

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



**ITEM: 3.14
(ID # 20843)**

MEETING DATE:

FROM : HOUSING AND WORKFORCE SOLUTIONS:

Tuesday, October 03, 2023

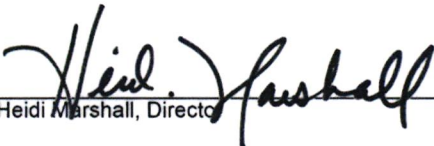
SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Form of Loan Agreement in the Amount of \$1,000,000 Derived from County's American Rescue Plan Act (ARPA) Allocation; Approve the Forms of the Loan Agreement for the Use of ARPA Funds and the Covenant Agreement; and authorize the Director of HWS to Execute the ARPA Loan Agreement, Covenant Agreement for the Corona De Oro Apartments; District 2. [\$1,000,000 – 100% Federal ARPA Funds] (4/5 Vote Required)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve a loan in the amount of \$1,000,000 derived from County's 1st ARPA Allocation to pay a portion of the rehabilitation costs related to the Corona De Oro Apartments Housing Project, located in the City of Corona to assist low-income households and individuals affected by the COVID-19 pandemic;
2. Approve the attached forms of Loan Agreement for the Use of ARPA Funds, including all attachments thereto (ARPA Loan Agreement), and the ARPA Loan Leasehold Deed of Trust and Assignment of Rents, ARPA Loan Promissory Note and ARPA Covenant Agreement;

Continued on Page 2

ACTION:Policy, 4/5 Vote Required


Heidi Marshall, Director 2/28/2023

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: October 3, 2023
xc: HWS

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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

RECOMMENDED MOTION: That the Board of Supervisors:

3. Authorize the Director of the Housing and Workforce Solutions (HWS), or designee, to execute the ARPA Loan Agreement and ARPA Covenant Agreement conforming in form and substance to the attached ARPA Loan Agreement and ARPA Covenant Agreement, subject to approval as to form by County Counsel;
4. Authorize the Director of the Housing and Workforce Solutions (HWS), or Designee, to execute the ARPA Loan Agreement and Covenant Agreement with Corona De Oro Apartments L.P., a California limited partnership, substantially conforming in form and substance to the attached ARPA Loan Agreement and ARPA Covenant Agreement, to provide a loan in the total amount of \$1,000,000 with the term commencing upon signature of the parties and terminating the later of December 31, 2089, or sixty-seven (67) years from the recordation of the ARPA Covenant Agreement, subject to approval as to form by County Counsel; and
5. Approve and direct the Auditor-Controller to make the budget adjustment as detailed in the attached Schedule A.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$1,000,000	\$ 0	\$1,000,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: American Rescue Plan Act (ARPA) Funds (100%)			Budget Adjustment: Yes	
			For Fiscal Year: 2023/24	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

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

National Community Renaissance of California, a California nonprofit public benefit corporation (Developer) has applied to the County of Riverside (County) for ARPA funding allocated from

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

California's direct allocation of federal ARPA funds in the amount of \$1,000,000 (ARPA Loan) to pay a portion of the costs to rehabilitate the existing Corona De Oro Apartments Housing Project, an affordable multi-family low-income housing project (Proposed Project). The Proposed Project will be owned and operated by Corona De Oro Apartments, L.P., a California limited partnership. If approved, the ARPA Loan will be evidenced by a Promissory Note in favor of the County (ARPA Loan Note), which would be secured by a Deed of Trust with Assignment of Leases and Rents, Security Agreement and Fixture Filing for the benefit of the County (ARPA Loan Deed of Trust). The proposed ARPA Loan Deed of Trust and ARPA Loan Note are exhibited to the Loan Agreement attached hereto.

The Proposed Project is located on approximately 3.69 acres of land located at 680 W. 2nd Street; 205, 225, 245, 265, 285 South Vicentia Avenue; 725, 735, 745, 755, 765, 775, 785, 795 West Third Street; 630, 640, 650, 660, 670 West Second Street, City of Corona, California. Also, identified at APNs 117-350-001 and 117-350-002 (Property). The Proposed Project will consist of 71 affordable rental units within 19 buildings: 18 residential, two-story townhomes buildings and 1 community/leasing/laundry building; including 50 two-bedroom units (975 sq. ft.) and 22 three-bedroom units (1,128 sq. ft.). In addition, 1 two-bedroom unit will be set aside for an on-site resident manager. The Proposed Project have the following amenities: a gated community, community center, computer room, playground, swimming pool, learning facility, and laundry facility. Under the County's ARPA program, 40 units will be restricted to households whose incomes do not exceed 65% of the area median income for the County of Riverside as determined by the United States Department of Housing and Urban Development (HUD) for an affordable rent pursuant to 24 CFR Section 92.252.

Permanent Sources	Amount
Perm Loan-NCRC Bond Loan	\$500,000
Riverside County ARPA Grant	\$1,000,000
City of Corona Loan	\$2,500,000
Assumption of Exist Property Reserves (A)	\$198,710
Assumption of Exist City, NCRC, HOME Loans	\$8,614,312
Total	\$12,813,022

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

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

Impact on Citizens and Businesses

The rehabilitation of Corona De Oro Apartments will have a positive impact on residents and businesses as it will provide needed affordable housing and mitigate health and safety issues affecting the property making it a decent and safe place for qualified families to live. The project is also expected to create jobs in construction, property maintenance, and property management.

SUPPLEMENTAL:

Additional Fiscal Information

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

Attachments:

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


Heydee Koury, Sr Accountant - Auditor 9/21/2023


Brianna Lontajo, Principal Management Analyst 9/27/2023


Aaron Gettis, Deputy County Counsel 9/20/2023

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

Order No.
Escrow No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
Housing and Workforce Solutions
3403 10th Street, Suite 300
Riverside, CA 92501
Attn: Alicia Jaimes

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**LOAN AGREEMENT FOR THE USE OF
AMERICAN RESCUE PLAN ACT (ARPA) FUNDS
(Corona De Oro Apartments)**

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

RECITALS:

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

WHEREAS, state, territorial, local, and tribal governments were required to comply with the Final Rule by April 1, 2022 when the Final Rule took effect; and

1 WHEREAS, the Act, the regulations promulgated thereunder in 31 CFR Part 35, and the
2 Final Rule (collectively, “ARPA Rules”) provides that the SLFRF may be used to cover costs
3 that are necessary expenditures incurred due to the public health emergency with respect to the
4 COVID-19 pandemic; and

5 WHEREAS, the Act states that the SLFRF may be used “to respond to the public health
6 emergency with respect to COVID-19 and its negative economic impacts, including assistance
7 to households, small businesses and nonprofits”; and

8 WHEREAS, pursuant to 31 CFR Part 35.6(b)(3)(ii)(A)(5), one of the Eligible Uses (as
9 defined under ARPA Rules) of the SLFRF is to respond to the public health emergency or its
10 negative economic impacts for the purpose of assisting low-income households and individuals
11 disproportionately impacted by the COVID-19 pandemic through the development, repair and
12 operation of affordable housing and services or programs to increase long-term housing security,
13 and the ARPA assisted activities described herein comply with the objectives required under
14 ARPA; and

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

19 WHEREAS, BORROWER is proposing to utilize SLFRF funds for the
20 rehabilitation of a multi-family affordable rental housing project consisting of seventy two (72)
21 rental housing units, including one (1) residential manager’s unit, to be rented and occupied by
22 low-income households (“Project”), situated on W. 2nd Street, South Vicentia Avenue, West
23 Third Street and West Second Street in the City of Corona, also identified as Assessor’s Parcel
24 Numbers (“APN”) 117-350-001 and 117-350-002, as more specifically described in the legal
25 description attached hereto as **Exhibit A** and incorporated herein by this reference (“Property”);
26 and

27 WHEREAS, the purpose of this Agreement is, among other things, for COUNTY to
28 provide financial assistance to BORROWER in the maximum amount of ONE MILLION AND

00/100 DOLLARS (\$1,000,000) (the “Loan Amount”), to pay a portion of the rehabilitation costs related to the Project, as more fully described herein;

WHEREAS, a total of forty (40) of the units will be reserved as ARPA-Assisted Units (as defined below), which shall be Qualified Low Income Units (as defined below).

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

1. PURPOSE. The aforementioned Recitals are true and correct and incorporated herein by this reference. COUNTY has agreed to lend up to a maximum total of ONE MILLION AND 00/100 DOLLARS (\$1,000,000) (the “ARPA Loan”) to BORROWER upon the satisfaction of the terms and conditions set forth herein, including but not limited to the conditions precedent to distribution of ARPA Loan funds set forth in **Section 12** below. BORROWER shall undertake and complete the ARPA activities required herein and as set forth in **Exhibit A**, and shall utilize the ARPA fund as required herein and pursuant to the Act and ARPA rules and regulations. The Project will serve people that are experiencing housing insecurity, with a total of forty (40) units reserved as ARPA-Assisted Units. During the Affordability Period (as defined in **Section 15** below), the ARPA-Assisted Units shall be rented to and occupied by households that qualify as low income households pursuant to 24 CFR Section 92.2 whose incomes do not exceed 65% of the area median income for the County of Riverside as determined by United States Department of Housing and Urban Development (“HUD”) (“Qualified Low Income Households”) for an affordable rent pursuant to 24 CFR Section 92.252, **Sections 19 and 20** below, **Exhibit A**, and the Covenant Agreement attached hereto as **Exhibit G** and incorporated herein by this reference. To remain a Qualified Low Income Household, such household shall occupy their respective unit within the Project as their principal residence.

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

- a. Satisfy the conditions precedent to distribution of the ARPA Loan funds set forth in **Section 12** below.
- b. Rehabilitate the Project in accordance with the timeline set forth in **Exhibit A**.
- c. Operate the Project in such a manner so that it will remain affordable to Qualified Low Income Households for the Affordability Period as defined in **Section 15** below without regard to (i) the term of the promissory note or (ii) any transfer of ownership.
- d. Maintain the Project in compliance with applicable local, state, federal laws, codes and regulations as further described in **Section 18** below until the expiration of the Term of this Agreement set forth in **Section 7** below and the Affordability Period set forth in **Section 15** below.
- e. The SLFRF funds must be obligated by BORROWER by December 31, 2024, and must be requisitioned by BORROWER and disbursed by COUNTY by December 31, 2026 (the "ARPA Loan Funds Deadline"). BORROWER shall demonstrate to the COUNTY, in the COUNTY's sole and absolute discretion, that the SLFRF funds is deemed fully expended in compliance with the ARPA Rules that relate to loans.

3. RESERVED.

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

- a. Term of ARPA Loan. The maturity date of the ARPA Loan shall be the later to occur of (i) December 31, 2089 or (ii) sixty-seven (67) years from the recordation of the Covenant Agreement in the Official Records for the last building for which construction is completed for the Project (the "ARPA Loan Term"). The term, "Official Records" used herein shall mean the Official Records of the Recorder's Office of the County of Riverside.
- b. Principal. The total amount of the ARPA Loan shall not exceed the ARPA

1 Loan Amount, and shall be evidenced by a Promissory Note, substantially
2 conforming in form and substance to the Promissory Note attached hereto as
3 **Exhibit C** and incorporated herein by this reference (“Note”), which note shall
4 be secured by a Deed of Trust and Assignment of Rents, substantially
5 conforming in form and substance to the Deed of Trust and Assignment of
6 Rents attached hereto as **Exhibit B** and incorporated herein by this reference
7 (“Deed of Trust”).

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

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

11 i. That the ARPA Loan will accrue simple interest at a rate of three percent
12 (3%) per annum, except in the case of an event of default as hereinafter
13 provided wherein a higher default interest rate shall apply as more
14 specifically set forth in the Note, and shall be repaid on an annual basis
15 from the Project’s Residual Receipts (defined in **Section 4(v)** below).

16 ii. Fifty percent (50%) of the Project’s Residual Receipts shall be used
17 towards the payment of the City Loan (as defined in **Section 5**).

18 iii. Twenty-five percent (25%) of the Project’s Residual Receipts shall be used
19 towards the payment of the ARPA Loan until the Note is repaid in full.

20 iv. The remaining twenty-five percent (25%) of the Project’s Residual
21 Receipts will be paid to BORROWER.

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

26 (1) payments of principal and interest and other mandatory payments on
27 amortized loans and indebtedness senior to the ARPA Loan, which
28 have been approved in writing by COUNTY (collectively, the “Senior

Debt”);

- (2) utility fees and costs not paid by tenants;
- (3) insurance on the Project;
- (4) ad valorem taxes and assessment payments;
- (5) management fees, expenses and costs, as well as the cost of social programs at the Project and compliance monitoring/reporting, which shall total initially \$60 per unit per month, which management fee shall be adjusted annually by a percentage equal to the annual increase in rents permitted by HUD and may be deferred and accrued;
- (6) reserves for repair and replacement of the Project, in an annual amount of \$300 per rental unit per year; and
- (7) all other fees and expenses which may be permitted by the annual budget approved by the COUNTY.
- (8) Operating expenses will be considered "normal and necessary" if incurred generally for similarly structured, financed, and restricted rental properties operated by similar entities. At such time, payment of twenty-five percent (25%) of the Residual Receipts produced from the Project shall be made by the BORROWER to the COUNTY annually on July 15th of each year. Payment shall be applied first to accrued interest and thereafter to principal. BORROWER shall annually provide the COUNTY with an accounting acceptable to the COUNTY, documenting the calculation of Residual Receipts for the previous calendar year ending December 31. This accounting shall be made on or before July 15, together with the payment of Residual Receipts. Notwithstanding anything to the contrary contained herein, no Residual Receipts shall be payable on the City Loan or the ARPA Loan until the funding in full on an annual basis of the "Capital Replacement Reserve Account" in accordance with the terms of and as further

1 detailed in that certain Amended and Restated Operation and
2 Maintenance Agreement entered into by and among BORROWER, the
3 City of Corona ("City"), a California municipal corporation, and City
4 of Corona Housing Authority ("City Housing Authority"), a public
5 body, corporate and politic, organized under the laws of the State of
6 California, as the successor to the former City of Corona
7 Redevelopment Agency, dated concurrently herewith.

8 e. Prepayment. Prepayment of principal and/or interest under the Note may occur
9 at any time without penalty; provided, however (i) the requirements of **Section**
10 **18**, Compliance with Laws and Regulations, shall remain in full force and
11 effect for the term of the Agreement specified in **Section 7** below; and (ii) the
12 affordability requirements set forth in the ARPA Covenant Agreement,
13 attached hereto as **Exhibit G** (the "ARPA Covenant Agreement"), shall remain
14 in effect until the expiration of the Affordability Period.

15 f. Compliance and Affordability Period. The requirements of **Section 18**,
16 Compliance with Laws and Regulations, shall remain in full force and effect
17 for the Term of the Agreement if the BORROWER has complied with the
18 terms of the ARPA Loan.

19 g. Security. The full and timely payment and performance of the obligations of
20 BORROWER in connection with the ARPA Loan, including its obligations
21 under this Agreement and the ARPA Covenant Agreement, shall be secured
22 by, among other things, a Deed of Trust, Assignment of Leases and Rents,
23 Security Agreement and Fixture Filing substantially conforming in form and
24 substance to the Deed of Trust, Assignment of Leases and Rents, Security
25 Agreement and Fixture Filing ("ARPA Deed of Trust") attached hereto as
26 **Exhibit B** and incorporated herein by this reference to be recorded in the
27 Official Records. The ARPA Deed of Trust shall be in a ninth priority lien
28 position. Lien priority at the close of construction financing, including

applicable regulatory agreements, shall be as follows:

- (1) first priority shall be an Amended and Restated Affordable Housing Agreement by and among the City, City Housing Authority and BORROWER in connection with a loan in an amount up to \$10,239,210 (the “Amended and Restated Affordable Housing Agreement”) including \$4,725,000 and accrued interest in Rural Development Advance funds (“City RDA Loan”), \$150,000 and accrued interest in HOME Investment Partnerships funds (“City HOME Loan”), and \$2,500,000 in California state budget appropriation funds (the “State Budget Appropriation Loan” and collectively with the City RDA Loan and the City HOME Loan, the “City Loan”);
- (2) second priority shall be an Amended and Restated Regulatory Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the “City Amended and Restated Regulatory Agreement”);
- (3) third priority shall be an Amended and Restated Operating and Maintenance Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the “City Amended and Restated Operating and Maintenance Agreement”);
- (4) fourth priority shall be an Amended and Restated Deed of Trust securing a loan for the benefit of the City Housing Authority in the principal amount of approximately \$10,239,210 (the “City Amended and Restated Deed of Trust”);
- (5) fifth priority shall be a California Tax Credit Allocation Committee (“CTCAC”) Regulatory Agreement & Stand Still Agreement between the CTCAC and BORROWER (the “CTCAC Regulatory Agreement &

Stand Still Agreement”);

(6) sixth priority shall be a covenant agreement between the City and BORROWER in connection with the City HOME Loan (the “City HOME Covenant”);

(7) seventh priority shall be the ARPA Covenant Agreement between COUNTY and BORROWER in connection with the ARPA Loan;

(8) eighth priority shall be a deed of trust securing a bond loan for the benefit of National Community Renaissance of California (“NCRC”) in the principal amount up to \$500,000 (the “Construction Bond Loan”);

(9) ninth priority shall be the ARPA Deed of Trust securing the ARPA Loan for the benefit of COUNTY in the principal amount up to \$1,000,000;

(10) tenth priority shall be a deed of trust securing the City HOME Loan for the benefit of City in the principal amount up to \$150,000 and accrued interest (the “City HOME Deed of Trust”); and

(11) eleventh priority shall be a deed of trust securing a sponsor loan for the benefit of NCRC in the principal amount up to \$875,102 (the “Sponsor Loan”).

The City Loan, the City Amended and Restated Deed of Trust and the Construction Bond Loan shall be referenced as “Senior Lien” or “Senior Liens.”

5. RESERVED.

6. PRIOR COUNTY APPROVAL.

- a. Except as otherwise expressly provided in this Agreement, approvals required of the COUNTY shall be deemed granted by the written approval of the Director of Housing and Workforce Solutions or designee (“Director”). Notwithstanding the foregoing, the Director may, in their sole discretion, refer to the governing body of the COUNTY any item requiring COUNTY approval; otherwise, “COUNTY approval” means and refers to approval by the Director or designee.

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

7. TERM OF AGREEMENT. This Agreement shall become effective upon the Effective Date, as defined in **Section 55** below, and unless terminated earlier pursuant to the terms hereof, shall continue in full force and effect until the later to occur of (i) December 31, 2089 or (ii) sixty-seven (67) years from the recordation of the ARPA Covenant Agreement in the Official Records for the last building for which rehabilitation is completed for the Project ("Term of Agreement").

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

a. Authority. BORROWER is a duly organized limited partnership in good standing under the laws of the State of California. The copies of the documents evidencing the organization of BORROWER, which have been delivered to COUNTY, are true and complete copies of the originals, amended to the date of this Agreement. BORROWER has full right, power and lawful authority to enter into this Agreement and accept the ARPA Loan and undertake all obligations as provided herein. The execution, performance, and delivery of this Agreement by BORROWER have been fully authorized by all requisite actions on the part of BORROWER.

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

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

d. Prior to Closing. BORROWER shall, upon learning of any fact or condition which would cause any of the warranties and representations in this **Section 8**

1 not to be true as of Closing, immediately give written notice of such fact or
2 condition to COUNTY. Such exception(s) to a representation shall not be
3 deemed a breach by BORROWER hereunder, but shall constitute an exception
4 which COUNTY shall have the right to approve or disapprove if such
5 exception would have an effect on the value and/or operation of the Project.

6 9. COMPLETION SCHEDULE. BORROWER shall proceed consistent with the
7 implementation schedule ("Implementation Schedule") set forth in **Exhibit A**, (as such schedule
8 may be amended pursuant to **Section 11**) and subject to Force Majeure Delays, as defined in
9 **Section 10**.

10 10. FORCE MAJEURE DELAYS. "Force Majeure" means event(s) beyond the
11 reasonable control of BORROWER, and which could not have been reasonably anticipated,
12 which prevent(s) BORROWER from complying with any of its obligations under this
13 Agreement, including, but not limited to: acts of God, acts of war, acts or threats of terrorism,
14 civil disorders, strikes, labor disputes, pandemics such as COVID-19, flood, fire, explosion,
15 earthquake or other similar acts.

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

1 occurrence and continuance of a Force Majeure Delay, BORROWER shall be excused from
2 performance of its obligations under this Agreement to the extent the Force Majeure prevents
3 BORROWER from performing such obligations.

4 11. EXTENSION OF TIME. COUNTY may grant an extension to the
5 Implementation Schedule set forth in **Exhibit A** for the purpose of completing BORROWER's
6 activities which cannot be completed as outlined in **Exhibit A**, subject to the ARPA Rules, in its
7 sole and absolute discretion. BORROWER shall request said extension in writing, stating the
8 reasons therefore, which extension must be first approved in writing by the COUNTY in its
9 reasonable discretion. The Director or designee, on behalf of the COUNTY and without referring
10 such matter to the County's Board of Supervisors may extend all pending deadlines in the
11 Implementation Schedule on two (2) or fewer occasions, so long as the aggregate duration of
12 such administrative time extensions is no greater than ninety (90) days and so long as the
13 extension complies with ARPA Rules. Every term, condition, covenant, and requirement of this
14 Agreement shall continue in full force and effect during the period of any such extension.

15 12. CONDITIONS PRECEDENT TO DISTRIBUTION OF LOAN FUNDS.
16 COUNTY, through its Housing and Workforce Solutions ("HWS"), shall: (1) make
17 disbursements of the ARPA Loan to BORROWER subject to BORROWER's satisfaction of the
18 conditions precedent set forth below, and (2) monitor the Project to ensure compliance with
19 applicable federal regulations and the terms of this Agreement. COUNTY shall not disburse any
20 ARPA Loan funds pursuant to this Agreement until the following conditions precedent have
21 been satisfied:

- 22 a. BORROWER executes this Agreement and delivers it to COUNTY for
23 recordation in the Official Records;
- 24 a. BORROWER executes the Note, substantially conforming in form and
25 substance to the Promissory Note attached hereto as **Exhibit C** and delivers to
26 COUNTY;
- 27 b. BORROWER submits written evidence to COUNTY that BORROWER has
28 obtained sufficient financing commitments necessary to undertake the

1 rehabilitation of the project as required herein;

2 c. BORROWER provides COUNTY with evidence of insurance as required
3 herein;

4 d. BORROWER executes the Deed of Trust, substantially conforming in form
5 and substance to the Deed of Trust attached hereto as **Exhibit B**, in recordable
6 form, and delivers such document to the County of Riverside for recordation
7 in the Official Records;

8 e. BORROWER executes the ARPA Covenant Agreement, substantially
9 conforming in form and substance to the ARPA Covenant Agreement attached
10 hereto as **Exhibit G** and incorporated herein by this reference, in recordable
11 form, and delivers it to the County of Riverside for recordation in the Official
12 Records;

13 f. COUNTY executes and records the Requests for Notice of Default conforming
14 in form and substance to **Exhibit H** attached hereto;

15 g. BORROWER provides, at its expense, an ALTA lender's policy in favor of
16 COUNTY, insuring the Deed of Trust as a ninth priority lien against the
17 Property junior only to the Senior Liens identified in **Section 4**;

18 h. BORROWER provides satisfactory evidence that it has all the financing
19 documents required to cause the proceeds of the Senior Liens, when combined
20 with the ARPA Loan, to pay for all development and rehabilitation costs for
21 the Project;

22 i. BORROWER is not in default under the terms of this Agreement or any other
23 agreement related to the financing of the Project;

24 j. BORROWER agrees to verify that BORROWER, and its principals, or any/all
25 persons, contractors, subcontractors, consultants, businesses, etc. ("Developer
26 Associates"), with whom BORROWER is conducting business with respect to
27 the Project, are not presently debarred, proposed for debarment, suspended,
28 declared ineligible, or voluntarily excluded from participation or from

1 receiving federal contracts or federally approved subcontracts or from certain
2 types of federal financial and nonfinancial assistance and benefits with the
3 Excluded Parties Listing System ("EPLS"). EPLS records are located at
4 www.sam.gov; and

5 k. BORROWER shall search and provide a single comprehensive list of
6 Developer Associates (individuals and firms) and print and maintain evidence
7 of the search results of each Developer Associate as verification of compliance
8 with this requirement as provided in **Exhibit I**, Contractor Debarment
9 Certification Form, which is attached hereto and incorporated herein by this
10 reference.

11 13. REALLOCATION OF FUNDS. If BORROWER fails to meet (1) the ARPA
12 Loan Funds Deadline as set forth in **Section 2(e)**, (2) the Construction Start Deadline as set forth
13 in **Exhibit A**, (3) the Completion Deadline as set forth in **Section 49** (collectively, the
14 "Performance Deadlines"), all of which are subject to the notice and cure periods set forth in
15 **Section 33** herein, then BORROWER shall be instructed to return the ARPA Loan funds and the
16 ARPA Loan funds may be reallocated by COUNTY after at least thirty (30) days' prior written
17 notice is given to BORROWER. Upon such reallocation and repayment of funds, this Agreement
18 shall be terminated and be of no further force and effect and BORROWER shall be released and
19 discharged from any obligations hereunder, except as to those obligations which by their terms
20 survive termination of this Agreement.

21 14. DISTRIBUTION OF FUNDS. COUNTY'S Board of Supervisors shall determine
22 the final disbursement and distribution of all ARPA funds received by COUNTY under ARPA.
23 Disbursement of SLFRF funds shall occur upon the satisfaction of conditions set forth in **Section**
24 **12**. COUNTY shall pay BORROWER in the form of funding draw requests with supporting
25 documents which specifically state how such funds will be expended. COUNTY shall promptly
26 review the funding draw request and supporting documentation, but in no event later than thirty
27 (30) days. COUNTY may require additional information from BORROWER as may be
28 necessary and appropriate for COUNTY to make its determination as to allowable costs.

COUNTY shall deposit the sum specified in the funding draw requests into BORROWER'S bank account upon receipt of wire instructions.

15.TERMS OF AFFORDABILITY. The ARPA-Assisted Units shall remain occupied and rented to Qualified Low Income Households for an affordable rent pursuant to **Sections 19** and **20** below, **Exhibit A**, and the ARPA Covenant Agreement attached hereto as **Exhibit G** until sixty-seven (67) years from the recordation of the ARPA Covenant Agreement in the Official Records ("Affordability Period").

16.INSURANCE. Without limiting or diminishing BORROWER's obligation to indemnify or hold COUNTY harmless, BORROWER shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the Term of this Agreement.

- a. Builder's All Risk (Course of Construction) Insurance. BORROWER shall provide a policy of Builder's All Risk (Course of Construction) insurance coverage including (if the work is located in an earthquake or flood zone or if required on financed or bond financing arrangements) coverage for earthquake and flood, covering the COUNTY, BORROWER and every subcontractor, of every tier, for the entire Project, including property to be used in the construction of the work while such property is at off-site storage locations or while in transit or temporary off-site storage. Such policy shall include, but not be limited to, coverage for fire, collapse, faulty workmanship, debris removal, expediting expense, fire department service charges, valuable papers and records, trees, grass, shrubbery and plants. If scaffolding, false work and temporary buildings are insured separately by the BORROWER or others, evidence of such separate coverage shall be provided to COUNTY prior to the start of the work. Such policy shall be written on a completed value form. Such policy shall also provide coverage for temporary structures (on-site offices, etc.), fixtures, machinery and equipment being installed as part of the work. BORROWER shall be responsible for any and all deductibles under such policy. Upon request by COUNTY, BORROWER shall declare all

1 terms, conditions, coverages and limits of such policy. If the COUNTY so
2 provides, in its sole discretion, the All Risk (Course of Construction) insurance
3 for the Project, then BORROWER shall assume the cost of any and all
4 applicable policy deductibles (currently, \$50,000 per occurrence) and shall
5 insure its own machinery, equipment, tools, etc. from any loss of any nature
6 whatsoever.

7 b. Worker's Compensation Insurance. If BORROWER has employees as
8 defined by the State of California, BORROWER shall maintain statutory
9 Workers' Compensation Insurance (Coverage A) as prescribed by the laws of
10 the State of California. Policy shall include Employers' Liability (Coverage B)
11 including Occupational Disease with limits not less than \$1,000,000 per person
12 per accident. The policy shall be endorsed to waive subrogation in favor of The
13 County of Riverside, and, if applicable, to provide a Borrowed
14 Servant/Alternate Employer Endorsement.

15 c. Commercial General Liability Insurance. Commercial General Liability
16 insurance coverage, including but not limited to, premises liability, contractual
17 liability, products and completed operations liability, personal and advertising
18 injury, and cross liability coverage, covering claims which may arise from or
19 out of BORROWER's performance of its obligations hereunder. Policy shall
20 name the County of Riverside, its Agencies, Boards, Districts, Special
21 Districts, and Departments, their respective directors, officers, Board of
22 Supervisors, employees, elected or appointed officials, agents or
23 representatives as Additional Insured. Policy's limit of liability shall not be
24 less than \$2,000,000 per occurrence combined single limit. If such insurance
25 contains a general aggregate limit, it shall apply separately to this agreement
26 or be no less than two (2) times the occurrence limit.

27 d. Vehicle Liability Insurance. If vehicles or mobile equipment are used in the
28 performance of the obligations under this Agreement, then BORROWER shall

1 maintain liability insurance for all owned, non-owned or hired vehicles so used
2 in an amount not less than \$1,000,000 per occurrence combined single limit.
3 If such insurance contains a general aggregate limit, it shall apply separately
4 to this agreement or be no less than two (2) times the occurrence limit. Policy
5 shall name the County of Riverside, its Agencies, Boards, Districts, Special
6 Districts, and Departments, their respective directors, officers, Board of
7 Supervisors, employees, elected or appointed officials, agents or
8 representatives as Additional Insured or provide similar evidence of coverage
9 approved by COUNTY's Risk Manager.

10 e. General Insurance Provisions – All Lines.

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

17 ii. BORROWER's insurance carrier(s) must declare its insurance self-insured
18 retentions. If such self-insured retentions exceed \$500,000 per occurrence
19 such retentions shall have the prior written consent of COUNTY's Risk
20 Manager before the commencement of operations under this Agreement.
21 Upon notification of self-insured retention unacceptable to COUNTY, and
22 at the election of COUNTY's Risk Manager, BORROWER's carriers shall
23 either: (a) reduce or eliminate such self-insured retention as respects this
24 Agreement with COUNTY, or (b) procure a bond which guarantees
25 payment of losses and related investigations, claims administration, and
26 defense costs and expenses.

27 iii. BORROWER shall cause BORROWER's insurance carrier(s) to furnish
28 the County of Riverside with copies of the Certificate(s) of Insurance and

1 Endorsements effecting coverage as required herein, and 2) if requested to
2 do so orally or in writing by COUNTY's Risk Manager, provide copies of
3 policies including all Endorsements and all attachments thereto, showing
4 such insurance is in full force and effect. Further, said Certificate(s) and
5 policies of insurance shall contain the covenant of the insurance carrier(s)
6 that thirty (30) days written notice shall be given to the County of Riverside
7 prior to any material modification, cancellation, expiration or reduction in
8 coverage of such insurance. In the event of a material modification,
9 cancellation, expiration, or reduction in coverage, this Agreement shall
10 terminate forthwith, unless the County of Riverside receives, prior to such
11 effective date, another Certificate of Insurance and copies of endorsements,
12 including all endorsements and attachments thereto evidencing coverage's
13 set forth herein and the insurance required herein is in full force and effect.
14 BORROWER shall not commence operations until COUNTY has been
15 furnished Certificate(s) of Insurance and copies of endorsements and if
16 requested, copies of policies of insurance including all endorsements and
17 any and all other attachments as required in this Section. An individual
18 authorized by the insurance carrier on its behalf shall sign the original
19 endorsements for each policy and the Certificate of Insurance.

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

24 v. If, during the term of this Agreement or any extension thereof, there is a
25 material change in the scope of services; or, there is a material change in
26 the equipment to be used in the performance of the scope of work which
27 will add additional exposures (such as the use of aircraft, watercraft,
28 cranes, etc.); or, the term of this Agreement, including any extensions

thereof, exceeds five (5) years COUNTY reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in COUNTY's Risk Manager's reasonable judgment, the amount or type of insurance carried by BORROWER has become inadequate.

vi. BORROWER shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

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

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

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

1 retained until completion of the action and resolution of all issues which arise from it, or until
2 the end of the regular period, whichever is later.

3 18. COMPLIANCE WITH LAWS AND REGULATIONS. By executing this
4 Agreement, BORROWER hereby certifies that it will adhere to and comply with all federal, state
5 and local laws, regulations and ordinances. In particular, BORROWER shall comply with the
6 following as they may be applicable to BORROWER in connection with the ARPA Loan:

- 7 a. Compliance with Executive Order 11246 of September 24, 1965, entitled
8 "Equal Employment Opportunity", as amended by Executive Order 11375 of
9 October 13, 1967, and as supplemented in Department of Labor Regulations
10 (41 CFR Part 60). The BORROWER will not discriminate against any
11 employee or applicant for employment because of race, color, religion, sex, or
12 national origin. BORROWER shall ensure that all qualified applicants will
13 receive consideration for employment without regard to race, color, religion,
14 sex or national origin. The BORROWER will take affirmative action to ensure
15 that applicants are employed and the employees are treated during employment,
16 without regard to their race color, religion, sex, or national origin. Such actions
17 shall include, but are not limited to, the following: employment, up-grading,
18 demotion, or transfer; recruitment or recruitment advertising; rates of pay or
19 other forms of compensation; and selection for training, including
20 apprenticeship. The BORROWER agrees to post in a conspicuous place,
21 available to employees and applicants for employment, notices to be provided
22 by the County setting forth the provisions of this non-discrimination clause;
- 23 b. Executive Order 11063, as amended by Executive Order 12259, and
24 implementing regulations at 24 CFR Part 107;
- 25 c. Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended,
26 and implementing regulations;
- 27 d. The Age Discrimination Act of 1975 (Pub. L. 94-135), as amended, and
28 implementing regulations;

- 1 e. The regulations, policies, guidelines and requirements of the Uniform
2 Administrative Requirements, Cost Principles, and Audit Requirements for
3 Federal Awards (2 CFR Part 200) as they relate to the acceptance and use of
4 granted or loaned federal funds under the federally-assigned program;
- 5 f. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352) and implementing
6 regulations issued at 24 CFR Part 1;
- 7 g. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284) as amended;
- 8 h. *Rights to Data and Copyrights*: Contractors and consultants agree to comply
9 with all applicable provisions pertaining to the use of data and copyrights
10 pursuant to 48 CFR Part 27.404-3, Federal Acquisition Regulations (FAR).
- 11 i. *Air Pollution Prevention and Control* (formally known as the *Clean Air Act*)
12 (42 U.S.C.A. 7401 *et seq.*) and the *Federal Water Pollution Control Act* (33
13 U.S.C.A. Section 1251 *et seq.*), as amended: Contracts and subgrants of
14 amounts in excess of \$100,000 shall contain a provision that requires the
15 recipient to agree to comply with all applicable standards, orders or regulations
16 issued pursuant to the *Clean Air Act* (42 U.S.C.A. 7401 *et seq.*) and the *Federal*
17 *Water Pollution Control Act* as amended (33 U.S.C.A. Section 1251 *et seq.*).
18 Violations shall be reported to the Federal awarding agency and the Regional
19 Office of the Environmental Protection Agency (EPA).
- 20 j. *Anti-Lobbying Certification* (31 U.S.C.A. 1352): The language of the
21 certification set forth below shall be required in all contracts or subcontracts
22 entered into in connection with this loan activity and all BORROWERS shall
23 certify and disclose accordingly. This certification is a material representation
24 of fact upon which reliance was placed when this transaction was made or
25 entered into. Submission of this certification is a prerequisite for making or
26 entering into this transaction imposed by Section 1352, Title 31, U.S. code. Any
27 person who fails to file the required certification shall be subject to a civil
28 penalty of not less than \$10,000 and no more than \$100,000 for such failure.

1 “The undersigned certifies, to the best of his or her knowledge or belief, that:
2 No Federal appropriated funds have been paid or will be paid, by or on behalf
3 of it, to any person for influencing or attempting to influence an officer or
4 employee of any agency, a Member of Congress, an officer or employee of
5 Congress, or an employee of a Member of Congress in connection with the
6 awarding of any Federal contract, the making of any Federal grant, the making
7 of any Federal loan, the entering into of any cooperative agreement, and the
8 extension, continuation, renewal, amendment, or modification of any Federal
9 contract, grant, loan, or cooperative agreement;

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

17 k. *Debarment and Suspension (Executive Orders (E.O.) 12549 and 12689)*: No
18 contract award shall be made to parties listed on the governmentwide exclusions
19 in the System for Award Management (SAM), in accordance with OMB
20 guidelines at 2 CFR 180 that implement Executive Orders (E.O.s) 12549 and
21 12689, “Debarment and Suspension.” SAM Exclusions contains the names of
22 parties debarred, suspended, or otherwise excluded by agencies, as well as
23 parties declared ineligible under statutory or regulatory authority other than
24 E.O. 12549. Contractors with awards that exceed the small purchase threshold
25 shall provide the required certification regarding its exclusion status and that of
26 its principal employees.

27 l. *Drug-Free Workplace Requirements*: The Anti-Drug Abuse Act of 1988 (41
28 U.S.C.A. Section 8101-8103) requires grantees (including individuals) of

1 federal agencies, as a prior condition of being awarded a grant, to certify that
2 they will provide drug-free workplaces. Each potential recipient must certify
3 that it will comply with drug-free workplace requirements in accordance with
4 the Act and with HUD's rules at 2 CFR Part 2424.

5 m. *Access to Records and Records Retention:* The BORROWER or Contractor,
6 and any sub-consultants or sub-contractors, shall allow all duly authorized
7 Federal, State, and/or County officials or authorized representatives access to
8 the work area, as well as all books, documents, materials, papers, and records
9 of the BORROWER or Contractor, and any sub-consultants or sub-contractors,
10 that are directly pertinent to a specific program for the purpose of making
11 audits, examinations, excerpts, and transcriptions. The BORROWER or
12 Contractor, and any sub-consultants or sub-contractors, further agree to
13 maintain and keep such books, documents, materials, papers, and records, on a
14 current basis, recording all transactions pertaining to this Agreement in a form
15 in accordance with generally acceptable accounting principles. All such books
16 and records shall be retained for such periods of time as required by law,
17 provided, however, notwithstanding any shorter periods of retention, all books,
18 records, and supporting detail shall be retained for a period of at least five (5)
19 years after the expiration of the term of this Agreement, or final payment is
20 made, whichever is later.

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

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

28 p. *Procurement of Recovered Materials (2 CFR 200.322.):* A non-Federal entity

1 that is a state agency or agency of a political subdivision of a state and its
2 contractors must comply with 42 U.S.C. Section 6002 of the Solid Waste
3 Disposal Act, as amended by the Resource Conservation and Recovery Act.
4 The requirements of Section 6002 include procuring only items designated in
5 guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247
6 that contain the highest percentage of recovered materials practicable,
7 consistent with maintaining a satisfactory level of competition, where the
8 purchase price of the item exceeds \$10,000 or the value of the quantity acquired
9 by the preceding fiscal year exceeded \$10,000; procuring solid waste
10 management services in a manner that maximizes energy and resource
11 recovery; and establishing an affirmative procurement program for
12 procurement of recovered materials identified in the EPA guidelines. The
13 requirements of 2 CFR 200.322, as amended effective November 12, 2020, are
14 hereby included in this Agreement as appropriate and to the extent consistent
15 with law.

16 q. Contract Work Hours and Safety Standards Act (CWHSA) (30 U.S.C. 3701-
17 3708): BORROWER shall comply with all applicable provisions of the
18 CWHSA.

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

25 s. Displacement, relocation, and acquisition. The relocation requirements of Title
26 II and the acquisition requirements of Title III of the Uniform Relocation
27 Assistance and Real Property Acquisition Policies Act of 1970, and the
28 implementing regulations at 24 CFR Part 42. BORROWER must ensure that it

1 has taken all reasonable steps to minimize the displacement of persons as a
2 result of this Project.

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

8 u. Labor. BORROWER shall comply with any applicable labor regulations and all
9 other State and Federal laws in connection with the construction of the
10 improvements which comprise the Project, including if applicable,
11 requirements relating to Davis Bacon. BORROWER agrees and acknowledges
12 that it is the responsibility of BORROWER to obtain a legal determination, at
13 BORROWER's sole cost and expenses as to whether Davis Bacon wages must
14 be paid for during the construction of the Project. BORROWER agrees to
15 indemnify, defend, and hold COUNTY harmless from and against any and all
16 liability arising out of a related to BORROWER's failure to comply with any
17 and applicable State and Federal prevailing wage requirements.

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

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

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

28 y. BORROWER shall include written agreements that include all provisions of

Section 18 if BORROWER provides ARPA funds to for-profit owners or developers, non-profit owners or developers, sub-recipients, homeowners, homebuyers, tenants receiving tenant-based rental assistance, or contractors.

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

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

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

19. INCOME TARGETING REQUIREMENTS. BORROWER shall set aside forty (40) units to be designated as ARPA-Assisted Units which shall be rented to and occupied by Qualified Low Income Households.

20. RENT LIMITATIONS. BORROWER shall comply with the rent limitations set forth under 24 CFR 92.252 of the HOME Investment Partnerships Act and HOME Investment Partnerships ("HOME") program, which was enacted under Title II of the Cranston-Gonzalez National Affordable Housing Act (the "HOME Act"), as amended (commencing at 42 U.S.C. 12701 et seq.), and the implementing regulations thereto (24 CFR Part 92) (collectively, the "HOME Program"). The units reserved for Qualified Low Income Households shall be rented at High HOME rent levels as published by HUD. The ARPA-Assisted Units shall be a "floating" designation on the Property such that the requirements of this Agreement will be satisfied so long as the total number of ARPA-Assisted Units and bedroom size remains the same throughout the Affordability Period. The maximum monthly allowances for utilities and services (excluding telephone) shall not exceed the utility allowance as described below. The ARPA-Assisted Units may overlap with units restricted by the regulatory agreement made in connection with the RDA

1 Loan and/or the HOME Covenant Agreement. Rent limitations hereunder shall apply to the
2 portion of rent paid by a tenant, and nothing herein shall limit BORROWER from accepting rental
3 assistance in excess of such tenant-paid rent, to the extent permitted by the applicable rental
4 assistance program and federal law.

5 The ARPA-Assisted Units are not specifically assigned to any qualifying income category. The
6 restricted income level of each ARPA-Assisted Unit may change as ARPA-Assisted Units
7 become vacant, a Qualifying Low Income Household's income changes or other ARPA-Assisted
8 Units are occupied by Qualifying Low Income Households. In all circumstances, though, the rent
9 for each ARPA-Assisted Unit shall be an affordable rent as required for the ARPA-Assisted Unit
10 as necessary to maintain the restricted income tenant mix required under **Section 19**. In any event,
11 if the income category of a Qualifying Low Income Households upon recertification is different
12 from the previous income of the Qualifying Low Income Households, the Owner shall rent the
13 next available ARPA-Assisted Unit to a Qualifying Low Income Households such the tenant
14 income level mix set forth in **Section 19** shall be maintained.

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

- 19 i) HUD Utility Schedule Model (HUSM), UA based on HUD's model.
- 20 ii) Utility Company Estimate, UA based on estimated obtained from a local utility
21 company for each of the utilities used in the project.
- 22 iii) LIHTC Agency Estimate, UA approved by the LIHTC agency based on its actual
23 usage methodology.
- 24 iv) Energy Consumption Model (Engineer Model), UA based upon on an energy and
25 water and sewage consumption and analysis model prepared by a third party licensed engineer or
26 to qualified professional.

27 b. HOME Rent Limitations: Effective July 1, 2021, HUD published
28 HOME Rent Limits for the County of Riverside. In order to calculate net rent to be charged, an

1 applicable utility allowance must be subtracted from the gross rents listed. The BORROWER
2 shall use the HUD Utility Schedule Model ("HUSM") to establish maximum monthly allowances
3 for utilities and services to be used by the BORROWER in calculating Rents. The HUSM and
4 use instructions can be found at:

5 <https://www.huduser.gov/portal/resources/utilallowance.html>.

6 c. Approval: The BORROWER shall submit to the COUNTY for review and written
7 approval, all proposed rents for the ARPA-Assisted Units prior to lease-up. Low HOME rent
8 limitations for ARPA-Assisted Units shall be as set forth under 24 CFR 92.252 and such units
9 shall be rented and occupied by income qualified applicants at the HOME rent levels for the
10 County of Riverside, which are published periodically by HUD. If during the re-certification
11 process a household income falls between 51% and 80% Area Median Income then the High
12 HOME rent limit shall apply. If during the recertification process a household income falls above
13 80% of the Area Median Income then household shall pay the lesser of 30% of the adjusted
14 income or Market rent.

15 21. TENANT PROTECTIONS. During the Affordability Period, BORROWER shall
16 adhere to the tenant protections and selection standard set forth in 24 CFR 92.253, as may be
17 amended from time to time, and the following requirements:

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

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

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

27 (2) Treatment of property. Agreements by tenant that BORROWER may take, hold,
28 or sell personal property of household members without notice to the tenant and a court decision

on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. BORROWER may dispose of this personal property in accordance with State law.

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

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

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

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

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

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

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

a. Violence Against Women Reauthorization Act of 2013. (Pub. L. 113-4, 127 Stat. 54) ("VAWA 2013"). VAWA 2013 reauthorizes and amends the Violence Against Women Act of 1994, as previously amended, (title IV, sec. 40001-40703 of Pub. L. 103-322, 42 U.S.C. 13925 et seq.) VAWA 2013, among other things, bars eviction and termination due to a tenant's status as a victim of domestic violence, dating violence, or stalking, and requires landlords to maintain

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

23 22. FEDERAL REQUIREMENTS. BORROWER shall comply with the provisions of
24 ARPA Rules and any amendments thereto and all applicable federal regulations and guidelines
25 now or hereafter enacted pursuant to the Act in addition to the federal provisions set forth above
26 in **Section 18.**

27 23. SALE, ASSIGNMENT OR OTHER TRANSFER OF THE PROJECT.
28 BORROWER hereby covenants and agrees not to sell, assign, transfer or otherwise dispose of

1 the Project or any portion thereof without obtaining the prior written consent of the COUNTY,
2 which consent shall be conditioned solely upon receipt by the COUNTY of reasonable evidence
3 satisfactory to the COUNTY in its sole discretion, that transferee has assumed in writing and in
4 full, and is reasonably capable of performing and complying with the BORROWER's duties and
5 obligations under this Agreement, provided, however BORROWER shall not be released of all
6 obligations hereunder which accrue from and after the date of such sale. Notwithstanding
7 anything to the contrary contained herein, upon written notice to COUNTY, BORROWER may
8 (i) admit limited partners or non-manager members to BORROWER, and provide for the purchase
9 of any such partnership interest, membership interest or interests by BORROWER or
10 BORROWER's board of directors, general partner or manager; (ii) remove for cause any general
11 partner or manager of BORROWER by a partner or member of the BORROWER, and the
12 replacement thereof, pursuant to the BORROWER'S Operating Agreement or By-Laws, provided
13 COUNTY receives 5 business days advance written notice of such removal. Without limiting
14 BORROWER's obligation to provide advance notice of such removal for cause of any general
15 partner or manager by a partner or member and the replacement thereof set forth in the
16 immediately preceding sentence, amendments to BORROWER's Operating Agreement or By-
17 Laws required to effectuate the Permitted Transfer set forth in this clause (ii) shall not require the
18 consent of the COUNTY; provided, however, BORROWER shall provide COUNTY with an
19 executed copy of such amended agreement within 10 days of execution thereof; (iii) the lease for
20 occupancy of all or any of the ARPA-Assisted Units; (iv) the granting of easements or permits to
21 facilitate the development of the Property in accordance with this Agreement; and (v) the
22 withdrawal and/or replacement of any member of BORROWER, (collectively a "Permitted
23 Transfer"). All Permitted Transfers shall be subject to reasonable review of documentation by
24 the COUNTY. The parties hereto acknowledge that "Affiliate" for purposes of this section
25 means, as to any Person (as defined below), any general partnership, limited partnership,
26 corporation, joint venture, trust, business trust, cooperative, association, limited liability company
27 or individual (collectively, a "Person") that (A) directly or indirectly controls or is controlled by
28 (such as any partnership or limited liability company in which the Person, directly or indirectly,

1 serves as a general partner or managing member, respectively) or is under common control with
2 the specified Person; (B) is an officer or director of, commissioner of, partner in, member of or
3 trustee of, or serves in a similar capacity with respect to, the specified Person or of which the
4 Specified Person is an officer, director, member, partner or trustee, or with respect to which the
5 specified Person serves in a similar capacity; or (C) is the beneficial owner, directly or indirectly,
6 of 10% or more of any class of equity securities of the specified Person or of which the specified
7 Person is directly or indirectly the owner of 10% or more of any class of equity securities. The
8 term "control" (including the term "controlled by" and "under common control with") means the
9 possession, direct or indirect, of the power to direct or cause the direction of the management and
10 policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

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

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

26 BORROWER herein covenants by and for itself, its successors and assigns, and all persons
27 claiming under or through them, that this Agreement is made and accepted upon and subject to the
28 following conditions: There shall be no discrimination against or segregation of any person or

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

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

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

27 b) In leases: "The lessee herein covenants by and for himself or herself, his or
28 her heirs, executors, administrators, and assigns, and all persons claiming under

1 or through him or her, and this lease is made and accepted upon and subject to
2 the following conditions: That there shall be no discrimination against or
3 segregation of any person or group of persons, on account of any basis listed in
4 subdivision (a) or (d) of Section 12955 of the Government Code, as those bases
5 are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of
6 subdivision (p) of Section 12955, and Section 12955.2 of the Government
7 Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or
8 enjoyment of the premises herein leased nor shall the lessee himself or herself,
9 or any person claiming under or through him or her, establish or permit any
10 such practice or practices of discrimination or segregation with reference to the
11 selection, location, number, use, or occupancy, of tenants, lessees, sublessees,
12 subtenants, or vendees in the premises herein leased.”

13 c) In contracts: “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
15 (d) of Section 12955 of the Government Code, as those bases are defined in
16 Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p)
17 of Section 12955, and Section 12955.2 of the Government Code, in the sale,
18 lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor
19 shall the transferee itself or any person claiming under or through him or her,
20 establish or permit any such practice or practices of discrimination or
21 segregation with reference to the selection, location, number, use, or
22 occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land.”

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

1 26. PROHIBITION AGAINST CONFLICTS OF INTEREST:

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

19 27. RESERVED.

20 28. PROJECT MONITORING AND EVALUATION.

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

1 supporting records of its operations and financial activities in accordance with the
2 requirements of the ARPA Program under 32 CFR 35.4, including the submission
3 of Tenant Checklist Form. Except as otherwise provided for in this Agreement,
4 BORROWER shall maintain and submit records to COUNTY within ten business
5 days of COUNTY's request which clearly documents BORROWER's
6 performance under each requirement of the ARPA Program. A list of document
7 submissions and timeline are shown in **Exhibit A** and such list may be amended
8 from time to time subject to Treasury and COUNTY reporting requirements.

9 b. Inspections. During the Affordability Period, COUNTY may perform on-site
10 inspections of COUNTY ARPA-Assisted Units to determine compliance with
11 the property standards and to verify the information submitted by the owners in
12 accordance with requirements. The on-site inspections must occur within 12
13 months after the ARPA Covenant Agreement and at least once every 3 years
14 thereafter during the Affordability Period. If there are observed deficiencies for
15 any of the inspectable items in the property standards established by COUNTY,
16 a follow-up on-site inspection to verify that deficiencies are corrected must
17 occur within 12 months. COUNTY may establish a list of non-hazardous
18 deficiencies for which correction can be verified by third party documentation
19 (e.g., paid invoice for work order) rather than re-inspection. Health and safety
20 deficiencies must be corrected immediately. COUNTY must adopt a more
21 frequent inspection schedule for properties that have been found to have health
22 and safety deficiencies .

23 c. Income Certification. The income of a tenant must be determined initially and
24 each sixth year of affordability in accordance with 24 CFR 92.203 (a)(1)(i). In
25 addition, annually between each sixth year of affordability BORROWER must
26 re-examine each tenant's annual income under 24 CFR 92.203 (a) (1) (ii).

27 29. MONITORING FEE. BORROWER shall not be required to pay an annual
28 compliance monitoring fee to the COUNTY.

1 30. ACCESS TO PROJECT SITE. COUNTY, state and/or federal awarding agencies
2 shall have the right to access the Project site and the Property at all reasonable times, and upon
3 completion of the Project upon reasonable written notice to BORROWER, to review the operation
4 of the Project in accordance with this Agreement.

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

7 a. Monetary Default. (1) BORROWER's failure to pay when due any sums
8 payable under this Agreement or the ARPA Covenant Agreement; (2)
9 BORROWER's or any agent of BORROWER's use of ARPA Loan Funds or
10 other ARPA Loan funds for uses other than those uses permitted under this
11 Agreement or for uses inconsistent with terms and restrictions set forth in this
12 Agreement; (3) BORROWER's or any agent of BORROWER's failure to make
13 any other payment of any assessment or tax due under this Agreement, and /or
14 (4) default under the terms of any Senior Lien documents or any other
15 instrument or document secured against the Property;

16 b. Non-Monetary Default. (1) Discrimination by BORROWER or
17 BORROWER's agent(s) on the basis of characteristics prohibited by this
18 Agreement or applicable law; (2) the imposition of any encumbrances or liens
19 on the Project without COUNTY's prior written approval that are prohibited
20 under this Agreement or that have the effect of reducing the priority or
21 invalidating the lien of the Deed of Trust; (3) BORROWER's failure to obtain
22 and maintain the insurance coverage required under this Agreement; (4) any
23 material default under this Agreement, the Deed of Trust, ARPA Covenant
24 Agreement, or any document executed by the County in connection with this
25 Agreement, and /or (5) a default under the terms of any Senior Lien documents
26 or any other instrument or document secured against the Property or the Project;

27 c. General Performance of ARPA Loan Obligations. Any substantial or
28 continuous or repeated breach by BORROWER or BORROWER's agents of

any material obligations of BORROWER under this Agreement;

- d. General Performance of Other Obligations. Any substantial or continuous or repeated breach by BORROWER or BORROWER's agents of any material obligations of BORROWER related to the Project imposed by any other agreement with respect to the financing, development, or operation of the Project; whether or not COUNTY is a party to such agreement; but only following any applicable notice and cure periods with respect to any such obligation;
- e. Representations and Warranties. A determination by COUNTY that any of BORROWER's representations or warranties made in this Agreement, any statements made to COUNTY by BORROWER, or any certificates, documents, or schedules supplied to COUNTY by BORROWER were false in any material respect when made, or that BORROWER concealed or failed to disclose a material fact to COUNTY.
- f. Damage to Project. In the event that the Project is materially damaged or destroyed by fire or other casualty, and BORROWER receives an award or insurance proceeds sufficient for the repair or reconstruction of the Project, and BORROWER does not use such award or proceeds to repair or reconstruct the Project.
- g. Bankruptcy, Dissolution and Insolvency. BORROWER or general partner, co-general partner or manager of BORROWER's, (1) filing for bankruptcy, dissolution, or reorganization, or failure to obtain a full dismissal of any such involuntary filing brought by another party before the earlier of final relief or ninety (90) days after such filing; (2) making a general assignment for the benefit of creditors; (3) applying for the appointment of a receiver, trustee, custodian, or liquidator, or failure to obtain a full dismissal of any such involuntary application brought by another party before the earlier of final relief or ninety (90) days after such filing; (4) insolvency; or (5) failure, inability or

admission in writing of its inability to pay its debts as they become due.

32. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. Formal notices, demands and communications between the COUNTY and the BORROWER shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the COUNTY and the BORROWER, as designated in **Section 53** below. 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 as provided in this **Section 32**. 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 by the recipient; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of delivery thereof.

- a. Subject to the Force Majeure Delay, as provided in **Section 10**, failure or delay by BORROWER to perform any term or provision of this Agreement constitutes a default under this Agreement. BORROWER must immediately commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence.
- b. COUNTY shall give written notice of default to BORROWER, specifying the default complained of by COUNTY. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Agreement, 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.

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

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

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

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

a. Terminate this Agreement, in which event the entire ARPA Loan amount as well as any other monies advanced to BORROWER by COUNTY under this

1 Agreement including administrative costs, shall immediately become due and
2 payable to COUNTY at the option of COUNTY.

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

21 34. RESERVED.

22 35. BORROWER'S WARRANTIES. BORROWER represents and warrants (1) that
23 it has access to professional advice and support to the extent necessary to enable
24 BORROWER to fully comply with the terms of this Agreement, and to otherwise carry
25 out the Project, (2) that it is duly organized, validly existing and in good standing under
26 the laws of the State of California, (3) that it has the full power and authority to
27 undertake the Project and to execute this Agreement, (4) that the persons executing
28 and delivering this Agreement are authorized to execute and deliver such documents

1 on behalf of BORROWER and (5) that neither BORROWER nor any of its principals
2 is presently debarred, suspended, proposed for debarment, declared ineligible, or
3 voluntarily excluded from participation in connection with the transaction
4 contemplated by this Agreement.

5 36. BORROWER'S CERTIFICATION. BORROWER certifies, to the best of its
6 knowledge and belief, that:

7 a. No federally appropriated funds have been paid or will be paid, by or on behalf
8 of the undersigned, to any person for influencing or attempting to influence an
9 officer or employee of any agency, a member of Congress, an officer or
10 employee of Congress, or an employee of a member of Congress in connection
11 with the awarding of any federal contract, the making of any federal grant, the
12 making of any federal loan, the entering into of any cooperative agreement, and
13 the extension, continuation, review, amendment, or modification of any federal
14 contract, grant, loan, or cooperative agreement.

15 b. If any funds other than federally appropriated funds have been paid or will be
16 paid to any person for influencing or attempting to influence an officer or
17 employee of any agency, a member of Congress, an officer or employee of
18 Congress, or an employee of a member of Congress in connection with this
19 federal contract, grant, loan, or cooperative agreement, the undersigned shall
20 complete and submit Standard Form-LLL, "Disclosure Form to Report
21 Lobbying," in accordance with its instructions.

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

28 37. HOLD HARMLESS AND INDEMNIFICATION. BORROWER shall

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

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

26 BORROWER's obligation hereunder shall be satisfied when BORROWER has provided
27 to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action
28 or claim involved.

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

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

7 BORROWER's obligations set forth in this **Section 37** shall survive the expiration or
8 earlier termination of this Agreement.

9 38. TERMINATION.

10 a. BORROWER. BORROWER may terminate this Agreement prior to
11 disbursement of any ARPA Loan funds by COUNTY in accordance with the
12 applicable regulations.

13 b. COUNTY. Notwithstanding the provisions of **Section 38(a)**, COUNTY may
14 suspend or terminate this Agreement upon written notice to BORROWER of
15 the action being taken and the reason for such action in the event one of the
16 following events occur:

17 1. In the event BORROWER fails to perform the covenants herein
18 contained at such times and in such manner as provided in this
19 Agreement after the applicable notice and cure provision hereof; or

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

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

25 c. This Agreement may be terminated or funding suspended in whole or in part
26 for cause. Cause shall be based on the failure of BORROWER to materially
27 comply with either the terms or conditions of this Agreement after the
28 expiration of all applicable notice and cure provisions hereof. Upon suspension

1 of funding, BORROWER agrees not to incur any costs related thereto, or
2 connected with, any area of conflict from which COUNTY has determined that
3 suspension of funds is necessary.

4 d. Upon expiration or earlier termination of this Agreement, BORROWER shall
5 transfer to COUNTY any unexpended ARPA funds in its possession at the time
6 of expiration of the Agreement as well as any accounts receivable held by
7 BORROWER which are attributable to the use of ARPA funds awarded
8 pursuant to this Agreement.

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

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

27 41. ENTIRE AGREEMENT. It is expressly agreed that this Agreement embodies the
28 entire agreement of the parties in relation to the subject matter hereof, and that no other agreement

1 or understanding, verbal or otherwise, relative to this subject matter, exists between the parties at
2 the time of execution.

3 42. AUTHORITY TO EXECUTE. The persons executing this Agreement or exhibits
4 attached hereto on behalf of the parties to this Agreement hereby warrant and represent that they
5 have the authority to execute this Agreement and warrant and represent that they have the
6 authority to bind the respective parties to this Agreement to the performance of its obligations
7 hereunder.

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

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

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

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

27 47. MINISTERIAL ACTS. COUNTY's Director of Housing and Workforce Solutions
28 or designee(s) are authorized to take such ministerial actions as may be necessary or appropriate

1 to implement the terms, provisions, and conditions of this Agreement as it may be amended from
2 time to time by both parties.

3 48. MODIFICATION OF AGREEMENT. COUNTY or BORROWER may consider
4 it in its best interest to change, modify or extend a term or condition of this Agreement, provided
5 such change, modification or extension is agreed to in writing by the other party. Any such
6 change, extension or modification, which is mutually agreed upon by COUNTY and
7 BORROWER shall be incorporated in written amendments to this Agreement. Such amendments
8 shall not invalidate this Agreement, nor relieve or release COUNTY or BORROWER from any
9 obligations under this Agreement, except for those parts thereby amended. No amendment to this
10 Agreement shall be effective and binding upon the parties, unless it expressly makes reference to
11 this Agreement, is in writing, is signed and acknowledged by duly authorized representatives of
12 all parties, and approved by the COUNTY.

13 49. CONDITIONAL COMMITMENT.

- 14 a. Completion. The Project must be completed no later than December 31, 2024
15 (the "Completion Deadline"). BORROWER may request a one year extension
16 of the Completion Deadline from COUNTY ("Extension"), which may be
17 granted in COUNTY's sole but reasonable discretion, if the BORROWER can
18 provide proof that the circumstances that led to the failure to complete the
19 Project by the Completion Deadline were beyond the BORROWER's control.
20 Extension is subject to COUNTY's approval and not guaranteed and is subject
21 to ARPA Rules. The Director of Housing and Workforce Solutions, or
22 designee, has the authority, at his or her discretion, to consent to such Extension.
23 If BORROWER is unable to meet the condition as required by this **Section 49**
24 including Extension, then COUNTY and BORROWER mutually agree that this
25 Agreement will self-terminate and any ARPA Loan funds disbursed to
26 BORROWER to date shall be returned to COUNTY within thirty (30) calendar
27 days of such termination. Upon such termination, this Agreement shall become
28 null and void. COUNTY and BORROWER shall be released and discharged

respectively from their obligations under this Agreement, except for those provisions which by their terms survive termination. All costs incurred by each party on the Project will be assumed respectively.

50. INTENTIONALLY OMITTED.

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

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

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

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

BORROWER
c/o National Community Renaissance
of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730

Attention: CEO/CFO

Email: spontell@nationalcore.org,
mfinn@nationalcore.org

and:

National Community Renaissance
of California

9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attention: General Counsel
Email: rdiaz@nationalcore.org

1
2
3
4 54. COUNTERPARTS. This Agreement may be signed by the different parties hereto
5 in counterparts, each of which shall be an original but all of which together shall constitute one
6 and the same agreement.

7 55. EFFECTIVE DATE. The effective date of this Agreement is the date the parties
8 execute the Agreement ("Effective Date"). If the parties execute the Agreement on more than one
9 date, then the last date the Agreement is executed by a party shall be the Effective Date.

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

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

19 58. CONSTRUCTION AND INTERPRETATION OF AGREEMENT.

20 a. The language in all parts of this Agreement shall in all cases be construed
21 simply, as a whole and in accordance with its fair meaning and not strictly for or against any party.
22 The parties hereto acknowledge and agree that this Agreement has been prepared jointly by the
23 parties and has been the subject of arm's length and careful negotiation over a considerable period
24 of time, that each party has been given the opportunity to independently review this Agreement
25 with legal counsel, and that each party has the requisite experience and sophistication to
26 understand, interpret, and agree to the particular language of the provisions hereof. Accordingly,
27 in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this
28

1 Agreement shall not be interpreted or construed against the party preparing it, and instead other
2 rules of interpretation and construction shall be utilized.

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

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

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

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

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

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

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

62. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.

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

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

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

(SIGNATURES ON THE NEXT PAGE)

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

COUNTY:

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

BORROWER:

CORONA DE ORO APARTMENTS L.P.,
a California limited partnership

By: The Southern California Housing
Development Corporation of Orange, a California
nonprofit public benefit corporation
Its: General Partner

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


By: form - do not sign
Michael Finn, Chief Financial Officer

Date: _____

Date: _____

APPROVED AS TO FORM:

MINH C. TRAN, County Counsel

By: 
Amrit P. Dhillon,
Deputy County Counsel

(Signatures need to be notarized)

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENTS>

EXHIBIT "A"

Borrower: Corona De Oro Apartments, L.P.
Address: 680 W. 2nd Street; 205, 225, 245, 265, 285 South Vicentia Avenue; 725, 735, 745, 755, 765, 775, 785, 795 West Third Street; 630, 640, 650, 660, 670 West Second Street, City of Corona, California
Project Title: Corona De Oro Apartments
Location: W. 2nd Street, South Vicentia Avenue, West Third Street and West Second Street, in the City of Corona also identified as APNs 117-350-001 and 117-350-002.

Project Description:

Corona De Oro Apartments, L.P. shall rehabilitate a multi-family affordable rental housing project of seventy two (72) rental units including one (1) residential manager's unit ("Project") on real property located on W. 2nd Street, South Vicentia Avenue, West Third Street and West Second Street, in the City of Corona also identified as APNs 117-350-001 and 117-350-002 ("Property").

A total of forty (40) units shall be reserved for Qualified Low-Income Households and rented at High HOME rent levels as published by HUD. The ARPA-assisted units shall be "floating" designation on the Property and shall be rented to and occupied by households whose incomes do not exceed sixty-five percent (65%) of the area median income for the County of Riverside, adjusted by family size at the time of occupancy as determined and published by HUD, for a period of sixty-seven (67) years. The Project is comprised of affordable units in addition to the ARPA Assisted Units financed through the United States Department of Agriculture and City HOME Loan. The Project shall include a total of 72 rental units as follows:

[50*]	Two Bedroom	[972]	sq.ft.
[22]	Three Bedroom	[1,128]	sq.ft.

*One (1) of the 50 Two Bedroom units is a Manager Unit

IMPLEMENTATION SCHEDULE

Milestone	Completion Date
(2) Financing Commitment	[September 2023]
(3) Construction Start Deadline	[January 2024]
(4) Completion Deadline	[September 2024]
(5) Submission of income & ethnic characteristics report	[September 2024]

LEGAL DESCRIPTION OF PROPERTY

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

CONSOLIDATION OF LOTS 1 THROUGH 18, THE VACATED ALLEY (LOT "B"), AND COTA AVENUE (LOT "A"), INCLUSIVE OF TRACT NO. 2683, IN THE CITY OF CORONA, AS SHOWN BY MAP ON FILE IN BOOK 49, PAGE(S) 55 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF LOT 15 OF SAID TRACT NO. 2683, SAID CORNER BEING THE TRUE POINT OF BEGINNING; THENCE NORTH $81^{\circ}55'25''$ WEST, 427.00 FEET TO A POINT ON A TANGENT 13.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $89^{\circ}59'08''$, A DISTANCE OF 20.42 FEET; THENCE TANGENT TO SAID CURVE NORTH $08^{\circ}03'43''$ EAST, 289.84 FEET TO A POINT ON A TANGENT 13.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'52''$, A DISTANCE OF 20.42 FEET; THENCE TANGENT TO SAID CURVE SOUTH $81^{\circ}55'25''$ EAST, 608.00 FEET; THENCE SOUTH $08^{\circ}03'43''$ WEST, 110.00 FEET; THENCE SOUTH $53^{\circ}04'09''$ WEST, 14.14 FEET; THENCE NORTH $81^{\circ}55'25''$ WEST, 171.00 FEET; THENCE SOUTH $08^{\circ}03'43''$ WEST, 195.84 FEET TO THE TRUE POINT OF BEGINNING.

AS PER LOT LINE ADJUSTMENT RESOLUTION NO. 00-28, RECORDED NOVEMBER 07, 2000 AS INSTRUMENT NO. 2000-445428 OFFICIAL RECORDS.

APN: **117-350-001, 117-350-002**

EXHIBIT “B”

EXEMPT RECORDING FEE CODE 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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

This DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING is made this day of _____, 2023 by Corona De Oro Apartments L.P. ("Trustor"), whose address is 9421 Haven Avenue, Rancho Cucamonga, CA 91730. The trustee is Fidelity National Title 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 10th Street, Ste. 300, Riverside, CA 92501.

RECITALS

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

B. County made a Loan to Trustor in the amount of \$1,000,000 (the "Loan"), of funds made available pursuant to the American Rescue Plan Act of 2021 (Title VI of the Social Security Act Section 602 et seq.) (the "Act") and the implementing regulations thereto (31 CFR Part 35) (collectively, "ARPA"), evidenced by that certain Loan Agreement for the Use of ARPA Program Funds by and between Trustor and Beneficiary, dated as of the date hereof (the "Loan Agreement").

C. In connection with the Loan, Beneficiary and Trustor entered into a Covenant Agreement dated as of the date hereof (the "Covenant Agreement"), pursuant to which, Trustor is obligated, among other requirements, to restrict a portion of the Subject Property's use and occupancy to "low-income housing" within the meaning of the Title II of the Cranston-Gonzalez National Affordable Housing Act (the "HOME Act"), as amended (commencing at 42 U.S.C. 12701 et seq.), and the implementing regulations thereto (24 CFR Part 92) (collectively, the "HOME Program").

NOW, THEREFORE, TRUSTOR IRREVOCABLY GRANTS, TRANSFERS
AND ASSIGNS to Trustee, its successors and assigns, in Trust, with POWER OF SALE

TOGETHER WITH RIGHT OF ENTRY AND POSSESSION the following property (the "Trust Estate"):

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

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

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estates described above in which a security interest may be created under the UCC (collectively, the "Personal Property"). This 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:

- (a) due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:
 - i. that certain Promissory Note in favor of the Beneficiary ("County" therein) executed by Trustor ("Borrower" therein) of even date herewith (the "Note") in the principal amount of \$1,000,000;
 - ii. that certain Loan Agreement for the Use of ARPA Program Funds dated _____ and recorded in the Official Records ("Official Records") of the County of Riverside concurrently herewith, between Trustor ("Borrower" therein) and Beneficiary ("County" therein) (the "Loan Agreement"); and
 - iii. that certain Covenant Agreement dated _____ and recorded concurrently herewith in the Official Records, between Trustor ("Borrower" therein) and Beneficiary ("County" therein) ("Covenant Agreement").
- (b) payment of indebtedness of the Trustor to the Beneficiary not to exceed \$1,000,000 (the "Loan") according to the terms of the Note.

Said Note, Loan Agreement and Covenant Agreement (collectively, referred to as the "Secured Obligations") and all of their terms are incorporated herein by reference and this conveyance shall secure any and all extensions, amendments, modifications or renewals thereof however evidenced, and additional advances evidenced by any note reciting that it is secured hereby. The Note, Loan Agreement and Covenant Agreement as used herein shall mean, refer to and include the Note, Loan Agreement and Covenant Agreement, as well as any riders, exhibits,

addenda, implementation agreements, amendments, or attachments thereto (which are hereby incorporated herein by this reference). Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Loan Agreement.

The Loan evidenced by the Note and secured by this Deed of Trust is being made pursuant to the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF" or "ARPA Funds"). Pursuant to the Loan Agreement, the maturity date of the Loan shall be the later to occur of (i) December 31, 2089 or (ii) sixty-seven (67) years from years from recordation of the Notice of Completion for the last building completed as part of the Project (as defined in the Loan Agreement) ("Loan Term").

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

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

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

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

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

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

6. **Taxes and Insurance.** Trustor shall pay before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due,

all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Deed of Trust, directly to the person owed payment. Trustor shall promptly furnish to Beneficiary receipts evidencing the payments.

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

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

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

a. Except for the liens permitted in writing by the Beneficiary, Trustor shall promptly discharge any other lien which shall have attained priority over this Deed of Trust unless Trustor: (1) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Beneficiary; (2) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Beneficiary's opinion operate to prevent the enforcement of the lien; or (3) bond around the lien (4) secures from the holder of the lien an agreement satisfactory to Beneficiary subordinating the lien to this 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. Priority of Deed of Trust. The ARPA Deed of Trust shall be in a ninth priority lien position. Lien priority at the close of construction financing, including applicable regulatory agreements, shall be as follows:

- (1) first priority shall be an Amended and Restated Affordable Housing Agreement by and among the City, City Housing Authority and BORROWER in connection with a loan in an amount up to \$10,239,210 (the "Amended and Restated Affordable Housing Agreement") including \$4,725,000 and accrued interest in Rural Development Advance funds ("City RDA Loan"), \$150,000 and accrued interest in HOME Investment Partnerships funds ("City HOME Loan"), and \$2,500,000 in California state budget appropriation funds (the "State Budget Appropriation Loan" and collectively with the City RDA Loan

- and the City HOME Loan, the "City Loan");
- (2) second priority shall be an Amended and Restated Regulatory Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the "City Amended and Restated Regulatory Agreement");
 - (3) third priority shall be an Amended and Restated Operating and Maintenance Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the "City Amended and Restated Operating and Maintenance Agreement");
 - (4) fourth priority shall be an Amended and Restated Deed of Trust securing a loan for the benefit of the City Housing Authority in the principal amount of approximately \$10,239,210 (the "City Amended and Restated Deed of Trust");
 - (5) fifth priority shall be a California Tax Credit Allocation Committee ("CTCAC") Regulatory Agreement & Stand Still Agreement between the CTCAC and BORROWER (the "CTCAC Regulatory Agreement & Stand Still Agreement");
 - (6) sixth priority shall be a covenant agreement between the City and BORROWER in connection with the City HOME Loan (the "City HOME Covenant");
 - (7) seventh priority shall be the ARPA Covenant Agreement between COUNTY and BORROWER in connection with the ARPA Loan;
 - (8) eighth priority shall be a deed of trust securing a bond loan for the benefit of National Community Renaissance of California ("NCRC") in the principal amount up to \$500,000 (the "Construction Bond Loan");
 - (9) ninth priority shall be the ARPA Deed of Trust securing the ARPA Loan for the benefit of COUNTY in the principal amount up to \$1,000,000;
 - (10) tenth priority shall be a deed of trust securing the City HOME Loan for the benefit of City in the principal amount up to \$150,000 and accrued interest (the "City HOME Deed of Trust"); and
 - (11) eleventh priority shall be a deed of trust securing a sponsor loan for the benefit of NCRC in the principal amount up to \$875,102 (the "Sponsor Loan").

The City Loan, the City Amended and Restated Deed of Trust and the Construction Bond Loan shall be referenced as "Senior Lien" or "Senior Liens."

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

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

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

b. Unless Beneficiary and Trustor otherwise agree in writing and subject to the rights of senior lenders, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Trustor determines that such restoration or repair is economically feasible and there is no default continuing beyond the expiration of all applicable cure periods. If Trustor determines that such restoration or repair is not economically feasible or if a default exists after expiration of all applicable cure periods, the insurance proceeds shall be applied to the sums secured by this 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; Leaseholds; Trustor's Loan Application. Trustor shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property; normal wear and tear excepted. Trustor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Beneficiary's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or Beneficiary's security interest. Trustor may cure such a default and reinstate, as provided in **Section 23**, by causing the action or proceeding to be dismissed with a ruling that, in Beneficiary's good faith determination, precludes forfeiture of the Trustor's interest in the Property or other material impairment of the lien created by this Deed of Trust or Beneficiary's security interest. Trustor shall also be in default if Trustor, during the loan application process, gave materially false or inaccurate information or statements to Beneficiary (or failed to provide Beneficiary with any material information) in connection with the Loan, including, but not limited to representations concerning Trustor's use of Property for affordable housing. If this Deed of Trust is on a leasehold, Trustor shall comply with all provisions of the lease. If Trustor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

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

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

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

13. **Reserved.**

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

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

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

as the value of Beneficiary's lien is not impaired, any condemnation proceeds may be used by Trustor for repair and/or restoration of the Project.

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

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

17. **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this 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 the investment limited partner at the address set forth in the Loan Agreement. Any notice to Beneficiary shall be given by first class mail to Beneficiary's address stated herein or any other address Beneficiary designates by notice to Trustor. Any notice required to be given to a Senior Lien Holder shall be given by first class mail to such other address the Senior Lien Holder designates by notice to the Trustor. Any notice provided for in this 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 shall be governed by federal law and the laws of the State of California. In the event that any provision or clause of this Deed

of Trust, the Note or Covenant Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust, the Note or the Covenant Agreement which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust, the Note and the Covenant Agreement 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 Court of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

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

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

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

b. Notwithstanding anything to the contrary contained herein, upon written notice to Beneficiary, Trustor may (i) admit limited partners or non-manager members to Trustor, and provide for the purchase of any such membership interest or interests by Trustor's Manager; (ii) remove for cause any General Partner or Manager by a limited partner or member of the Trustor, and the replacement thereof, pursuant to the Operating Agreement, provided Beneficiary receives 5 business days advance written notice of such removal. Without limiting Trustor's obligation to provide advance notice of such removal for cause of any General Partner or Manager by a limited partner member and the replacement thereof set forth in the immediately preceding sentence, amendments to the Operating Agreement required to effectuate the Permitted Transfer set forth in this clause (ii) shall not require the consent of the Beneficiary; provided, however, Trustor shall provide Beneficiary with an executed copy of such amended agreement within 10 days of execution thereof; (iii) the lease for occupancy of all or any of the ARPA-Assisted Units; (iv) the granting of easements or permits to facilitate the development of the Property in accordance with the Grant Agreement; and (v) the withdrawal and/or replacement of any limited partner or member of Trustor, (collectively a "Permitted Transfer"). All Permitted Transfers shall be subject to reasonable review of documentation by the Beneficiary.

23. **Trustor's Right to Reinstate.** If Trustor meets certain conditions, Trustor shall have the right to have enforcement of this 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, the Loan Agreement, the Note and Covenant Agreement as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this 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 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 and the consent of the Senior Lenders.

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

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

b. As used in this **Section 26**, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials, excluding household products in normal quantities. As used in this **Section 26**, "Environmental Law" means

federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

27. **Acceleration; Remedies.** Beneficiary shall give notice to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this 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 thirty (30) calendar days from the mailing of the notice for a non-monetary default, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the Secured Obligations secured by this Deed of Trust and sale of the Property. The notice shall further inform Trustor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Trustor to acceleration and sale. If the default is not cured by the Trustor on or before the date specified in the notice, and the Senior Lien Holder or the investor limited partner have not cured the default within that same period, subject to any non-recourse provisions set forth in **Section 8** of the Note, then Beneficiary at its option may require immediate payment in full of all Secured Obligations secured by this 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. **Modifications 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 Lien Holder loan documents, including any provisions requiring the payment of money, shall require the prior written approval of Beneficiary.

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

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

33. **Removal, Demolition or Alteration of Personal Property and Fixtures.** Except to the extent permitted by the following sentence, no personal property or fixtures shall be removed, demolished or materially altered without the prior written consent of the Beneficiary. Trustor may remove and dispose of, free from the lien of this 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.

[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:

Corona De Oro Apartments L.P.,
a California limited partnership

By: The Southern California Housing Development
Corporation of Orange, a California nonprofit public
benefit corporation
Its: General Partner

By: form - do not sign
Michael Finn, Chief Financial Officer

Date: _____

(Signature needs to be notarized)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Signature

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

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

CONSOLIDATION OF LOTS 1 THROUGH 18, THE VACATED ALLEY (LOT "B"), AND COTA AVENUE (LOT "A"), INCLUSIVE OF TRACT NO. 2683, IN THE CITY OF CORONA, AS SHOWN BY MAP ON FILE IN BOOK 49, PAGE(S) 55 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF LOT 15 OF SAID TRACT NO. 2683, SAID CORNER BEING THE TRUE POINT OF BEGINNING; THENCE NORTH $81^{\circ}55'25''$ WEST, 427.00 FEET TO A POINT ON A TANGENT 13.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $89^{\circ}59'08''$, A DISTANCE OF 20.42 FEET; THENCE TANGENT TO SAID CURVE NORTH $08^{\circ}03'43''$ EAST, 289.84 FEET TO A POINT ON A TANGENT 13.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'52''$, A DISTANCE OF 20.42 FEET; THENCE TANGENT TO SAID CURVE SOUTH $81^{\circ}55'25''$ EAST, 608.00 FEET; THENCE SOUTH $08^{\circ}03'43''$ WEST, 110.00 FEET; THENCE SOUTH $53^{\circ}04'09''$ WEST, 14.14 FEET; THENCE NORTH $81^{\circ}55'25''$ WEST, 171.00 FEET; THENCE SOUTH $08^{\circ}03'43''$ WEST, 195.84 FEET TO THE TRUE POINT OF BEGINNING.

AS PER LOT LINE ADJUSTMENT RESOLUTION NO. 00-28, RECORDED NOVEMBER 07, 2000 AS INSTRUMENT NO. 2000-445428 OFFICIAL RECORDS.

APN: 117-350-001, 117-350-002

EXHIBIT “C”

PROMISSORY NOTE

\$1,000,000

Riverside, CA

In installments as hereafter stated, for value received, CORONA DE ORO APARTMENTS L.P., a California limited partnership ("Borrower"), promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), or order, at 3403 10th Street, Suite 300 Riverside, CA 92501, the sum of ONE MILLION AND 00/100 DOLLARS (U.S. \$1,000,000) (the "Loan" or "Note Amount") which at the time of payment is lawful for the payment of public and private debts.

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

- (1) The Loan evidenced by this Note and secured by the Deed of Trust is being made pursuant to the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF" or "ARPA Funds"), and the implementing regulations thereto (31 CFR Part 35) ("ARPA"). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on rent and occupancy required under the HOME Investment Partnerships Program and the regulations issued thereunder (Title II, the Cranston-Gonzales National Affordable Housing Act, Public Law No. 101-625, 104 Stat. 4079 (1990), (24 C.F.R. Part 92) (the "HOME Program"), the Loan Agreement and that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Borrower and the COUNTY).
- (2) That the Loan will accrue simple interest at a rate of three percent (3%) per annum, except in the case of default as hereinafter provided.
- (3) This Note shall be repaid according to the following: Twenty five percent (25%) of the Project's Residual Receipts shall be used towards the payment of the Loan until the Note is repaid in full. Notwithstanding anything to the contrary contained herein, no Residual Receipts shall be payable on the Loan until the funding in full on an annual basis of the "Capital Replacement Reserve Account" in accordance with the terms of and as further detailed in that certain Amended and Restated Operation and Maintenance Agreement entered into by and among BORROWER, the City of Corona and the City of Corona Housing Authority dated concurrently herewith.
- (4) The term "Residual Receipts" used herein shall mean all money and income from the Project remaining annually after the payment of all normal and necessary expenses of operation of the Project, including but not limited to the following:

- (i) payments of principal and interest and other mandatory payments on amortized loans and indebtedness senior to the ARPA Loan, which have been approved in writing by COUNTY (collectively, the "Senior Debt");
 - (ii) utility fees and costs not paid by tenants;
 - (iii) insurance on the Project;
 - (iv) ad valorem taxes and assessment payments;
 - (v) management fees, expenses and costs, as well as the cost of social programs at the Project and compliance monitoring/reporting, which shall total initially \$60 per unit per month, which management fee shall be adjusted annually by a percentage equal to the annual increase in rents permitted by HUD and may be deferred and accrued;
 - (vi) reserves for repair and replacement of the Project, in an annual amount of \$300 per rental unit per year; and
 - (vii) all other fees and expenses which may be permitted by the annual budget approved by the COUNTY.
 - (viii) Operating expenses will be considered "normal and necessary" if incurred generally for similarly structured, financed, and restricted rental properties operated by similar entities. At such time, payment of twenty-five percent (25%) of the Residual Receipts produced from the Project shall be made by the BORROWER to the COUNTY annually on July 15th of each year. Payment shall be applied first to accrued interest and thereafter to principal. BORROWER shall annually provide the COUNTY with an accounting acceptable to the COUNTY, documenting the calculation of Residual Receipts for the previous calendar year ending December 31. This accounting shall be made on or before July 15, together with the payment of Residual Receipts. Notwithstanding anything to the contrary contained herein, no Residual Receipts shall be payable on the City Loan or the ARPA Loan until the funding in full on an annual basis of the "Capital Replacement Reserve Account" in accordance with the terms of and as further detailed in that certain Amended and Restated Operation and Maintenance Agreement entered into by and among BORROWER, the City of Corona ("City"), a California municipal corporation, and City of Corona Housing Authority ("City Housing Authority"), a public body, corporate and politic, organized under the laws of the State of California, as the successor to the former City of Corona Redevelopment Agency, dated concurrently herewith.
- (5) All outstanding principal along with accrued interest shall be due upon maturity of the Loan Agreement, which shall be the later to occur of (i) December 31, 2089 or (ii) sixty-seven (67) years from and after the recordation of the Notice of Completion (the "Loan Term"). All outstanding principal along with accrued interest shall be due upon the maturity date of the Note and the expiration of the Loan Term.
- (6) The Loan evidenced by this Note is secured by that certain Deed of Trust and Assignment of Rents executed by Borrower for the benefit of the County, dated on or about the date hereof and recorded in the Official Records of the County of Riverside on or about the date hereof ("Deed of Trust").

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

- a. Monetary Default. (1) Borrower's failure to pay when due any sums payable under the Note or any advances made by COUNTY under this Agreement, (2) Borrower's or any agent of Borrower's use of Loan funds for costs other than those costs permitted under the Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, (3) Borrower's or any agent of Borrower's failure to make any other payment of any assessment or tax due under the Loan Agreement, and /or (4) default past any applicable notice and cure period under the terms of (i) any deed of trust executed by BORROWER in connection with any 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 this Agreement or applicable law, (2) the imposition of any encumbrances or liens on the Project without COUNTY's prior written approval that are prohibited under this agreement or that have the effect of reducing the priority or invalidating the lien of the Deed of Trust, (3) Borrower's failure to obtain and maintain the insurance coverage required under the Loan Agreement, (4) any material default under the Loan Agreement, Deed of Trust with Assignment of Rents, Covenant Agreement, Note, or any document executed by the County in connection with this Agreement, and/or (4) default past any applicable notice and cure period under the terms of the Deed of Trust or any other instrument or document secured against the Property;
 - 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 in the Loan Agreement; and
 - d. General Performance of Other Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on the Project imposed by any other agreement with respect to the financing, development, or operation of the Project; whether or not COUNTY is a party to such agreement.
- (10) COUNTY shall give written notice of default to Borrower, specifying the default complained of by the COUNTY. Borrower shall have 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.
- (11) Any failures or delays by COUNTY in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by COUNTY in asserting any of its rights and remedies shall not deprive COUNTY of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.
- (12) If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations shall be completely performed and paid. In the event that any provision or clause of this Note conflicts with applicable law, such conflict will not affect other provisions of this Note which can be given effect without the conflicting provision, and to this end the provisions of the Note are declared to be severable.

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

- (20) The relationship of Borrower and the COUNTY pursuant to this Note is that of debtor and creditor and shall not be, or be construed to be, a joint venture, equity venture, partnership or other relationship.
- (21) (a) Formal notices, demands and communications between the County and Borrower shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the COUNTY and Borrower as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or "kick-out" sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.
- (b) The address of the COUNTY for purposes of receiving notices pursuant to this Note shall be 3403 10th Street, Ste. 300, Riverside, California 92501, Attention: Director of Housing and Workforce Solutions. The facsimile number for the COUNTY's receipt of notices is (951) 352-4852.
- (c) The address of Borrower for purposes of receiving notices pursuant to this Note is c/o National Community Renaissance of California, 9421 Haven Avenue, Rancho Cucamonga, CA 91730, Attention: CEO/CFO (spontell@nationalcore.org/mfinn@nationalcore.org), with a copy to National Community Renaissance of California, 9421 Haven Avenue, Rancho Cucamonga, CA 91730, Attention: General Counsel (rdiaz@nationalcore.org).
- (22) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
- (23) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
- (24) This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.

[SIGNATURES ON FOLLOWING PAGE]

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

BORROWER:

TRUSTOR:

Corona De Oro Apartments L.P.,
National California Rentless Partner Chap
a California nonprofit public benefit corporation

By: The Southern California Housing
Development Corporation of Orange,
a California nonprofit public benefit
By: Michael Finn, Chief Financial Officer
Its: General Partner

Date: _____

By: form - do not sign
Michael Finn, Chief Financial Officer

Date: _____

EXHIBIT “D”

RESERVED.

EXHIBIT E

Prohibition Against Conflicts of Interest

Policy Manual, I.D. # A-11

TOPIC: CONFLICT OF INTEREST CODE

RIVERSIDE COUNTY

Housing & Workforce Solutions

DATE: MARCH 1999

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

- 1) No employee, officer, or agent of the grantee shall participate in the selection, in the award or in the administration of a contract supported by Federal Funds if a conflict of interest, real or apparent, would be involved.
- 2) Such a conflict will arise when:
 - i) The employee, officer or agent;
 - ii) Any member of the immediate family;
 - iii) His/Her partners; or
 - iv) An organization which employs, or is about to employ any of the above has a financial or other interest in the firm's selection for award.
- 3) The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to sub-agreements except as noted in Section 4.
- 4) A grantee's or sub-grantee's officers, employees or agents will be presumed to have a financial interest in a business if their financial interest exceeds the following:
 - i) Any business entity in which the official has a direct or indirect investment worth one thousand dollars (\$1,000) or more.
 - ii) Any real property in which the official has a direct or indirect interest worth one thousand dollars (\$1,000) or more.
 - iii) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the official within 12 months prior to the time when the decision is made.
 - iv) Any business entity in which the official is a director, officer, partner, trustee, employee, or holds any position of management.
 - v) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the official within 12 months prior to the time when the decision is made.
- 5) For purposes of **Section 4**, indirect investment or interest means any investment or interest owned by the spouse or dependent child of an official, by an agent on behalf of an official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or more.

ARPA Loan Agreement, Corona De Oro Apartments
File No. ARPA2-22-003

Exhibit F: 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, Alicia Jaimes at 951.955.0783.

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

EXHIBIT “G”

Covenant Agreement

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

Order No.
Escrow No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
Housing and Workforce Solutions
3403 10th Street, Suite 300
Riverside, CA 92501
Attn: Alicia Jaimes

SPACE ABOVE THIS LINE FOR RECORDERS USE

**COVENANT AGREEMENT
(Corona De Oro Apartments)**

This Covenant Agreement (Corona De Oro Apartments) ("Covenant") is made and entered into as of the day of _____, 2023 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), and CORONA DE ORO APARTMENTS L.P., a California limited partnership ("OWNER").

RECITALS

WHEREAS, OWNER owns that certain real property located on located on W. 2nd Street, South Vicentia Avenue, West Third Street and West Second Street, in the City of Corona also identified as Assessor's Parcel Numbers 117-350-001 and 117-350-002 described in the legal description attached hereto as **Exhibit A** and incorporated herein by this reference (the "Property"); and

WHEREAS, on _____ COUNTY and OWNER entered into that certain Loan Agreement for the Use of ARPA Funds dated _____ and recorded in the Official Records of the County of Riverside ("Official Records") concurrently herewith (the "Loan Agreement" or "Agreement") which provides for, among other things, the rehabilitation of the Property, also known as "Corona De Oro Apartments," a multi-family affordable housing project consisting of seventy two (72) rental housing units, including one (1) which shall be designated as a managers unit, of which forty (40) units shall be rented to and occupied by Qualified Low Income

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

3 WHEREAS, the County is providing funding under the American Rescue Plan Act of
4 2021 (Title VI of the Social Security Act Section 602 et seq.) (the “Act”) and the implementing
5 regulations (31 CFR Part 35) and rules (4338 Fed. Reg. 87 18) thereto (collectively, “ARPA”),
6 for the purposes of addressing housing insecurity and lack of affordable housing; and

7 WHEREAS, pursuant to the Loan Agreement, COUNTY loaned to OWNER \$1,000,000
8 derived from ARPA funds (“Loan”), to pay a portion of the costs to develop and rehabilitate the
9 Project, as more fully described in the Loan Agreement. The Loan is evidenced by a Promissory
10 Note executed by OWNER, in favor of COUNTY dated on or about the date hereof (“Loan Note”)
11 and secured by that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement
12 and Fixture Filing executed by OWNER, for the benefit of COUNTY and recorded in the Official
13 Records concurrently herewith (“Deed of Trust”); and

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

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

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

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

28 1) RESTRICTIONS. The recitals set forth above are true and correct and incorporated

1 herein. This Covenant shall continue in full force and effect for sixty-seven (67) years from the
2 recordation of the Covenant Agreement for the last building for which construction is completed
3 for the Project on the Property ("Term" or "Affordability Period"). For the duration of the Term,
4 the Property shall be held, sold and conveyed, subject to the following covenants, conditions, and
5 restrictions:

6 a) forty (40) rental units shall be restricted as ARPA-Assisted-Units rented to
7 and occupied by qualified low income households whose incomes do not exceed 65% of the area
8 median income for the County of Riverside as determined by HUD ("Qualified Low Income
9 Households"). The ARPA-Assisted Units shall be a "floating" designation on the Property such
10 that the requirements of this Agreement will be satisfied so long as the total number of ARPA-
11 Assisted Units remains the same throughout the Affordability Period and the substituted ARPA-
12 Assisted Unit is comparable in terms of size, features, and number of bedrooms to the originally
13 designates ARPA -Assisted Unit;

14 b) ARPA-Assisted Units shall be rented to and occupied by Qualified Low
15 Income Households that qualify for an affordable rent as defined under 24 CFR 92.252 of the
16 HOME Investment Partnerships Act and HOME Investment Partnerships ("HOME") program,
17 which was enacted under Title II of the Cranston-Gonzalez National Affordable Housing Act (the
18 "Act"), as amended (commencing at 42 U.S.C. 12701 et seq.), and the implementing regulations
19 thereto (24 CFR Part 92) (collectively, the "HOME Program"). Affordable rents including utility
20 allowance for Qualified Low Income Households, shall be the product of 30 percent times 65
21 percent of the area median income adjusted for family size appropriate for the unit. COUNTY
22 shall review and approve proposed rents to the extent required under this section.

23 c) OWNER shall ensure the ARPA-Assisted Units are rented to qualified
24 applicants at the described rent levels herein. The maximum monthly allowances for utilities and
25 services (excluding telephone) shall not exceed the utility allowance as described below.

26 d) Utility Allowance: Owners are required to complete initial Utility
27 Allowance (UA) calculations and submit their calculations for review and approval to the County
28

1 prior to implementation, annually by June 1st. The following methods below are acceptable
2 methodologies for calculating UA's:

- 3 i. HUD Utility Schedule Model (HUSM), UA based on HUD's model.
- 4 ii. Utility Company Estimate, UA based on estimated obtained from a local
5 utility company for each of the utilities used in the project.
- 6 iii. LIHTC Agency Estimate, UA approved by the LIHTC agency based on its
7 actual usage methodology.
- 8 iv. Energy Consumption Model (Engineer Model), UA based upon on an
9 energy and water and sewage consumption and analysis model prepared by a third-party licensed
10 engineer or qualified professional.

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

13 2) SENIOR PRIORITY. Notwithstanding anything to the contrary contained in the Loan
14 Agreement, including any of its attachments, this Covenant Agreement shall be in seventh
15 priority lien position at the close of construction financing, as follows:

- 16 (1) first priority shall be an Amended and Restated Affordable Housing Agreement by
17 and among the City, City Housing Authority and BORROWER in connection with
18 a loan in an amount up to \$10,239,210 (the "Amended and Restated Affordable
19 Housing Agreement") including \$4,725,000 and accrued interest in Rural
20 Development Advance funds ("City RDA Loan"), \$150,000 and accrued interest
21 in HOME Investment Partnerships funds ("City HOME Loan"), and \$2,500,000 in
22 California state budget appropriation funds (the "State Budget Appropriation Loan"
23 and collectively with the City RDA Loan and the City HOME Loan, the "City
24 Loan");
- 25 (2) second priority shall be an Amended and Restated Regulatory Agreement by and
26 among the City, City Housing Authority and BORROWER in connection with the
27 Amended and Restated Affordable Housing Agreement (the "City Amended and
28 Restated Regulatory Agreement");

- (3) third priority shall be an Amended and Restated Operating and Maintenance Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the “City Amended and Restated Operating and Maintenance Agreement”);
- (4) fourth priority shall be an Amended and Restated Deed of Trust securing a loan for the benefit of the City Housing Authority in the principal amount of approximately \$10,239,210 (the “City Amended and Restated Deed of Trust”);
- (5) fifth priority shall be a California Tax Credit Allocation Committee (“CTCAC”) Regulatory Agreement & Stand Still Agreement between the CTCAC and BORROWER (the “CTCAC Regulatory Agreement & Stand Still Agreement”);
- (6) sixth priority shall be a covenant agreement between the City and BORROWER in connection with the City HOME Loan (the “City HOME Covenant”);
- (7) seventh priority shall be the ARPA Covenant Agreement between COUNTY and BORROWER in connection with the ARPA Loan;
- (8) eighth priority shall be a deed of trust securing a bond loan for the benefit of National Community Renaissance of California (“NCRC”) in the principal amount up to \$500,000 (the “Construction Bond Loan”);
- (9) ninth priority shall be the ARPA Deed of Trust securing the ARPA Loan for the benefit of COUNTY in the principal amount up to \$1,000,000;
- (10) tenth priority shall be a deed of trust securing the City HOME Loan for the benefit of City in the principal amount up to \$150,000 and accrued interest (the “City HOME Deed of Trust”); and
- (11) eleventh priority shall be a deed of trust securing a sponsor loan for the benefit of NCRC in the principal amount up to \$875,102 (the “Sponsor Loan”).

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

1 a) The Coronavirus State and Local Fiscal Recovery Funds ("SLFRF" or
2 "ARPA Funds");

3 b) Other Federal requirements and nondiscrimination. As set forth in the
4 ARPA Rules and the Loan Agreement.

5 4) TENANT PROTECTIONS. OWNER shall provide protection to the tenants of the
6 COUNTY ARPA-Assisted Units in accordance with the requirements set forth at 24 CFR 92.253
7 and described as follows:

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

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

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

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

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

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

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

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

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

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

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

16 c) Violence Against Women Reauthorization Act of 2013. (Pub. L. 113-
17 4, 127 Stat. 54) ("VAWA 2013"). VAWA 2013 reauthorizes and amends the Violence Against
18 Women Act of 1994, as previously amended, (title IV, sec. 40001-40703 of Pub. L. 103-322, 42
19 U.S.C. 13925 et seq.) VAWA 2013, among other things, bars eviction and termination due to a
20 tenant's status as a victim of domestic violence, dating violence, or stalking, and requires landlords
21 to maintain survivor-tenant confidentiality. VAWA 2013 prohibits a tenant who is a survivor of
22 domestic violence, dating violence, sexual assault, and stalking from being denied assistance,
23 tenancy, or occupancy rights based solely on criminal activity related to an act of violence
24 committed against them. It extends housing protections to survivors of sexual assault, and adds
25 "intimate partner" to the list of eligible relationships in the domestic violence definition.
26 Protections also now cover an "affiliated individual," which includes any lawful occupant living
27 in the survivor's household, or related to the survivor by blood or marriage including the survivor's
28 spouse, parent, brother, sister, child, or any person to whom the survivor stands in loco parentis.

1 VAWA 2013 allows a lease bifurcation so a tenant or lawful occupant who engages in criminal
2 activity directly relating to domestic violence, dating violence, sexual assault, or stalking against
3 an affiliated individual or other individual, or others may be evicted or removed without evicting
4 or removing or otherwise penalizing a victim who is a tenant or lawful occupant. If victim cannot
5 establish eligibility, OWNER must give a reasonable amount of time to find new housing or
6 establish eligibility under another covered housing program. A Notice of Rights under VAWA
7 2013 for tenants must be provided at the time a person applies for housing, when a person is
8 admitted as a tenant of a housing unit, and when a tenant is threatened with eviction or termination
9 of housing benefits. Tenants must request an emergency transfer and reasonably believe that they
10 are threatened with imminent harm from further violence if the tenant remains in the same unit.
11 The provisions of VAWA 2013 that are applicable to HUD programs are found in title VI of
12 VAWA 2013, which is entitled "Safe Homes for Victims of Domestic Violence, Dating Violence,
13 Sexual Assault, and Stalking." Section 601 of VAWA 2013 amends subtitle N of VAWA (42
14 U.S.C. 14043e et seq.) to add a new chapter entitled "Housing Rights."

15 5) MAINTENANCE OF THE IMPROVEMENTS. OWNER, on behalf of itself and its
16 successors, assigns, and each successor in interest to the Property and Project or any part thereof
17 hereby covenants to and shall protect, maintain, and preserve the Property in compliance with all
18 applicable federal and state law and regulations and local ordinances. In addition, OWNER, its
19 successors and assigns, shall maintain the improvements on the Property in the same aesthetic and
20 sound condition (or better) as the condition of the Property at the time of the recordation of the
21 Covenant Agreement for the Project, reasonable wear and tear excepted. This standard for the
22 quality of maintenance of the Property shall be met whether or not a specific item of maintenance
23 is listed below. However, representative items of maintenance shall include frequent and regular
24 inspection for graffiti or damage or deterioration or failure, and immediate repainting or repair or
25 replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash
26 receptacles and removal of litter; sweeping of public sidewalks adjacent to the Property, on-site
27 walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of
28 all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing

1 vegetation as necessary; cleaning windows on a regular basis; painting the buildings on a regular
2 program and prior to the deterioration of the painted surfaces; conducting a roof inspection on a
3 regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining
4 security devices in good working order. In the event OWNER, its successors or assigns fails to
5 maintain the Property in accordance with the standard for the quality of maintenance, the
6 COUNTY or its designee shall have the right but not the obligation to enter the Property upon
7 reasonable notice to OWNER, correct any violation, and hold OWNER, or such successors or
8 assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the
9 Property.

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

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

1 number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the Property.

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

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

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

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

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

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

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

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

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

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

24 d) General Insurance Provisions – All Lines.

25 (1) Any insurance carrier providing insurance coverage hereunder shall be
26 admitted to the State of California and have an A M BEST rating of not
27 less than A: VIII (A:8) unless such requirements are waived, in writing,
28 by Risk Manager. If Risk Manager waives a requirement for a

1 particular insurer such waiver is only valid for that specific insurer and
2 only for one policy term.

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

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

insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

(5) If, during the term of this Covenant or any extension thereof, there is a material change in the scope of services or there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.), then COUNTY reserves the right to adjust the types of insurance required under this Covenant and the monetary limits of liability for the insurance coverage's currently required herein, if; in Risk Manager's reasonable judgment, the amount or type of insurance carried by OWNER has become inadequate.

(6) OWNER shall pass down the insurance obligations contained herein to all tiers of subcontractors.

(7) OWNER agrees to notify COUNTY in writing of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of the Agreement.

8) HOLD HARMLESS/INDEMNIFICATION. OWNER shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability whatsoever, based or asserted upon any services of OWNER, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of OWNER, its officers, employees, subcontractors, agents or representatives Indemnitors from this Agreement, except in the event of the gross negligence or willful misconduct of the Indemnities; provided however, any gross negligence or willful misconduct of the Indemnitees will only affect OWNER's duty to indemnify for the specific act found to be gross negligence or willful misconduct, and will not

preclude a duty to indemnify for any act or omission of OWNER. OWNER shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions. With respect to any action or claim subject to indemnification herein by OWNER shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes OWNER's indemnification to Indemnitees as set forth herein. OWNER's obligation hereunder shall be satisfied when OWNER has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved. The specified insurance limits required in this Agreement shall in no way limit or circumscribe OWNER's obligations to indemnify and hold harmless the Indemnitees herein from third party claims. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve OWNER from indemnifying the Indemnitees to the fullest extent allowed by law. The indemnification set forth in this **Section 8** shall survive the expiration and earlier termination of this Covenant.

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

COUNTY

County of Riverside
Department of Housing and
Workforce Solutions
3403 10th Street
Riverside, CA 92501
Attn: Heidi Marshall, Director

OWNER

Corona De Oro Apartments, L.P.
c/o National Community Renaissance
of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attention: CEO/CFO
Email: spontell@nationalcore.org
mfinn@nationalcore.org

and:

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

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

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

12) NOTICE AND CURE. Prior to exercising any remedies hereunder, the COUNTY shall give OWNER notice of such default pursuant to **Section 9** above. Any monetary default shall be cured within ten (10) days of delivery of written notice. Except as otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within thirty (30) days of delivery of such notice of default, OWNER shall have such period to effect a cure prior to exercise of remedies by COUNTY. If the non-monetary default is such that it is not reasonably capable of being cured within thirty (30) days of delivery of such notice of default, and OWNER (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then OWNER shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the COUNTY; but in no event no later than sixty (60) days from delivery of such notice of default, subject to force majeure (including government restrictions, pandemics, and acts of God). COUNTY, upon providing OWNER with any notice of default under this Covenant, shall, within a reasonable time, provide a copy of such default notice to a Permitted Lender who has given written notice to COUNTY of its interest in the Property and Project. From and after such notice has been delivered to a Permitted Lender and

1 the Owner's limited partner, such Permitted Lender shall have the same period for remedying the
2 default complained of as the cure period provided to OWNER pursuant to this **Section 12**.
3 COUNTY shall accept performance by a Permitted Lender or limited partner of Owner as if the
4 same had been done by OWNER.

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

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

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

17 OWNER hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the
18 Project, the Property or any portion thereof, without obtaining the prior written consent of
19 COUNTY, in its sole discretion. Any sale, assignment, or transfer of the Project or Property, shall
20 be memorialized an assignment and assumption agreement the form and substance of which have
21 been first approved in writing by the COUNTY in its sole discretion. Such assignment and
22 assumption agreement shall, among other things, provide that the transferee has assumed in writing
23 and in full, and is reasonably capable of performing and complying with OWNER's duties and
24 obligations under the Loan Agreement and this Covenant, provided, however OWNER shall not
25 be released of all obligations under the Loan Agreement and this Covenant.

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

28 **15) GOVERNING LAW; VENUE; SEVERABILITY.** This Covenant shall be governed by

1 the laws of the State of California. Any legal action related to the performance or interpretation
2 of this Covenant shall be filed only in the Superior Court of the State of California located in
3 Riverside, California, and the parties waive any provision of law providing for a change of venue
4 to another location. In the event any provision in this Covenant is held by a court of competent
5 jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless
6 continue in full force without being impaired or invalidated in any way

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

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

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

21 19) PROJECT MONITORING AND EVALUATION.

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

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

5 b) Inspections. During the Affordability Period, COUNTY must perform on-
6 site inspections of ARPA-Assisted Units to determine compliance with the property standards
7 required by ARPA. The on-site inspections shall occur within 12 months after the effective date
8 of this Covenant Agreement and at least once every 3 years thereafter during the Affordability
9 Period. If there are observed deficiencies for any of the inspectable items in the property standards
10 established by COUNTY, a follow-up on-site inspection to verify that deficiencies are corrected
11 may occur within 12 months. COUNTY must establish a list of non-hazardous deficiencies for
12 which correction can be verified by third party documentation (e.g., paid invoice for work order)
13 rather than re-inspection. Health and safety deficiencies must be corrected immediately.
14 COUNTY must adopt a more frequent inspection schedule for properties that have been found to
15 have health and safety deficiencies. OWNER must annually certify to the COUNTY that each
16 building and all ARPA Assisted -Units in the Project are suitable for occupancy, taking into
17 account State and local health, safety, and other applicable codes, ordinances, and requirements,
18 and the ongoing property standards established by the participating jurisdiction.

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

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

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

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

[remainder of page intentionally blank]

[SIGNATURES ON THE NEXT PAGE]

ARPA Loan Agreement, Corona De Oro Apartments
File No. ARPA2-22-003

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

COUNTY:

OWNER:

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

CORONA DE ORO APARTMENTS L.P.,
a California limited partnership

By: The Southern California Housing
Development Corporation of Orange,
a California nonprofit public benefit corporation
Its: General Partner

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


By: form - do not sign
Michael Finn, Chief Financial Officer

Date: _____

Date: _____

(COUNTY and OWNER signatures need to be notarized)

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

By: 
Amrit P. Dhillon, Deputy County Counsel

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Signature

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

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

CONSOLIDATION OF LOTS 1 THROUGH 18, THE VACATED ALLEY (LOT "B"), AND COTA AVENUE (LOT "A"), INCLUSIVE OF TRACT NO. 2683, IN THE CITY OF CORONA, AS SHOWN BY MAP ON FILE IN BOOK 49, PAGE(S) 55 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF LOT 15 OF SAID TRACT NO. 2683, SAID CORNER BEING THE TRUE POINT OF BEGINNING; THENCE NORTH $81^{\circ}55'25''$ WEST, 427.00 FEET TO A POINT ON A TANGENT 13.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $89^{\circ}59'08''$, A DISTANCE OF 20.42 FEET; THENCE TANGENT TO SAID CURVE NORTH $08^{\circ}03'43''$ EAST, 289.84 FEET TO A POINT ON A TANGENT 13.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $90^{\circ}00'52''$, A DISTANCE OF 20.42 FEET; THENCE TANGENT TO SAID CURVE SOUTH $81^{\circ}55'25''$ EAST, 608.00 FEET; THENCE SOUTH $08^{\circ}03'43''$ WEST, 110.00 FEET; THENCE SOUTH $53^{\circ}04'09''$ WEST, 14.14 FEET; THENCE NORTH $81^{\circ}55'25''$ WEST, 171.00 FEET; THENCE SOUTH $08^{\circ}03'43''$ WEST, 195.84 FEET TO THE TRUE POINT OF BEGINNING.

AS PER LOT LINE ADJUSTMENT RESOLUTION NO. 00-28, RECORDED NOVEMBER 07, 2000 AS INSTRUMENT NO. 2000-445428 OFFICIAL RECORDS.

APN: **117-350-001, 117-350-002**

EXHIBIT “H”

Request for Notices

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
Housing and
Workforce Solutions
3403 10th St, Suite 300
Riverside, CA 92501
Attn: Juan Garcia

SPACE ABOVE THIS LINE FOR RECORDERS USE

REQUEST for NOTICE UNDER SECTION 2924b CIVIL CODE

In accordance with Civil Code, Section 2924b, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust dated _____, 2023 and recorded concurrently herewith in the Official Records of the County of Riverside, California, executed by CORONA DE ORO APARTMENTS L.P., a California limited partnership, as Trustor in which National Community Renaissance of California, a California nonprofit public benefit corporation is named as Beneficiary, and Fidelity National Title Company, a California corporation as Trustee, and describing land referred to in this Report is situated in the County of Riverside, City of Corona, State of California, and is described as follows:

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

LEGAL DESCRIPTION OF PROPERTY

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

CONSOLIDATION OF LOTS 1 THROUGH 18, THE VACATED ALLEY (LOT "B"), AND COTA AVENUE (LOT "A"), INCLUSIVE OF TRACT NO. 2683, IN THE CITY OF CORONA, AS SHOWN BY MAP ON FILE IN BOOK 49, PAGE(S) 55 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEASTERLY CORNER OF LOT 15 OF SAID TRACT NO. 2683, SAID CORNER BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 81°55'25" WEST, 427.00 FEET TO A POINT ON A TANGENT 13.00 FOOT RADIUS CURVE CONCAVE NORTHEASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 89°59'08", A DISTANCE OF 20.42 FEET; THENCE TANGENT TO SAID CURVE NORTH 08°03'43" EAST, 289.84 FEET TO A POINT ON A TANGENT 13.00 FOOT RADIUS CURVE CONCAVE SOUTHEASTERLY; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'52", A DISTANCE OF 20.42 FEET; THENCE TANGENT TO SAID CURVE SOUTH 81°55'25" EAST, 608.00 FEET; THENCE SOUTH 08°03'43" WEST, 110.00 FEET; THENCE SOUTH 53°04'09" WEST, 14.14 FEET; THENCE NORTH 81°55'25" WEST, 171.00 FEET; THENCE SOUTH 08°03'43" WEST, 195.84 FEET TO THE TRUE POINT OF BEGINNING.

AS PER LOT LINE ADJUSTMENT RESOLUTION NO. 00-28, RECORDED NOVEMBER 07, 2000 AS INSTRUMENT NO. 2000-445428 OFFICIAL RECORDS.

APN: **117-350-001, 117-350-002**

All notices to be mailed to:

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

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

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

RIVERSIDE COUNTY
HOUSING AND
WORKFORCE SOLUTIONS

form - do not sign

Michael F. Walsh, Deputy Director

Exhibit I

Sample

Contractor Debarment Certification Form

Excluded Parties Lists System (EPLS)

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

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

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

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

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

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

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

DEVELOPER SIGNATURE

SCHEDULE A
Housing and Workforce Solutions
Budget Adjustment
Fiscal Year 2023/2024

Increase in Appropriations:

21735-5501000000-536200	Contrib. To Non-County Agency	\$	1,000,000
-------------------------	-------------------------------	----	-----------

Increase in Estimated Revenues:

21735-5501000000-763520	Fed-American Rescue Plan Act	\$	1,000,000
-------------------------	------------------------------	----	-----------



Riverside County Board of Supervisors

Request to Speak

Online

Submit request to Clerk of Board (right of podium), Speakers are entitled to three (3) minutes, subject to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: Brad Anderson

Address: _____

City: _____ Zip: _____

Phone #: _____

Date: _____ Agenda # 3.14

PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

_____ Support _____ Oppose _____ Neutral

Note: If you are here for an agenda item that is filed for "Appeal", please state separately your position on the appeal below:

_____ Support _____ Oppose _____ Neutral

I give my 3 minutes to: _____

BOARD RULES

Requests to Address Board on "Agenda" Items:

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

Requests to Address Board on items that are "NOT" on the Agenda/Public Comment:

Notwithstanding any other provisions of these rules, a member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES. Donated time is not permitted during Public Comment.

Power Point Presentations/Printed Material:

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please ensure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

Individual Speaker Limits:

Individual speakers are limited to a maximum of three (3) minutes. Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin to flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. ***Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.***

Group/Organized Presentations:

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chairman's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the bottom of the form.

Addressing the Board & Acknowledgement by Chairman:

The Chairman will determine what order the speakers will address the Board, and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles in order to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the general public and/or meeting participants. Such behavior, at the discretion of the Board Chairman, may result in removal from the Board Chambers by Sheriff Deputies.

Thank you for submitting your request to speak. The Clerk of the Board office has received your request and will be prepared to allow you to speak when your item is called. To attend the meeting, please call (669) 900-6833 and use **Meeting ID # 864 4411 6015 . Password is 20231003**. You will be muted until your item is pulled and your name is called. Please dial in at 9:00 am with the phone number you provided in the form so you can be identified during the meeting.

Submitted on October 2, 2023

Submitted values are:

First Name

B

Last Name

Anderson

Address (Street, City and Zip)

N/A

Phone

7602192615

Email

ba4612442@gmail.com

Agenda Date

10/03/2023

Agenda Item # or Public Comment

3.14

State your position below

Oppose

Comments

Loan agreement (one million dollars) from (ARPA) funds

Form 11 - didn't detail the loan financial statement (Intrested/payments/dates ect.)

ARPA funds shouldn't be designed to loan - those funds are designed for quick community relief

3.14



Riverside County Board of Supervisors Request to Speak

Submit request to Clerk of Board (right of podium), Speakers are entitled to three (3) minutes, subject to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: Ray Burk Kue

Address: _____

City: _____ Zip: _____

Phone #: _____

Date: _____ Agenda # _____

PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

_____ Support

_____ Oppose

_____ Neutral

Note: If you are here for an agenda item that is filed for "Appeal", please state separately your position on the appeal below:

_____ Support

_____ Oppose

_____ Neutral

I give my 3 minutes to: _____

3.14 ✓
11.15 ✓
11.16 ✓
11.17 ✓
11.18 ✓

BOARD RULES

Requests to Address Board on "Agenda" Items:

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

Requests to Address Board on items that are "NOT" on the Agenda/Public Comment:

Notwithstanding any other provisions of these rules, a member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES. Donated time is not permitted during Public Comment.

Power Point Presentations/Printed Material:

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please ensure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

Individual Speaker Limits:

Individual speakers are limited to a maximum of three (3) minutes. Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin to flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. ***Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.***

Group/Organized Presentations:

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chairman's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the bottom of the form.

Addressing the Board & Acknowledgement by Chairman:

The Chairman will determine what order the speakers will address the Board, and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles in order to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the general public and/or meeting participants. Such behavior, at the discretion of the Board Chairman, may result in removal from the Board Chambers by Sheriff Deputies.