

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



ITEM: 3.18
(ID # 23141)

MEETING DATE:
Tuesday, November 07, 2023

FROM : HOUSING AND WORKFORCE SOLUTIONS:

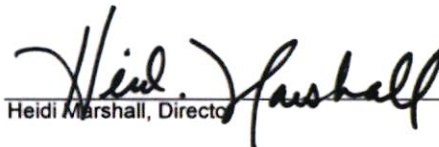
SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Form of First Amendment to HOME Loan Agreement for the Use of HOME Investment Partnerships Act (HOME) Program Funds to Increase the Loan Amount for the Monarch Apartment Homes Project, in the City of Palm Springs, and Authorize the Director of HWS to Execute a Form of the First Amendment to HOME Loan Agreement, First Amendment to the Covenant Agreement, First Amendment to Deed of Trust and Amended and Restated Promissory Note; District 4. [\$700,000 - 100% HOME Funds]; No Further Actions Pursuant to CEQA (4/5 Vote Required)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize \$700,000 from HOME Investment Partnerships Act (HOME) Program Funds, to be obligated for the Monarch Apartment Homes project;

Continued on Page 2

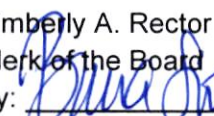
ACTION: Policy, 4/5 Vote Required


Heidi Marshall, Director 10/24/2023

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington and Perez
Nays: None
Absent: Gutierrez
Date: November 7, 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:

2. Approve the attached Form of First Amendment to HOME Loan Agreement for the Use of HOME Investment Partnerships Act (HOME) Program Funds, including all exhibits thereto (First Amendment to HOME Loan Agreement), between the County of Riverside and City of Palm Springs;
3. Approve the attached forms of First Amendment to Covenant Agreement, First Amendment to Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents (First Amendment to Deed of Trust), Amended and Restated Promissory Note, and Amended and Restated Subordination Agreement;
4. Authorize the Director of the Housing and Workforce Solutions (HWS), or designee, to execute a First Amendment to HOME Loan Agreement, First Amendment to Covenant Agreement, First Amendment to Deed of Trust, and Amended and Restated Promissory Note, and Amended and Restated Subordination Agreement, each conforming in form and substance to the documents, subject to approval as to form by County Counsel;
5. Authorize the Director of the HWS, or designee, to take all necessary steps to implement the First Amendment to HOME Loan Agreement, First Amendment to Covenant Agreement, First Amendment to Deed of Trust, and Amended and Restated Promissory Note, including but not limited to, signing subsequent necessary and relevant documents, subject to approval as to form by County Counsel;
6. Authorize the Director of the HWS, or designee, to take all necessary steps to implement the Amended and Restated Subordination Agreement, including but not limited to, signing subsequent necessary and relevant documents, subject to approval as to form by County Counsel; and
7. 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	\$700,000	\$ 0	\$700,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: HOME Investment Partnerships Act (HOME) Funds (100%)			Budget Adjustment:	Yes
			For Fiscal Year:	23/24

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On October 5, 2021 (Minute Order 3.9), the Board of Supervisors approved a loan agreement for \$500,000 in HOME Investment Partnership Act (HOME) Funds (HOME Loan Agreement) with the Monarch PS LP, a California limited partnership, to pay a portion of the development and construction costs for a 60-unit multi-family affordable rental housing complex for low-

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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income families including one residential manager's unit, located in the City of Palm Springs (Project). The Project is located at North Indian Canyon Drive, Palm Springs CA 92262, within the City of Palm Springs on 3.62 acres of land identified as Assessor's Parcel Number 501-031-028 (Project Site). The Project will consist of 28 one-bedroom units, 16 two-bedroom units, and 16 three-bedroom units. Eleven of the units will be restricted as HOME-assisted units for individuals whose incomes do not exceed 60% of the area median income for the County of Riverside, of which 3 units will be restricted to individuals whose incomes do not exceed 50% of the area median income for the County of Riverside adjusted by family size at the time of occupancy. The HOME-assisted units will be restricted for a period of at least 55 years from the recordation of the Notice of Completion. The HOME Loan Agreement is evidenced by a Promissory Note in favor of the County (HOME Loan Note), and secured by a Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents for the benefit of the County (HOME Loan Deed of Trust).

The Monarch PS LP is requesting an additional \$700,000 above its original estimated proposal of \$500,000 in HOME funds from October of 2021 due to increased construction costs. The additional \$700,000 in HOME funds will be used for permanent financing and/or construction to cover the development costs of the Project.

Staff recommends approval of the attached forms of First Amendment to HOME Loan Agreement for the Use of HOME Program Funds to increase HOME funding from \$500,000 to \$1,200,000; First Amendment to the Covenant Agreement; the Amended and Restated Promissory Note; and the First Amendment to Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rent.

The proposed action involves the approval of a First Amendment to HOME Loan Agreement for the Use of HOME Program Funds, First Amendment to the Covenant Agreement, Amended and Restated Promissory Note; and the First Amendment to Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents between the County and City of Palm Springs. Entering into this First Amendment to HOME Loan Agreement for the Use of HOME Program Funds, First Amendment to Covenant Agreement, Amended and Restated Promissory Note; and the First Amendment to Deed of Trust, Security Agreement and Fixture Filing will not result in any new significant environmental effects; the actions will not substantially increase the severity of the environmental effects; no considerably different mitigation measures have been identified; and no mitigation measures found infeasible have become feasible. This action is merely to amend the amount of the HOME Loan, HOME Covenant Agreement, HOME Deed of Trust and amend and restate the HOME Loan Note. As a result, no further environmental documentation is required for California Environmental Quality Act purposes.

County Counsel has reviewed and approved as to form of the attached First Amendment to HOME Loan Agreement for the Use of HOME Program Funds, First Amendment to Covenant Agreement, Amended and Restated Promissory Note; and the First Amendment to Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents. Staff recommends that the Board approve the aforementioned documents.

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Impact on Citizens and Businesses

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

SUPPLEMENTAL:

Additional Fiscal Information

Construction Sources	
Construction Loan - Tax Exempt Bond + Supplemental	\$ 19,408,558
City of Palm Springs Housing Successor Funds	\$ 1,710,000
City of Palm Springs Land	\$ 840,000
County HOME Loan	\$ 500,000
Credit Suisse Loan	\$ 1,333,600
Construction Loan – Taxable Tail Bond	\$ 10,321,463
GP Equity	\$ 100
Accrued Interest	\$ 59,300
Limited Partner Tax Credit Equity	\$ 1,977,751
Total	\$ 36,150,772

Permanent Sources	
Perm Loan	\$ 5,260,000
Perm Loan Amended Amount	\$ 907,166
City Housing Successor Funds	\$ 1,800,000
City Housing Successor Funds – Gap Loan	\$ 2,200,000
City Land Loan	\$ 840,000
County of Riverside HOME Loan	\$ 500,000
• Additional County of Riverside HOME Loan	\$ 700,000
Credit Suisse Funds	\$ 1,333,600
GP Loan (See Deferred Developer Fee below)	\$ 0
GP Sponsor Loan (Certificated State Credits)	\$ 6,186,400
Deferred Developer Fee	\$ 1,585,468
GP Equity	\$ 200,100
Limited Partner Tax Credit Equity	\$ 17,549,736
Accrued Interest	\$ 59,300
Total	\$ 39,121,770

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The first draw for the development and construction costs for the Project was completed in fiscal year 2021/2022 for \$500,000. The new total amount of \$1,200,000 in HOME funding less the first draw is \$700,000 remaining for fiscal year 2023/2024. No impact upon the County's General Fund; the County's contribution to the Project will be fully funded with HOME funds allocated from the U.S. Department of Housing and Urban Development.

Attachments:

- Form of the First Amendment to HOME Loan Agreement for the Use of HOME Program Funds, including all exhibits
- Form of the First Amendment to Covenant Agreement
- Forms of the Amended and Restated Promissory Note and the First Amendment to Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents
- Amended and Restated Subordination Agreement
- Schedule A – Budget Adjustment

Heydee Koury

Heydee Koury, Sr Accountant - Auditor 10/24/2023

Brianne Lontajo

Brianne Lontajo, Principal Management Analyst 11/1/2023

Aaron Gettis

Aaron Gettis, Deputy County Counsel 10/31/2023

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 27383

Order No.
Escrow No.
Loan No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
Housing and Workforce Solutions
3403 Tenth Street, Suite 300
Riverside, CA 92501
Attn: Annjanette Aguilar Barreras

SPACE ABOVE THIS LINE FOR RECORDERS USE

**FIRST AMENDMENT TO LOAN AGREEMENT
FOR THE USE OF HOME PROGRAM FUNDS**

This FIRST AMENDMENT TO LOAN AGREEMENT FOR THE USE OF HOME INVESTMENT PARTNERSHIP ACT (HOME) PROGRAM FUNDS (“First Amendment”) 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” or “County”), and MONARCH PS LP, a California limited partnership (“BORROWER”). The COUNTY and BORROWER may be individually referred to herein as a “Party” and collectively as the “Parties.”

RECITALS:

WHEREAS, COUNTY and BORROWER entered into that certain LOAN AGREEMENT FOR THE USE OF HOME PROGRAM FUNDS dated October 29, 2021 (“HOME Loan Agreement”) and recorded on November 2, 2021 as Instrument No. 2021-0649511 in the Official Records of County of Riverside’s County Recorder’s Office (“Official Records”); and

WHEREAS, capitalized terms not defined herein shall have the meaning ascribed to them in the HOME Loan Agreement; and

WHEREAS, pursuant to the HOME Loan Agreement, COUNTY agreed to lend up to Five Hundred Thousand Dollars (\$500,000) in HOME Program funds to BORROWER (“HOME Loan”) to pay a portion of the development and construction costs related to the Project, as more fully described in the HOME Loan Agreement and in Exhibit “A” of the

HOME Loan Agreement; and

WHEREAS, BORROWER has requested an additional \$700,000 for a total loan amount of \$1,200,000 to pay a portion of the development and construction costs of the Property, as more fully described in Exhibit "A" of this First Amendment; and

WHEREAS, BORROWER and COUNTY desire to amend the HOME Loan Agreement and increase the HOME Loan from \$500,000 to \$1,200,000 to pay a portion of the costs to develop and construct the Property to serve very low-income households (as defined in Section 1 of the HOME Loan Agreement); and

WHEREAS, amending the HOME Loan Agreement will assist the COUNTY to fulfill its requirements under the HOME Program regulations.

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

1. The amount of the HOME Loan shall be modified and increased from \$500,000 to \$1,200,000 in HOME Program funds. All references to the HOME Loan funds in the amount of \$500,000 in the HOME Loan Agreement, including all attachments and exhibits thereto, are hereby deleted in their entirety and replaced with reference to the HOME Loan in the amount of \$1,200,000.
2. Section 1, paragraph 1 of the HOME Loan Agreement is deleted and replaced in its entirety with the following:

PURPOSE. The aforementioned Recitals are true and correct and incorporated herein by this reference. COUNTY has agreed to lend no more than a maximum total amount of ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) in HOME funds ("HOME 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 HOME Loan funds set forth in Section 11 below. Subject to Sections 49 and 50 below, BORROWER shall undertake and complete the HOME activities required herein and as set forth in Exhibit A, and shall utilize the HOME Loan funds, as required herein and pursuant to the HOME Program regulations. A total of eleven (11) units shall

be reserved as HOME-Assisted Units consisting of 5 one-bedroom units, 3 two-bedroom units and 3 three-bedrooms in which during the Affordability Period (as defined in Section 14 below). More particularly, eight (8) of the HOME-Assisted Units (1 one-bedroom unit, 3 two-bedroom units, and 4 three-bedroom units) shall be rented to and occupied by households whose incomes do not exceed 60% of the area median income for the County of Riverside, adjusted by family size at the time of occupancy, and three (3) of the HOME-Assisted Units (1 one-bedroom unit, 1 two-bedroom unit, and 1 three-bedroom unit) shall be restricted to households whose incomes do not exceed 50% of the area median income for the County of Riverside, adjusted by family size at the time of occupancy, such households shall occupy their respective unit within the Project as their principal residence ("Qualified Households").

3. An Amendment to Deed of Trust with Assignment of Rents is attached hereto and by this reference incorporated herein as Exhibit "B" to amend the HOME Loan amount from \$500,000 to \$1,200,000 in HOME Program funds.
4. An Amended and Restated Promissory Note is attached hereto and by this reference incorporated herein as Exhibit "C" to amend the HOME Loan amount from \$500,000 to \$1,200,000 in HOME Program funds.
5. An Amendment to the Covenant Agreement is attached hereto and by this reference incorporated herein as Exhibit "D" to amend the HOME Loan amount from \$500,000 to \$1,200,000 in HOME Program funds.
6. This First Amendment and the HOME Loan 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 First Amendment and the HOME Loan Agreement.
7. Each of the attachments and exhibits attached hereto are incorporated herein by this reference.
8. Except as modified and amended by this First Amendment all other terms and conditions of the HOME Loan Agreement remain unmodified and in full force and

effect.

9. This First Amendment may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.
10. The effective date of this First Amendment is the date the parties execute this First Amendment. If the parties execute this First Amendment on more than one date, then the last date this First Amendment is executed by a party shall be the effective date.
11. This First Amendment is not binding until approved by the Board of Supervisors.

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[SIGNATURES ON FOLLOWING PAGE]

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

COUNTY:

BORROWER:

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

MONARCH PS LP, a California limited
partnership

By: SCHOC I LLC, a California limited
liability company
Its: General Partner

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

By: Community Housing Opportunities
Corporation, a California nonprofit
public benefit corporation, its sole
member and manager

Date: _____

By: form - do not sign
Peter Lundberg, Chief Financial Officer

Date: _____

(COUNTY and BORROWER signatures need to be notarized)

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: 
Amrit Pash Dhillon, Deputy County Counsel

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this

STATE OF CALIFORNIA)

)

COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____

Notary Public

EXHIBIT "A"

Borrower: Monarch PS LP
Address: 5030 Business Center Drive, Suite 260, Fairfield CA 94534
Project Title: Monarch Apartment Homes
Location: 3130 N Indian Canyon Dr., Palm Springs, CA 92262, APN: 501-031-028

Project Description:

BORROWER utilized a total of \$500,000 in HOME funds to pay a portion of the costs to develop and construct a multi-family affordable rental housing project consisting of sixty (60) affordable rental housing units including one (1) residential manager's unit on an approximately 3.62 acres of vacant land situated on the southeast corner of N Indian Canyon Drive at E San Rafael Dr., in the City of Palm Springs in the County of Riverside ("Property"). BORROWER proposes to utilize an additional \$700,000 in HOME funds for permanent financing and/or construction to cover the development costs of the Project.

BORROWER shall set aside a total of eleven (11) HOME-Assisted Units consisting of 5 one-bedroom units, 3 two-bedroom units, and 3 three-bedroom units.

Eight (8) HOME-Assisted Units (4 one-bedroom units, 2 two-bedroom units, and 2 three-bedroom units) shall be rented at High HOME rent levels as published by HUD. The units will be restricted to households whose incomes do not exceed 60% of the area median income for the County of Riverside, adjusted by family size at the time of occupancy.

Three (3) HOME-Assisted Units (1 one-bedroom unit, 1 two-bedroom unit, and 1 three-bedroom unit) shall be rented at Low HOME rent levels as published by HUD. The units will be restricted to households whose incomes do not exceed 50% of the area median income ("Very Low Income") for the County of Riverside, adjusted by family size at the time of occupancy.

The HOME-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 HOME-Assisted Units and bedroom size remains the same throughout the Affordability Period. COUNTY shall review and approve proposed rents to the extent required under this section. BORROWER shall ensure the HOME-Assisted Units are rented to Qualified Households at the rent levels required Developer to herein. The maximum monthly allowances for utilities and services (excluding telephone) shall not exceed the utility allowance as described below. The HOME Assisted Units may overlap Project Based Vouchers units with the Housing Authority of the County of Riverside.

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

- i. HUD Utility Schedule Model (HUSM), UA based on HUD's model.
- ii. Utility Company Estimate, UA based on estimated obtained from a local utility company for each of the utilities used in the project.
- iii. LIHTC Agency Estimate, UA approved by the LIHTC agency based on its actual usage methodology.
- iv. Energy Consumption Model (Engineer Model), UA based upon on an energy and water and sewage consumption and analysis model prepared by a third-party licensed engineer or t qualified professional.

Legal Description of Property:

A.P.N.: 501-031-028

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

THAT PORTION OF THE NORTH-HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 4 SOUTH, RANGE 4 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 6, TRACT NO. 2085, AS RECORDED IN BOOK 41 OF MAPS, PAGE 50, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

THENCE SOUTH 00° 13' 01" WEST, ALONG THE WESTERLY LINE OF SAID LOT 6 AND THE EXTENSION THEREOF, A DISTANCE OF 598.52 FEET TO THE SOUTHWEST CORNER OF LOT 1 OF SAID TRACT 2085;

THENCE SOUTH 89° 56' 00" WEST, A DISTANCE OF 244.90 FEET, TO THE BEGINNING OF A 20.00 FOOT TANGENT CURVE, CONCAVE TO THE NORTHEAST;

THENCE NORTHWESTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 17' 00" AN ARC DISTANCE OF 31.51 FEET;

THENCE NORTH 00° 13' 00" EAST, A DISTANCE OF 558.98 FEET TO THE BEGINNING OF A 20.00 FOOT TANGENT CURVE CONCAVE TO THE SOUTHEAST;

THENCE NORTHEASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 89° 49' 34" AN ARC DISTANCE OF 31.36 FEET;

THENCE SOUTH 89° 57' 26" EAST, A DISTANCE OF 245.06 FEET, TO THE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE NO. CC 88-101 RECORDED DECEMBER 14, 1988, AS INSTRUMENT NO. 88-365876 OF OFFICIAL RECORDS.

EXHIBIT "B"

EXEMPT RECORDING FEE CODE 6103
RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
Housing and Workforce Solutions
3403 Tenth Street, Suite 300
Riverside, CA 92501
Attn: Annjanette Aguilar Barreras

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**FIRST AMENDMENT TO DEED OF TRUST,
SECURITY AGREEMENT AND FIXTURE FILING
(WITH ASSIGNMENT OF RENTS)
HOME Loan Funds**

This FIRST AMENDMENT TO DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING WITH ASSIGNMENT OF RENTS ("First Amendment to Deed of Trust") is made and entered into as of this ____ day of _____, 2023, by Monarch PS LP, a California limited partnership, (hereinafter referred to as "Trustor"), whose address is c/o CHOC, 5030 Business Center Drive, Suite 260, Fairfield, CA 94534 . The trustee is First American Title Company ("Trustee"). The beneficiary is the County of Riverside, a political subdivision of the State of California, (hereinafter called "Beneficiary"), whose address is 3403 Tenth Street, Suite 300, Riverside, CA 92501.

- A. Trustor executed that certain Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents (the "Deed of Trust"), dated as of October 29, 2021, securing Trustor's obligations pursuant to that certain "Promissory Note" in the original principal sum of Five Hundred Thousand Dollars (\$500,000).
- B. The Deed of Trust was recorded in the official records of Riverside County on November 2, 2021, as Document No. 2021-0649512.
- C. Capitalized terms not defined herein shall have the meaning ascribed to them in the Deed of Trust.
- D. The parties have executed a First Amendment to Loan Agreement for the Use of HOME Program Funds ("First Amendment") and an Amended and Restated Promissory Note ("Note Amendment"), each of even date herewith, which increases the HOME Loan amount from \$500,000 to \$1,200,000 in HOME Program funds.

NOW, THEREFORE, the Deed of Trust is hereby amended as follows:

1. Amendment to Secured Amount. The amount of the HOME Loan, as set forth in the first paragraph of the Note Amendment, is hereby amended from \$500,000 to \$1,200,000 in HOME Loan funds (the "Amended HOME Loan" or "Amended Note Amount").

2. All references to the HOME Loan funds in the amount of \$500,000 in the Deed of Trust are hereby deleted in their entirety and replaced with reference to the HOME Loan in the amount of \$1,200,000.
3. Remaining Terms Unaffected. Except as expressly provided herein, nothing in this First Amendment to Deed of Trust shall be deemed to waive or modify any of the other provisions of the Deed of Trust. In the event of any conflict between this First Amendment to Deed of Trust and the Deed of Trust, the terms of this First Amendment to Deed of Trust shall prevail.

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[SIGNATURES ON FOLLOWING PAGE]

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

TRUSTOR:

MONARCH PS LP,
a California limited partnership

By: SCHOC I LLC,
a California limited liability company
Its: General Partner

By: Community Housing Opportunities Corporation,
a California nonprofit public benefit corporation,
its sole member and manager

By: form - do not sign
Manuela Silva, Chief Executive Officer

Date: _____

(TRUSTOR signature needs to be notarized)

(SIGNATURES CONTINUE ON NEXT PAGE)

AGREED AND ACCEPTED BY LENDER:

COUNTY OF RIVERSIDE

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

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: 
Amrit Pash Dhillon
Deputy County Counsel

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this

STATE OF CALIFORNIA)

)

COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____

Notary Public

EXHIBIT "B-1"

LEGAL DESCRIPTION OF PROPERTY

A.P.N.: 501-031-028

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

THAT PORTION OF THE NORTH-HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 4 SOUTH, RANGE 4 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 6, TRACT NO. 2085, AS RECORDED IN BOOK 41 OF MAPS, PAGE 50, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

THENCE SOUTH 00° 13' 01" WEST, ALONG THE WESTERLY LINE OF SAID LOT 6 AND THE EXTENSION THEREOF, A DISTANCE OF 598.52 FEET TO THE SOUTHWEST CORNER OF LOT 1 OF SAID TRACT 2085;

THENCE SOUTH 89° 56' 00" WEST, A DISTANCE OF 244.90 FEET, TO THE BEGINNING OF A 20.00 FOOT TANGENT CURVE, CONCAVE TO THE NORTHEAST;

THENCE NORTHWESTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 17' 00" AN ARC DISTANCE OF 31.51 FEET;

THENCE NORTH 00° 13' 00" EAST, A DISTANCE OF 558.98 FEET TO THE BEGINNING OF A 20.00 FOOT TANGENT CURVE CONCAVE TO THE SOUTHEAST;

THENCE NORTHEASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 89° 49' 34" AN ARC DISTANCE OF 31.36 FEET;

THENCE SOUTH 89° 57' 26" EAST, A DISTANCE OF 245.06 FEET, TO THE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE NO. CC 88-101 RECORDED DECEMBER 14, 1988, AS INSTRUMENT NO. 88-365876 OF OFFICIAL RECORDS.

EXHIBIT “C”

AMENDED AND RESTATED PROMISSORY NOTE SECURED BY DEED OF TRUST

HOME LOAN FUNDS

\$1,200,000 (“**Loan Amount**”) _____, 2023 (“**Note Date**”)

In installments as hereafter stated, for value received, Monarch PS LP, a California limited partnership (“**Borrower**”), promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“**COUNTY**”), or order, at 3403 Tenth Street, Suite #300, Riverside, CA 92501, the sum of One Million Two Hundred Thousand Dollars (\$1,200,000 USD) (the “**HOME Loan**” or “**Note Amount**”) which at the time of payment is lawful for the payment of public and private debts.

This Amended and Restated Promissory Note Secured by Deed of Trust – HOME Loan Funds (this “**Note**”) is given in accordance with that certain Loan Agreement for the Use of HOME Program Funds executed by COUNTY and BORROWER, dated as of October 29, 2021 and recorded in the Official Records of the County of Riverside (“**Official Records**”) on November 2, 2021, as Instrument No. 2021-0649511 (the “**HOME Loan Agreement**”), as amended by that certain First Amendment to Loan Agreement for the Use of HOME Funds (“**First Amendment**”), dated as of _____, 2023. Except to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings ascribed to such terms in the HOME Loan Agreement. The Note is secured by a Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents executed by BORROWER for the benefit of the COUNTY dated October 29, 2021, and recorded on November 2, 2021, as Document No. 2021-0649512 (the “**HOME Deed of Trust**” of “**Deed of Trust**”). This Note, the HOME Loan Agreement, the First Amendment, the Deed of Trust, the First Amendment to Deed of Trust, the Covenant (as hereinafter defined) and all agreements entered into in connection with the foregoing, and any amendments or modifications thereto, shall collectively be referred to herein as the “**HOME Loan Documents**.”

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

- (1) The HOME Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to 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**”). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on rent and occupancy set forth in the HOME Program regulations, the HOME 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 County.

- (2) That the HOME Loan will accrue simple interest at a rate of percent (1%) per annum, except in the case of default as hereinafter provided, and shall be repaid on an annual basis from the Project's Residual Receipts as defined herein. Interest will accrue 30 days from the date of recordation of the Notice of Completion in the Official Records.
- (3) This Note shall be repaid according to the following: Fifty percent (50%) of the Project's Residual Receipts shall be used towards the payment of the loans secured by the Project, which includes the HOME Loan ("Residual Receipts Loans"). The payment shall be split pro-rata between each Residual Receipts Loan based on the percentage of each respective loan amount according to its share of the total amount of all such loans, until the HOME Note is repaid in full; and fifty percent (50%) of the Project's Residual Receipts will be paid to Borrower.
- (4) The Project's Residual Receipts shall be determined based on an annual review of certified financial statements for the Project. Annual audited financial statements shall be submitted by BORROWER within one hundred twenty (120) days following the close of the Project fiscal year commencing on April 1 of the first full calendar year following the recordation of the Notice of Completion. All outstanding principal along with accrued interest shall be due upon maturity of the HOME Loan Agreement, which shall be the later to occur of (i) July 1, 2077 or (ii) fifty-five (55) years from and after the recordation of the Notice of Completion (the "HOME Loan Term"). The first payment shall be due on July 1st in the first full calendar year following the date of the recordation of the Notice of Completion for the Project, to the extent of available Residual Receipts, as set forth herein. Subsequent payments shall be made on July 1st thereafter to the extent of available Residual Receipts until sooner of full repayment of the HOME Loan or the HOME Loan maturity date as set forth above.
- (5) The Project's Residual Receipts shall be determined based on an annual review of certified financial statements for the Project. Annual audited financial statements shall be submitted by BORROWER to COUNTY within one hundred twenty (120) days following the close of the Project fiscal year commencing on April 1st of the first full calendar year following the recordation of the Notice of Completion. All outstanding principal along with accrued interest shall be due upon the maturity date of the HOME Note and the expiration of the HOME Loan Term as set forth in Section 4(a). The first payment from BORROWER to COUNTY shall be due on July 1st in the first full calendar year following the date of the recordation of the Notice of Completion, to the extent of available Residual Receipts, as set forth herein. Subsequent payments shall be made on July 1st thereafter to the extent of available Residual Receipts until the earlier of full repayment of the HOME Loan or the HOME Loan maturity date as set forth above. The term "Project Residual Receipts" used herein shall mean the gross rental income from all residential and non-residential components of the Project, proceeds from loss of rent insurance, and any other income to the Developer derived from the ownership, operation and management of the Property, not including interest on required reserve accounts, including but not limited to the following operating expenses:
 - a) auditing and accounting fees;

- b) a reasonable property management fee not to exceed 6% of gross revenue;
- c) Operating Expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which shall include administration, on-site management, utilities, on-site staff payroll, payroll taxes, and maintenance);
- d) replacement reserves, established in a separate account from operating reserves, limited to \$600 per unit per year for all units in the Project, as defined in Exhibit A;
- e) Operating Reserves replenishment;
- f) deferred developer's fee in the amount of approximately \$328,000;
- g) general partner asset management annual fees which shall be no more than \$25,000, increased by no more than 3% annually which fees may be accrued and paid in any year in which sufficient funds are available;
- h) an annual limited partner asset management fee not to exceed \$5,000 which fee shall be increased annually by 3% during each year of the tax credit compliance period for the Project, and thereafter any further increases shall not be permitted without the written approval of the County's Director of Department of Housing, Homelessness Prevention and Workforce Solutions in their discretion;
- i) payments of principal and interest on amortized loans and indebtedness senior to the HOME Loan, which have been approved by COUNTY (collectively, the "Senior Debt"); and
- j) COUNTY's Annual Monitoring Fee in the total annual amount of \$5,900 for the County HOME Loan.

The calculation of operating expenses shall be subject to the reasonable approval of the County's Director HWS or designee.

Operating expenses shall not include repayment of advances to the Borrower from its limited partner(s), general partner(s), their affiliate(s) and/or third parties (including without limitation, any advances or reimbursements for any portion of the Deferred Developer's Fee to pay any construction cost overruns) (collectively a "Partnership Loan"); provided, however, such Partnership Loan may be authorized by the County's Director HWS, or designee, in his/her sole discretion, upon written request received by the County. In considering such Borrower request for approval of a Partnership Loan, County's Director HWS, or designee, will consider the following: (i) whether such request was made pursuant to the terms of the Partnership Agreement, (ii) if a Project deficit exists and written evidence of such deficit is provided to the County's Director HWS, or designee, (iii) Borrower has demonstrated to Authority, in writing, that the requested loan is the only available means of relieving such deficit, (iv) the County's Director HWS, or designee, approves the loan terms, including, but not limited to the loan amount, interest rate, and maturity date. The County's Director HWS, or designee, shall retain the right, in its discretion, to defer such approval to the County's Board of Supervisors. Failure by the County's Director HWS, or designee, to respond to such request within 30 days of the County's receipt of such written notice shall be deemed disapproval of such request.

- (6) The HOME Loan evidenced by this Note is secured by that certain HOME Deed of Trust 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 HOME 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 HOME 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 HOME Loan Agreement and/or Deed of Trust or the indemnification regarding Hazardous Substances pursuant to the HOME 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 HOME Loan Agreement:

a. Monetary Default. Borrower's failure to pay when due any sums payable under the HOME Note or any advances made by COUNTY under this Agreement, (2) Borrower's or any agent of Borrower's use of HOME funds for costs other than those costs permitted under the HOME 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 HOME Loan Agreement, and /or (4) default past any applicable notice and cure period under the terms of (i) that certain Deed of Trust executed by Borrower for the benefit of Flagstar Bank, FSB securing a construction loan in a principal amount up to \$29,783,431, (ii) that certain Deed of Trust for the benefit of California Community Reinvestment Corporation, the permanent Senior Loan in a principal amount up to \$6,167,166, (iii) that certain Deed of Trust for the benefit of the City in a principal amount of \$4,840,000 and (iv) 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 HOME Deed of Trust, (3) Borrower's failure to obtain and maintain the insurance coverage required under the HOME Loan Agreement, (4) any material default under the HOME Loan Agreement, HOME Deed of Trust, Covenant Agreement, HOME 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 HOME Deed of Trust or any other instrument or document secured against the Property;

c. General Performance of Loan Obligations. Any repeated breach by Borrower or Borrower's agents of any material obligations on Borrower imposed in the HOME Loan Agreement; and

d. General Performance of Other Obligations. Any 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 twenty (20) 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 HOME 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 reasonable 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 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.

- (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 HOME 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 or in the HOME Loan Agreement, 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 Tenth Street, Suite 300, Riverside, CA 92501, Attention: Director HWS. The facsimile number for the COUNTY's receipt of notices is (951) 955-8126.
- (c) The address of Borrower for purposes of receiving notices pursuant to this Note is 5030 Business Center Drive, Suite 260, Fairfield, CA 94534, Attention: Asset Management, with

a copy to Borrower's limited partner, NEF Assignment Corporation, as nominee, 10 South Riverside Plaza, Suite 1700, Chicago, IL 60606, Attention: General Counsel.

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

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURES ON FOLLOWING PAGE]

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

BORROWER:

MONARCH PS LP,
a California limited partnership

By: SCHOC I LLC,
a California limited liability company
Its: General Partner

By: Community Housing Opportunities Corporation,
a California nonprofit public benefit corporation,
its sole member and manager

By: form - do not sign
Peter Lundberg, Chief Financial Officer

Date: _____

(SIGNATURES CONTINUE ON NEXT PAGE)

AGREED AND ACCEPTED BY LENDER:

COUNTY OF RIVERSIDE

By: form - do not sign

Heidi Marshall, Director
Department of Housing and
Workforce Solutions

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: 

Amrit Pash Dhillon
Deputy County Counsel

EXHIBIT “D”

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 27383

Order No.

Escrow No.

Loan No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
Housing and Workforce Solutions
3403 Tenth Street, Suite 300
Riverside, CA 92501
Attn: Annjanette Aguilar Barreras

SPACE ABOVE THIS LINE FOR RECORDERS USE

FIRST AMENDMENT TO COVENANT AGREEMENT

This First Amendment to Covenant Agreement (Monarch Apartment Homes) (“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 MONARCH PS LP, a California limited partnership (“OWNER”).

WHEREAS, COUNTY and BORROWER entered into that certain COVENANT AGREEMENT dated October 29, 2021 (“Covenant Agreement”) and recorded on November 2, 2021 as Instrument No. 2021-0648392 in the Official Records of County of Riverside’s County Recorder’s Office (“Official Records”); and

WHEREAS, capitalized terms not defined herein shall have the meaning ascribed to them in the Covenant Agreement; and

WHEREAS, pursuant to the HOME Loan Agreement, COUNTY loaned to OWNER \$500,000 derived from HOME funds (“HOME Loan”), to pay a portion of the development and construction costs related to the Project, as more fully described in the HOME Loan Agreement. The HOME Loan is evidenced by a Promissory Note executed by OWNER, in favor of the COUNTY dated on or about the date hereof (“HOME Loan Note”) and secured by that certain Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) executed by OWNER, for the benefit of COUNTY and recorded in the

Official Records concurrently herewith (“HOME Loan Deed of Trust”); and

WHEREAS, OWNER has requested an additional \$700,000 for a total loan amount of \$1,200,000 to pay a portion of the development and construction costs related to the Project, as more fully described in Exhibit “A” of the First Amendment to the HOME Loan Agreement; and

WHEREAS, OWNER and COUNTY desire to amend the Covenant Agreement and increase the HOME Loan from \$500,000 to \$1,200,000 to pay a portion of the costs to develop and construct the Property to serve very low-income households (as defined in Section 1 of the HOME Loan Agreement); and

WHEREAS, amending the Covenant Agreement will assist the COUNTY to fulfill its requirements under the HOME Program.

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

1. The fourth Recital of the Covenant Agreement is deleted and replaced in its entirety with the following:

WHEREAS, pursuant to the HOME Loan Agreement, COUNTY loaned to OWNER \$1,200,000 derived from HOME funds (“HOME Loan”), to pay for a portion of the costs to develop and construct the Project, as more fully described in the HOME Loan Agreement. The HOME Loan is evidenced by a Promissory Note executed by OWNER, in favor of the COUNTY dated on or about the date hereof (“HOME Loan Note”) and secured by that certain Deed of Trust and Assignment of Rents executed by OWNER, for the benefit of COUNTY and recorded in the Official Records concurrently herewith (“HOME Loan Deed of Trust”); and

///

///

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[SIGNATURES ON THE NEXT PAGE]

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

COUNTY:

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

BORROWER:

MONARCH PS LP, a California limited partnership

By: SCHOC I LLC
A California limited liability company
Its: General Partner

By: Community Housing Opportunities Corporation, a California nonprofit public Benefit corporation, its sole member and manager

By: form - do not sign

Heidi Marshall, Director HWS

By: form - do not sign

Peter Lundberg, Chief Financial Officer

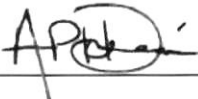
Date: _____

Date: _____

(Above signatures need to be notarized)

APPROVED AS TO FORM:

MINH C. TRAN, County Counsel

By: 

Amrit Pash Dhillon, Deputy County Counsel

(COUNTY and OWNER signatures need to be notarized)

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

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

State of California

County of _____

On _____, 2023, before me, _____, 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 of Notary Public

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

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

State of California

County of _____

On _____, 2023, before me, _____, 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 of Notary Public

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Duane Morris LLP
100 International Drive, Suite 700
Baltimore, MD 21202-5184
Attn: N. Gordon Knox, Esq.

(Space Above This Line For Recorder's Use)

Flagstar Bank – Monarch

SECOND AMENDED AND RESTATED SUBORDINATION AGREEMENT

NOTICE: THIS AMENDED AND RESTATED SUBORDINATION AGREEMENT RESULTS IN YOUR RIGHTS UNDER CERTAIN AGREEMENTS RELATING TO CERTAIN REAL PROPERTY BECOMING SUBJECT TO, AND OF LOWER PRIORITY THAN, THE LIEN OF A SECURITY INTEREST.

THIS SECOND AMENDED AND RESTATED SUBORDINATION AGREEMENT (this “**Agreement**”), made as of the ____ day of _____, 2023, by and between **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, (“**Subordinating Party**”), in its capacity as lender in connection with the loan described in Recital C below, whose address is 3403 Tenth St., Suite 300, Riverside, California 92501, Attention: Director Housing Workforce Solutions, County of Riverside, and **FLAGSTAR BANK, N.A.**, a national banking association (together with its successors and assigns, “**Bank**”), in its capacity as assignee of the California Municipal Finance Authority, a joint exercise of powers agency organized and existing under the laws of the State of California (in such capacity, “**Governmental Lender**”), whose address is 2111 Palomar Airport Road, Suite 320, Carlsbad, CA 92011, is made with reference to the following facts:

A. Unless expressly defined herein, all capitalized terms used herein shall have the meanings ascribed to them in Appendix I attached hereto and made a part hereof.

B. Borrower is the owner (or, concurrently with the recording of this Agreement, will be the owner) of the Property, which Property is more particularly described in Exhibit “A” attached hereto and made a part hereof.

C. Borrower has executed that certain Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) (the “**Subordinating Party’s Original Deed of Trust**”) dated as of October 29, 2021, for the benefit of Subordinating Party, securing that certain Loan Agreement for the Use of HOME Program Funds in the aggregate principal amount of Five Hundred Thousand Dollars (\$500,000) (the “**Subordinating Party’s Original Loan**”) evidenced by that certain Promissory Note (HOME Loan) dated as of October 29, 2021 (the “**Subordinating Party’s Original Note**”), and which Subordinating Party’s Original Deed of Trust was recorded in the Official Records of Riverside County, California (“**Official Records**”), on November 2, 2021, as Instrument No. 2021-0649512 and encumbering the Property and all Improvements to be constructed thereon. On even date herewith, the Subordinating Party and Borrower entered into that certain First Amendment to Loan Agreement for the Use of HOME Program Funds in the aggregate principal amount of One Million Two Hundred Thousand Dollars (\$1,200,000) (the “**Subordinating Party’s Increased Loan**” and together with the Subordinating Party’s Original Loan, the “**Subordinating Party’s Loan**”) as evidenced by that certain Amended and Restated Promissory Note

Secured by Deed of Trust (HOME Loan Funds) of even date herewith (the “**Subordinating Party’s New Note**” and together with the Subordinating Party’s Original Note, the “**Subordinating Party’s Note**”). To secure the Subordinating Party’s Increased Loan, Borrower and Subordinating Party are amending the Subordinating Party’s Original Deed of Trust pursuant to that certain First Amendment to Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) (HOME Loan Funds) of even date herewith (the “**First Amendment to Subordinating Party’s Original Deed of Trust**” and together with the Subordinating Party’s Original Deed of Trust, the “**Subordinating Party’s Deed of Trust**”). The Subordinating Party’s Deed of Trust, the Subordinating Party’s Note, and all other documents evidencing, securing or pertaining to the Subordinating Party’s Loan including without limitation the HOME Loan Agreement and Subordinating Party’s Covenant Agreement dated October 29, 2021 (the “**Subordinated Party’s Original Covenant Agreement**”), by and between the Borrower and the Subordinating Party, recorded in the Official Records on November 2, 2021, as Instrument No. 2021-0648392, as amended by that certain First Amendment to Covenant Agreement of even date herewith (the “**First Amendment to Subordinated Party’s Covenant Agreement**” and together with the Subordinating Party’s Original Covenant Agreement, the “**Subordinating Party’s Covenant Agreement**”), are hereinafter collectively referred to as the “**Subordinating Party’s Loan Documents**”.

D. Borrower previously requested that Governmental Lender make a loan to Borrower in the original aggregate principal amount of up to \$23,440,000 (the “**Original Project Loan**”) to finance the acquisition, construction and development of additional improvements on the Project, consisting of a tax-exempt loan in the original principal amount of \$15,176,717 (the “**Original Tax-Exempt Project Loan**”) and a taxable loan in the original principal amount of \$8,263,283 (the “**Original Taxable Project Loan**”). In connection therewith, Bank and Governmental Lender entered into that certain Funding Loan Agreement dated as of October 1, 2021 (the “**Original Funding Loan Agreement**”), pursuant to which Bank made a loan to Governmental Lender in the original aggregate principal amount of \$23,440,000 (the “**Original Funding Loan**”) consisting of a tax-exempt loan in the original principal amount of \$15,176,717 (the “**Original Tax-Exempt Funding Loan**”) and a taxable loan in the original principal amount of \$8,263,283 (the “**Original Taxable Funding Loan**”), the proceeds of which were used by Governmental Lender to fund the Original Project Loan to Borrower. The obligations for repayment of the Original Tax-Exempt Funding Loan were evidenced by the \$15,176,717 California Municipal Finance Authority Limited Obligation Multifamily Housing Revenue Note (The Monarch Apartment Homes) 2021 Series A-1 (together with all riders and addenda thereto, the “**Original Tax-Exempt Governmental Note**”) and the obligations for repayment of the Original Taxable Funding Loan were evidenced by the \$8,263,283 California Municipal Finance Authority Limited Obligation Multifamily Housing Revenue Note (The Monarch Apartment Homes) 2021 Series A-2 (Taxable) (together with all riders and addenda thereto, the “**Original Taxable Governmental Lender Note**” and collectively with the Original Tax-Exempt Governmental Note, the “**Original Governmental Note**”), both dated as of October 29, 2021 and delivered by Governmental Lender to Bank. In connection with the Original Governmental Note, Governmental Lender and Borrower entered into the Original Bond Regulatory Agreement (as defined in Appendix I attached hereto) recorded in the Official Records on November 2, 2021 as Instrument No. 2021-0648391.

E. The Original Project Loan (i) was governed by that certain Project Loan Agreement dated as of October 1, 2021 (the “**Original Project Loan Agreement**”) by and between Governmental Lender and Borrower, (ii) is evidenced by that certain Promissory Note (Project Note A-1) in the original principal amount of \$15,176,717 relating to the Original Tax-Exempt Project Loan (the “**Original Tax-Exempt Project Note**”) and that certain Promissory Note (Project Note A-2) in the original principal amount of \$8,263,283 relating to the Original Taxable Project Loan (the “**Original Taxable Project Note**” and collectively with the Original Tax-Exempt Project Note, the “**Original Project Note**”), both dated as of October 29, 2021 and delivered by Borrower to Governmental Lender, and (iii) is secured by, among other collateral, the Original Deed of Trust (as defined in Appendix I attached hereto) recorded in the Official Records on November 2, 2021 as Instrument No. 2021-0648393. As additional security for the Original

Funding Loan, Governmental Lender assigned to Bank all of its rights and interests (except for the Unassigned Rights referenced in the Original Funding Loan Agreement) in and to (1) the Original Project Loan Agreement and Original Deed of Trust pursuant to the Original Assignment of Security Instrument (as defined in Appendix I attached hereto) recorded in the Official Records on November 2, 2021 as Instrument No. 2021-0648394, and (2) each of the Original Tax-Exempt Project Note and Original Taxable Project Note pursuant to an Assignment attached thereto. In order to further govern the Original Project Loan, Bank and Borrower entered into that certain Construction and Permanent Loan Agreement dated as of October 29, 2021, as amended by the First Amendment to Construction and Permanent Loan Agreement, dated as of November 18, 2021 (collectively, the “**Original Construction and Permanent Loan Agreement**”).

F. On March 6, 2023, the Governmental Lender previously made a subsequent loan to the Borrower in the original aggregate principal amount of up to \$2,938,129 (the “**First Supplemental Project Loan**”) to provide additional financing for the construction and development of additional improvements on the Project. The First Supplemental Project Loan was governed by that certain Amended and Restated Project Loan Agreement dated as of March 1, 2023 (the “**Series A (2023) Project Loan Agreement**”), which amended, restated and replaced the Original Project Loan Agreement in its entirety, is evidenced by that certain Promissory Note (Project Note Series 2023 A) in the original principal amount of \$2,938,129 (the “**Series A (2023) Project Note**”) and is secured by, among other collateral, the First Amendment to Deed of Trust (as defined in Appendix I attached hereto) recorded in the Official Records on March 6, 2023, as Instrument No. 2023-0063881. As additional security for the Original Funding Loan, Governmental Lender assigned to Bank all of its rights and interests (except for the Unassigned Rights referenced in the Original Funding Loan Agreement) in and to (1) the Series A (2023) Project Loan Agreement and First Amendment to Deed of Trust pursuant to the First Assignment of Security Instrument (as defined in Appendix I attached hereto) recorded in the Official Records on March 6, 2023, as Instrument No. 2023-0063882, and (2) each of the Series A (2023) Project Note pursuant to an Assignment attached thereto. In order to further govern the First Supplemental Project Loan, Bank and Borrower entered into that certain Second Amendment to Construction and Permanent Loan Agreement dated as of March 6, 2023 (the “**Second Amendment Construction and Permanent Loan Agreement**”).

G. Bank and Governmental Lender have entered into that certain Amended and Restated Funding Loan Agreement dated as of March 1, 2023 (the “**Series A (2023) Funding Loan Agreement**”), which amended, restated, and replaced the Original Funding Loan Agreement in its entirety and pursuant to which Bank made a new supplemental tax-exempt loan to Governmental Lender in the original aggregate principal amount of up to \$2,938,129 (the “**First Supplemental Funding Loan**”), the obligations for repayment of which are evidenced by the \$2,938,129 California Municipal Finance Authority Limited Obligation Multifamily Housing Revenue Note (The Monarch Apartment Homes) 2023 Series A (together with all riders and addenda thereto, the “**First Supplemental Governmental Note**”), delivered by the Governmental Lender to Bank. In connection with the Supplemental Governmental Note, Governmental Lender and Borrower are entering into that certain First Amendment to Regulatory Agreement and Declaration of Restrictive Covenants dated as of March 1, 2023 and recorded in the Official Records as instrument number 2023-0063880 (the “**First Bond Regulatory Agreement**”).

H. Concurrently herewith, Borrower has requested that the Governmental Lender make a new loan in the original aggregate principal amount of up to \$3,405,302 (the “**Second Supplemental Project Loan**”) and collectively with the Original Project Loan and the First Supplemental Project Loan, the “**Project Loan**”) to provide additional financing for the construction and development of additional improvements on the Project. In connection therewith, Bank and Governmental Lender have entered into that certain Second Amended and Restated Funding Loan Agreement dated as of October 1, 2023 (the “**Funding Loan Agreement**”), which shall amend, restate and replace the Original Funding Loan Agreement, as supplemented by the Series A (2023) Funding Loan Agreement, in its entirety and pursuant

to which Bank is making a new supplemental loan to Governmental Lender in the original aggregate principal amount of up to \$3,405,302 (the “**Second Supplemental Funding Loan**” and collectively with the Original Funding Loan and the First Supplemental Funding Loan, the “**Funding Loan**”), the obligations for repayment of which are evidenced by the \$1,290,215 California Municipal Finance Authority Limited Obligation Multifamily Housing Revenue Note (The Monarch Apartment Homes) 2023 Series B-1 (together with all riders and addenda thereto, the “**Series B-1 (2023) Governmental Note**”) and \$2,115,087 California Municipal Finance Authority Limited Obligation Multifamily Housing Revenue Note (The Monarch Apartment Homes) 2023 Series B-2 (Taxable) (together with all riders and addenda thereto, the “**Series B-2 (2023) Governmental Note**” and, collectively with the Series B-1 (2023) Governmental Note, the “**Second Supplemental Governmental Note**” and collectively with the Original Governmental Note and the First Supplemental Governmental Note, the “**Governmental Notes**”), delivered by the Governmental Lender to Bank. In connection with the Second Supplemental Governmental Note, Governmental Lender and Borrower are entering into that certain Second Amendment to Regulatory Agreement and Declaration of Restrictive Covenants dated as of October 1, 2023 and recorded in the Official Records concurrently herewith (together with the Original Bond Regulatory Agreement and the First Bond Regulatory Agreement, the “**Bond Regulatory Agreement**”).

I. In order to govern the Project Loan (including, without limitation, the Second Supplemental Project Loan) Governmental Lender and Borrower are entering into that certain Second Amended and Restated Project Loan Agreement dated as of October 1, 2023 (the “**Project Loan Agreement**”), which shall amend, restate and replace the Original Project Loan Agreement, as supplemented by the Series A (2023) Project Loan Agreement, in its entirety. The Second Supplemental Project Loan is evidenced by that certain Promissory Note (Project Note Series 2023 B-1) in the original principal amount of \$1,290,215 dated as of October __, 2023 and that certain Promissory Note (Project Note Series 2023 B-2) in the original principal amount of \$2,115,087 dated as of October __, 2023 (together, the “**Second Supplemental Project Note**” and collectively with the Original Project Note and the Series A (2023) Project Note, the “**Project Note**”) delivered by Borrower to Governmental Lender.

J. In connection therewith, Borrower is executing the Second Amendment to Deed of Trust (as defined in Appendix I attached hereto) for the benefit of Governmental Lender, which is being recorded in the Official Records concurrently herewith, in order to amend and modify the Original Deed of Trust (collectively with the Original Deed of Trust and the First Amendment to Deed of Trust, the “**Deed of Trust**”), which shall continue to secure the Project Loan (including, without limitation, the Supplemental Project Loan). As additional security for the Funding Loan, Governmental Lender is assigning to Bank all of its rights and interests (except for the Unassigned Rights referenced in the Funding Loan Agreement) in and to (1) the Project Loan Agreement, Original Deed of Trust, the First Amendment to Deed of Trust and the Second Amendment to Deed of Trust pursuant to that certain Assignment of Second Amendment to Construction and Permanent Loan Deed of Trust With Absolute Assignment of Leases and Rents, Security Agreement, and Fixture Filing dated as of even date with the Second Amendment to Deed of Trust recorded in the Official Records concurrently herewith, and (2) the Second Supplemental Project Note pursuant to an Assignment attached thereto. In order to further govern the Project Loan (including, without limitation, the Second Supplemental Project Loan), Bank and Borrower are entering into that certain Third Amendment to Construction and Permanent Loan Agreement dated as of the date hereof in order to amend and modify the Original Construction and Permanent Loan Agreement (collectively with the Original Construction and Permanent Loan Agreement and the Second Amendment to Construction Loan Agreement, the “**Construction and Permanent Loan Agreement**”).

K. The Project Loan Agreement, the Construction and Permanent Loan Agreement, the Project Note, the Bond Regulatory Agreement, the Deed of Trust and all other documents evidencing, securing or pertaining to the Project Loan (including, without limitation, the Supplemental Project Loan) are sometimes hereinafter collectively referred to as the “**Loan Documents**”. Borrower has provided

Subordinating Party with access to all of the Loan Documents. All right, title and interest of Governmental Lender with respect to the Project Loan and the Loan Documents, with certain exceptions, have been assigned to Bank.

L. As a condition precedent to Governmental Lender's and Bank's making the Project Loan, Governmental Lender and Bank require that the Deed of Trust and the Bond Regulatory Agreement (each, as amended as referenced above) shall unconditionally be and remain at all times a lien or charge upon the Project which is prior and superior to the liens or charges of Subordinating Party's Loan Documents. The Parties agree that the Subordinating Party's Covenant Agreement shall remain in a senior position to the Deed of Trust upon the Conversion Date (as such term is defined in the Funding Loan Agreement). In connection therewith, Subordinating Party and Bank (with Borrower's acknowledgment, consent, approval and agreement) are entering into this Agreement in order to amend, restate and replace that certain Subordination Agreement dated as of October 29, 2021 (the "**Original Subordination Agreement**") recorded in the Official Records on November 2, 2021 as Instrument No. 2021-0649521, in its entirety, as amended by that certain Amended and Restated Subordination Agreement recorded in the Official Records on March 6, 2023 as Instrument No. 2023-0063884 (the "**Amended Subordination Agreement**").

M. If Borrower timely satisfies the "Conversion Conditions" contained in that certain Second Amended and Restated Loan Purchase Agreement of even date herewith (the "**Loan Purchase Agreement**"), by and among Borrower, Bank and California Community Reinvestment Corporation, a California nonprofit public benefit corporation ("**CCRC**"), CCRC will purchase a portion of the Second Supplemental Governmental Note, the Project Loan will convert to a term loan on the Conversion Date (as defined in the Loan Purchase Agreement) and CCRC shall automatically succeed to all rights, powers, privileges and remedies of Bank under this Agreement and the other Loan Documents. The Parties hereby agree that upon the satisfaction of the Conversion Conditions (as defined in the Loan Purchase Agreement), the Subordinating Party's Covenant Agreement shall not be subordinate to the Deed of Trust and shall no longer be included in the definition of "Subordinating Party's Loan Documents."

NOW, THEREFORE, in consideration of Governmental Lender's and Bank's making the Project Loan to Borrower, and in consideration of the mutual promises and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce Governmental Lender and Bank to make the Project Loan to Borrower, the parties to this Agreement do hereby agree as follows:

1. SUBORDINATION OF SUBORDINATING PARTY'S LOAN DOCUMENTS. The Bond Regulatory Agreement, the Deed of Trust, and any and all renewals or extensions thereof and all amendments and modifications hereafter made thereto, and any and all disbursements made by Governmental Lender to or for the account or benefit of Borrower the repayment of which is secured thereunder, shall unconditionally be and remain at all times a lien or charge against the Project that is prior and superior to the liens or charges of Subordinating Party's Loan Documents, to the same extent and purpose as though Subordinating Party's Loan Documents had been executed and recorded subsequent to the recording of the Deed of Trust and the making of each disbursement or advance made by Governmental Lender to Borrower the repayment of which is secured by the Deed of Trust, regardless of whether Borrower, at the time of any such disbursement or advance, may have been in default under the Construction and Permanent Loan Agreement, the Deed of Trust, or any of the other Loan Documents and regardless of whether Governmental Lender was obligated to make any such disbursement or advance. Subordinating Party hereby acknowledges and agrees that Bank and Governmental Lender may, without the consent or approval of Subordinating Party, agree with Borrower to extend, consolidate, modify, increase or amend any or all the Loan Documents and otherwise act or fail to act with respect to any matter set forth in any Loan Document (including, without limitation, the exercise of any rights or remedies, waiver, forbearance or delay in enforcing any rights or remedies, the declaration of acceleration, the declaration of defaults or

events of default, the release, in whole or in part, of any collateral or other property, and any consent, approval or waiver), and all such extensions, consolidations, modifications, amendments acts and omissions shall not release, impair or otherwise affect Subordinating Party's obligations and agreements hereunder.

2. INTENTIONALLY DELETED.

3. ALL DISBURSEMENTS UNDER THE PROJECT LOAN SECURED BY THE DEED OF TRUST. Notwithstanding anything to the contrary set forth in the Construction and Permanent Loan Agreement or any other agreement among Governmental Lender, Bank and Borrower with respect to the disbursement of all or any portions of the proceeds of the Project Loan, any and all disbursements made by Governmental Lender to or for the account or benefit of Borrower or the Project in connection with the following, whether or not Governmental Lender is obligated to make such disbursements pursuant to the Loan Documents: (a) any costs or expenses incurred in complying with any laws, rules, regulations, or statutes or any directives of any governmental agencies or authorities having or exercising jurisdiction over the Project; (b) any sums advanced to pay for the cost of completing the construction of the Project, Project cost overruns and/or to lease-up and stabilize the Project made by Governmental Lender or Bank; and (c) any sums advanced by Governmental Lender or Bank for the payment of real estate taxes or assessments or insurance premiums, or any other sums advanced or obligations incurred by Governmental Lender or Bank in connection with the protection or preservation of any security given to Governmental Lender or Bank with respect to the Project Loan, including, without limitation, interest thereon shall be deemed to be, and in all events shall be, secured by the Deed of Trust and, as so secured, and regardless of whether Borrower at the time of any such disbursements may have been in default under the Loan Documents and regardless of whether Governmental Lender or Bank were obligated to make any such disbursements, shall be and remain a lien or charge against the Project that is unconditionally prior and superior to the lien and effect of Subordinating Party's Loan Documents.

4. APPLICATION OF PAYMENTS UNDER SUBORDINATING PARTY'S LOAN. Until such time as all amounts outstanding under the Project Loan have been indefeasibly paid in full, prior to the occurrence of an Event of Default (as such term is defined in the Construction and Permanent Loan Agreement and other Loan Documents), Subordinating Party shall be entitled to receive and retain payments made pursuant to and in accordance with the Subordinating Party's Loan Documents; provided, however, that no such payment is made more than ninety (90) days in advance of its scheduled due date. Upon the occurrence and during the continuance of an Event of Default under the Loan Documents, all amounts (including, without limitation, all insurance proceeds and condemnation awards) received by Subordinating Party from, or for the account of, Borrower under Subordinating Party's Loan shall be immediately remitted to Bank at the address set forth above to be applied by Governmental Lender in reduction of amounts outstanding under the Project Loan, in such amounts and in such order as Bank shall determine. In the event that any payment is made to Subordinating Party which is not permitted under this Agreement, such payment shall be held by Subordinating Party in trust for the benefit of Governmental Lender and Bank and shall be paid immediately to Bank for application to the payment of all of indebtedness and obligations remaining unpaid under the Project Loan. If an Event of Default has been fully cured and the Project Loan reinstated, then Subordinating Party's right to receive and retain payments shall be reinstated. Without limiting the complete subordination of the Subordinating Party's Loan to the payment in full of the Project Loan, in any bankruptcy, insolvency, receivership or similar proceeding, upon any payment or distribution to creditors, the Project Loan shall be paid in full first before the Subordinating Party shall be entitled to receive any payment or other distribution on account of or in respect to the Subordinating Party's Loan and, until the entire Project Loan is paid in full, any payment or distribution to which the Subordinating Party will be entitled but for this Agreement (whether in cash, property or other assets) shall be paid to Bank.

5. SUBORDINATION TO MODIFICATION OF PROJECT LOAN. If Governmental Lender and Bank extend or otherwise modify the terms of the Project Loan (including any amendment or modification which does not require the Subordinating Party's prior written consent pursuant to Paragraph 1, or for which Subordinating Party has granted consent), Subordinating Party, upon 30 days' prior written notice to Subordinating Party, shall execute a new subordination agreement, in the form of this Agreement, confirming Subordinating Party's subordination of the effect of Subordinating Party's Loan Documents against the Project to the lien or charge of the Deed of Trust. The execution of such new subordination agreement, however, shall not be a condition to the effectiveness of the subordination of Subordinating Party's Loan Documents against the Project to the lien or charge of the Deed of Trust, which subordination shall be automatic.

6. SUBORDINATING PARTY'S RIGHT TO CURE DEFAULTS. Upon the occurrence of an Event of Default, Bank shall: (a) concurrently with notifying Borrower of the occurrence of such event of default, notify Subordinating Party at its address set forth above of the occurrence of such event of default; (b) Subordinating Party has the right but not the obligation to cure or correct (provided that such event of default is curable) any such event of default within thirty (30) calendar days after receipt of such notice ("**Subordinating Party Cure Period**"); provided, however, that Governmental Lender and Bank have the continuing right to commence to pursue their respective remedies under the Loan Documents on account of such default during the Subordinating Party Cure Period, including but not limited to the right to accelerate the Project Loan, record a notice of default and to obtain a receiver; provided further, that if the cure is completed during the Subordinating Party Cure Period, Governmental Lender and Bank will rescind any notice of default after reimbursement of all of its costs incurred in connection with the default, including, without limitation, attorneys' fees and court costs; and (c) accept all payments and all acts done by Subordinating Party on behalf of Borrower within the Subordinating Party's Cure Period as though the same had been timely done and performed by Borrower, so that such acts and payments shall fully and totally cure and correct all such defaults, breaches, failures or refusals for all purposes. Subordinating Party shall not be subrogated to the rights of Governmental Lender or Bank under the Loan Documents by reason of Subordinating Party having cured any default under the Loan Documents; however, Governmental Lender and Bank acknowledge that, to the extent so provided in the Subordinating Party's Loan Documents, amounts advanced or expended by Subordinating Party to cure an event in default under the Loan Documents may be added to and become a party of the Subordinating Party's Loan. In the event that an Event of Default occurs and Bank has recorded a notice of default, then for the period from the date of recordation of the notice of default, until the date of recordation of a notice of sale, so long as the noticed default continues, Subordinating Party shall have the right, but not the obligation, in lieu of curing any default under the Loan Documents, to purchase the Funding Loan Note and the Funding Loan Agreement and Bank's rights as agent thereunder subject to Subordinating Party satisfying any requirements under the Funding Loan Agreement to purchase the Funding Loan Note. Such purchase will be accomplished by Subordinating Party paying to Bank the outstanding principal amount of the Borrower Loan, plus all accrued and unpaid interest thereon and any prepayment premium and swap termination fees, together with reasonable expenses incurred by Bank in connection therewith (including reasonable attorneys' fees and costs), in exchange for the assignment of the Funding Loan Note without recourse or warranty, except that Bank will warrant that it owns (free and clear of any pledges or liens) and has all requisite authority to transfer the Funding Loan Note at the time of the transfer. Subordinating Party acknowledges and agrees that Subordinating Party's right to purchase the Funding Loan Note shall unconditionally be and remain at all times subordinate to any right of any senior lender with lien priority to purchase the Funding Loan Note. Borrower acknowledges and agrees, by executing the joinder attached hereto, that after the Funding Loan Note has been assigned to Subordinating Party or its nominee, Bank shall be relieved from all liability to Borrower under or in connection with the Loan Documents.

7. BANK'S RIGHT TO CURE DEFAULT UNDER SUBORDINATING PARTY'S LOAN. Upon the occurrence of a default under the Subordinating Party's Loan, Subordinating Party shall: (a)

concurrently with notifying Borrower of the occurrence of such event of default, notify Bank at its address set forth above of the occurrence of such default or event of default; (b) Bank has the right but not the obligation to cure or correct (provided that such event of default is curable) any such event of default within thirty (30) calendar days after receipt of such notice ("**Bank Cure Period**"); provided, however, that Subordinating Party has the continuing right to commence to pursue its remedies under the Subordinating Party's Loan Documents on account of such default during the Bank Cure Period, including but not limited to the right to accelerate the Subordinating Party's Loan, record a notice of default and to obtain a receiver; provided further, that if the cure is completed during the Bank Cure Period, Subordinating Party will rescind any notice of default after reimbursement of all of its costs incurred in connection with the default, including, without limitation, attorney's fees and court costs; and (c) accept all payments and all acts done by Bank on behalf of Borrower within the Bank Cure Period as though the same had been timely done and performed by Borrower, so that such acts and payments shall fully and totally cure and correct all such defaults, breaches, failures or refusals for all purposes.

8. INTENTIONALLY DELETED.

9. RECEIPT AND APPLICATION OF INSURANCE PROCEEDS AND CONDEMNATION AWARDS; RECEIPT AND APPLICATION OF PROCEEDS FROM BONDS.

(a) Receipt and Application of Insurance Proceeds and Condemnation Awards. Notwithstanding anything stated to the contrary in any of Subordinating Party's Loan Documents, so long as the Deed of Trust continues to encumber all or portions of the Project, all insurance proceeds that may become available from time to time as a result of damage or destruction to all or portions of the Improvements and all condemnation awards that may become available from time to time as a result of the condemnation of all or portions of the Project shall be held by Bank, disbursed by Bank and applied by Bank in accordance with the terms and conditions of the Deed of Trust and the other the Loan Documents and Subordinating Party shall have no right to hold, disburse or apply any of such proceeds and/or awards. Without limiting the generality of the foregoing, the Bank shall have all approval, consent and oversight rights in connection with any insurance claims or condemnation proceedings related to the Property and any decision regarding the use of insurance proceeds after a casualty loss or condemnation awards and Subordinating Party shall have no right to object to any such action or approval taken by Bank and shall consent thereto and be bound thereby. Subordinating Party shall execute such documents as Bank may require from time to time in order to assure compliance with the provisions of this Paragraph 9(a). Upon payment of all amounts owed to Bank, any remaining insurance proceeds and condemnation awards will be paid to the party entitled thereto.

(b) Receipt and Application of Proceeds from Bonds. With respect to all labor and material bonds and/or completion bonds that are issued from time to time to assure payment and completion of the Improvements and which name Governmental Lender, Bank and Subordinating Party (or any other party) as dual obligees, all proceeds that may become available from time to time under such bonds shall be held by Bank and disbursed by Bank and Subordinating Party shall have no right to hold or disburse any of such proceeds. Subordinating Party shall execute such documents as Bank may require from time to time in order to assure compliance with the provisions of this Paragraph 9(b).

10. NOTICES. Any notice, demand or request required or permitted to be delivered hereunder shall be deemed to have been duly and properly given at the time of such delivery if personally delivered (which shall include (i) delivery by means of professional overnight courier service which confirms receipt in writing and (ii) transmission by telecopier or telefacsimile machine capable of confirming transmission and receipt), or if mailed, forty-eight (48) hours after deposit in United States registered or certified mail, postage prepaid, return receipt requested, addressed to Subordinating Party, Governmental Lender or Bank, as the case may be, at their addresses set forth above.

11. ENTIRE AGREEMENT. This Agreement shall be the whole and only agreement with respect to the subordination of the effect of Subordinating Party's Loan Documents to the lien or charge of the Bond Regulatory Agreement and the Deed of Trust and all disbursements and advances made thereunder, and shall supersede and cancel any prior agreements as to such subordination, including without limitation any provisions contained in Subordinating Party's Loan Documents that provide for the subordination of the effect thereof to one or more deeds of trust.

12. SUBORDINATING PARTY'S REPRESENTATIONS, WARRANTIES, COVENANTS, CONSENTS, APPROVALS AND ACKNOWLEDGEMENTS. Subordinating Party hereby warrants, represents, declares, agrees and acknowledges as follows:

(a) For purposes of this Agreement, in effect as of the date hereof, Subordinating Party acknowledges that Subordinating Party has been provided the opportunity to review the Loan Documents before executing this Agreement;

(b) Governmental Lender and Bank, in making disbursements pursuant to the Project Loan Agreement and the Construction and Permanent Loan Agreement, as applicable, are under no obligation or duty to insure, nor has either Governmental Lender or Bank represented that it will insure, the proper application of such proceeds by the person(s) to whom Governmental Lender or Bank disburses such proceeds, and any application or use of such proceeds for purposes other than as provided in any such agreement shall not defeat or render invalid, in whole or in part, the subordination provided for in this Agreement;

(c) Governmental Lender and Bank have not made any warranty or representation of any kind or nature whatsoever to Subordinating Party with respect to (i) the application of the proceeds of the Project Loan being made by Governmental Lender to Borrower upon the security of the Deed of Trust, (ii) the value of the Property, the Improvements to be constructed thereon pursuant to the Loan Documents, or the marketability or value thereof upon completion of such construction, or (iii) the ability of Borrower to honor its covenants and agreements with Governmental Lender, Bank or Subordinating Party;

(d) Governmental Lender's and/or Bank's release of any security for the Project Loan, including, without limitation, the reconveyance or partial reconveyance of any portion(s) of the Project from the lien of the Deed of Trust shall not constitute a waiver or relinquishment of Subordinating Party's unconditional subordination of the liens or charges of Subordinating Party's Loan Documents against the Project to the lien or charge of the Deed of Trust;

(e) Governmental Lender would not make the Project Loan to Borrower absent the execution of this Agreement by Subordinating Party;

(f) Governmental Lender and Bank have no duty to disclose to Subordinating Party any facts, information or underwriting Governmental Lender or Bank may now know or have or hereafter know or have about Borrower or the partners or successors of Borrower, it being understood and agreed that Subordinating Party is fully responsible for being and keeping informed of the financial condition of Borrower and/or any partners or successors of Borrower and of all circumstances bearing on the risk of non-payment of any indebtedness of Borrower to Governmental Lender described in this Agreement. Notwithstanding the previous sentence, Borrower hereby irrevocably authorizes and approves the disclosure among and between Governmental Lender, Bank and Subordinating Party of any information and materials regarding the loans and loan documents described in this Agreement, including but not limited to information and materials provided by Borrower before and after any default under any such loans or related loan documents;

(g) Subordinating Party has made such independent legal and factual inquiries and examinations as Subordinating Party deems necessary or desirable, and Subordinating Party has relied solely on said independent inquiries and examinations in entering into this Agreement;

(h) Intentionally Omitted;

(i) All conditions precedent to the closing of the Subordinating Party's Loan set forth in the Subordinating Party's Loan Agreement and any modification thereof in connection with the transactions set forth in the Recitals to this Agreement have been satisfied.

(j) Borrower is not obligated to complete construction of the Improvements until May 1, 2024, subject to extension for force majeure;

(k) Notwithstanding anything stated to the contrary in the Subordinating Party's Loan Documents, (i) the limited partner in Borrower shall have the right, without the approval or consent of the Subordinating Party, to pledge its limited partnership interest in Borrower to Borrower and the foreclosure of such pledge by Borrower shall not cause an event of default under the Subordinating Party's Loan Documents, and (ii) the general partner in Borrower shall have the right, without the approval or consent of the Subordinating Party, to pledge or otherwise encumber its partnership interest in Borrower to Governmental Lender and Bank and the foreclosure of such pledge by Governmental Lender or Bank shall not cause an event of default under the Subordinating Party's Loan Documents;

(l) Notwithstanding anything stated to the contrary in the Subordinating Party's Loan Documents, Subordinating Party's interest in the plans and specifications and all data, drawings, contracts and agreements relating thereto and all contracts and agreements relating to the construction of the Improvements shall be subject and subordinate to Governmental Lender's and Bank's interest in the same;

(m) Notwithstanding anything stated to the contrary in the Subordinating Party's Loan Documents, Subordinating Party's rights in and to the leases and rents of the Property shall be subject and subordinate to the rights of Governmental Lender and Bank to same;

(n) Notwithstanding anything stated to the contrary in the Subordinating Party's Loan Documents, if an Event of Default occurs under the Deed of Trust or the other Loan Documents, which in and of itself does not constitute a default or event of default under the Subordinating Party's Loan Documents and Governmental Lender and Bank accept a cure of such default by Borrower, then Subordinating Party shall accept such cure as a cure of the event of default under the Subordinating Party's Loan Documents;

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

(p) Subordinating Party shall not commence in or join with any other creditor in commencing any bankruptcy, insolvency, receivership or similar proceeding involving Borrower and Subordinating Party shall not initiate any action, motion or request in any such proceeding involving any

other person or entity, which seeks the consolidation of some or all of the assets of Borrower into such proceeding. In the event of any such proceeding relating to Borrower or the Property or, in the event of any such proceeding relating to any other person or entity into which (notwithstanding the covenant in the first sentence of this clause) the assets or interests of Borrower are consolidated, then in either event, the Project Loan shall first be paid in full before Subordinating Party shall be entitled to receive or retain any payment or distribution with respect to the Subordinating Party's Loan. Subordinating Party agrees that (i) the Bank shall receive all payments and distributions of every kind or character in respect of the Subordinating Party's Loan to which the Subordinating Party would otherwise be entitled, before the subordination provisions of this Agreement (including, without limitation, any payments or distributions during the pendency of any bankruptcy, insolvency, receivership or similar proceeding involving Borrower or the Property) until the Project Loan is repaid in full, and (ii) the subordination of the Subordinating Party's Loan and the Subordinating Party's Loan Documents shall not be affected in any way by the Bank electing, under Section 1111(b) of the Federal Bankruptcy Code, to have its claim treated as being a fully secured claim. In addition, Subordinating Party hereby covenants and agrees that, in connection with such a proceeding involving Borrower, Subordinating Party shall not (i) make or participate in a loan facility to or for the benefit of Borrower on a basis that is senior to or pari passu with the liens and interests held by Governmental Lender and Bank pursuant to the Loan Documents and (ii) not contest the continued accrual of interest on the Project Loan, in accordance with and at the rate specified in the Loan Documents, both for periods before and for periods after commencement of such proceedings.

13. LOAN DOCUMENTS. Borrower represents and warrants that it has provided copies of all of the Loan Documents to Subordinating Party and has provided copies of all of Subordinating Party's Loan Documents to Governmental Lender and Bank.

14. ESTOPPEL CERTIFICATES. Either party shall, within twenty (20) days following the other party's written request therefor, execute and deliver to such requesting party an estoppel certificate limited to the following statements: (i) to the actual knowledge of the party giving the certificate, there are no outstanding defaults under the applicable loan documents described in this agreement (which in the case of Borrower will include the Bank and Subordinating Party's loan documents) except as described; (ii) the applicable loan documents have not been terminated, amended or otherwise modified except as described, (iii) the outstanding principal and interest on the applicable loan documents, and (iv) such other information as may be reasonably requested.

15. GOVERNING JURISDICTION; SUCCESSORS AND ASSIGNS. This Agreement shall be governed by the laws of the State of California and shall be binding upon, and shall inure to the benefit of, the parties to this Agreement and their respective successors and assigns. Subordinating Party specifically acknowledges that subject to completion of certain improvements on the Property and the satisfaction by Borrower of certain other conditions within the time(s) set forth in the Loan Purchase Agreement, CCRC shall purchase the Original Tax-Exempt Governmental Note and Supplemental Governmental Note from Bank, and Bank shall assign to CCRC the Project Loan and substantially all of the Loan Documents in connection therewith. Upon such purchase and assignment, (i) the Project Loan will become nonrecourse with certain exceptions and will automatically convert from an interest-only construction loan into an amortizing term loan, all as more particularly set forth in the Loan Documents, (ii) certain of the Loan Documents shall terminate, and (iii) certain additional Loan Documents between Borrower and CCRC (collectively, the "**Additional Permanent Loan Documents**") shall automatically become effective or otherwise be executed by Borrower with or in favor of CCRC in order to govern, evidence or secure the Project Loan. Subordinating Party acknowledges that if CCRC should become the owner and holder of the Governmental Notes and the Project Loan, then CCRC shall become the "Bank" hereunder, this Agreement shall continue to inure to the benefit of CCRC and its successors and assigns as the successor and assign of Bank, and Subordinating Party's agreements to subordinate hereunder shall be

effective as to all Additional Permanent Loan Documents in addition to all the other Loan Documents otherwise referenced herein.

16. SEVERABILITY. In case one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein unless the effect thereof would materially alter the benefits or burdens hereof to the parties hereto.

17. THIRD PARTIES. Subordinating Party recognizes that Governmental Lender and Bank may show copies of this Agreement to other institutional lenders who are interested in the matters covered in this Agreement and Subordinating Party agrees that such other institutional lenders may also materially rely upon the representations, warranties and agreements made by the Subordinating Party in this Agreement.

18. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document.

[SIGNATURE PAGE FOLLOWS]

WHEREAS, this Amended and Restated Subordination Agreement has been executed by the parties as of the date first written above.

Bank

Flagstar Bank, N.A.,
a national banking association

By: _____
Name: Vincent E. Maine
Title: Sr. Relationship Manager

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

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

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 _____ (Seal)

Subordinating Party

COUNTY OF RIVERSIDE,

a political subdivision of the State of California

By: form - do not sign

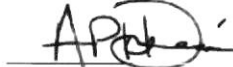
Name: Heidi Marshall

Title: Director, Housing and Workforce Solutions

APPROVED AS TO FORM:

Minh C. Tran

County Counsel



Amrit Pash Dhillon, Deputy County Counsel

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

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

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 _____

(Seal)

JOINDER

Unless expressly defined herein, all capitalized terms used herein shall have the same meanings ascribed to them in that certain Amended and Restated Subordination Agreement (the “**Subordination Agreement**”) by and between **FLAGSTAR BANK, N.A.**, a national banking association, as successor-in-interest to Flagstar Bank, FSB, and **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, to which this Joinder is attached.

The undersigned hereby acknowledges receipt of a copy of the Subordination Agreement and, as fee owner of the Property, hereby consents to, approves and agrees to be bound by all of the terms and conditions set forth in the Subordination Agreement.

MONARCH PS LP,
a California limited partnership

By: SCHOC I LLC,
a California limited liability company,
its general partner

By: Community Housing Opportunities Corporation,
a California nonprofit public benefit corporation,
its sole member and manager

By: _____
Peter Lundberg
Chief Financial Officer

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

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

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 _____ (Seal)

EXHIBIT "A"

LEGAL DESCRIPTION

A.P.N.: 501-031-028

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

THAT PORTION OF THE NORTH-HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 4 SOUTH, RANGE 4 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 6, TRACT NO. 2085, AS RECORDED IN BOOK 41 OF MAPS, PAGE 50, RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA.

THENCE SOUTH 00° 13' 01" WEST, ALONG THE WESTERLY LINE OF SAID LOT 6 AND THE EXTENSION THEREOF, A DISTANCE OF 598.52 FEET TO THE SOUTHWEST CORNER OF LOT 1 OF SAID TRACT 2085;

THENCE SOUTH 89° 56' 00" WEST, A DISTANCE OF 244.90 FEET, TO THE BEGINNING OF A 20.00 FOOT TANGENT CURVE, CONCAVE TO THE NORTHEAST;

THENCE NORTHWESTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 17' 00" AN ARC DISTANCE OF 31.51 FEET;

THENCE NORTH 00° 13' 00" EAST, A DISTANCE OF 558.98 FEET TO THE BEGINNING OF A 20.00 FOOT TANGENT CURVE CONCAVE TO THE SOUTHEAST;

THENCE NORTHEASTERLY, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 89° 49' 34" AN ARC DISTANCE OF 31.36 FEET;

THENCE SOUTH 89° 57' 26" EAST, A DISTANCE OF 245.06 FEET, TO THE POINT OF BEGINNING.

THIS LEGAL DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE NO. CC 88-101 RECORDED DECEMBER 14, 1988, AS INSTRUMENT NO. 88-365876 OF OFFICIAL RECORDS.

APPENDIX I

DEFINITIONS

As used in the agreement to which this Appendix I is attached, and as used in this Appendix I, the following terms shall have the indicated meanings:

“Borrower” shall mean Monarch PS LP, a California limited partnership.

“Deed of Trust” shall mean, collectively, the Original Deed of Trust, the First Amendment to Deed of Trust and the Second Amendment to Deed of Trust, each as assigned by Governmental Lender to Bank.

“First Amendment to Deed of Trust” shall mean that certain First Amendment to Construction and Permanent Loan Deed Of Trust with Absolute Assignment of Leases and Rents, Security Agreement, and Fixture Filing dated as of March 6, 2023, executed by Borrower for the benefit of Governmental Lender, encumbering the Property and assigned by Governmental Lender to Bank.

“Funding Loan Agreement” shall mean the Amended and Restated Funding Loan Agreement among the Governmental Lender and the Bank in connection with the issuance of the Governmental Notes.

“Governmental Lender” shall mean the California Municipal Finance Authority, a joint exercise of powers agency organized and existing under the laws of the State of California.

“Improvements” shall mean a 60-unit multifamily rental housing development and other related appurtenances to be constructed on the Property.

“Original Bond Regulatory Agreement” shall mean that certain Regulatory Agreement and Declaration of Restrictive Covenants dated as of October 1, 2021, executed by and between Borrower and Governmental Lender.

“Original Deed of Trust” shall mean that certain Construction and Permanent Loan Deed Of Trust with Absolute Assignment of Leases and Rents, Security Agreement, and Fixture Filing dated as of October 29, 2021, executed by Borrower for the benefit of Governmental Lender, encumbering the Property and assigned by Governmental Lender to Bank.

“Project” shall mean the Property and the Improvements.

“Property” shall mean that certain real property located in the City of Palm Springs, County Riverside, State of California, as more particularly described in Exhibit “A” attached to this Agreement.

“Second Amendment to Deed of Trust” shall mean that certain Second Amendment to Construction and Permanent Loan Deed Of Trust with Absolute Assignment of Leases and Rents, Security Agreement, and Fixture Filing of even date herewith, executed by Borrower for the benefit of Governmental Lender, encumbering the Property and assigned by Governmental Lender to Bank.

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

Increase in Appropriations:

21250-5500800000-530360	Home/Shelter Services	\$	700,000
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Increase in Estimated Revenues:

21250-5500800000-766000	Fed-Community Development	\$	700,000
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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: Roy Buckner

Address: _____

City: _____ Zip: _____

Phone #: _____

Date: _____ Agenda # 3:18

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: _____

✓
3:18
✓
3:25
✓
3:29

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 20231031**. 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 November 7, 2023

Submitted values are:

First Name

Jeff

Last Name

Streiffer

Address (Street, City and Zip)

1300 Clay Street, 11th Floor, Oakland CA 94607

Phone

510-433-6612

Email

jstreiffer@me.com

Agenda Date

11/07/2023

Agenda Item # or Public Comment

Item 18. 23141 Monarch Apartment Homes HWS Additional HOME funds for construction of affordable housing

State your position below

Support

Comments

I am counsel for Community Housing Opportunities Corporation and will be available for any questions regarding the award of additional HOME funds for the construction of the Monarch Apartment Homes affordable housing project in Palm Springs. and to provide support therefor.

3.18