents of all of the aforementioned parties. Without limiting the generality of clause (b) of the immediately preceding sentence, COUNTY may, subject to, and in accordance with, the provisions of the PLHA Loan Documents, assign or otherwise transfer all or any portion of its rights and obligations under the PLHA Loan Documents, to any other person, and such other person shall thereupon become vested with all of the rights and obligations in respect thereof that were granted to COUNTY herein or otherwise. None of the rights or obligations of Indemnitor hereunder may be assigned or otherwise transferred without the prior written consent of COUNTY, except as provided in the PLHA Loan Documents.

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

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

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

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

[Signatures on the Following Page]

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

INDEMNITOR:

ALOE PALM CANYON, L.P.,
a California limited partnership

By: Aloe Palm Canyon LLC,
a California limited liability company

Its: General Partner

By: West Hollywood Community Housing Corporation,
a California nonprofit public benefit corporation

Its: Sole Member

By: form - do not sign

Name: Jesse Slansky

Its: President and Chief Executive Officer

Date: _____, 2023

Exhibit A

LEGAL DESCRIPTION OF PROPERTY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING THOSE PORTIONS OF LOTS 5, 6 AND 12 IN BLOCK A OF LAS PALMAS ESTATES, AS SHOWN BY MAP ON FILE IN BOOK 15, PAGES 15 AND 16 OF MAPS, RECORDS OF RIVERSIDE COUNTY, TOGETHER WITH THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, IN THE TOWNSHIP 4 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A

BEGINNING AT THE NORTHEASTERLY CORNER OF LOT 11 OF SAID LAS PALMAS ESTATES MAP; THENCE ALONG THE NORTH LINE OF SAID LOT 11, S89°50'00"W A DISTANCE OF 152.05 FEET TO THE WEST LINE OF SAID LOT;

THENCE SOUTHERLY ALONG SAID WEST LINE, S00°10'00"E A DISTANCE OF 39.98 FEET TO THE NORTHEAST CORNER OF LOT 7 OF SAID LAS PALMAS ESTATES MAP;

THENCE SOUTHWESTERLY ALONG THE NORTH LINE OF SAID LOT, S84°57'00"W A DISTANCE OF 130.49 FEET TO THE EASTERLY RIGHT OF WAY LINE OF CAMINO DEL NORTE, BEING 25.00 FEET IN HALF WIDTH, AS SHOWN ON SAID LAS PALMAS ESTATES MAP, AND THE BEGINNING OF A NON TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS 116.04 FEET TO WHICH A RADIAL LINE BEARS N89°50'00"E;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 32°33'54" AN ARC DISTANCE OF 65.95 FEET TO THE MOST SOUTHERLY CORNER OF LOT 1 TRACT 3630, RECORDED IN MAP BOOK 62, PAGE 14 OF SAID COUNTY;

THENCE ALONG THE EASTERLY LINES OF SAID LOT 1 OF SAID TRACT THE FOLLOWING TWO COURSES:

1. N49°30'58"E A DISTANCE OF 147.53 FEET;
2. N00°10'00"W A DISTANCE OF 211.88 FEET TO THE SOUTH RIGHT OF WAY LINE OF STEVENS ROAD, BEING 40 FEET IN HALF WIDTH, AS SHOWN ON SAID LAS PALMAS ESTATES MAP;

THENCE ALONG SAID SOUTH RIGHT OF WAY LINE N89°50'00"E A DISTANCE OF 299.50 FEET TO THE WEST RIGHT OF WAY LINE OF PALM CANYON ROAD,

FORMERLY MAIN BOULEVARD, BEING 30.00 FEET IN HALF WIDTH, AS SHOWN ON SAID LAS PALMAS ESTATES MAP;

THENCE ALONG SAID WEST RIGHT OF WAY LINE THE FOLLOWING THREE COURSES:

1. S00°00'00"W A DISTANCE OF 211.88 FEET;
2. S89°50'00"W A DISTANCE OF 20.00 FEET;
3. S00°00'00"W A DISTANCE OF 106.83 FEET TO THE POINT OF BEGINNING.

SAID DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN PARCEL MERGER GRANT DEED PM 22-04-1475, RECORDED JANUARY 26, 2023 AS INSTRUMENT NO. 2023-0024886 OFFICIAL RECORDS.

Assessor's Parcel Number: 505-182-010, 505-182-004

1 NO FEE FOR RECORDING PURSUANT
2 TO GOVERNMENT CODE SECTION 6103
3 Title and Escrow Order No.

4 RECORDING REQUESTED BY AND
5 WHEN RECORDED MAIL TO:

6 County of Riverside
7 Housing and Workforce Solutions
8 3403 Tenth Street, Suite #300
9 Riverside, CA 92501
10 Attn. Mervyn Manalo

11 SPACE ABOVE THIS LINE FOR RECORDERS USE

12 **Permanent Local Housing Allocation (PLHA) PROGRAM**

13 **COVENANT AGREEMENT**

14 **(Aloe Palm Canyon)**

15 This PLHA Program Covenant Agreement (Aloe Palm Canyon Apartments) (this
16 "Covenant" or "Agreement") is made and entered into as of the ____ day of _____, 2023
17 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California
18 ("COUNTY"), and ALOE PALM CANYON, L.P., a California limited partnership
19 ("BORROWER").

20 **RECITALS**

21 WHEREAS, BORROWER owns that certain real property including any improvements
22 located thereon, located at 1475 N. Palm Canyon Drive, southwest corner of N. Palm Canyon
23 Drive and W. Steven Road, Palm Springs, CA 92262, County of Riverside, State of California,
24 also identified as Assessor's Parcel Numbers 505-182-004 and 505-182-010, described in the legal
25 description attached hereto as **Exhibit A** and incorporated herein by this reference (the
26 "Property");

27 WHEREAS, COUNTY and BORROWER entered into that certain Loan Agreement for
28 the Use of PLHA Program Funds (Aloe Palm Canyon Apartments) dated _____, 2023
and recorded in the Official Records of the County of Riverside ("Official Records") concurrently

1 herewith (the “PLHA Loan Agreement” or “Agreement”) which provides for, among other things,
2 new construction on the Property of an approximately 1.75 acre multi-family apartment complex
3 and related amenities consisting of a total of 69 apartment units (each, a “Unit,” collectively, the
4 “Units”) and 2 on-site manager units. The construction on the Property of the Units and such other
5 improvements as specified in the PLHA Loan Agreement shall be referred to herein as the
6 “Project.” Capitalized terms not defined herein shall have the meaning ascribed to them in the
7 PLHA Loan Agreement;

8 WHEREAS, the State of California (the “State”), Department of Housing and Community
9 Development (“HCD”) issued a Notice of Funding Availability (“NOFA”), dated February 26,
10 2020, to provide approximately \$195,000,000 under the Permanent Local Housing Allocation
11 (“PLHA”) Program through its Entitlement and Non-entitlement Local Government Formula
12 Component from the Building Homes and Jobs Trust Fund for assistance to Local Governments
13 pursuant to Health and Safety Code section 50470 et seq. and Senate Bill (SB) 2 (Chapter 364,
14 Statutes of 2017) (the “PLHA Statutes”);

15 WHEREAS, to implement the PLHA Program, HCD adopted and issued the HCD 2019
16 PLHA Final Guidelines (“Guidelines” or “PLHA Guidelines”);

17 WHEREAS, the County is an eligible local government for the program to administer one
18 or more eligible activities, including on behalf of other local governments that have delegated
19 County to submit an application and administer their PLHA formula allocations;

20 WHEREAS, HSC Section 50470 authorizes the HCD to allocate moneys collected and
21 deposited in the Fund for the PLHA Program, with 90 percent of PLHA funds to local
22 governments, and to adopt Guidelines to implement the PLHA Program;

23 WHEREAS, pursuant to the PLHA Program, the County and the California Department of
24 Housing and Community Development (“HCD”) entered into that certain Standard Agreement
25 dated June 17th, 2021, including Exhibits A, B, C, D and E (collectively, the “PLHA Standard
26 Agreement for County’s Allocation”), which allocates PLHA funding to the County for use in the
27 County in the estimated funding amount of \$23,977,026 for Allocation Years 2019-2023;

28 WHEREAS, pursuant to Section 300(c) of the PLHA Final Guidelines (“HCD

1 Guidelines”), a local government may delegate to another local government to submit an
2 application and administer the formula component of PLHA funds on its behalf, provided the local
3 governments enter into an agreement and the funds are expended for eligible activities consistent
4 with program requirements;

5 WHEREAS, consistent with HCD Guidelines, the City of Palm Springs, a California
6 charter city and municipal corporation (“City”), delegated to County the responsibility for
7 submitting an application for administering its formula component for Allocation Years 2019-
8 2023 (“City’s Allocations”) in the estimated funding amount of \$1,153,422;

9 WHEREAS, pursuant to the PLHA Program, the County and HCD entered into that certain
10 Standard Agreement dated October 6, 2021, including Exhibits A, B, C, D and E (collectively, the
11 “PLHA Standard Agreement for City’s Allocation”), which allocates PLHA funding to the County
12 for use in the City;

13 WHEREAS, in connection therewith, City and County entered in that certain Agreement
14 for the PLHA Program under HCD for Allocation Years 2019-2023 dated June 30, 2020 (the
15 “County and City PLHA Agreement”), which provides for the use of PLHA funds by the County
16 within the City to increase the affordable housing stock within the City;

17 WHEREAS, the PLHA Statutes, HCD Guidelines, the NOFA, PLHA Standard Agreement
18 for County’s Allocation, PLHA Standard Agreement for City’s Allocation, County and City PLHA
19 Agreement and all applicable rules and regulations imposed by HCD on PLHA funding recipients
20 shall collectively be referred to herein as the “PLHA Program”;

21 WHEREAS, BORROWER, a California limited partnership registered to do business in
22 the State of California and an affordable housing developer, is an experienced developer of
23 affordable housing that has among its purposes the provision of decent housing that is affordable
24 to low income persons; and

25 WHEREAS, in consideration of a loan of PLHA funds, BORROWER has agreed to restrict
26 at least forty nine percent (49%) of the Units in the Project not occupied by a manager or fifteen
27 (15) PLHA Units to rental to and occupancy by qualified low- and very low-income households
28 consistent with the PLHA Program requirements and as set forth more specifically below.

1 NOW, THEREFORE, in consideration of the PLHA Loan funds and the mutual covenants
2 and agreements set forth herein and in the PLHA Loan Agreement, and for other good and valuable
3 consideration, the receipt and sufficiency of which are hereby acknowledged, BORROWER, on
4 behalf of itself and its successors, assigns, and each successor in interest to the Property or any
5 part thereof, hereby declares as follows:

6 1) RESTRICTIONS. The recitals set forth above are true and correct and
7 incorporated herein. This Covenant shall continue in full force and effect for the later of (i)
8 fifty-five (55) years from the recordation of the Notice of Completion for the last building for
9 which construction is completed for the Project on the Property, or (ii) July 1, 2079 (“Term”
10 or “Affordability Period”). For the duration of the Term, the Property shall be held, sold and
11 conveyed, subject to the following covenants, conditions, and restrictions:

12 a) BORROWER hereby covenants and agrees to restrict at most approximately forty
13 nine percent (49%) of the Units not occupied by a manager or thirty-three (33) of
14 the Units constructed on the Property shall be restricted to rental to and occupancy
15 by qualified Low and Very Low Income Households (collectively, “PLHA Units”)
16 at an Affordable Rent (as hereinafter defined). At least twenty percent (20%) of the
17 PLHA Units or seven (7) PLHA Units shall be restricted to occupancy by Very
18 Low Income Households at or below 50% of the area median income: 7 one-
19 bedroom units. Twenty-six (26) PLHA Units shall be rented to and occupied by
20 Low Income Households at or below 80% of the area median income: 26 one-
21 bedroom units. One-bedroom units shall be approximately 600 square feet each.
22 For purposes hereof:

23 (i) “Household” is one or more persons occupying an Affordable Unit.

24 (ii) “Low Income” has the meaning set forth in HSC Section 50079.5, which is
25 a household whose incomes does not exceed 80% of the area median
26 income, adjusted for actual family size.

27 (iii) “Very Low Income” has the meaning set forth in HSC Section 50105,
28 which is a household whose incomes does not exceed 50% of the area

1 median income, adjusted for actual family size.

2 (iv) “area median income” shall refer to the most recent area median family
3 income published by HCD for Riverside County, available at the following
4 link: [https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-](https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits)
5 [federal-income-rent-and-loan-value-limits](https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits).

6 b) The PLHA Units shall be rented to and occupied by Very Low and Low Income
7 Households at an Affordable Rent in compliance with the Multifamily Housing
8 Program (“MHP”) guidelines Section 7312 and the Section 7301 definition of
9 “Affordable Rent” and the PLHA Program. Maximum income and Affordable
10 Rent shall be determined in accordance with subsection d) below. COUNTY shall
11 review and approve proposed rents prior to entry into leases for occupancy of the
12 PLHA Units by BORROWER. BORROWER shall ensure the PLHA Units are
13 rented to qualified applicants at the described rent levels herein during the
14 Affordability Period. The maximum monthly allowances for utilities and services
15 (excluding telephone) shall not exceed the utility allowance as described in c)
16 below.

17 c) Utility Allowance: For Projects not receiving financing from tax credits,
18 BORROWER shall use the most currently available Utility Allowances published
19 by the Housing Authority of the County of Riverside to establish maximum
20 monthly allowances for utilities and services in calculating Affordable Rents.
21 Projects assisted with tax credits may use the Utility Allowances published by the
22 Housing Authority of the County of Riverside or the California Utility Allowance
23 Calculator (CUAC) published annually by the Treasurer of the State of California.
24 The CUAC and use instructions can be found at:
25 <https://www.treasurer.ca.gov/ctcac/cuac/index.asp>.

26 d) Income and Affordable Rent limitations for Very Low Income Households and
27 Low Income Households must be calculated in accordance with the Multifamily
28 Housing Program (MHP) as required by the PLHA Program. BORROWER shall

1 utilize the most recently available “MHP Income and Rent Calculator” published
2 by HCD, available on the following web page: [https://www.hcd.ca.gov/grants-and-](https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits)
3 [funding/income-limits/state-and-federal-income-rent-and-loan-value-limits](https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits).

4 e) PLHA Loan Documents. The PLHA Loan Agreement, PLHA Note, PLHA Deed
5 of Trust, the Environmental Indemnity and any other agreement entered into by
6 COUNTY and BORROWER in connection with the Project shall collectively be
7 referred to herein as the “PLHA Loan Documents”. BORROWER shall comply
8 with the terms and conditions of the PLHA Loan Documents, any other agreements
9 evidencing financing for the Project, and any instrument secured against the
10 Property. BORROWER shall strictly comply with all requirements of the PLHA
11 Program.

12 f) CTCAC. Notwithstanding anything contained herein to the contrary, if the Project has
13 received low income housing tax credits, then California Tax Credit Allocation
14 Committee (“CTCAC”) rent- and income-setting requirements shall control for the
15 term of the CTCAC extended use agreement.

16 2) SENIOR PRIORITY. This Covenant may be recorded in second priority lien
17 position junior to (i) the “Density Bonus Agreement” by City of Palm Springs, and (ii) the
18 regulatory agreements from the California Department of Housing and Community
19 Development (“HCD”) entered into among HCD and Developer (BORROWER herein) in
20 connection with HCD’s No Place Like Home Program and California Housing Accelerator
21 funds (“NPLH/CHA Regulatory Agreement”). This Covenant, Density Bonus, and
22 NPLH/CHA Regulatory Agreement are non-subordinate agreements and shall remain in senior
23 encumbrances to any and all monetary deeds of trust and any other lien instrument for the
24 Affordability Period.

25 3) COMPLIANCE WITH LAWS AND REGULATIONS. During the Term of this
26 Covenant, BORROWER, for itself and on behalf of its successors and assigns, shall insure that
27 the Project is constructed in accordance with and operated in compliance with the PLHA
28 Program and all applicable federal, state and local laws, regulations and ordinances, including,

1 but not limited to the following: all laws, ordinances, statutes, codes, rules, resolutions,
2 regulations, policy statements, orders, and decrees (including, without limitation, those relating
3 to land use, subdivision, zoning, environmental, labor relations and building and fire codes) of
4 the United States, the State of California, the County or any other political subdivision in which
5 the Property is located or which exercises jurisdiction over the BORROWER or the
6 construction, maintenance, management, use, or operation of the Project.

7 4) TENANT PROTECTIONS. BORROWER shall provide protection to the tenants
8 of the PLHA Units as follows:

9 a) Provide written lease agreement for not less than one year, unless
10 by mutual agreement between the tenant and BORROWER. COUNTY shall review
11 the initial form of the lease agreement prior to BORROWER executing any leases and,
12 provided that BORROWER uses the approved lease form, BORROWER shall be
13 permitted to enter into residential leases without COUNTY's prior written consent.

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

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

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

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

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

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

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

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

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

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

21 c) Violence Against Women Reauthorization Act of 2013. (Pub. L.
22 113-4, 127 Stat. 54) ("VAWA 2013"). VAWA 2013 reauthorizes and amends the
23 Violence Against Women Act of 1994, as previously amended, (title IV, sec. 40001-
24 40703 of Pub. L. 103-322, 42 U.S.C. 13925 et seq.) VAWA 2013, among other things,
25 bars eviction and termination due to a tenant's status as a victim of domestic violence,
26 dating violence, or stalking, and requires landlords to maintain survivor-tenant
27 confidentiality. VAWA 2013 prohibits a tenant who is a survivor of domestic
28 violence, dating violence, sexual assault, and stalking from being denied assistance,

1 tenancy, or occupancy rights based solely on criminal activity related to an act of
2 violence committed against them. It extends housing protections to survivors of sexual
3 assault, and adds "intimate partner" to the list of eligible relationships in the domestic
4 violence definition. Protections also now cover an "affiliated individual," which
5 includes any lawful occupant living in the survivor's household, or related to the
6 survivor by blood or marriage including the survivor's spouse, parent, brother, sister,
7 child, or any person to whom the survivor stands in loco parentis. VAWA 2013 allows
8 a lease bifurcation so a tenant or lawful occupant who engages in criminal activity
9 directly relating to domestic violence, dating violence, sexual assault, or stalking
10 against an affiliated individual or other individual, or others may be evicted or
11 removed without evicting or removing or otherwise penalizing a victim who is a tenant
12 or lawful occupant. If victim cannot establish eligibility, BORROWER must give a
13 reasonable amount of time to find new housing or establish eligibility under another
14 covered housing program. A Notice of Rights under VAWA 2013 for tenants must be
15 provided at the time a person applies for housing, when a person is admitted as a tenant
16 of a housing unit, and when a tenant is threatened with eviction or termination of
17 housing benefits. Tenants must request an emergency transfer and reasonably believe
18 that they are threatened with imminent harm from further violence if the tenant
19 remains in the same unit. The provisions of VAWA 2013 that are applicable to HCD
20 programs are found in title VI of VAWA 2013, which is entitled "Safe Homes for
21 Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking."
22 Section 601 of VAWA 2013 amends subtitle N of VAWA (42 U.S.C. 14043e et seq.)
23 to add a new chapter entitled "Housing Rights."

24 5) USE OF PROPERTY; CONSTRUCTION OF IMPROVEMENTS. During the
25 Affordability Period, BORROWER covenants and agrees to use the Property solely for the
26 construction and operation of the Project in accordance with the PLHA Loan Documents, and
27 to construct the Project in a timely manner and in accordance with the Schedule of Performance
28 attached to the PLHA Loan Agreement. The proceeds of the PLHA Loan shall be used solely

1 for construction of the Units, and not in connection with any non-residential facilities, services
2 or activities.

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

27 7) STRUCTURAL MODIFICATIONS. In order to protect and maintain the
28 architectural and structural integrity of the Project, no structural modification will be made to

1 the Project without a validly issued building permit in accordance with the requirements of the
2 County of Riverside Ordinances. Any application for a building permit pursuant to this section
3 and in connection with a proposed exterior modification to the Project shall be accompanied
4 by elevations and plans depicting the proposed modifications.

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

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

26 BORROWER, its successors and assigns, shall refrain from restricting the rental, sale, or
27 lease of the Property or any portion thereof, on the basis of race, color, creed, religion, sex, sexual
28 orientation, marital status, national origin, or ancestry of any person. Every deed, lease, and

1 contract entered into with respect to the Property, or any portion thereof, after the date of this
2 Agreement shall contain or be subject to substantially the following nondiscrimination or
3 nonsegregation clauses:

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

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

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

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

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

22 a) Builder’s All Risk (Course of Construction) Insurance. BORROWER shall
23 provide a policy of Builder’s All Risk (Course of Construction) insurance coverage
24 including (if the work is located in an earthquake or flood zone or if required on financed
25 or bond financing arrangements) coverage for earthquake and flood, covering the
26 COUNTY, BORROWER and every subcontractor, of every tier, for the entire Project,
27 including property to be used in the construction of the work while such property is at off-
28 site storage locations or while in transit or temporary off-site storage. Such policy shall

1 include, but not be limited to, coverage for fire, collapse, faulty workmanship, debris
2 removal, expediting expense, fire department service charges, valuable papers and records,
3 trees, grass, shrubbery and plants. If scaffolding, false work and temporary buildings are
4 insured separately by the BORROWER or others, evidence of such separate coverage shall
5 be provided to County prior to the start of the work. Such policy shall be written on an all
6 risk basis and a completed value form. Such policy shall cover the full insurable
7 value. Such policy shall also provide coverage for temporary structures (on-site offices,
8 etc.), fixtures, machinery and equipment being installed as part of the work. BORROWER
9 shall be responsible for any and all deductibles under such policy. Upon request by
10 COUNTY, BORROWER shall declare all terms, conditions, coverages and limits of such
11 policy. Such policy shall name the COUNTY as a loss payee as their interest may
12 appear. If the County so provides, in its sole discretion, the All Risk (Course of
13 Construction) insurance for the Project, then BORROWER shall assume the cost of any
14 and all applicable policy deductibles (currently, \$50,000 per occurrence) and shall insure
15 its own machinery, equipment, tools, etc. from any loss of any nature whatsoever.

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

23 c) Comprehensive General Liability Insurance. Comprehensive General
24 Liability insurance coverage, including but not limited to, premises liability, unmodified
25 contractual liability, products and completed operations liability, personal and advertising
26 injury, and cross liability coverage, covering claims which may arise from or out of
27 BORROWER'S performance of its obligations hereunder. Policy shall name the COUNTY
28 as Additional Insured. Policy's limit of liability shall not be less than \$2,000,000 per

1 occurrence and \$4,000,000 in the aggregate. Policy shall name the COUNTY as Additional
2 Insureds.

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

9 e) General Insurance Provisions – All Lines.

10 1) Any insurance carrier providing insurance coverage hereunder shall
11 be admitted to the State of California and have an A M BEST rating of not less than A:
12 VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager.
13 If the County's Risk Manager waives a requirement for a particular insurer such waiver is
14 only valid for that specific insurer and only for one policy term.

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

24 3) BORROWER shall cause BORROWER'S insurance carrier(s) to
25 furnish the County of Riverside with either 1) a properly executed original Certificate(s)
26 of Insurance and certified original copies of Endorsements effecting coverage as required
27 herein, and 2) if requested to do so orally or in writing by the County Risk Manager,
28 provide original Certified copies of policies including all Endorsements and all attachments

1 thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and
2 policies of insurance shall contain the covenant of the insurance carrier(s) that a minimum
3 of thirty (30) days written notice shall be given to the County of Riverside prior to any
4 material modification, cancellation, expiration or reduction in coverage of such insurance.
5 If BORROWER insurance carrier(s) policies do/does not meet the minimum notice
6 requirement found herein, BORROWER shall cause BORROWER'S insurance carrier(s)
7 to furnish a 30 day Notice of Cancellation Endorsement.

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

19 5) It is understood and agreed to by the parties hereto that the
20 BORROWER'S insurance shall be construed as primary insurance, and the COUNTY'S
21 insurance and/or deductibles and/or self-insured retention's or self-insured programs shall
22 not be construed as contributory.

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

1 of insurance carried by the BORROWER has become inadequate.

2 7) BORROWER shall pass down the insurance obligations contained
3 herein to all tiers of subcontractors working under this Agreement.

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

6 9) BORROWER agrees to notify COUNTY of any claim by a third party
7 or any incident or event that may give rise to a claim arising from the performance of this
8 Agreement.

9 10) HOLD HARMLESS/INDEMNIFICATION. BORROWER shall indemnify and
10 hold harmless the County of Riverside, its Agencies, Districts, Boards, Special Districts and
11 Departments, their respective directors, officers, elected and appointed officials, employees,
12 agents and representatives (individually and collectively hereinafter referred to as
13 “Indemnitees”) from any claim, liability, costs or fees (including, but not limited to, attorneys’
14 fees and costs, costs of investigation, defense and settlements or awards), resulting from any
15 act or failure to act of BORROWER, its officers, employees, subcontractors, agents or
16 representatives, in connection with, arising out of or in any way relating to this Agreement, the
17 PLHA Loan Documents or the Project, including, but not limited to, property damage, bodily
18 injury, death or any other claim or liability of any kind or nature whatsoever. BORROWER
19 shall defend the Indemnitees, at BORROWER’s sole expense, in any claim or action based
20 upon such alleged acts or omissions. With respect to any action or claim subject to
21 indemnification herein, BORROWER shall, at its sole cost, have the right to use counsel of its
22 own choice and shall have the right to adjust, settle, or compromise any such action or claim
23 without the prior consent of COUNTY; provided, however, that any such adjustment,
24 settlement or compromise in no manner whatsoever limits or circumscribes BORROWER’s
25 indemnification obligation to Indemnitees as set forth herein. BORROWER’s obligation
26 hereunder shall be satisfied when BORROWER has provided to COUNTY the appropriate
27 form of dismissal relieving the Indemnitees from any liability for the action or claim involved.
28 The specified insurance limits required in this Agreement shall in no way limit or circumscribe

1 BORROWER's obligations to indemnify and hold harmless the Indemnitees herein from third
2 party claims. In the event there is conflict between this clause and California Civil Code
3 Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such
4 interpretation shall not relieve BORROWER from indemnifying the Indemnitees to the fullest
5 extent allowed by law. The indemnification set forth in this paragraph shall survive the
6 expiration or earlier termination of this Covenant.

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

12 COUNTY
13 County of Riverside
14 Department of Housing and Workforce Solutions
15 3403 Tenth Street, Suite #300
16 Riverside, CA 92501
17 Attention: Director

18 BORROWER
19 Aloe Palm Canyon, L.P.
20 c/o West Hollywood Community Housing Corporation
21 7530 Santa Monica Blvd.,
22 West Hollywood, CA 90046
23 Attention: Jesse Slansky, President & CEO

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

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

1 14) NOTICE AND CURE. Prior to exercising any remedies hereunder, the COUNTY
2 shall give BORROWER notice of such default pursuant to the Notice section above. Any
3 monetary default shall be cured within ten (10) days of delivery of written notice. Except as
4 otherwise set forth herein, if a non-monetary default is reasonably capable of being cured
5 within thirty (30) days of delivery of such notice of default, BORROWER shall have such
6 period to effect a cure prior to exercise of remedies by COUNTY. If the non-monetary default
7 is such that it is not reasonably capable of being cured within thirty (30) days of delivery of
8 such notice of default, and BORROWER (a) initiates corrective action within said period, and
9 (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then
10 BORROWER shall have such additional time as is reasonably necessary to cure the default
11 prior to exercise of any remedies by the COUNTY; but in no event no later than one hundred
12 twenty (120) days from delivery of such notice of default. COUNTY, upon providing
13 BORROWER with any notice of default under this Covenant, shall, within a reasonable time,
14 provide a copy of such default notice to a Permitted Lender (as defined in Section 19 below)
15 or limited partner, if any, who has given written notice to COUNTY of its interest in the
16 Property and Project. From and after such notice has been delivered to a Permitted Lender and
17 BORROWER's limited partner, if any, such Permitted Lender or limited partner shall have the
18 same period for remedying the default complained of as the cure period provided to
19 BORROWER pursuant to this **Section 14**. COUNTY shall accept performance by a Permitted
20 Lender or limited partner as if the same had been done by BORROWER.

21 If a violation of any of the covenants or provisions of this Covenant remains uncured
22 after the respective time period set forth in this **Section 14**, COUNTY and its successors and
23 assigns, without regard to whether COUNTY or its successors and assigns is an owner of any
24 land or interest therein to which these covenants relate, may institute and prosecute any
25 proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted
26 violation or to compel specific performance by BORROWER of its obligations hereunder.
27 No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage
28 or waive the right of any party entitled to enforce the provisions hereof or to obtain relief

1 against or recover for the continuation or repetition of such breach or violations or any similar
2 breach or violation hereof at any later time.

3 15) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY.

4 BORROWER hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of
5 the Project, the Property or any portion thereof, without obtaining the prior written consent of
6 COUNTY, except as otherwise permitted pursuant to the PLHA Loan Documents, which such
7 consent may be granted or withheld in its discretion. Upon application for and such, sale
8 transfer or assignment, BORROWER shall demonstrate that the proposed transferee is
9 reasonably capable of performing and complying with BORROWER's duties and obligations
10 under the PLHA Loan Documents, including this Covenant. Any sale, assignment, or transfer
11 of the Project or Property shall be memorialized in an assignment and assumption agreement,
12 the form and substance of which shall have been first approved in writing by the COUNTY, in
13 its discretion. Such assignment and assumption agreement shall, among other things, provide
14 that the transferee has assumed in writing and in full, BORROWER's duties and obligations
15 under the PLHA Loan Documents, including this Covenant.

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

18 17) GOVERNING LAW; VENUE; SEVERABILITY. This Covenant shall be
19 governed by the laws of the State of California. Any legal action related to the performance
20 or interpretation of this Covenant shall be filed only in the Superior Court of the State of
21 California located in Riverside, California, and the parties waive any provision of law
22 providing for a change of venue to another location. In the event any provision in this
23 Covenant is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the
24 remaining provisions will nevertheless continue in full force without being impaired or
25 invalidated in any way

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

28 19) PERMITTED MORTGAGES. No violation or breach of the covenants,

1 conditions, restrictions, provisions or limitations contained in this Covenant shall defeat or
2 render invalid or in any way impair the lien or charge of any deed of trust or mortgage permitted
3 by the PLHA Loan Agreement or the lien or charge of a deed of trust made by BORROWER
4 for the benefit of any lender first approved in writing by the COUNTY (each, a “Permitted
5 Lender”) and nothing herein or in the PLHA Loan Agreement shall prohibit or otherwise limit
6 the exercise of a Permitted Lender’s rights and remedies thereunder, including a foreclosure or
7 deed-in-lieu of foreclosure and subsequent transfer thereafter.

8 20) COVENANT RUNS WITH PROPERTY. In accordance with California Civil
9 Code Section 1461 et seq., all conditions, covenants and restrictions contained in this Covenant
10 shall be covenants running with the land. The COUNTY shall be deemed the beneficiary of
11 the covenants, conditions and restrictions of this Covenant both for and in its own right and for
12 the purposes of protecting the interests of the community. The covenants, conditions, and
13 restrictions shall run in favor of the COUNTY, without regard to whether COUNTY has been,
14 remains, or is an owner of any land or interest therein in the Property.

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

19 22) MANAGEMENT. BORROWER shall be responsible for the operation of the
20 Project either by direct management or by contracting its managerial functions to a third party
21 property manager reasonably acceptable to COUNTY (“Property Manager”). The Property
22 Manager will be charged with managing the Project on behalf of the BORROWER. COUNTY
23 shall have the right to review and approve, which approval shall not be unreasonably withheld,
24 conditioned or delayed, any such entity and agreement therefor prior to its selection by the
25 BORROWER. BORROWER shall include in any such property management agreement a
26 provision providing for the termination of the agreement in the event that the Property Manager
27 violates any federal, state or local health and safety laws and regulations which are not cured
28 within thirty (30) days following the giving of notice of such violations by COUNTY or any

1 other governmental entity; provided, however, that in the case of a violation that cannot be
2 cured within such thirty (30) day period, that such cure shall be commenced within thirty (30)
3 days of notification and shall be diligently prosecuted to completion not later than sixty (60)
4 days after notification. BORROWER, its successors and assigns, upon notice from COUNTY,
5 shall indemnify, hold harmless and pay any costs and fees (including administrative and
6 attorneys' fees) incurred by COUNTY or the Indemnitees in connection with responding to or
7 defending any discrimination claim brought by any third party and/or local, state or federal
8 government entity, arising out of or in connection with the Project and/or this Agreement.

9 23) COMPLIANCE WITH APPLICABLE LAWS. BORROWER shall carry out the
10 design, construction and operation of the Project in conformity with all applicable federal, state
11 and local laws, ordinances, statutes, codes, rules, resolutions, regulations, policy statements,
12 orders, and decrees including without limitation, all applicable labor and employment laws and
13 standards, laws regarding hazardous substances, laws regarding the acceptance or rejection of
14 tenants and/or the termination of any tenancy, zoning and development standards, building,
15 plumbing, mechanical and electrical codes, and all other provisions of the Code of Ordinances
16 of Riverside County, and all applicable disabled and handicapped access requirements,
17 including without limitation the Americans With Disabilities Act, 42 U.S.C. § 12101, et seq.,
18 as currently exists or as may be amended from time to time, Government Code § 4450, et seq.,
19 as currently exists or as may be amended from time to time, Government Code § 11135, et
20 seq., as currently exists or as may be amended from time to time, and the California Building
21 Standards Code, Health and Safety Code § 18900, et seq. as currently exists or as may be
22 amended from time to time.

23 24) PROJECT MONITORING AND EVALUATION.

24 a) Tenant Checklist. BORROWER shall submit a "Tenant Checklist Form"
25 to COUNTY, in such form as may be required by COUNTY, and may from time to time
26 be revised by COUNTY, summarizing the racial/ethnic composition, number and
27 percentage of Very Low and Low Income Households who are tenants of the PLHA Units.
28 The Tenant Checklist Form shall be submitted upon completion of the construction and

1 thereafter, on a semi-annual basis on or before March 31 and September 30. BORROWER
2 shall maintain financial, programmatic, statistical and other supporting records of its
3 operations and financial activities in accordance with the requirements of the COUNTY
4 and the PLHA Program, and shall provide such records to COUNTY at least annually.
5 Except as otherwise provided for in this Covenant and in the PLHA Loan Agreement,
6 BORROWER shall maintain and submit records to COUNTY within ten (10) business
7 days of COUNTY's request which clearly documents BORROWER's performance under
8 each requirement of the PLHA Program.

9 b) Inspections. During the period of affordability, COUNTY may perform
10 annual on-site inspections of the rental housing included in the Project to determine
11 compliance with applicable State and local health, safety, and other applicable codes,
12 ordinances, and requirements, and the ongoing property standards established by the
13 participating jurisdiction and to verify the information submitted by the BORROWER.

14 c) Written Selection Policies. BORROWER shall adopt written selection
15 policies and criteria that are approved in writing by COUNTY prior to entering into any
16 lease for an Affordable Unit in the Project, which selection policies shall be subject to all
17 applicable laws, including, if applicable, Section 42 of the Internal Revenue Code:

18 1) Are consistent with the purpose of providing housing for Very Low
19 Income Households and Low Income Households.

20 2) Are reasonably related to program eligibility and the applicants'
21 ability to perform the obligations of the lease.

22 3) Provide for:

23 (A) The selection of tenants from a written waiting list in the
24 chronological order of their satisfaction of all eligibility requirements,
25 insofar as is practicable; and

26 (B) The prompt written notification to any rejected applicant of
27 the grounds for any rejection;

28 4) To the extent permitted by law, provide first priority in the selection

1 of otherwise eligible tenants to persons displaced by COUNTY (if any); and

2 5) Carry out the affirmative marketing procedures of COUNTY, to
3 provide information and otherwise attract eligible persons from all racial, ethnic and
4 gender groups in the housing market area. BORROWER and COUNTY shall
5 cooperate to effectuate this provision during the BORROWER's initial lease-up of the
6 PLHA Units and as vacancies occur.

7 d) Income Requirements and Certification. Prior to leasing an Affordable
8 Unit and annually thereafter, BORROWER, at its sole expense, shall or shall cause the
9 Property Manager, if any, engaged to manage the Project to certify the eligibility of each
10 tenant applicant as a Very Low Income Household or Low Income Household in
11 accordance with the PLHA Program. The BORROWER shall complete such certification
12 on forms as may be reasonably required by COUNTY (which may include provision to
13 COUNTY of any reporting forms required by California Tax Credit Allocation Committee
14 (CTCAC)). Gross income calculations for prospective (and continuing) tenants shall be
15 determined in accordance with CTCAC requirements and applicable California law.
16 BORROWER shall cause the Property Manager to submit such income certification,
17 verification and such additional information as may reasonably be required by COUNTY,
18 HCD or, if applicable, CTCAC. Such supporting documentation shall include, for each
19 member of the household eighteen (18) years old or older, copies of documentation and
20 verification procedures as required by California law or Section IV of CTCAC's
21 Compliance Online Reference Manual, as may be amended from time to time by CTCAC
22 and currently located at -
23 <https://www.treasurer.ca.gov/ctcac/compliance/manual/manual.pdf>. BORROWER and
24 COUNTY agree and acknowledge that COUNTY may require such additional
25 information, if any, required to comply with the PLHA Program and/or applicable
26 California law regarding affordable housing.

27 e) Submission of Audited Financial Statements. BORROWER shall prepare
28 and obtain an audited annual financial statement for the Project for each calendar year (the

1 “Annual Audited Financial Statements”) ending after completion of the development of
2 the Project. By no later than the April 1st following the year in which final certificate of
3 occupancy for the Project is issued, BORROWER shall submit such Annual Audited
4 Financial Statements to COUNTY for the immediately preceding calendar year.
5 Thereafter, by no later than each April 1st, BORROWER shall submit Annual Audited
6 Financial Statements to COUNTY for the immediately preceding year.

7 f) Monitoring Fee. BORROWER shall pay an annual compliance monitoring
8 fee to the COUNTY in the total annual amount of \$1,600 (increased annually by an
9 amount equal to the increase of the Consumer Price Index (CPI) for the San Bernardino-
10 Riverside-Ontario, CA area, but in no event to exceed 5% annually) (“Monitoring Fee”).
11 The first Monitoring Fee payment is due on July 1st of each year for the monitoring period
12 of July 1st to June 30th commencing on the July 1st following the issuance of a Certificate
13 of Occupancy for the Project and may be pro-rated for a partial first year. The Monitoring
14 Fee will be due on each July 1st thereafter and will continue until the expiration of the
15 Affordability Period. The Monitoring Fee is to be adjusted upwards annually, increased
16 by an amount equal to the increase in CPI for the San Bernardino-Riverside-Ontario, CA
17 area. In the event of a decrease in the applicable CPI, the Monitoring Fee currently in
18 effect shall remain the same and shall not decrease.

19 25) ACCESS TO PROJECT SITE. Representatives of the COUNTY and HCD shall
20 have the right of access to the Property, upon 24 hours’ written notice to BORROWER (except
21 in the case of an emergency, in which case COUNTY or HCD shall provide such notice as
22 may be practical under the circumstances), without charges or fees, during normal business
23 hours to review the operation of the Project in accordance with this Covenant and the PLHA
24 Loan Agreement, subject to the rights of tenants.

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

28 27) RECITALS. The Recitals set forth above are true and correct and incorporated

1 herein by this reference.

2 28) ENTIRE UNDERSTANDING. This Covenant and the PLHA Loan Documents
3 contain the entire understanding and agreement of the parties hereto. There are no oral or
4 written representations, understandings, or ancillary covenants, undertakings or agreements,
5 which are not contained or expressly referred to within this Covenant, and the PLHA Loan
6 Documents, including all amendments and modifications thereto.

7 ///

8 ///

9 ///

10 [remainder of page intentionally blank]

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12 (SIGNATURES ON THE NEXT PAGE)

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

COUNTY:


County of Riverside, a political
subdivision of the State of California

By: form - do not sign
Heidi Marshall, Director
Housing & Workforce Solutions

Date: _____

(COUNTY Signature needs to be notarized)

APPROVED AS TO FORM:
MINH C. TRAN, County Counsel

By: 
Amit P. Dhillon, Deputy County Counsel

BORROWER:

ALOE PALM CANYON, L.P.,
a California limited partnership

By: Aloe Palm Canyon LLC,
a California limited liability company

Its: General Partner

By: West Hollywood Community Housing Corporation,
a California nonprofit public benefit corporation

Its: Sole Member

By: form - do not sign
Name: Jesse Slansky
Its: President and Chief Executive Officer
Date: _____, 2023

(BORROWER signature must be notarized)

<CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT HERE>

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING THOSE PORTIONS OF LOTS 5, 6 AND 12 IN BLOCK A OF LAS PALMAS ESTATES, AS SHOWN BY MAP ON FILE IN BOOK 15, PAGES 15 AND 16 OF MAPS, RECORDS OF RIVERSIDE COUNTY, TOGETHER WITH THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, IN THE TOWNSHIP 4 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A

BEGINNING AT THE NORTHEASTERLY CORNER OF LOT 11 OF SAID LAS PALMAS ESTATES MAP; THENCE ALONG THE NORTH LINE OF SAID LOT 11, S89°50'00"W A DISTANCE OF 152.05 FEET TO THE WEST LINE OF SAID LOT;

THENCE SOUTHERLY ALONG SAID WEST LINE, S00°10'00"E A DISTANCE OF 39.98 FEET TO THE NORTHEAST CORNER OF LOT 7 OF SAID LAS PALMAS ESTATES MAP;

THENCE SOUTHWESTERLY ALONG THE NORTH LINE OF SAID LOT, S84°57'00"W A DISTANCE OF 130.49 FEET TO THE EASTERLY RIGHT OF WAY LINE OF CAMINO DEL NORTE, BEING 25.00 FEET IN HALF WIDTH, AS SHOWN ON SAID LAS PALMAS ESTATES MAP, AND THE BEGINNING OF A NON TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS 116.04 FEET TO WHICH A RADIAL LINE BEARS N89°50'00"E;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 32°33'54" AN ARC DISTANCE OF 65.95 FEET TO THE MOST SOUTHERLY CORNER OF LOT 1 TRACT 3630, RECORDED IN MAP BOOK 62, PAGE 14 OF SAID COUNTY;

THENCE ALONG THE EASTERLY LINES OF SAID LOT 1 OF SAID TRACT THE FOLLOWING TWO COURSES:

1. N49°30'58"E A DISTANCE OF 147.53 FEET;
2. N00°10'00"W A DISTANCE OF 211.88 FEET TO THE SOUTH RIGHT OF WAY LINE OF STEVENS ROAD, BEING 40 FEET IN HALF WIDTH, AS SHOWN ON SAID LAS PALMAS ESTATES MAP;

THENCE ALONG SAID SOUTH RIGHT OF WAY LINE N89°50'00"E A DISTANCE OF 299.50 FEET TO THE WEST RIGHT OF WAY LINE OF PALM CANYON ROAD,

FORMERLY MAIN BOULEVARD, BEING 30.00 FEET IN HALF WIDTH, AS SHOWN ON SAID LAS PALMAS ESTATES MAP;

THENCE ALONG SAID WEST RIGHT OF WAY LINE THE FOLLOWING THREE COURSES:

1. S00°00'00"W A DISTANCE OF 211.88 FEET;
2. S89°50'00"W A DISTANCE OF 20.00 FEET;
3. S00°00'00"W A DISTANCE OF 106.83 FEET TO THE POINT OF BEGINNING.

SAID DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN PARCEL MERGER GRANT DEED PM 22-04-1475, RECORDED JANUARY 26, 2023 AS INSTRUMENT NO. 2023-0024886 OFFICIAL RECORDS.

Assessor's Parcel Number: 505-182-010, 505-182-004

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

Silicon Valley Bank, a division of
First-Citizens Bank & Trust Company
Attention: Community Development Finance
505 Howard Street, 3rd Floor
San Francisco, CA 94105

APN: 505-182-010, 505-182-004

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

**SUBORDINATION AGREEMENT
(COUNTY LOAN)**

THIS SUBORDINATION AGREEMENT (this "**Agreement**") is dated as of [REDACTED], 2023 by and among (i) ALOE PALM CANYON, L.P., a California limited partnership (the "**Borrower**"), (ii) COUNTY OF RIVERSIDE, a political subdivision of the State of California (the "**Subordinate Lender**"); and (iii) FIRST-CITIZENS BANK & TRUST COMPANY, its successors, transferees and assigns ("**Senior Lender**").

Recitals

A. Borrower holds fee title in and to that real estate more particularly described on **Exhibit A** hereto ("**Real Property**") and to all improvements now or hereafter located thereon (the "**Improvements**"; and collectively, with the Real Property, the "**Property**").

B. Pursuant to that certain Loan Agreement (Construction Loan) (the "**First Mortgage Loan Agreement**") executed as of [REDACTED], 2023 between Borrower and Senior Lender, Senior Lender is making a construction loan to Borrower in the principal amount of [REDACTED] and No/100 Dollars (\$[REDACTED].00) (the "**First Mortgage Loan**"). The First Mortgage Loan is or will be secured by a first mortgage lien evidenced by that certain Construction Deed of Trust, with Assignment of Leases and Rents, Security Agreement, and Fixture Filing dated as of [REDACTED], 2023 executed by Borrower, as trustor, in favor of Senior Lender, as beneficiary (the "**First Mortgage**"), to be recorded in the Official Records of Riverside County, California (the "**Official Records**") substantially concurrently herewith, which lien is or will be on Borrower's fee interest in the Property. The Borrower's obligation to repay the First Mortgage Loan is evidenced by a Promissory Note in the aggregate principal amount of \$[REDACTED].00 (the "**First Mortgage Note**"). The First Mortgage Loan Agreement, First Mortgage Note, First Mortgage and the other "Loan Documents" (as defined in the First Mortgage Loan Agreement) as hereinafter sometimes collectively referred to as the "**First Mortgage Loan Documents**").

C. Pursuant to that certain Loan Agreement For The Use Of PLHA Program Funds dated as of [REDACTED], 2023 executed by Borrower and Subordinate Lender ("**Subordinate Loan Agreement**"), Subordinate Lender is making a loan to Borrower in the aggregate principal amount of up to \$[REDACTED] ("**Subordinate Loan**"). The Subordinate Loan is evidenced by that certain Promissory Note Secured By Deed Of Trust PHLA Loan Funds dated as of [REDACTED], 2023 in the original principal amount of \$[REDACTED] made by Borrower to the order of Subordinate Lender (the "**Subordinate Note**"). The Subordinate Loan evidenced by the Subordinate Note is or will be secured by that certain Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) dated as of [REDACTED], 2023 and to be recorded in the Official Records substantially concurrently herewith (the "**Subordinate Mortgage**"). In connection with the Subordinate Loan, Borrower and Subordinate Lender have also executed that certain Permanent Local Housing Allocation (PLHA) Program Covenant Agreement (Aloe Palm Canyon) dated

as of [REDACTED], 2023 (the “**Regulatory Agreement**”), imposing certain restrictions on the Property and which will be recorded in the Official Records substantially concurrently herewith on the Property. The Subordinate Loan Agreement, the Subordinate Note, the Subordinate Mortgage and all documents which evidence, guaranty, secure or otherwise pertain to the Subordinate Loan, except for the Regulatory Agreement, collectively constitute the “**Subordinate Loan Documents**”. The Regulatory Agreement shall be senior in priority to the First Mortgage Loan Documents and is not a Subordinate Loan Document.

D. A condition to Senior Lender’s making of the Senior Loan is (1) that the lien of the First Mortgage unconditionally be and remain at all times superior and prior to Subordinate Mortgage, and (2) the execution and delivery of this Agreement.

NOW, THEREFORE, in order to induce the Senior Lender to permit the Subordinate Lender to make the Subordinate Loan to the Borrower and to place a subordinate mortgage lien against the Property, and in consideration thereof, the Senior Lender, the Subordinate Lender and the Borrower agree as follows:

1. Definitions.

In addition to the terms defined in the Recitals to this Agreement, for purposes of this Agreement the following terms have the respective meanings set forth below:

“**Affiliate**” means, when used with respect to a Person, any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or individual controlled by, under common control with, or which controls such Person (the term “control” for these purposes shall mean the ability, whether by the ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to make management decisions on behalf of, or independently to select the managing partner of, a partnership, or otherwise to have the power independently to remove and then select a majority of those individuals exercising managerial authority over an entity, and control shall be conclusively presumed in the case of the ownership of 50% or more of the equity interests).

“**Borrower**” means the Person named as such in the first paragraph of this Agreement and any other Person (other than the Senior Lender) who acquires title to a fee interest in the Property after the date of this Agreement.

“**Business Day**” means any day other than Saturday, Sunday or a day on which the Senior Lender is not open for business.

“**Default Notice**” means: (a) a copy of the written notice from the Senior Lender to the Borrower stating that a First Mortgage Loan Default has occurred under the First Mortgage Loan; or (b) a copy of the written notice from the Subordinate Lender to the Borrower stating that a Subordinate Loan Default has occurred under the Subordinate Loan. Each Default Notice shall specify the default upon which such Default Notice is based.

“**First Mortgage Loan Default**” means the occurrence of an “Event of Default” as that term is defined in the First Mortgage Loan Documents.

“**First Mortgage Loan Documents**” means the First Mortgage Loan Agreement, the First Mortgage Note, the First Mortgage, and all other documents evidencing, securing or otherwise executed and delivered in connection with the First Mortgage Loan.

“**Person**” means an individual, estate, trust, partnership, corporation, limited liability company, limited liability partnership, governmental department or agency or any other entity which has the legal capacity to own property.

“Senior Lender” means the Person named as such in the first paragraph of this Agreement. When any other Person becomes the legal holder of the First Mortgage Note, such other Person shall automatically become the Senior Lender.

“Subordinate Lender” has the meaning set forth in the first paragraph of this Agreement.

“Subordinate Loan” has the meaning set forth in Recital C of this Agreement.

“Subordinate Loan Default” means a default by the Borrower in performing or observing any of the terms, covenants or conditions in the Subordinate Loan Documents to be performed or observed by it, which continues beyond any applicable period provided in the Subordinate Loan Documents for curing the default.

“Subordinate Loan Documents” has the meaning set forth in Recital C of this Agreement.

2. Permission to Place Mortgage Liens Against Property.

The Senior Lender agrees, notwithstanding the prohibition against inferior liens on the Property contained in the First Mortgage Loan Documents and subject to the provisions of this Agreement, to permit the Subordinate Lender to record the Subordinate Mortgage and other recordable Subordinate Loan Documents against the Property (which are subordinate in all respects to the lien of the First Mortgage) to secure the Borrower’s obligation to repay the Subordinate Note and all other obligations, indebtedness and liabilities of the Borrower to the Subordinate Lender under and in connection with the Subordinate Loan. Such permission is subject to the condition that each of the representations and warranties made by the Borrower and the Subordinate Lender in Section 4 is true and correct on the date of this Agreement. If any of the representations and warranties made by the Borrower and the Subordinate Lender in Section 4 is not true and correct on such date, the provisions of the First Mortgage Loan Documents applicable to unpermitted liens on the Property shall apply.

3. Lien Priority.

Each of Senior Lender and the Subordinate Lender agree that the Subordinate Loan Documents are unconditionally and will remain at all times, liens, claims, or charges on the Property in the following priority order:

- (a) The Regulatory Agreement;
- (b) The First Mortgage and First Mortgage Loan Documents; and
- (c) The Subordinate Mortgage and Subordinate Loan Documents.

4. Borrower’s, Subordinate Lender’s and Senior Lender’s Representations and Warranties.

The Borrower and the Subordinate Lender each makes the following representations and warranties to the Senior Lender:

- (a) **Reserved.**
- (b) **Relationship of Borrower to Subordinate Lender and Senior Lender.** The Subordinate Lender is not an Affiliate of the Borrower. The Subordinate Lender is not in possession of any facts which would lead it to believe that the Senior Lender is an Affiliate of the Borrower.

(c) **Term.** The term of the Subordinate Note does not end before the term of the First Mortgage Note.

(d) **Subordinate Loan Documents.** The executed Subordinate Loan Documents are substantially in the same forms as those submitted to, and approved by, Senior Lender prior to the date of this Agreement. Upon execution and delivery of the Subordinate Loan Documents, Borrower shall deliver to Senior Lender an executed copy of each of the Subordinate Loan Documents, certified to be true, correct and complete.

The Borrower and the Senior Lender each makes the following representations and warranties to the Subordinate Lender:

(e) **First Mortgage Loan Documents.** The executed First Mortgage Loan Documents are substantially in the same form as, when applicable, those submitted to, and approved by, Senior Lender and submitted to Subordinate Lender prior to the date of this Agreement. Upon execution and delivery of the First Mortgage Loan Documents, Borrower shall deliver to Subordinate Lender an executed copy of each of the First Mortgage Documents, certified to be true, correct and complete.

5. Terms of Subordination.

(a) **Agreement to Subordinate.** The Senior Lender and the Subordinate Lender agree that: (i) the indebtedness evidenced by the Subordinate Loan Documents is and shall be subordinated in right of payment, to the extent and in the manner provided in this Agreement to the prior payment in full of the indebtedness evidenced by the First Mortgage Loan Documents, and (ii) the Subordinate Mortgage and the other Subordinate Loan Documents are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Mortgage and the other First Mortgage Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the First Mortgage and the other First Mortgage Loan Documents (including but not limited to, all sums advanced for the purposes of (1) protecting or further securing the lien of the First Mortgage, curing defaults by the Borrower under the First Mortgage Loan Documents or for any other purpose expressly permitted by the First Mortgage, or (2) constructing, renovating, repairing, furnishing, fixturing or equipping the Property).

(b) **Subordination of Subrogation Rights.** Subordinate Lender agrees that if, by reason of its payment of real estate taxes or other monetary obligations of the Borrower, or by reason of its exercise of any other right or remedy under the Subordinate Loan Documents, it acquires by right of subrogation or otherwise a lien on the Property which (but for this subsection) would be senior to the lien of the First Mortgage, then, in that event, such lien shall be subject and subordinate to the lien of the First Mortgage.

(c) **Payments Before First Mortgage Loan Default.** Until the Subordinate Lender receives a Default Notice of a First Mortgage Loan Default from the Senior Lender, the Subordinate Lender shall be entitled to retain for its own account all payments made under or pursuant to the Subordinate Loan Documents.

(d) **Payments After First Mortgage Loan Default.** The Borrower agrees that, after it receives notice (or otherwise acquires knowledge) of a First Mortgage Loan Default, it will not make any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Mortgage) without the Senior Lender's prior written consent. The Subordinate Lender agrees that, after it receives a Default Notice from the Senior Lender with written instructions directing the Subordinate Lender not to accept payments from the Borrower on account of the Subordinate Loan, it will not accept any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate

Mortgage) without the Senior Lender's prior written consent. If the Subordinate Lender receives written notice from the Senior Lender that the First Mortgage Loan Default which gave rise to the Subordinate Lender's obligation not to accept payments has been cured, waived, or otherwise suspended by the Senior Lender, the restrictions on payment to the Subordinate Lender in this Section 5 shall terminate, and the Senior Lender shall have no right to any subsequent payments made to the Subordinate Lender by the Borrower prior to the Subordinate Lender's receipt of a new Default Notice from the Senior Lender in accordance with the provisions of this Section 5(d).

(e) **Remitting Subordinate Loan Payments to Senior Lender.** If, after the Subordinate Lender receives a Default Notice from the Senior Lender in accordance with subsection (d) above, the Subordinate Lender receives any payments under the Subordinate Loan Documents, the Subordinate Lender agrees that such payment or other distribution will be received and held in trust for the Senior Lender and unless the Senior Lender otherwise notifies the Subordinate Lender in writing, will be promptly remitted, in kind to the Senior Lender, properly endorsed to the Senior Lender, to be applied to the principal of, interest on and other amounts due under the First Mortgage Loan Documents in accordance with the provisions of the First Mortgage Loan Documents. By executing this Agreement, the Borrower specifically authorizes the Subordinate Lender to endorse and remit any such payments to the Senior Lender, and specifically waives any and all rights to have such payments returned to the Borrower or credited against the Subordinate Loan. Borrower and Senior Lender acknowledge and agree that payments received by the Subordinate Lender, and remitted to the Senior Lender under this Section 5, shall not be applied or otherwise credited against the Subordinate Loan, nor shall the tender of such payment to the Senior Lender waive any Subordinate Loan Default which may arise from the inability of the Subordinate Lender to retain such payment or apply such payment to the Subordinate Loan.

(f) **Agreement Not to Commence Bankruptcy Proceeding.** The Subordinate Lender agrees that during the term of this Agreement it will not commence, or join with any other creditor in commencing any bankruptcy reorganization, arrangement, insolvency or liquidation proceedings with respect to the Borrower, without the Senior Lender's prior written consent.

6. Default Under Subordinate Loan Documents.

(a) **Notice of Default and Cure Rights.** The Subordinate Lender shall deliver to the Senior Lender a Default Notice within five (5) Business Days in each case where the Subordinate Lender has given a Default Notice to the Borrower. Failure of the Subordinate Lender to send a Default Notice to the Senior Lender shall not prevent the exercise of the Subordinate Lender's rights and remedies under the Subordinate Loan Documents, subject to the provisions of this Agreement. The Senior Lender shall have the right, but not the obligation, to cure any such Subordinate Loan Default as provided below. Senior Lender may have up to thirty (90) days from the date of the Default Notice to cure any monetary default under the Subordinate Loan Documents; provided, however that the Subordinate Lender shall be entitled, during such 90-day period to continue to pursue its rights and remedies under the Subordinate Loan Documents with respect to the Property to the extent permitted under Section 6(b). Senior Lender may have up to thirty (90) days from the date of the Default Notice to cure any non-monetary default under the Subordinate Loan Documents. All amounts paid by the Senior Lender in accordance with the First Mortgage Loan Documents to cure a Subordinate Loan Default shall be deemed to have been advanced by the Senior Lender pursuant to, and shall be secured by the lien of, the First Mortgage.

(b) **Subordinate Lender's Agreement to Standstill.** If a Subordinate Loan Default occurs and is continuing, Subordinate Lender agrees that, without the Senior Lender's prior written consent, it will not accelerate the Subordinate Loan, commence foreclosure proceedings with respect to the Property, collect rents, appoint (or seek the appointment of) a receiver or institute any other collection or enforcement action without first giving Senior Lender ninety (90) days prior written notice and an opportunity to cure, which ninety (90) day period shall commence by delivery of a Default Notice to the Senior Lender as described in Section 6(a); provided, however, that such limitation on

the remedies of Subordinate Lender shall not derogate or otherwise limit Subordinate Lender's rights, following an event of default under the Subordinate Loan Documents to (a) compute interest on all amounts due and payable under the Subordinate Loan at the default rate described in the Subordinate Loan Documents, (b) compute prepayment premiums and late charges, and (c) enforce against any person, other than Borrower and any guarantors or indemnitors under the First Mortgage Loan Documents, any guaranty of the obligations of Borrower under the Subordinate Loan.

(c) **Cross Default.** The Borrower and the Subordinate Lender agree that a Subordinate Loan Default shall constitute a First Mortgage Loan Default under the First Mortgage Loan Documents and the Senior Lender shall have the right to exercise all rights or remedies under the First Mortgage Loan Documents in the same manner as in the case of any other First Mortgage Loan Default. If the Subordinate Lender notifies the Senior Lender in writing that any Subordinate Loan Default of which the Senior Lender has received a Default Notice has been cured or waived, as determined by the Subordinate Lender in its sole discretion, then provided that Senior Lender has not conducted a sale of the Property pursuant to its rights under the First Mortgage Loan Documents, any First Mortgage Loan Default under the First Mortgage Loan Documents arising solely from such Subordinate Loan Default shall be deemed cured, and the First Mortgage Loan shall be reinstated, provided, however, that the Senior Lender shall not be required to return or otherwise credit for the benefit of the Borrower any default rate interest or other default related charges or payments received by the Senior Lender during such First Mortgage Loan Default.

7. Default Under First Mortgage Loan Documents.

(a) **Notice of Default and Cure Rights.** The Senior Lender shall deliver to the Subordinate Lender a Default Notice within five (5) Business Days in each case where the Senior Lender has given a Default Notice to the Borrower. The Subordinate Lender shall have the right, but not the obligation, to cure any such First Mortgage Loan Default as provided below. Subordinate Lender may have up to thirty (30) days from the date of delivery of the Default Notice to cure any monetary default under the First Mortgage Loan Documents; provided, however, that the Senior Lender shall be entitled during such 30-day period to continue to pursue its remedies with respect to the Property. Subordinate Lender may have up to sixty (60) days from the date of the Default Notice to cure a non-monetary default. In the event that such a non-monetary default creates an unacceptable level of risk relative to the Property, or Senior Lender's secured position relative to the Property, as determined by Senior Lender in its sole discretion, then Senior Lender may exercise during such 60-day period all available rights and remedies to protect and preserve the Property and the rents, revenues and other proceeds from the Property. All amounts paid by the Subordinate Lender to the Senior Lender to cure a First Mortgage Loan Default shall be deemed to have been advanced by the Subordinate Lender pursuant to, and shall be secured by the lien of, the Subordinate Mortgage. Senior Lender agrees that it shall not complete any foreclosure or trustee sale unless and until Subordinate Lender has first been given a Default Notice, and Subordinate Lender has failed to cure the First Mortgage Loan Default within the applicable cure periods provided herein; provided, however, that Senior Lender shall be entitled to exercise and pursue any of Senior Lender's rights and remedies under the Senior Loan Documents during the applicable cure period.

If a cure of the First Mortgage Loan Default is completed within the applicable cure period, the Senior Lender: (i) will rescind any notice of default recorded and request dismissal of any receiver who has been appointed, after reimbursement of all of Senior Lender's costs, including, without limitation, reasonable attorney's fees and costs, and (ii) will not exercise its right to accelerate (or will de-accelerate) the amounts due under the Senior Loan Documents by reason of the Default Notice cured by Subordinate Lender or Borrower; provided, however, that nothing herein shall be construed to waive or limit any of the Senior Lender's rights or remedies as to any uncured default, or any subsequent default, by Borrower.

(b) **Cross Default.** The Subordinate Lender agrees that, notwithstanding any contrary provision contained in the Subordinate Loan Documents, a First Mortgage Loan Default shall not

constitute a default under the Subordinate Loan Documents if no other default occurred under the Subordinate Loan Documents until either (i) the Senior Lender has accelerated the maturity of the First Mortgage Loan, (ii) the Senior Lender has taken affirmative action to exercise its rights under the First Mortgage to collect rent, to appoint (or seek the appointment of) a receiver or to foreclose on (or to exercise a power of sale contained in) the First Mortgage, or (iii) the Senior Lender has delivered a Default Notice to the Borrower. At any time after a First Mortgage Loan Default is determined to constitute a default under the Subordinate Loan Documents, the Subordinate Lender shall be permitted to pursue its remedies for default under the Subordinate Loan Documents, subject to the restrictions and limitations of this Agreement. If at any time the Borrower cures any First Mortgage Loan Default to the satisfaction of the Senior Lender, as evidenced by written notice from the Senior Lender to the Subordinate Lender, any default under the Subordinate Loan Documents arising from such First Mortgage Loan Default shall be deemed cured and the Subordinate Loan shall be retroactively reinstated as if such First Mortgage Loan Default had never occurred.

8. Conflict.

The Borrower, the Senior Lender and the Subordinate Lender each agrees that, in the event of any conflict or inconsistency between the terms of the First Mortgage Loan Documents, any of the Subordinate Loan Documents and the terms of this Agreement, the terms of this Agreement shall govern and control solely as to the following: (a) the relative priority of the security interests of the Senior Lender and the Subordinate Lender in the Property; (b) the timing of the exercise of remedies by the Senior Lender and the Subordinate Lender under the First Mortgage and the Subordinate Mortgage, respectively; and (c) solely as between the Senior Lender and the Subordinate Lender, the notice requirements, cure rights, and the other rights and obligations which the Senior Lender and the Subordinate Lender have agreed to as expressly provided in this Agreement. Borrower acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to: extend Borrower's time to cure any First Mortgage Loan Default or Subordinate Loan Default, as the case may be; give the Borrower the right to notice of any First Mortgage Loan Default or Subordinate Loan Default, as the case may be other than that, if any, provided, respectively under the First Mortgage Loan Documents or the Subordinate Loan Documents; or create any other right or benefit for Borrower as against Senior Lender or Subordinate Lender.

9. Rights and Obligations of the Subordinate Lender Under the Subordinate Loan Documents and of the Senior Lender under the First Mortgage Loan Documents.

Subject to each of the other terms of this Agreement, all of the following provisions shall supersede any provisions of the Subordinate Loan Documents covering the same subject matter:

(a) **Protection of Security Interest.** The Subordinate Lender shall not, without the prior written consent of the Senior Lender in each instance, which shall not be unreasonably withheld, delayed or conditioned, take any action which has the effect of increasing the indebtedness outstanding under, or secured by, the Subordinate Loan Documents, except that the Subordinate Lender shall have the right to advance funds to cure First Mortgage Loan Defaults pursuant to Section 7(a) above and advance funds pursuant to the Subordinate Mortgage for the purpose of paying real estate taxes and insurance premiums, making necessary repairs to the Property and curing other defaults by the Borrower under the Subordinate Loan Documents.

(b) **Condemnation or Casualty.** In the event of: a taking or threatened taking by condemnation or other exercise of eminent domain of all or a portion of the Property (collectively, a "Taking"); or the occurrence of a fire or other casualty resulting in damage to all or a portion of the Property (collectively, a "Casualty"), at any time or times when the First Mortgage remains a lien on the Property the following provisions shall apply:

(1) Subordinate Lender hereby agrees that its rights (under the Subordinate Loan Documents or otherwise, except for the Regulatory Agreement) to participate in any

proceeding or action relating to a Taking and/or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Taking or a Casualty shall be and remain subordinate in all respects to the Senior Lender's rights under the First Mortgage Loan Documents with respect thereto, and the Subordinate Lender shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by the Senior Lender; provided, however, this subsection and/or anything contained in this Agreement shall not limit the rights of the Subordinate Lender to file any pleadings, documents, claims or notices with the appropriate court with jurisdiction over the proposed Taking and/or Casualty; and

(2) all proceeds received or to be received on account of a Taking or a Casualty, or both, shall be applied (either to payment of the costs and expenses of repair and restoration or to payment of the First Mortgage Loan) in the manner determined by the Senior Lender in its sole discretion; provided, however, that if the Senior Lender elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the First Mortgage Loan, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the First Mortgage Loan shall be paid to, and may be applied by, the Subordinate Lender in accordance with the applicable provisions of the Subordinate Loan Documents, provided however, the Senior Lender agrees to consult with the Subordinate Lender in determining the application of Casualty proceeds, provided further however that in the event of any disagreement between the Senior Lender and the Subordinate Lender over the application of Casualty proceeds, the decision of the Senior Lender, in its sole discretion, shall prevail.

(c) **No Modification of Subordinate Loan Documents.** The Borrower and the Subordinate Lender each agrees that, until the principal of, interest on and all other amounts payable under the First Mortgage Loan Documents have been paid in full, it will not, without the prior written consent of the Senior Lender in each instance, which shall not be unreasonably withheld, delayed or conditioned, increase the amount of the Subordinate Loan, increase the required payments due under the Subordinate Loan, decrease the term of the Subordinate Loan, increase the interest rate on the Subordinate Loan, or otherwise amend the Subordinate Loan's repayment terms in a manner that creates an adverse effect upon the Senior Lender under the First Mortgage Loan Documents. Any unauthorized amendment of the Subordinate Loan Documents or assignment of the Subordinate Lender's interest in the Subordinate Loan without the Senior Lender's consent shall be void ab initio and of no effect whatsoever.

10. Modification or Refinancing of First Mortgage Loan.

(a) **Modification of First Mortgage Loan.** The Subordinate Lender consents to any agreement or arrangement in which the Senior Lender waives, postpones, extends, reduces or modifies any provisions of the First Mortgage Loan Documents, including any provision requiring the payment of money provided, however, that such consent does not extend to any provision that increases the amount of the First Mortgage Loan (other than pursuant to a protective advance permitted by the First Mortgage Loan Documents or applicable law); increases the interest rate, except as set forth in the First Mortgage Loan Documents as in effect on the date hereof; or decreases the term of the First Mortgage Loan; all of which shall require advance written consent of Subordinate Lender. However, Subordinate Lender agrees that it shall not unreasonably withhold its consent to any such modification.

(b) **Refinancing of First Mortgage Loan.** Subordinate Lender further agrees that its agreement to subordinate hereunder shall extend to any new mortgage debt, in an amount not greater than the then-outstanding balance of the First Mortgage Loan which is for the purpose of refinancing all or any part of the First Mortgage Loan (including reasonable and necessary costs associated with the closing and/or the refinancing) provided, however, that such consent shall not extend to any refinancing provision that increases the interest rate or decreases the term of the

First Mortgage Loan. However, Subordinate Lender agrees that it shall not unreasonably withhold consent to any such modification. In the event of new mortgage debt for the purposes of refinancing meeting the requirements of this Section 10(b), Subordinate Lender shall execute and deliver to Senior Lender a new subordination agreement on the same terms and conditions as this Agreement.

11. Default by the Subordinate Lender or Senior Lender.

If the Subordinate Lender or Senior Lender defaults in performing or observing any of the terms, covenants or conditions to be performed or observed by it under this Agreement, the other, non-defaulting lender shall have the right to all available legal and equitable relief.

12. Notices.

Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which the Senior Lender or the Subordinate Lender are required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating early morning delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two days after mailing in the United States), addressed to the respective parties as follows:

SENIOR LENDER: Silicon Valley Bank, a division of
First-Citizens Bank & Trust Company
Attention: Community Development Finance
505 Howard Street, 3rd Floor
San Francisco, CA 94105

BORROWER: Aloe Palm Canyon, L.P.
c/o West Hollywood Community Housing Corporation
7530 Santa Monica Blvd.
West Hollywood, California 90046
Attention: Jesse Slansky

with a copy to:

Gubb & Barshay LLP
235 Montgomery St., Ste. 1110
San Francisco, CA 94104
Attention: Nicole Kline, Esq.

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

Any party may, by notice given pursuant to this Section, change the person or persons and/or address or

addresses, or designate an additional person or persons or an additional address or addresses for its notices, but notice of a change of address shall only be effective upon receipt.

13. General.

(a) **Assignment/Successors.** This Agreement shall be binding upon the Borrower, the Senior Lender and the Subordinate Lender and shall inure to the benefit of the respective legal successors and assigns of the Senior Lender and the Subordinate Lender.

(b) **No Partnership or Joint Venture.** The Senior Lender's permission for the placement of the Subordinate Loan Documents does not constitute the Senior Lender as a joint venturer or partner of the Subordinate Lender. Neither party hereto shall hold itself out as a partner, agent or Affiliate of the other party hereto.

(c) **Senior Lender's and Subordinate Lender's Consent.** Wherever the Senior Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by the Senior Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement. Wherever the Subordinate Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by the Subordinate Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement.

(d) **Further Assurances.** The Subordinate Lender, the Senior Lender and the Borrower each agree, at the Borrower's expense, to execute and deliver all additional instruments and/or documents reasonably required by any other party to this Agreement in order to evidence that the Subordinate Mortgage is subordinate to the lien, covenants and conditions of the First Mortgage, or to further evidence the intent of this Agreement.

(e) **Amendment.** This Agreement shall not be amended except by written instrument signed by all parties hereto.

(f) **Governing Law.** This Agreement shall be governed by the laws of the State in which the Property is located without regard to principles of conflicts of laws.

(g) **Severable Provisions.** If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement, shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(h) **Term.** The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (i) the payment of all of the principal of, interest on and other amounts payable under the First Mortgage Loan Documents; (ii) the payment of all of the principal of, interest on and other amounts payable under the Subordinate Loan Documents, other than by reason of payments which the Subordinate Lender is obligated to remit to the Senior Lender pursuant to Section 5 hereof; (iii) the acquisition by the Senior Lender of title to the Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the First Mortgage; or (iv) the acquisition by the Subordinate Lender of title to the Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the Subordinate Mortgage, but only if such acquisition of title does not violate any of the terms of this Agreement.

(i) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

SENIOR LENDER:

FIRST-CITIZENS BANK & TRUST COMPANY

By: form - do not sign
Carlotta R. Mills
Vice President,
Community Development Finance

SUBORDINATE LENDER:

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

By: **form - do not sign** _____

Heidi Marshall, Director
Housing & Workforce Solutions

Approved as to form:

MINH C. TRAN, County Counsel



Amrit P. Dhillon, Deputy County Counsel

BORROWER:

ALOE PALM CANYON, L.P.,
a California limited partnership

By: Aloe Palm Canyon LLC,
a California limited liability company,
its general partner

By: West Hollywood Community Housing
Corporation, a California nonprofit public benefit
corporation, its sole member/manager

By: _____
Jesse Slansky,
President and Chief Executive Officer

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

State of California)
County of _____)

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

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

WITNESS my hand and official seal.

Signature _____

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

State of California)
County of _____)

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

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

WITNESS my hand and official seal.

Signature _____

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State of California)
County of _____)

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

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

WITNESS my hand and official seal.

Signature _____

Exhibit A

Legal Description

ALL THAT REAL PROPERTY LOCATED IN THE CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING THOSE PORTIONS OF LOTS 5, 6 AND 12 IN BLOCK A OF LAS PALMAS ESTATES, AS SHOWN BY MAP ON FILE IN BOOK 15, PAGES 15 AND 16 OF MAPS, RECORDS OF RIVERSIDE COUNTY, TOGETHER WITH THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, IN THE TOWNSHIP 4 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A

BEGINNING AT THE NORTHEASTERLY CORNER OF LOT 11 OF SAID LAS PALMAS ESTATES MAP; THENCE ALONG THE NORTH LINE OF SAID LOT 11, S89°50'00"W A DISTANCE OF 152.05 FEET TO THE WEST LINE OF SAID LOT;

THENCE SOUTHERLY ALONG SAID WEST LINE, S00°10'00"E A DISTANCE OF 39.98 FEET TO THE NORTHEAST CORNER OF LOT 7 OF SAID LAS PALMAS ESTATES MAP;

THENCE SOUTHWESTERLY ALONG THE NORTH LINE OF SAID LOT, S84°57'00"W A DISTANCE OF 130.49 FEET TO THE EASTERLY RIGHT OF WAY LINE OF CAMINO DEL NORTE, BEING 25.00 FEET IN HALF WIDTH, AS SHOWN ON SAID LAS PALMAS ESTATES MAP, AND THE BEGINNING OF A NON TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS 116.04 FEET TO WHICH A RADIAL LINE BEARS N89°50'00"E;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 32°33'54" AN ARC DISTANCE OF 65.95 FEET TO THE MOST SOUTHERLY CORNER OF LOT 1 TRACT 3630, RECORDED IN MAP BOOK 62, PAGE 14 OF SAID COUNTY;

THENCE ALONG THE EASTERLY LINES OF SAID LOT 1 OF SAID TRACT THE FOLLOWING TWO COURSES:

1. N49°30'58"E A DISTANCE OF 147.53 FEET;
2. N00°10'00"W A DISTANCE OF 211.88 FEET TO THE SOUTH RIGHT OF WAY LINE OF STEVENS ROAD, BEING 40 FEET IN HALF WIDTH, AS SHOWN ON SAID LAS PALMAS ESTATES MAP;

THENCE ALONG SAID SOUTH RIGHT OF WAY LINE N89°50'00"E A DISTANCE OF 299.50 FEET TO THE WEST RIGHT OF WAY LINE OF PALM CANYON ROAD, FORMERLY MAIN BOULEVARD, BEING 30.00 FEET IN HALF WIDTH, AS SHOWN ON SAID LAS PALMAS ESTATES MAP;

THENCE ALONG SAID WEST RIGHT OF WAY LINE THE FOLLOWING THREE COURSES:

1. S00°00'00"W A DISTANCE OF 211.88 FEET;
2. S89°50'00"W A DISTANCE OF 20.00 FEET;
3. S00°00'00"W A DISTANCE OF 106.83 FEET TO THE POINT OF BEGINNING.

SAID DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN PARCEL MERGER GRANT DEED PM 22-04-1475, RECORDED JANUARY 26, 2023 AS INSTRUMENT NO. 2023-0024886 OFFICIAL RECORDS.

Assessor's Parcel Number: 505-182-010, 505-182-004



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

RECEIVED RIVERSIDE COUNTY
 CLERK/BOARD OF SUPERVISORS

2023 JUL 13 AM 10:18

RECEIPT NUMBER: 23-153810
STATE CLEARINGHOUSE NUMBER (If applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY COUNTY OF RIVERSIDE	LEAD AGENCY EMAIL COB@RIVCO.ORG	DATE 06/07/2023
COUNTY/STATE AGENCY OF FILING RIVERSIDE	DOCUMENT NUMBER E-202300606	

PROJECT TITLE
 LOAN AGREEMENT FOR THE USE OF PERMANENT LOCAL HOUSING ALLOCATION (PLHA)
 PROGRAM FUNDS

PROJECT APPLICANT NAME DEPARTMENT OF HOUSING AND WORKFORCE	PROJECT APPLICANT EMAIL JUGARCIA@RIVCO.ORG	PHONE NUMBER 19519558126
PROJECT APPLICANT ADDRESS 3403 TENTH ST, 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
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2023-7-156307



FILED / POSTED

County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder

E-202300606
06/07/2023 12:43 PM Fee: \$ 50.00
Page 1 of 2

Removed: 7/10/2023 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: Loan Agreement for the Use of Permanent Local Housing Allocation (PLHA) Program Funds
1475 North Palm Canyon Drive, southwest corner of North Palm Canyon Drive and West
Steven Road, Palm Springs, CA 92262, County of Riverside, State of California, identified
 Project Location (include county): as Assessor's Parcel Numbers 505-182-004 and 505-182-010

Project Description:
 The project proposes to utilize \$3,000,000 in Permanent Local Housing Allocation (PLHA) funds allocated from the California Department of Housing and Community Development PLHA Program for the development and new construction of Aloe Palm Canyon Apartments Affordable Housing Project, a proposed 71-unit multi-family affordable rental housing complex for low-income families.

Project Sponsor: County of Riverside Department of Housing and Workforce Solutions
 This is to advise that the County of Riverside Board of Supervisors approved the above project on
 Lead agency or Responsible Agency

June 6, 2023 and has made the following determinations regarding the above described project:
 (tentative date)

Pursuant to the California Environmental Quality Act (CEQA), the PLHA Loan Agreement was reviewed and determined to be exempt from CEQA as an affordable housing project that meets criteria found in Section 15192 and 15194 of the CEQA Guidelines. Any potential significant effects of the project have been addressed by the City of Palm Springs, as Lead Agency, in the previously adopted Notice of Exemption (NOE) on January 14, 2021 (Resolution No. 24844) approving a Planned Development District (Case No. 5.1520 PD-390) to construct a two-story affordable housing development with 71 units located at 1479 Palm Canyon Drive for Aloe Palm Canyon, formerly known as Agave at Palm Canyon. Entering into the PLHA Loan Agreement will not result in any new significant environmental effects; the actions will not substantially increase the severity of the environmental effects; no considerably different mitigation measures have been identified; and no mitigation measures found infeasible have become feasible. As a result, no further environmental documentation is required for California Environmental Quality Act purposes.

Signature: (Public Agency) Juan Garcia Title: Development Manager

Date: 6/23/23 Date received for filing at OPR: _____

JUN 6 2023
 3.16



HWS HOUSING AND
WORKFORCE
SOLUTIONS
ENGAGE. ENCOURAGE. EQUIP.

Board Date: June 6, 2023

To: Clerk of the Board of Supervisors
4080 Lemon St, 1st Floor, Suite 127
Riverside CA 92501

From: Juan Garcia, Development Manager
Department of Housing and Workforce Solutions
County of Riverside
3403 Tenth Street, Suite # 300
Riverside, CA 92501

**Subject: Notice of Exemption (NOE) –
Loan Agreement for the Use of PLHA Funds for Courtyards at Cottonwood II
Apartments, in the City of Moreno Valley; District 5**

The Department of Housing and Workforce Solutions is requesting the Clerk of the Board of Supervisors post the attached Notice of Determination. Please note that the State Department of Fish and Wildlife Fee has already been paid (evidence attached). Authorization to bill by journal voucher is included for your posting fee.

After posting, please return the document to:

Mail Stop #1261
Attention: Juan Garcia, Development Manager
Department of Housing and Workforce Solutions
County of Riverside
3403 Tenth Street, Suite # 300
Riverside, CA 92501

If you have any questions, please contact Juan Garcia at 951-955-8126.

Attachment

Cc: file