

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



ITEM: 3.23
(ID # 22907)

MEETING DATE:
Tuesday, November 28, 2023

FROM : HOUSING AND WORKFORCE SOLUTIONS:

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Form of the First Amendment to Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds, and All Attachments Thereto, to Increase the Loan Amount for the Palm Springs Navigation Center, in the City of Palm Springs, and Authorize the Director of HWS to Execute Forms of the First Amendment to ARPA Loan Agreement, First Amendment to Deed of Trust, Amended and Restated Promissory Note, First Amendment to the Covenant Agreement, and First Amendment to Memorandum of Understanding; District 4. [\$2,260,000 - 100% Federal ARPA Funds]; No Further Actions Pursuant to CEQA

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize \$1,260,000 from District 4 - 2nd ARPA allocation, to be obligated for the Navigation Center project;

Continued on Page 2

ACTION:Policy


Heidi Marshall, Director 9/19/2023

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington and Perez and Gutierrez
Nays: None
Absent: None
Date: November 28, 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 Loan Agreement to increase the loan amount by \$2,260,000 for the Use of American Rescue Plan Act (ARPA) Funds, including all exhibits thereto (First Amendment to ARPA Loan Agreement), between the County of Riverside and City of Palm Springs;
3. Approve the attached forms of 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, First Amendment to Covenant Agreement, and First Amendment to Memorandum of Understanding (MOU);
4. Authorize the Director of the Housing and Workforce Solutions (HWS), or designee, to execute a First Amendment to ARPA Loan Agreement, First Amendment to Deed of Trust, Amended and Restated Promissory Note, First Amendment to Covenant Agreement, and First Amendment to MOU, each conforming in form and substance to the attached documents, subject to approval as to form by County Counsel; and
5. Authorize the Director of the HWS, or designee, to take all necessary steps to implement the First Amendment to ARPA Loan Agreement, First Amendment to Deed of Trust, and Amended and Restated Promissory Note, First Amendment to Covenant Agreement, and First Amendment to MOU, including but not limited to, signing subsequent necessary and relevant documents, subject to approval as to form by County Counsel.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 1,000,000	\$ 1,260,000	\$2,260,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: American Rescue Plan Act (ARPA) Funds (100%)			Budget Adjustment:	No
			For Fiscal Year: 23/24 – 24/25	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On January 25, 2022 (Minute Order 3.63), the Board of Supervisors approved a loan agreement for \$5,740,000 in American Rescue Plan Act (ARPA) Funds (ARPA Loan) with the City of Palm Springs, for the acquisition of the property located at 3589 McCarthy Road in the City of Palm Springs, Assessor Parcel Number 669-420-019 (Property). The Property has 3 vacant commercial structures that are being converted into a homeless navigation center equipped with 50 beds that will provide transitional housing and wraparound services for individuals that are homeless or at risk of homelessness. The ARPA Loan is evidenced by a Promissory Note in favor of the County (ARPA Loan Note), and secured by a Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents for the benefit of the County (ARPA Loan Deed of

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Trust). City of Palm Springs acquired the subject property on January 28, 2022, for a cost of \$5,900,000.

On October 4, 2022 (Minute Order 3.44), the Board approved the 2nd installment allocation of ARPA funding. Of this 2nd ARPA allocation, \$33,000,000 was equally distributed to each district. The City of Palm Springs requested an additional \$2,260,000 above its original loan of \$5,740,000 in ARPA funds from January of 2022. On July 11, 2023 (Minute Order 3.18), the Board of Supervisors authorized \$1,000,000 of the County-wide 2nd ARPA allocation Emergency Resilience/Shelters category to be obligated for the Palm Springs Navigation Center. The remaining amount of \$1,260,000 is being requested to come from District 4's 2nd installment allocation. The additional \$2,260,000 will be used pay a portion of the costs to rehabilitate the Property, reconfigure the layout of the existing building to provide transitional housing and wraparound services to serve homeless individuals or individuals at risk of homelessness, or experiencing housing insecurity ("Qualified Population").

Staff recommends approval of the attached forms of First Amendment to Loan Agreement for the Use of ARPA Program Funds to increase ARPA funding from \$5,740,000 to \$8,000,000, the Amended and Restated Promissory Note, the First Amendment to Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents, the First Amendment to Covenant Agreement, and the First Amendment to the MOU:

Navigation Center Project	\$2,147,000	ARPA Project Funding
Navigation Center Project	\$ 113,000	Direct Project Staffing and Delivery Costs (5%)
Total	\$2,260,000	

Entering into this First Amendment to Loan Agreement for the Use of ARPA Program Funds, and all attachments thereto, 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 ARPA Loan and all relevant documents. 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 Loan Agreement for the Use of ARPA Program Funds, Amended and Restated Promissory Note, the First Amendment to Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents, First Amendment to Covenant, and First Amendment to MOU. Staff recommends that the Board approve the aforementioned documents and authorize the Director of HWS, or designee, to execute the same.

Impact on Citizens and Businesses

The rehabilitation of the property at 3589 McCarthy Road in the City of Palm Springs to build a homeless navigation center will have a positive impact on residents as it will provide transitional housing and wraparound services for individuals that are homeless or at risk of homelessness in

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the area. The project is also expected to create jobs in construction, property maintenance, and property management.

SUPPLEMENTAL:
Additional Fiscal Information

Sources	
Homekey Program Funds (City/County)	\$ 16,035,202
County ARPA Loan	\$ 5,740,000
• Additional County ARPA Funds	\$ 2,260,000
IEHP/Molina (County)	\$ 7,500,000
City Funds	\$ 8,160,000
Total	\$ 39,695,202

Uses	
Building 8	\$ 753,900
Building 24	\$ 9,981,307
Modular Units	\$ 5,555,555
Site	\$ 7,326,748
Indirect Cost of Work	\$ 5,629,216
Soft Project Costs	\$ 10,446,598
Contingency	\$ 1,878
Total	\$ 39,695,202

The first draw for property acquisition was completed in fiscal year 2021/2022 for \$5,740,000. The new total amount of \$8,000,000 in ARPA funding less the first draw is \$2,260,000 remaining for fiscal year 2023/2024 through 2024/2025. No impact upon the County's General Fund; the County's contribution to the Project will be fully funded with the County's federal allocation of ARPA funds.

Attachments:

- Form of the First Amendment to Loan Agreement for the Use of ARPA Program Funds, including all exhibits
- 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, First Amendment to Covenant Agreement, and First Amendment to MOU


Brianna Lontajo, Principal Management Analyst

11/20/2023


Aaron Gettis, Deputy County Counsel

9/25/2023

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 AMERICAN RESCUE PLAN ACT (ARPA) FUNDS
(3589 McCarthy Road, Palm Springs, CA)**

This FIRST AMENDMENT TO LOAN AGREEMENT FOR THE USE OF AMERICAN RESCUE PLAN ACT (ARPA) 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 CITY OF PALM SPRINGS, a municipal corporation and Charter City of the State of California ("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 AMERICAN RESCUE PLAN ACT (ARPA) FUNDS dated January 28, 2022 ("ARPA Loan Agreement") and recorded on January 28, 2022 as Instrument No. 2022-0048404 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 ARPA Loan Agreement; and

WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY agreed to lend up to Five Million Seven Hundred Forty Thousand Dollars (\$5,740,000) in ARPA funds to BORROWER ("ARPA Loan") to pay a portion of the acquisition and rehabilitation costs

related to the Project, as more fully described in Exhibit "A" of the ARPA Loan Agreement;
and

WHEREAS, BORROWER has requested an additional \$2,260,000 for a total loan amount of \$8,000,000 to pay a portion of the costs to rehabilitate the Property and reconfigure the layout of the existing building to provide transitional housing and wrap around services, as more fully described in Exhibit "A" of the First Amendment to the ARPA Loan Agreement;
and

WHEREAS, on October 4, 2022 (Minute Order 3.44), the Board approved the 2nd installment allocation of ARPA funding. Of this 2nd ARPA allocation, \$33,000,000 was equally distributed to each Supervisorial District. Of the \$2,260,000, the amount of \$1,260,000 will come from the 2nd installment allocation. On July 11, 2023 (Minute Order 3.18), the Board of Supervisors authorized \$1,000,000 for City of Palm Springs from Countywide 2nd ARPA Allocation Emergency Resilience/Shelters category, to be obligated for the Palm Springs Navigation Center; and

WHEREAS, BORROWER and COUNTY desire to amend the ARPA Loan Agreement and increase the ARPA Loan from \$5,740,000 to \$8,000,000 to pay a portion of the costs to rehabilitate the Property to serve homeless individuals or individuals at risk of homelessness, or experiencing housing insecurity ("Qualified Population");

WHEREAS, amending the ARPA Loan Agreement will assist the COUNTY to fulfill its requirements under the ARPA.

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 ARPA Loan shall be modified and increased from \$5,740,000 to \$8,000,000 in ARPA funds. All references to the ARPA Loan funds in the amount of \$5,740,000 in the ARPA Loan Agreement, including all attachments and exhibits thereto, are hereby deleted in their entirety and replaced with reference to the ARPA Loan in the amount of \$8,000,000.

Section 1, paragraph 1 of the ARPA Loan Agreement is deleted and replaced in its entirety with the following:

PURPOSE. The aforementioned Recitals are incorporated herein by this reference. COUNTY has agreed to lend up to Eight Million Dollars (\$8,000,000) in ARPA funds ("ARPA Loan") to BORROWER upon the satisfaction of the conditions precedent to distribution of ARPA Loan funds set forth in **Section 11** below. Subject also to Section 48 below, BORROWER shall undertake and complete the ARPA activities required herein and as set forth in Exhibits A and A-1, and shall utilize the ARPA Loan, as required herein and pursuant to the ARPA Final Rule that became effective April 1, 2022. The Navigation Center will serve people that are experiencing homelessness, at risk of homelessness, or experiencing housing insecurity ("Qualified Population").

2. Exhibit A-1 to the ARPA Loan Agreement are amended by (i) deleting Exhibit A-1 and replacing it with the new form of Exhibit A-1 which is attached hereto and (ii) adding thereto a new Exhibit, Exhibit A-2, as the final Exhibit which shall read in its entirety as attached hereto.
3. Amendment to Deed of Trust with Assignment of Rents is attached hereto and by this reference incorporated herein as Exhibit "B" to amend the ARPA Loan amount from \$5,740,000 to \$8,000,000 in ARPA funds.
4. Amended and Restated Promissory Note is attached hereto and by this reference incorporated herein as Exhibit "C" to amend the ARPA Loan amount from \$5,740,000 to \$8,000,000 in ARPA funds.
5. Amendment to the Covenant Agreement is attached hereto and by this reference incorporated herein as Exhibit "F" to amend the ARPA Loan amount from \$5,740,000 to \$8,000,000 in ARPA funds.
6. This First Amendment and ARPA 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 ARPA 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 ARPA 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:

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

BORROWER:

CITY OF PALM SPRINGS, a California
charter city and municipal corporation

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

By: form - do not sign
Scott C. Stiles, City Manager

Date: _____

Date: _____

(COUNTY and BORROWER signatures need to be notarized)

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: 
Amrit P. Dhillon, Deputy County Counsel

<CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENTS>

EXHIBIT "A"

Borrower: City of Palm Springs
Address: 3200 E. Tahquitz Way, Palm Springs, CA 92262
Project Title: Palm Springs Navigation Center
Location: 3589 McCarthy Road, Palm Springs, CA 92262, APN: 669-420-019

Project Description:

BORROWER proposes to utilize and additional \$2,260,000.00 in ARPA funds to rehabilitate three existing buildings on the property located at 3589 McCarthy Road, Palm Springs, California 92262 ("Property"). BORROWER proposes rehabilitate the Property, reconfigure the layout of the existing building to provide transitional housing and wrap around services to homeless individuals or individuals at risk of homelessness, or experiencing housing insecurity ("Qualified Population").

The proposed scope for the buildings and the site is as follows:

Building A (10,162 sq. ft.)

- Development of office spaces for social services, behavioral health, case management, and workforce development services, plus reception area and security office.
- Development of new commercial kitchen and multipurpose room/community dining room.
- Development of workforce development/training rooms.
- Development of new laundry facilities.
- Development of designated staff space and storage.

Building B (7,240 sq. ft.)

- Early Entry Facility where approximately 50 shelter beds will be available as an overnight facility, with access to restrooms.
- 2 flexible office/meeting rooms

Building C (22,00 sq. ft)

- The existing office space in Building C will used for office space, storage, meeting rooms, flex space and staff break room.

Site Work

- Development of 80 interim housing units utilizing modular structures to include kitchenettes and restroom facilities.
- The above units will include at least 5 family units and dedication of 15 units to TAY (transitional age youth).
- Child Play Area
- Dog run
- General Parking
- Green Space
- Hardscape and Landscape

Legal Description of Property:

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

LOT B, AS SHOWN ON LOT LINE ADJUSTMENT GRANT DEED LLA 09-01, AS EVIDENCED BY DOCUMENT RECORDED NOVEMBER 25, 2009 AS INSTRUMENT NO. [2009-0612113](#) OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF PARCEL 1 OF PARCEL MAP NO. 17371, IN CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN [BOOK 105 PAGE 93](#) OF PARCEL MAPS, RECORDS OF SAID COUNTY, LYING SOUTHERLY OF THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID PARCEL 1 SHOWN AS HAVING A BEARING OF "NORTH 89° 41' 05" WEST", A DISTANCE OF "429.95 FEET" ON SAID PARCEL MAP, SAID PORTION OF SAID PARCEL 1, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 3 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION; THENCE SOUTH 00° 08' 00" WEST, ON THE WESTERLY LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 460.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 00° 05' 56" WEST, A DISTANCE OF 85.05 FEET; THENCE SOUTH 00° 08' 02" WEST, A DISTANCE OF 130.11 FEET; THENCE SOUTH 00° 10' 36" WEST, A DISTANCE OF 126.52 FEET; THENCE SOUTH 89° 45' 43" EAST, A DISTANCE OF 464.23 FEET;

THENCE NORTH 00° 08' 42" EAST, A DISTANCE OF 263.86 FEET; THENCE NORTH 00° 06' 52" EAST, A DISTANCE OF 76.82 FEET; THENCE NORTH 89° 38' 20" WEST, A DISTANCE OF 464.22 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ONE-SIXTEENTH OF ALL COAL, OIL, GAS AND OTHER MINERAL, DEPOSITS AS RESERVED IN THE PATENT EXECUTED BY THE STATE OF CALIFORNIA RECORDED MAY 22, 1936 IN [BOOK 282, PAGE 274](#) OF OFFICIAL RECORDS.

APN: 669-420-019

Exhibit A-1

IMPLEMENTATION SCHEDULE

Milestone	Completion Date
1. Acquisition of Property	March 1, 2022
2. Construction Start Deadline	January 1, 2023
3. Completion of Navigation Center	January 25, 2024
4. Navigation Center Open to the Public	February 1, 2024

Exhibit A-2

IMPLEMENTATION SCHEDULE

Milestone	Completion Date
1. Acquisition of Property	March 1, 2022
2. Construction Start Deadline	January 1, 2023
3. Completion of Navigation Center	July 1, 2024
4. Navigation Center Open to the Public	September 1, 2024

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)
ARPA 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 City of Palm Springs, a California municipal corporation and charter city (hereinafter referred to as "Trustor"), whose address is 3200 E. Tahquitz Canyon Way, Palm Springs, California 92262, Attention: City Clerk. The trustee is Housing and Workforce Solutions ("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 January 28, 2022, securing Trustor's obligations pursuant to that certain "Promissory Note" in the original principal sum of Five Million Seven Hundred Forty Thousand Dollars (\$5,740,000).
- B. The Deed of Trust was recorded in the official records of Riverside County on January 28, 2022, as Document No. 2022-0048403.
- 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 ARPA Funds ("First Amendment") and an Amended and Restated Promissory Note ("Note Amendment"), each of even date herewith, which increases the ARPA Loan amount from \$5,740,000 to \$8,000,000 in ARPA funds.

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

- 1. Amendment to Secured Amount. The amount of the ARPA Loan, as set forth in the first paragraph of the Note Amendment, is hereby amended from \$5,740,000 to \$8,000,000 in ARPA Loan funds (the "Amended ARPA Loan" or "Amended Note Amount").
- 2. All references to the ARPA Loan funds in the amount of \$5,740,000 in the Deed of Trust are hereby deleted in their entirety and replaced with reference to the ARPA Loan in the amount of \$8,000,000.

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:

CITY OF PALM SPRINGS, a California municipal
corporation and charter city

By: form - do not sign

Scott C. Stiles

Its: City Manager

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
Housing and Workforce Solutions

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: 

Amrit P. Dhillon
Deputy County Counsel

<CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENTS>

EXHIBIT "B-1"

LEGAL DESCRIPTION OF PROPERTY

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

LOT B, AS SHOWN ON LOT LINE ADJUSTMENT GRANT DEED LLA 09-01, AS EVIDENCED BY DOCUMENT RECORDED NOVEMBER 25, 2009 AS INSTRUMENT NO. [2009-0612113](#) OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF PARCEL 1 OF PARCEL MAP NO. 17371, IN CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN [BOOK 105 PAGE 93](#) OF PARCEL MAPS, RECORDS OF SAID COUNTY, LYING SOUTHERLY OF THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID PARCEL 1 SHOWN AS HAVING A BEARING OF "NORTH 89° 41' 05" WEST", A DISTANCE OF "429.95 FEET" ON SAID PARCEL MAP, SAID PORTION OF SAID PARCEL 1, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 3 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION; THENCE SOUTH 00° 08' 00" WEST, ON THE WESTERLY LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 460.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 00° 05' 56" WEST, A DISTANCE OF 85.05 FEET; THENCE SOUTH 00° 08' 02" WEST, A DISTANCE OF 130.11 FEET; THENCE SOUTH 00° 10' 36" WEST, A DISTANCE OF 126.52 FEET; THENCE SOUTH 89° 45' 43" EAST, A DISTANCE OF 464.23 FEET;

THENCE NORTH 00° 08' 42" EAST, A DISTANCE OF 263.86 FEET; THENCE NORTH 00° 06' 52" EAST, A DISTANCE OF 76.82 FEET; THENCE NORTH 89° 38' 20" WEST, A DISTANCE OF 464.22 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ONE-SIXTEENTH OF ALL COAL, OIL, GAS AND OTHER MINERAL, DEPOSITS AS RESERVED IN THE PATENT EXECUTED BY THE STATE OF CALIFORNIA RECORDED MAY 22, 1936 IN [BOOK 282, PAGE 274](#) OF OFFICIAL RECORDS.

APN: 669-420-019

EXHIBIT “C”

AMENDED AND RESTATED PROMISSORY NOTE SECURED BY DEED OF TRUST

ARPA LOAN FUNDS

\$8,000,000 (“**Loan Amount**”) _____, 2023 (“**Note Date**”)

FOR VALUE RECEIVED, City of Palm Springs (“**BORROWER**”), a California municipal corporation and charter city, promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“**COUNTY**”), at 3403 Tenth Street, Suite #300, Riverside, CA 92501, or order, the sum of Eight Million Dollars (\$8,000,000 USD) (the “**ARPA Loan**” or “**Note Amount**”) which at the time of payment is due in funds lawful for the payment of public and private debts.

This Amended and Restated Promissory Note Secured by Deed of Trust – ARPA Loan Funds (this “**Note**”) is given in accordance with that certain Loan Agreement for the Use of ARPA Funds executed by COUNTY and BORROWER, dated as of January 28, 2022 and recorded in the Official Records of the County of Riverside (“**Official Records**”) on January 28, 2022, as Instrument No. 2022-0048404 (the “**ARPA Loan Agreement**”), as amended by that certain First Amendment to Loan Agreement for the Use of ARPA 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 ARPA 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 January 28, 2022 and recorded on January 28, 2022, as Document No. 2022-0048403 (the “**ARPA Deed of Trust**” or “**Deed of Trust**”). This Note, the ARPA 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 “**ARPA Loan Documents**.”

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

1. The ARPA Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to the American Rescue Plan Act (Pub.L No. 117-2), hereinafter (“**ARPA**”). BORROWER agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions set forth in ARPA regulations, the ARPA 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 ARPA Loan will not accrue any interest per annum and shall be deferred if the Project is in compliance with the ARPA Loan Agreement and forgiven in its entirety at the end of the Term of the ARPA Loan Agreement.

3. 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.
4. Subject to the provisions and limitations of this Paragraph 4, the obligation to repay the Note Amount is a nonrecourse obligation of BORROWER and its officers. Neither BORROWER nor its officers shall have any personal liability for repayment of the Note Amount, except as provided in this Paragraph 4. 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 ARPA 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, officer, director or employee of BORROWER; (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 ARPA Loan Agreement for the operation of the Project, or proceeds of insurance policies or condemnation proceeds; and (c) any misappropriation of 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.
5. 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 ARPA Loan Agreement:

a. Monetary Default. (1) BORROWER's failure to pay when due any sums payable under the ARPA Note or any advances made by COUNTY under this Agreement, (2) BORROWER's or any agent of BORROWER's use of ARPA funds for costs other than those costs permitted under the ARPA Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, and/or (3) BORROWER's or any agent of BORROWER's failure to make any other payment of any assessment or tax due under the ARPA Loan Agreement;

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 ARPA Deed of Trust, (3) BORROWER's failure to obtain and maintain the insurance coverage required under the ARPA Loan Agreement, (4) any material default under the ARPA Loan Agreement, ARPA Deed of Trust with Assignment of Rents, Covenant Agreement, ARPA 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 ARPA Deed of Trust or any other instrument or document secured against the Property;

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

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

6. COUNTY shall give written notice of default to BORROWER, specifying the default complained of by the COUNTY. BORROWER shall have ten (10) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.
7. 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.
8. If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations shall be completely performed and paid. In the event that any provision or clause of this Note conflicts with applicable law, such conflict will not affect other provisions of this Note which can be given effect without the conflicting provision, and

to this end the provisions of this Note are declared to be severable.

9. 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.
10. 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 ARPA Loan Agreement, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.
11. This Note has been negotiated and entered in the State of California, and shall be governed by, construed and enforced in accordance with the internal laws of the State of California, applied to contracts made in California by California domiciliaries to be wholly performed in California. Any action at law or in equity arising under this Note or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Note shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.
12. 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.
13. 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.
14. 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 ARPA Loan Agreement or this Note. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.
15. Except as to the permitted deeds of trust identified herein, BORROWER shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion.

16. 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.
17. (a) Formal notices, demands and communications between the COUNTY and BORROWER shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the COUNTY and BORROWER as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or "kick-out" sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.
- (b) The address of the COUNTY for purposes of receiving notices pursuant to this Note shall be 3403 10th Street, Suite 300, Riverside, California 92501, Attention: Director HWS. The facsimile number for the COUNTY's receipt of notices is (951) 352-4852.
- (c) The address of Borrower for purposes of receiving notices pursuant to this Note is 3200 E. Tahquitz Canyon Way, Palm Springs CA 92262, Attn: City Manager.
18. The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
19. 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]

1
2 IN WITNESS WHEREOF, BORROWER has executed this Note as of the day and year first set
3 forth above.

4 BORROWER:
5 CITY OF PALM SPRINGS, a California
6 charter city and municipal corporation
7

8 By: form - do not sign
9 Scott C. Stiles
10 Its: City Manager
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(SIGNATURES CONTINUE ON NEXT PAGE)

1 AGREED AND ACCEPTED BY LENDER:

2 COUNTY OF RIVERSIDE

3
4
5 By: form - do not sign

6 Heidi Marshall, Director
Housing and Workforce Solutions

7
8
9 APPROVED AS TO FORM:

10 MINH C. TRAN
11 COUNTY COUNSEL

12 By: 

13 Amrit P. Dhillon
14 Deputy County Counsel

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EXHIBIT “F”

1
2 NO FEE FOR RECORDING PURSUANT
3 TO GOVERNMENT CODE SECTION 27383

4 Order No.
5 Escrow No.
6 Loan No.

7 RECORDING REQUESTED BY AND
8 WHEN RECORDED MAIL TO:

9 County of Riverside
10 Housing and Workforce Solutions
11 3403 Tenth Street, Suite 300
12 Riverside, CA 92501
13 Attn: Annjanette Aguilar Barreras

14 SPACE ABOVE THIS LINE FOR RECORDERS USE

15 **FIRST AMENDMENT TO COVENANT AGREEMENT**

16 This First Amendment to Covenant Agreement ("Covenant") is made and
17 entered into as of the day of _____, 2023 by and between the COUNTY
18 OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), and City of
19 Palm Springs, a California municipal corporation and charter city ("OWNER").

20 WHEREAS, COUNTY and BORROWER entered into that certain COVENANT
21 AGREEMENT dated January 28, 2022 ("Covenant Agreement") and recorded on January 28,
22 2022 as Instrument No. 2022-0048404 in the Official Records of County of Riverside's County
23 Recorder's Office ("Official Records"); and

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

26 WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY loaned to
27 OWNER \$5,740,000.00 derived from ARPA funds ("ARPA Loan"), to pay for a portion of the
28 acquisition and rehabilitation expenses of the Project, as more fully described in the ARPA
Loan Agreement. The ARPA Loan is evidenced by a Promissory Note executed by OWNER,
in favor of the COUNTY dated on or about the date hereof ("ARPA 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

1 concurrently herewith ("ARPA Loan Deed of Trust"); and

2 WHEREAS, OWNER has requested an additional \$2,260,000 for a total loan
3 amount of \$8,000,000 to pay a portion of the costs to rehabilitate the Property and reconfigure
4 the layout of the existing building to provide transitional housing and wrap around services, as
5 more fully described in Exhibit "A" of the First Amendment to the ARPA Loan Agreement;
6 and

7 WHEREAS, on October 4, 2022 (Minute Order 3.44), the Board approved the
8 2nd installment allocation of ARPA funding. Of this 2nd ARPA allocation, \$33,000,000 was
9 equally distributed to each Supervisorial District. Of the \$2,260,000, the amount of \$1,260,000
10 will come from the 2nd installment allocation. On July 11, 2023 (Minute Order 3.18), the
11 Board of Supervisors authorized \$1,000,000 for City of Palm Springs from Countywide 2nd
12 ARPA Allocation Emergency Resilience/Shelters category, to be obligated for the Palm
13 Springs Navigation Center; and

14 WHEREAS, OWNER and COUNTY desire to amend the Covenant Agreement
15 and increase the ARPA Loan from \$5,740,000 to \$8,000,000 to pay a portion of the costs to
16 rehabilitate the Property to serve homeless individuals or individuals at risk of homelessness,
17 or experiencing housing insecurity ("Qualified Population");

18 WHEREAS, amending the Covenant Agreement will assist the COUNTY to
19 fulfill its requirements under the ARPA.

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

- 23 1. Section 1, paragraph 5 of the Covenant Agreement is deleted and replaced in its entirety
24 with the following:

25 WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY loaned to OWNER
26 \$8,000,000.00 derived from ARPA funds ("ARPA Loan"), to pay for a portion of the
27 acquisition and rehabilitation expenses of the Project, as more fully described in Exhibit
28 "A" of the First Amendment to the ARPA Loan Agreement. The ARPA Loan is

1 evidenced by a Promissory Note executed by OWNER, in favor of the COUNTY dated
2 on or about the date hereof ("ARPA Loan Note") and secured by that certain Deed of
3 Trust, Security Agreement and Fixture Filing (with Assignment of Rents) executed by
4 OWNER, for the benefit of COUNTY and recorded in the Official Records concurrently
5 herewith ("ARPA Loan Deed of Trust"); and

6 ///

7 ///

8 [Remainder of Page Intentionally Blank]

9 [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:

City of Palm Springs, a California municipal
corporation and charter city

By: _____

Heidi Marshall, Director
Housing and Workforce Solutions

By: _____

Scott C. Stiles, City Manager

Date: _____

Date: _____

(Above signatures need to be notarized)

APPROVED AS TO FORM:
Minh C. Tran, County Counsel

By: _____

Amrit 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

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)
ARPA 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 City of Palm Springs, a California municipal corporation and charter city (hereinafter referred to as "Trustor"), whose address is 3200 E. Tahquitz Canyon Way, Palm Springs, California 92262, Attention: City Clerk. The trustee is Housing and Workforce Solutions ("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 January 28, 2022, securing Trustor's obligations pursuant to that certain "Promissory Note" in the original principal sum of Five Million Seven Hundred Forty Thousand Dollars (\$5,740,000).
- B. The Deed of Trust was recorded in the official records of Riverside County on January 28, 2022, as Document No. 2022-0048403.
- 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 ARPA Funds ("First Amendment") and an Amended and Restated Promissory Note ("Note Amendment"), each of even date herewith, which increases the ARPA Loan amount from \$5,740,000 to \$8,000,000 in ARPA funds.

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

- 1. Amendment to Secured Amount. The amount of the ARPA Loan, as set forth in the first paragraph of the Note Amendment, is hereby amended from \$5,740,000 to \$8,000,000 in ARPA Loan funds (the "Amended ARPA Loan" or "Amended Note Amount").
- 2. All references to the ARPA Loan funds in the amount of \$5,740,000 in the Deed of Trust are hereby deleted in their entirety and replaced with reference to the ARPA Loan in the amount of \$8,000,000.

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:

CITY OF PALM SPRINGS, a California municipal
corporation and charter city

By: form - do not sign

Scott C. Stiles

Its: City Manager

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
Housing and Workforce Solutions

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: 

Amrit P. Dhillon
Deputy County Counsel

<CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENTS>

EXHIBIT "B-1"

LEGAL DESCRIPTION OF PROPERTY

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

LOT B, AS SHOWN ON LOT LINE ADJUSTMENT GRANT DEED LLA 09-01, AS EVIDENCED BY DOCUMENT RECORDED NOVEMBER 25, 2009 AS INSTRUMENT NO. [2009-0612113](#) OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF PARCEL 1 OF PARCEL MAP NO. 17371, IN CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN [BOOK 105 PAGE 93](#) OF PARCEL MAPS, RECORDS OF SAID COUNTY, LYING SOUTHERLY OF THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID PARCEL 1 SHOWN AS HAVING A BEARING OF "NORTH 89° 41' 05" WEST", A DISTANCE OF "429.95 FEET" ON SAID PARCEL MAP, SAID PORTION OF SAID PARCEL 1, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 3 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION; THENCE SOUTH 00° 08' 00" WEST, ON THE WESTERLY LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 460.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 00° 05' 56" WEST, A DISTANCE OF 85.05 FEET; THENCE SOUTH 00° 08' 02" WEST, A DISTANCE OF 130.11 FEET; THENCE SOUTH 00° 10' 36" WEST, A DISTANCE OF 126.52 FEET; THENCE SOUTH 89° 45' 43" EAST, A DISTANCE OF 464.23 FEET;

THENCE NORTH 00° 08' 42" EAST, A DISTANCE OF 263.86 FEET; THENCE NORTH 00° 06' 52" EAST, A DISTANCE OF 76.82 FEET; THENCE NORTH 89° 38' 20" WEST, A DISTANCE OF 464.22 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ONE-SIXTEENTH OF ALL COAL, OIL, GAS AND OTHER MINERAL, DEPOSITS AS RESERVED IN THE PATENT EXECUTED BY THE STATE OF CALIFORNIA RECORDED MAY 22, 1936 IN [BOOK 282, PAGE 274](#) OF OFFICIAL RECORDS.

APN: 669-420-019

AMENDED AND RESTATED PROMISSORY NOTE SECURED BY DEED OF TRUST

ARPA LOAN FUNDS

\$8,000,000 (“**Loan Amount**”) _____, 2023 (“**Note Date**”)

FOR VALUE RECEIVED, City of Palm Springs (“BORROWER”), a California municipal corporation and charter city, promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), at 3403 Tenth Street, Suite #300, Riverside, CA 92501, or order, the sum of Eight Million Dollars (\$8,000,000 USD) (the “ARPA Loan” or “Note Amount”) which at the time of payment is due in funds lawful for the payment of public and private debts.

This Amended and Restated Promissory Note Secured by Deed of Trust – ARPA Loan Funds (this “Note”) is given in accordance with that certain Loan Agreement for the Use of ARPA Funds executed by COUNTY and BORROWER, dated as of January 28, 2022 and recorded in the Official Records of the County of Riverside (“Official Records”) on January 28, 2022, as Instrument No. 2022-0048404 (the “ARPA Loan Agreement”), as amended by that certain First Amendment to Loan Agreement for the Use of ARPA 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 ARPA 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 January 28, 2022 and recorded on January 28, 2022, as Document No. 2022-0048403 (the “ARPA Deed of Trust” or “Deed of Trust”). This Note, the ARPA 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 “ARPA Loan Documents.”

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

1. The ARPA Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to the American Rescue Plan Act (Pub.L No. 117-2), hereinafter (“ARPA”). BORROWER agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions set forth in ARPA regulations, the ARPA 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 ARPA Loan will not accrue any interest per annum and shall be deferred if the Project is in compliance with the ARPA Loan Agreement and forgiven in its entirety at the end of the Term of the ARPA Loan Agreement.

3. 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.
4. Subject to the provisions and limitations of this Paragraph 4, the obligation to repay the Note Amount is a nonrecourse obligation of BORROWER and its officers. Neither BORROWER nor its officers shall have any personal liability for repayment of the Note Amount, except as provided in this Paragraph 4. 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 ARPA 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, officer, director or employee of BORROWER; (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 ARPA Loan Agreement for the operation of the Project, or proceeds of insurance policies or condemnation proceeds; and (c) any misappropriation of 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.
5. 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 ARPA Loan Agreement:

a. Monetary Default. (1) BORROWER's failure to pay when due any sums payable under the ARPA Note or any advances made by COUNTY under this Agreement, (2) BORROWER's or any agent of BORROWER's use of ARPA funds for costs other than those costs permitted under the ARPA Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, and/or (3) BORROWER's or any agent of BORROWER's failure to make any other payment of any assessment or tax due under the ARPA Loan Agreement;

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 ARPA Deed of Trust, (3) BORROWER's failure to obtain and maintain the insurance coverage required under the ARPA Loan Agreement, (4) any material default under the ARPA Loan Agreement, ARPA Deed of Trust with Assignment of Rents, Covenant Agreement, ARPA 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 ARPA Deed of Trust or any other instrument or document secured against the Property;

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

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

6. COUNTY shall give written notice of default to BORROWER, specifying the default complained of by the COUNTY. BORROWER shall have ten (10) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.
7. 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.
8. If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations shall be completely performed and paid. In the event that any provision or clause of this Note conflicts with applicable law, such conflict will not affect other provisions of this Note which can be given effect without the conflicting provision, and

to this end the provisions of this Note are declared to be severable.

9. 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.
10. 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 ARPA Loan Agreement, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.
11. This Note has been negotiated and entered in the State of California, and shall be governed by, construed and enforced in accordance with the internal laws of the State of California, applied to contracts made in California by California domiciliaries to be wholly performed in California. Any action at law or in equity arising under this Note or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Note shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.
12. 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.
13. 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.
14. 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 ARPA Loan Agreement or this Note. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.
15. Except as to the permitted deeds of trust identified herein, BORROWER shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion.

16. 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.
17. (a) Formal notices, demands and communications between the COUNTY and BORROWER shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the COUNTY and BORROWER as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or "kick-out" sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.
- (b) The address of the COUNTY for purposes of receiving notices pursuant to this Note shall be 3403 10th Street, Suite 300, Riverside, California 92501, Attention: Director HWS. The facsimile number for the COUNTY's receipt of notices is (951) 352-4852.
- (c) The address of Borrower for purposes of receiving notices pursuant to this Note is 3200 E. Tahquitz Canyon Way, Palm Springs CA 92262, Attn: City Manager.
18. The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
19. 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]

1
2 IN WITNESS WHEREOF, BORROWER has executed this Note as of the day and year first set
3 forth above.

4 BORROWER:
5 CITY OF PALM SPRINGS, a California
6 charter city and municipal corporation
7

8 By: form - do not sign
9 Scott C. Stiles
10 Its: City Manager
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22 (SIGNATURES CONTINUE ON NEXT PAGE)
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1 AGREED AND ACCEPTED BY LENDER:

2 COUNTY OF RIVERSIDE

3
4
5 By: form - do not sign

6 Heidi Marshall, Director
Housing and Workforce Solutions

7
8
9 APPROVED AS TO FORM:

10 MINH C. TRAN
11 COUNTY COUNSEL

12 By: 

13 Amrit P. Dhillon
14 Deputy County Counsel

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2 NO FEE FOR RECORDING PURSUANT
3 TO GOVERNMENT CODE SECTION 27383

4 Order No.
5 Escrow No.
6 Loan No.

7 RECORDING REQUESTED BY AND
8 WHEN RECORDED MAIL TO:

9 County of Riverside
10 Housing and Workforce Solutions
11 3403 Tenth Street, Suite 300
12 Riverside, CA 92501
13 Attn: Annjanette Aguilar Barreras

14 SPACE ABOVE THIS LINE FOR RECORDERS USE

15 **FIRST AMENDMENT TO COVENANT AGREEMENT**

16 This First Amendment to Covenant Agreement ("Covenant") is made and
17 entered into as of the day of _____, 2023 by and between the COUNTY
18 OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), and City of
19 Palm Springs, a California municipal corporation and charter city ("OWNER").

20 WHEREAS, COUNTY and BORROWER entered into that certain COVENANT
21 AGREEMENT dated January 28, 2022 ("Covenant Agreement") and recorded on January 28,
22 2022 as Instrument No. 2022-0048404 in the Official Records of County of Riverside's County
23 Recorder's Office ("Official Records"); and

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

26 WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY loaned to
27 OWNER \$5,740,000.00 derived from ARPA funds ("ARPA Loan"), to pay for a portion of the
28 acquisition and rehabilitation expenses of the Project, as more fully described in the ARPA
Loan Agreement. The ARPA Loan is evidenced by a Promissory Note executed by OWNER,
in favor of the COUNTY dated on or about the date hereof ("ARPA 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

1 concurrently herewith ("ARPA Loan Deed of Trust"); and

2 WHEREAS, OWNER has requested an additional \$2,260,000 for a total loan
3 amount of \$8,000,000 to pay a portion of the costs to rehabilitate the Property and reconfigure
4 the layout of the existing building to provide transitional housing and wrap around services, as
5 more fully described in Exhibit "A" of the First Amendment to the ARPA Loan Agreement;
6 and

7 WHEREAS, on October 4, 2022 (Minute Order 3.44), the Board approved the
8 2nd installment allocation of ARPA funding. Of this 2nd ARPA allocation, \$33,000,000 was
9 equally distributed to each Supervisorial District. Of the \$2,260,000, the amount of \$1,260,000
10 will come from the 2nd installment allocation. On July 11, 2023 (Minute Order 3.18), the
11 Board of Supervisors authorized \$1,000,000 for City of Palm Springs from Countywide 2nd
12 ARPA Allocation Emergency Resilience/Shelters category, to be obligated for the Palm
13 Springs Navigation Center; and

14 WHEREAS, OWNER and COUNTY desire to amend the Covenant Agreement
15 and increase the ARPA Loan from \$5,740,000 to \$8,000,000 to pay a portion of the costs to
16 rehabilitate the Property to serve homeless individuals or individuals at risk of homelessness,
17 or experiencing housing insecurity ("Qualified Population");

18 WHEREAS, amending the Covenant Agreement will assist the COUNTY to
19 fulfill its requirements under the ARPA.

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

- 23 1. Section 1, paragraph 5 of the Covenant Agreement is deleted and replaced in its entirety
24 with the following:

25 WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY loaned to OWNER
26 \$8,000,000.00 derived from ARPA funds ("ARPA Loan"), to pay for a portion of the
27 acquisition and rehabilitation expenses of the Project, as more fully described in Exhibit
28 "A" of the First Amendment to the ARPA Loan Agreement. The ARPA Loan is

1 evidenced by a Promissory Note executed by OWNER, in favor of the COUNTY dated
2 on or about the date hereof ("ARPA Loan Note") and secured by that certain Deed of
3 Trust, Security Agreement and Fixture Filing (with Assignment of Rents) executed by
4 OWNER, for the benefit of COUNTY and recorded in the Official Records concurrently
5 herewith ("ARPA Loan Deed of Trust"); and

6 ///

7 ///

8 [Remainder of Page Intentionally Blank]

9 [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:

City of Palm Springs, a California municipal
corporation and charter city

By: _____

Heidi Marshall, Director
Housing and Workforce Solutions

By: _____

Scott C. Stiles, City Manager

Date: _____

Date: _____

(Above signatures need to be notarized)

APPROVED AS TO FORM:

Minh C. Tran, County Counsel

By: _____

Amrit 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

FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING

This First Amendment to Memorandum of Understanding ("Memorandum") dated as of the 21st day of December, 2023 ("Effective Date") is between the City of Palm Springs, a municipal corporation and Charter City of the State of California ("City") and County of Riverside, a political subdivision of the State of California ("County") (referred to herein individually as a "Party" and collectively as the "Parties").

RECITALS

A. The County and City intend to utilize funding available through the American Rescue Plan Act ("ARPA" or "the Act") and County will distribute funding in conformance with the requirements of the Act and to the City for the acquisition and operation of the Navigation Center project.

B. The City and County agree that this and all related agreements will be in compliance with the requirements of ARPA and all contract terms required by the Act shall be incorporated into the Loan Agreement, Third Party Operation, and other operative agreements.

C. City and County entered into that certain Memorandum of Understanding effective January 28, 2022 ("Memorandum").

D. Capitalized terms not defined herein shall have the meaning ascribed to them in the Memorandum.

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

F. Section II of the Memorandum is deleted and replaced in its entirety with the following:

II. COST SHARING BETWEEN THE PARTIES

A. For the acquisition of the Site by the City and the Capital Improvements, the County agrees to provide ARPA funding in the total amount of \$8,000,000 pursuant to terms and conditions described herein, that certain Loan Agreement for the Use of American Rescue Plan Act (ARPA Funds) ("Loan Agreement") and any other agreements to be entered between the Parties. Parties shall enter into a Loan Agreement for the use of ARPA funds for the acquisition of the Site property whereby the County will disburse Five Million Seven Hundred Forty Thousand Dollars (\$5,740,000). Subsequently, pursuant to a separate agreement, the County will provide additional funding in the amount of Two Million Two Hundred Sixty Thousand Dollars (\$2,260,000) for the Capital Improvements. City will pay any additional amounts due to acquire the Site. In order to meet the January 28, 2022 closing date, the City may pre-pay the remainder of the purchase price, and the County shall thereafter pay the City the Five Million Seven Hundred Forty Thousand Dollars (\$5,740,000) called for above.

B. The City and County shall jointly, or independently, pursue grant funds in sufficient amounts to complete the purchase and Capital Improvements of the Site, and to be utilized to provide the Supportive Services, operation or maintenance of the Navigation Center.

C. The City shall initially allocate Housing Homelessness Assistance Program funds budgeted in the Housing Homelessness Assistance Program Standard Agreement

between the City and Business, Consumer Services, and Housing Agency of the State of California, in the Operating Subsidies and Reserves Eligible Use Category in the amount of \$5,300,000 to provide the Supportive Services, operation or maintenance of the Navigation Center.

D. The Parties are concurrently entering into a Loan Agreement with the terms and conditions for the disbursement of the \$8,000,000.

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[SIGNATURES ON FOLLOWING PAGE]


City and County have executed this Memorandum of Understanding as of the date and year first written above.

"CITY"

CITY OF PALM SPRINGS, a California charter city and municipal corporation

By: 
Scott C. Stiles, City Manager

ATTEST:


Brenda Pree, City Clerk

APPROVED AS TO FORM:


Jeffrey S. Ballinger, City Attorney

"COUNTY"

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

By: 

Heidi Marshall, Director, Housing and Workforce Solutions

APPROVED AS TO LEGAL FORM:

MINH C. TRAN
COUNTY COUNSEL


Amrit P. Dhillon, Deputy County Counsel

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

2024-0010526

01/11/2024 10:35 AM Fee: \$ 0.00

Page 1 of 34

Recorded in Official Records
County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder



5553

SPACE ABOVE THIS LINE FOR RECORDERS USE

**FIRST AMENDMENT TO LOAN AGREEMENT
FOR THE USE OF AMERICAN RESCUE PLAN ACT (ARPA) FUNDS
(3589 McCarthy Road, Palm Springs, CA)**

This FIRST AMENDMENT TO LOAN AGREEMENT FOR THE USE OF AMERICAN RESCUE PLAN ACT (ARPA) FUNDS ("First Amendment") is made and entered into this 9TH day of JANUARY, 202⁴ by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY" or "County"), and CITY OF PALM SPRINGS, a municipal corporation and Charter City of the State of California ("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 AMERICAN RESCUE PLAN ACT (ARPA) FUNDS dated January 28, 2022 ("ARPA Loan Agreement") and recorded on January 28, 2022 as Instrument No. 2022-0048404 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 ARPA Loan Agreement; and

WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY agreed to lend up to Five Million Seven Hundred Forty Thousand Dollars (\$5,740,000) in ARPA funds to BORROWER ("ARPA Loan") to pay a portion of the acquisition and rehabilitation costs

related to the Project, as more fully described in Exhibit "A" of the ARPA Loan Agreement;
and

WHEREAS, BORROWER has requested an additional \$2,260,000 for a total loan amount of \$8,000,000 to pay a portion of the costs to rehabilitate the Property and reconfigure the layout of the existing building to provide transitional housing and wrap around services, as more fully described in Exhibit "A" of the First Amendment to the ARPA Loan Agreement;
and

WHEREAS, on October 4, 2022 (Minute Order 3.44), the Board approved the 2nd installment allocation of ARPA funding. Of this 2nd ARPA allocation, \$33,000,000 was equally distributed to each Supervisorial District. Of the \$2,260,000, the amount of \$1,260,000 will come from the 2nd installment allocation. On July 11, 2023 (Minute Order 3.18), the Board of Supervisors authorized \$1,000,000 for City of Palm Springs from Countywide 2nd ARPA Allocation Emergency Resilience/Shelters category, to be obligated for the Palm Springs Navigation Center; and

WHEREAS, BORROWER and COUNTY desire to amend the ARPA Loan Agreement and increase the ARPA Loan from \$5,740,000 to \$8,000,000 to pay a portion of the costs to rehabilitate the Property to serve homeless individuals or individuals at risk of homelessness, or experiencing housing insecurity ("Qualified Population");

WHEREAS, amending the ARPA Loan Agreement will assist the COUNTY to fulfill its requirements under the ARPA.

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 ARPA Loan shall be modified and increased from \$5,740,000 to \$8,000,000 in ARPA funds. All references to the ARPA Loan funds in the amount of \$5,740,000 in the ARPA Loan Agreement, including all attachments and exhibits thereto, are hereby deleted in their entirety and replaced with reference to the ARPA Loan in the amount of \$8,000,000.

Section 1, paragraph 1 of the ARPA Loan Agreement is deleted and replaced in its entirety with the following:

PURPOSE. The aforementioned Recitals are incorporated herein by this reference. COUNTY has agreed to lend up to Eight Million Dollars (\$8,000,000) in ARPA funds ("ARPA Loan") to BORROWER upon the satisfaction of the conditions precedent to distribution of ARPA Loan funds set forth in **Section 11** below. Subject also to Section 48 below, BORROWER shall undertake and complete the ARPA activities required herein and as set forth in Exhibits A and A-1, and shall utilize the ARPA Loan, as required herein and pursuant to the ARPA Final Rule that became effective April 1, 2022. The Navigation Center will serve people that are experiencing homelessness, at risk of homelessness, or experiencing housing insecurity ("Qualified Population").

2. Exhibit A-1 to the ARPA Loan Agreement are amended by (i) deleting Exhibit A-1 and replacing it with the new form of Exhibit A-1 which is attached hereto and (ii) adding thereto a new Exhibit, Exhibit A-2, as the final Exhibit which shall read in its entirety as attached hereto.
3. Amendment to Deed of Trust with Assignment of Rents is attached hereto and by this reference incorporated herein as Exhibit "B" to amend the ARPA Loan amount from \$5,740,000 to \$8,000,000 in ARPA funds.
4. Amended and Restated Promissory Note is attached hereto and by this reference incorporated herein as Exhibit "C" to amend the ARPA Loan amount from \$5,740,000 to \$8,000,000 in ARPA funds.
5. Amendment to the Covenant Agreement is attached hereto and by this reference incorporated herein as Exhibit "F" to amend the ARPA Loan amount from \$5,740,000 to \$8,000,000 in ARPA funds.
6. This First Amendment and ARPA 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 ARPA 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 ARPA 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]

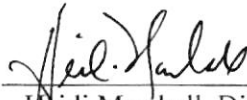
IN WITNESS WHEREOF, COUNTY and BORROWER have executed this Agreement as of
the dates written below.

COUNTY:

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

BORROWER:

CITY OF PALM SPRINGS, a California
charter city and municipal corporation

By: 
Heidi Marshall, Director
Housing and Workforce Solutions

By: 
Scott C. Stiles, City Manager

Date: 1/9/2024

Date: 12/21/23

(COUNTY and BORROWER signatures need to be notarized)

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: 
Amrit P. Dhillon, Deputy County Counsel

<CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENTS>

ACKNOWLEDGMENT

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 Riverside

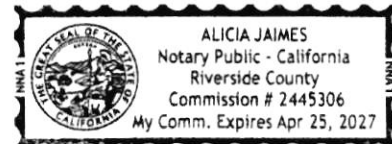
On January 9, 2024 before me, Alicia Jaimes, Notary Public
(insert name and title of the officer)

personally appeared Heidi Marshall
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 Alicia Jaimes (Seal)



CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

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

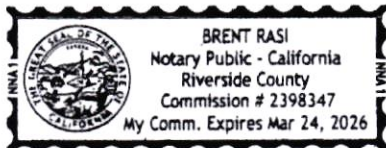
State of California

County of Riverside

On December 21, 2023 before me, Brent Rasi, Notary public
Date Here Insert Name and Title of the Officer

personally appeared Scott C. Stiles
Name(s) of Signer(s)

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 Brent Rasi
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

EXHIBIT "A"

Borrower: City of Palm Springs
Address: 3200 E. Tahquitz Way, Palm Springs, CA 92262
Project Title: Palm Springs Navigation Center
Location: 3589 McCarthy Road, Palm Springs, CA 92262, APN: 669-420-019

Project Description:

BORROWER proposes to utilize and additional \$2,260,000.00 in ARPA funds to rehabilitate three existing buildings on the property located at 3589 McCarthy Road, Palm Springs, California 92262 ("Property"). BORROWER proposes rehabilitate the Property, reconfigure the layout of the existing building to provide transitional housing and wrap around services to homeless individuals or individuals at risk of homelessness, or experiencing housing insecurity ("Qualified Population").

The proposed scope for the buildings and the site is as follows:

Building A (10,162 sq. ft.)

- Development of office spaces for social services, behavioral health, case management, and workforce development services, plus reception area and security office.
- Development of new commercial kitchen and multipurpose room/community dining room.
- Development of workforce development/training rooms.
- Development of new laundry facilities.
- Development of designated staff space and storage.

Building B (7,240 sq. ft.)

- Early Entry Facility where approximately 50 shelter beds will be available as an overnight facility, with access to restrooms.
- 2 flexible office/meeting rooms

Building C (22,00 sq. ft)

- The existing office space in Building C will used for office space, storage, meeting rooms, flex space and staff break room.

Site Work

- Development of 80 interim housing units utilizing modular structures to include kitchenettes and restroom facilities.
- The above units will include at least 5 family units and dedication of 15 units to TAY (transitional age youth).
- Child Play Area
- Dog run
- General Parking
- Green Space
- Hardscape and Landscape

Legal Description of Property:

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

LOT B, AS SHOWN ON LOT LINE ADJUSTMENT GRANT DEED LLA 09-01, AS EVIDENCED BY DOCUMENT RECORDED NOVEMBER 25, 2009 AS INSTRUMENT NO. 2009-0612113 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF PARCEL 1 OF PARCEL MAP NO. 17371, IN CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 105 PAGE 93 OF PARCEL MAPS, RECORDS OF SAID COUNTY, LYING SOUTHERLY OF THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID PARCEL 1 SHOWN AS HAVING A BEARING OF "NORTH 89° 41' 05" WEST", A DISTANCE OF "429.95 FEET" ON SAID PARCEL MAP, SAID PORTION OF SAID PARCEL 1, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 3 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION; THENCE SOUTH 00° 08' 00" WEST, ON THE WESTERLY LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 460.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 00° 05' 56" WEST, A DISTANCE OF 85.05 FEET; THENCE SOUTH 00° 08' 02" WEST, A DISTANCE OF 130.11 FEET; THENCE SOUTH 00° 10' 36" WEST, A DISTANCE OF 126.52 FEET; THENCE SOUTH 89° 45' 43" EAST, A DISTANCE OF 464.23 FEET;

THENCE NORTH 00° 08' 42" EAST, A DISTANCE OF 263.86 FEET; THENCE NORTH 00° 06' 52" EAST, A DISTANCE OF 76.82 FEET; THENCE NORTH 89° 38' 20" WEST, A DISTANCE OF 464.22 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ONE-SIXTEENTH OF ALL COAL, OIL, GAS AND OTHER MINERAL, DEPOSITS AS RESERVED IN THE PATENT EXECUTED BY THE STATE OF CALIFORNIA RECORDED MAY 22, 1936 IN BOOK 282, PAGE 274 OF OFFICIAL RECORDS.

APN: 669-420-019

Exhibit A-1

IMPLEMENTATION SCHEDULE

Milestone	Completion Date
1. Acquisition of Property	March 1, 2022
2. Construction Start Deadline	January 1, 2023
3. Completion of Navigation Center	January 25, 2024
4. Navigation Center Open to the Public	February 1, 2024

Exhibit A-2

IMPLEMENTATION SCHEDULE

Milestone	Completion Date
1. Acquisition of Property	March 1, 2022
2. Construction Start Deadline	January 1, 2023
3. Completion of Navigation Center	July 1, 2024
4. Navigation Center Open to the Public	September 1, 2024

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)
ARPA 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 City of Palm Springs, a California municipal corporation and charter city (hereinafter referred to as "Trustor"), whose address is 3200 E. Tahquitz Canyon Way, Palm Springs, California 92262, Attention: City Clerk. The trustee is Housing and Workforce Solutions ("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 January 28, 2022, securing Trustor's obligations pursuant to that certain "Promissory Note" in the original principal sum of Five Million Seven Hundred Forty Thousand Dollars (\$5,740,000).
- B. The Deed of Trust was recorded in the official records of Riverside County on January 28, 2022, as Document No. 2022-0048403.
- 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 ARPA Funds ("First Amendment") and an Amended and Restated Promissory Note ("Note Amendment"), each of even date herewith, which increases the ARPA Loan amount from \$5,740,000 to \$8,000,000 in ARPA funds.

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

- 1. Amendment to Secured Amount. The amount of the ARPA Loan, as set forth in the first paragraph of the Note Amendment, is hereby amended from \$5,740,000 to \$8,000,000 in ARPA Loan funds (the "Amended ARPA Loan" or "Amended Note Amount").
- 2. All references to the ARPA Loan funds in the amount of \$5,740,000 in the Deed of Trust are hereby deleted in their entirety and replaced with reference to the ARPA Loan in the amount of \$8,000,000.

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.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[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:

CITY OF PALM SPRINGS, a California municipal
corporation and charter city

By: _____

Scott C. Stiles

Its: City Manager

Date: _____

(TRUSTOR signature needs to be notarized)

(SIGNATURES CONTINUE ON NEXT PAGE)

AGREED AND ACCEPTED BY LENDER:

COUNTY OF RIVERSIDE

By: _____
Heidi Marshall, Director
Housing and Workforce Solutions

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: _____
Amrit P. Dhillon
Deputy County Counsel

<CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENTS>

EXHIBIT "B-1"

LEGAL DESCRIPTION OF PROPERTY

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

LOT B, AS SHOWN ON LOT LINE ADJUSTMENT GRANT DEED LLA 09-01, AS EVIDENCED BY DOCUMENT RECORDED NOVEMBER 25, 2009 AS INSTRUMENT NO. 2009-0612113 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF PARCEL 1 OF PARCEL MAP NO. 17371, IN CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 105 PAGE 93 OF PARCEL MAPS, RECORDS OF SAID COUNTY, LYING SOUTHERLY OF THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID PARCEL 1 SHOWN AS HAVING A BEARING OF "NORTH 89° 41' 05" WEST", A DISTANCE OF "429.95 FEET" ON SAID PARCEL MAP, SAID PORTION OF SAID PARCEL 1, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 3 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION; THENCE SOUTH 00° 08' 00" WEST, ON THE WESTERLY LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 460.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 00° 05' 56" WEST, A DISTANCE OF 85.05 FEET; THENCE SOUTH 00° 08' 02" WEST, A DISTANCE OF 130.11 FEET; THENCE SOUTH 00° 10' 36" WEST, A DISTANCE OF 126.52 FEET; THENCE SOUTH 89° 45' 43" EAST, A DISTANCE OF 464.23 FEET;

THENCE NORTH 00° 08' 42" EAST, A DISTANCE OF 263.86 FEET; THENCE NORTH 00° 06' 52" EAST, A DISTANCE OF 76.82 FEET; THENCE NORTH 89° 38' 20" WEST, A DISTANCE OF 464.22 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ONE-SIXTEENTH OF ALL COAL, OIL, GAS AND OTHER MINERAL, DEPOSITS AS RESERVED IN THE PATENT EXECUTED BY THE STATE OF CALIFORNIA RECORDED MAY 22, 1936 IN BOOK 282, PAGE 274 OF OFFICIAL RECORDS.

APN: 669-420-019

EXHIBIT “C”

AMENDED AND RESTATED PROMISSORY NOTE SECURED BY DEED OF TRUST

ARPA LOAN FUNDS

\$8,000,000 (“**Loan Amount**”) _____, 2023 (“**Note Date**”)

FOR VALUE RECEIVED, City of Palm Springs (“BORROWER”), a California municipal corporation and charter city, promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), at 3403 Tenth Street, Suite #300, Riverside, CA 92501, or order, the sum of Eight Million Dollars (\$8,000,000 USD) (the “ARPA Loan” or “Note Amount”) which at the time of payment is due in funds lawful for the payment of public and private debts.

This Amended and Restated Promissory Note Secured by Deed of Trust – ARPA Loan Funds (this “Note”) is given in accordance with that certain Loan Agreement for the Use of ARPA Funds executed by COUNTY and BORROWER, dated as of January 28, 2022 and recorded in the Official Records of the County of Riverside (“Official Records”) on January 28, 2022, as Instrument No. 2022-0048404 (the “ARPA Loan Agreement”), as amended by that certain First Amendment to Loan Agreement for the Use of ARPA 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 ARPA 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 January 28, 2022 and recorded on January 28, 2022, as Document No. 2022-0048403 (the “ARPA Deed of Trust” or “Deed of Trust”). This Note, the ARPA 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 “ARPA Loan Documents.”

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

1. The ARPA Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to the American Rescue Plan Act (Pub.L No. 117-2), hereinafter (“ARPA ”). BORROWER agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions set forth in ARPA regulations, the ARPA 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 ARPA Loan will not accrue any interest per annum and shall be deferred if the Project is in compliance with the ARPA Loan Agreement and forgiven in its entirety at the end of the Term of the ARPA Loan Agreement.

3. 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.
4. Subject to the provisions and limitations of this Paragraph 4, the obligation to repay the Note Amount is a nonrecourse obligation of BORROWER and its officers. Neither BORROWER nor its officers shall have any personal liability for repayment of the Note Amount, except as provided in this Paragraph 4. 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 ARPA 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, officer, director or employee of BORROWER; (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 ARPA Loan Agreement for the operation of the Project, or proceeds of insurance policies or condemnation proceeds; and (c) any misappropriation of 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.
5. 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 ARPA Loan Agreement:

a. Monetary Default. (1) BORROWER's failure to pay when due any sums payable under the ARPA Note or any advances made by COUNTY under this Agreement, (2) BORROWER's or any agent of BORROWER's use of ARPA funds for costs other than those costs permitted under the ARPA Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, and/or (3) BORROWER's or any agent of BORROWER's failure to make any other payment of any assessment or tax due under the ARPA Loan Agreement;

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 ARPA Deed of Trust, (3) BORROWER's failure to obtain and maintain the insurance coverage required under the ARPA Loan Agreement, (4) any material default under the ARPA Loan Agreement, ARPA Deed of Trust with Assignment of Rents, Covenant Agreement, ARPA 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 ARPA Deed of Trust or any other instrument or document secured against the Property;

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

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

6. COUNTY shall give written notice of default to BORROWER, specifying the default complained of by the COUNTY. BORROWER shall have ten (10) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.
7. 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.
8. If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations shall be completely performed and paid. In the event that any provision or clause of this Note conflicts with applicable law, such conflict will not affect other provisions of this Note which can be given effect without the conflicting provision, and

to this end the provisions of this Note are declared to be severable.

9. 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.
10. 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 ARPA Loan Agreement, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.
11. This Note has been negotiated and entered in the State of California, and shall be governed by, construed and enforced in accordance with the internal laws of the State of California, applied to contracts made in California by California domiciliaries to be wholly performed in California. Any action at law or in equity arising under this Note or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Note shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.
12. 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.
13. 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.
14. 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 ARPA Loan Agreement or this Note. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.
15. Except as to the permitted deeds of trust identified herein, BORROWER shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion.

16. 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.
17. (a) Formal notices, demands and communications between the COUNTY and BORROWER shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the COUNTY and BORROWER as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or "kick-out" sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.
- (b) The address of the COUNTY for purposes of receiving notices pursuant to this Note shall be 3403 10th Street, Suite 300, Riverside, California 92501, Attention: Director HWS. The facsimile number for the COUNTY's receipt of notices is (951) 352-4852.
- (c) The address of Borrower for purposes of receiving notices pursuant to this Note is 3200 E. Tahquitz Canyon Way, Palm Springs CA 92262, Attn: City Manager.
18. The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
19. 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]

1
2 IN WITNESS WHEREOF, BORROWER has executed this Note as of the day and year first set
3 forth above.

4 BORROWER:
5 CITY OF PALM SPRINGS, a California
6 charter city and municipal corporation
7

8 By: _____
9 Scott C. Stiles
10 Its: City Manager
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22 (SIGNATURES CONTINUE ON NEXT PAGE)
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AGREED AND ACCEPTED BY LENDER:

COUNTY OF RIVERSIDE

By: _____
Heidi Marshall, Director
Housing and Workforce Solutions

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: _____
Amrit P. Dhillon
Deputy County Counsel

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EXHIBIT “F”

1
2 NO FEE FOR RECORDING PURSUANT
3 TO GOVERNMENT CODE SECTION 27383

4 Order No.
5 Escrow No.
6 Loan No.

7 RECORDING REQUESTED BY AND
8 WHEN RECORDED MAIL TO:

9 County of Riverside
10 Housing and Workforce Solutions
11 3403 Tenth Street, Suite 300
12 Riverside, CA 92501
13 Attn: Annjanette Aguilar Barreras

14 SPACE ABOVE THIS LINE FOR RECORDERS USE

15
16 **FIRST AMENDMENT TO COVENANT AGREEMENT**

17 This First Amendment to Covenant Agreement ("Covenant") is made and
18 entered into as of the day of _____, 2023 by and between the COUNTY
19 OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), and City of
20 Palm Springs, a California municipal corporation and charter city ("OWNER").

21 WHEREAS, COUNTY and BORROWER entered into that certain COVENANT
22 AGREEMENT dated January 28, 2022 ("Covenant Agreement") and recorded on January 28,
23 2022 as Instrument No. 2022-0048404 in the Official Records of County of Riverside's County
24 Recorder's Office ("Official Records"); and

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

27 WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY loaned to
28 OWNER \$5,740,000.00 derived from ARPA funds ("ARPA Loan"), to pay for a portion of the
acquisition and rehabilitation expenses of the Project, as more fully described in the ARPA
Loan Agreement. The ARPA Loan is evidenced by a Promissory Note executed by OWNER,
in favor of the COUNTY dated on or about the date hereof ("ARPA 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

1 concurrently herewith ("ARPA Loan Deed of Trust"); and

2 WHEREAS, OWNER has requested an additional \$2,260,000 for a total loan
3 amount of \$8,000,000 to pay a portion of the costs to rehabilitate the Property and reconfigure
4 the layout of the existing building to provide transitional housing and wrap around services, as
5 more fully described in Exhibit "A" of the First Amendment to the ARPA Loan Agreement;
6 and

7 WHEREAS, on October 4, 2022 (Minute Order 3.44), the Board approved the
8 2nd installment allocation of ARPA funding. Of this 2nd ARPA allocation, \$33,000,000 was
9 equally distributed to each Supervisorial District. Of the \$2,260,000, the amount of \$1,260,000
10 will come from the 2nd installment allocation. On July 11, 2023 (Minute Order 3.18), the
11 Board of Supervisors authorized \$1,000,000 for City of Palm Springs from Countywide 2nd
12 ARPA Allocation Emergency Resilience/Shelters category, to be obligated for the Palm
13 Springs Navigation Center; and

14 WHEREAS, OWNER and COUNTY desire to amend the Covenant Agreement
15 and increase the ARPA Loan from \$5,740,000 to \$8,000,000 to pay a portion of the costs to
16 rehabilitate the Property to serve homeless individuals or individuals at risk of homelessness,
17 or experiencing housing insecurity ("Qualified Population");

18 WHEREAS, amending the Covenant Agreement will assist the COUNTY to
19 fulfill its requirements under the ARPA.

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

- 23 1. Section 1, paragraph 5 of the Covenant Agreement is deleted and replaced in its entirety
24 with the following:

25 WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY loaned to OWNER
26 \$8,000,000.00 derived from ARPA funds ("ARPA Loan"), to pay for a portion of the
27 acquisition and rehabilitation expenses of the Project, as more fully described in Exhibit
28 "A" of the First Amendment to the ARPA Loan Agreement. The ARPA Loan is

1 evidenced by a Promissory Note executed by OWNER, in favor of the COUNTY dated
2 on or about the date hereof ("ARPA Loan Note") and secured by that certain Deed of
3 Trust, Security Agreement and Fixture Filing (with Assignment of Rents) executed by
4 OWNER, for the benefit of COUNTY and recorded in the Official Records concurrently
5 herewith ("ARPA Loan Deed of Trust"); and

6 ///

7 ///

8 [Remainder of Page Intentionally Blank]

9 [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:

City of Palm Springs, a California municipal
corporation and charter city

By: _____

Heidi Marshall, Director
Housing and Workforce Solutions

By: _____

Scott C. Stiles, City Manager

Date: _____

Date: _____

(Above signatures need to be notarized)

APPROVED AS TO FORM:

Minh C. Tran, County Counsel

By: _____

Amrit 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

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

2024-0010526

01/11/2024 10:35 AM

Customer Copy Label

The paper to which this label is affixed
has not been compared with the
filed/recorded document

Peter Aldana
County Of Riverside
Assessor-County Clerk-Recorder

SPACE ABOVE THIS LINE FOR RECORDERS USE

**FIRST AMENDMENT TO LOAN AGREEMENT
FOR THE USE OF AMERICAN RESCUE PLAN ACT (ARPA) FUNDS
(3589 McCarthy Road, Palm Springs, CA)**

This FIRST AMENDMENT TO LOAN AGREEMENT FOR THE USE OF AMERICAN RESCUE PLAN ACT (ARPA) FUNDS ("First Amendment") is made and entered into this 9TH day of JANUARY, 202⁴~~3~~ by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY" or "County"), and CITY OF PALM SPRINGS, a municipal corporation and Charter City of the State of California ("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 AMERICAN RESCUE PLAN ACT (ARPA) FUNDS dated January 28, 2022 ("ARPA Loan Agreement") and recorded on January 28, 2022 as Instrument No. 2022-0048404 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 ARPA Loan Agreement; and

WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY agreed to lend up to Five Million Seven Hundred Forty Thousand Dollars (\$5,740,000) in ARPA funds to BORROWER ("ARPA Loan") to pay a portion of the acquisition and rehabilitation costs

AMENDED AND RESTATED PROMISSORY NOTE SECURED BY DEED OF TRUST

ARPA LOAN FUNDS

\$8,000,000 ("Loan Amount")

JANUARY 9 ²⁰²⁴/₂₀₂₃ ("Note Date")

FOR VALUE RECEIVED, City of Palm Springs ("BORROWER"), a California municipal corporation and charter city, promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), at 3403 Tenth Street, Suite #300, Riverside, CA 92501, or order, the sum of Eight Million Dollars (\$8,000,000 USD) (the "ARPA Loan" or "Note Amount") which at the time of payment is due in funds lawful for the payment of public and private debts.

This Amended and Restated Promissory Note Secured by Deed of Trust – ARPA Loan Funds (this "Note") is given in accordance with that certain Loan Agreement for the Use of ARPA Funds executed by COUNTY and BORROWER, dated as of January 28, 2022 and recorded in the Official Records of the County of Riverside ("Official Records") on January 28, 2022, as Instrument No. 2022-0048404 (the "ARPA Loan Agreement"), as amended by that certain First Amendment to Loan Agreement for the Use of ARPA Funds ("First Amendment"), dated as of JANUARY 9, 2024 ~~2023~~. Except to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings ascribed to such terms in the ARPA 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 January 28, 2022 and recorded on January 28, 2022, as Document No. 2022-0048403 (the "ARPA Deed of Trust" or "Deed of Trust"). This Note, the ARPA 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 "ARPA Loan Documents."

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

1. The ARPA Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to the American Rescue Plan Act (Pub.L No. 117-2), hereinafter ("ARPA "). BORROWER agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions set forth in ARPA regulations, the ARPA 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 ARPA Loan will not accrue any interest per annum and shall be deferred if the Project is in compliance with the ARPA Loan Agreement and forgiven in its entirety at the end of the Term of the ARPA Loan Agreement.

3. 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.
4. Subject to the provisions and limitations of this Paragraph 4, the obligation to repay the Note Amount is a nonrecourse obligation of BORROWER and its officers. Neither BORROWER nor its officers shall have any personal liability for repayment of the Note Amount, except as provided in this Paragraph 4. 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 ARPA 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, officer, director or employee of BORROWER; (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 ARPA Loan Agreement for the operation of the Project, or proceeds of insurance policies or condemnation proceeds; and (c) any misappropriation of 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.
5. 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 ARPA Loan Agreement:

a. Monetary Default. (1) BORROWER's failure to pay when due any sums payable under the ARPA Note or any advances made by COUNTY under this Agreement, (2) BORROWER's or any agent of BORROWER's use of ARPA funds for costs other than those costs permitted under the ARPA Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, and/or (3) BORROWER's or any agent of BORROWER's failure to make any other payment of any assessment or tax due under the ARPA Loan Agreement;

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 ARPA Deed of Trust, (3) BORROWER's failure to obtain and maintain the insurance coverage required under the ARPA Loan Agreement, (4) any material default under the ARPA Loan Agreement, ARPA Deed of Trust with Assignment of Rents, Covenant Agreement, ARPA 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 ARPA Deed of Trust or any other instrument or document secured against the Property;

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

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

6. COUNTY shall give written notice of default to BORROWER, specifying the default complained of by the COUNTY. BORROWER shall have ten (10) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.
7. 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.
8. If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations shall be completely performed and paid. In the event that any provision or clause of this Note conflicts with applicable law, such conflict will not affect other provisions of this Note which can be given effect without the conflicting provision, and

to this end the provisions of this Note are declared to be severable.

9. 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.
10. 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 ARPA Loan Agreement, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.
11. This Note has been negotiated and entered in the State of California, and shall be governed by, construed and enforced in accordance with the internal laws of the State of California, applied to contracts made in California by California domiciliaries to be wholly performed in California. Any action at law or in equity arising under this Note or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Note shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.
12. 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.
13. 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.
14. 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 ARPA Loan Agreement or this Note. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.
15. Except as to the permitted deeds of trust identified herein, BORROWER shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion.

16. 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.
17. (a) Formal notices, demands and communications between the COUNTY and BORROWER shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the COUNTY and BORROWER as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or "kick-out" sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.
- (b) The address of the COUNTY for purposes of receiving notices pursuant to this Note shall be 3403 10th Street, Suite 300, Riverside, California 92501, Attention: Director HWS. The facsimile number for the COUNTY's receipt of notices is (951) 352-4852.
- (c) The address of Borrower for purposes of receiving notices pursuant to this Note is 3200 E. Tahquitz Canyon Way, Palm Springs CA 92262, Attn: City Manager.
18. The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
19. This Note shall be binding upon BORROWER and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.

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[SIGNATURES ON FOLLOWING PAGE]

1
2 IN WITNESS WHEREOF, BORROWER has executed this Note as of the day and year first set
3 forth above.

4 BORROWER:
5 CITY OF PALM SPRINGS, a California
6 charter city and municipal corporation

7
8 By:  _____


9 Scott C. Stiles

10 Its: City Manager

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22 (SIGNATURES CONTINUE ON NEXT PAGE)
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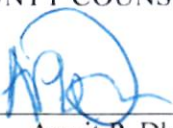
1 AGREED AND ACCEPTED BY LENDER:

2 COUNTY OF RIVERSIDE

3
4
5 By: 
6 Heidi Marshall, Director
Housing and Workforce Solutions

7
8
9 APPROVED AS TO FORM:

10 MINH C. TRAN
11 COUNTY COUNSEL

12 By: 
13 Amrit P. Dhillon
14 Deputy County Counsel

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

2024-0010527

01/11/2024 10:35 AM Fee: \$ 0.00

Page 1 of 6

Recorded in Official Records
County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder



5553

SPACE ABOVE THIS LINE FOR RECORDERS USE

FIRST AMENDMENT TO COVENANT AGREEMENT

This First Amendment to Covenant Agreement ("Covenant") is made and entered into as of the day of JANUARY 9, 2024, 2023 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), and City of Palm Springs, a California municipal corporation and charter city ("OWNER").

WHEREAS, COUNTY and BORROWER entered into that certain COVENANT AGREEMENT dated January 28, 2022 ("Covenant Agreement") and recorded on January 28, 2022 as Instrument No. 2022-0048404 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 ARPA Loan Agreement, COUNTY loaned to OWNER \$5,740,000.00 derived from ARPA funds ("ARPA Loan"), to pay for a portion of the acquisition and rehabilitation expenses of the Project, as more fully described in the ARPA Loan Agreement. The ARPA Loan is evidenced by a Promissory Note executed by OWNER, in favor of the COUNTY dated on or about the date hereof ("ARPA 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

1 concurrently herewith ("ARPA Loan Deed of Trust"); and

2 WHEREAS, OWNER has requested an additional \$2,260,000 for a total loan
3 amount of \$8,000,000 to pay a portion of the costs to rehabilitate the Property and reconfigure
4 the layout of the existing building to provide transitional housing and wrap around services, as
5 more fully described in Exhibit "A" of the First Amendment to the ARPA Loan Agreement;
6 and

7 WHEREAS, on October 4, 2022 (Minute Order 3.44), the Board approved the
8 2nd installment allocation of ARPA funding. Of this 2nd ARPA allocation, \$33,000,000 was
9 equally distributed to each Supervisorial District. Of the \$2,260,000, the amount of \$1,260,000
10 will come from the 2nd installment allocation. On July 11, 2023 (Minute Order 3.18), the
11 Board of Supervisors authorized \$1,000,000 for City of Palm Springs from Countywide 2nd
12 ARPA Allocation Emergency Resilience/Shelters category, to be obligated for the Palm
13 Springs Navigation Center; and

14 WHEREAS, OWNER and COUNTY desire to amend the Covenant Agreement
15 and increase the ARPA Loan from \$5,740,000 to \$8,000,000 to pay a portion of the costs to
16 rehabilitate the Property to serve homeless individuals or individuals at risk of homelessness,
17 or experiencing housing insecurity ("Qualified Population");

18 WHEREAS, amending the Covenant Agreement will assist the COUNTY to
19 fulfill its requirements under the ARPA.

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

- 23 1. Section 1, paragraph 5 of the Covenant Agreement is deleted and replaced in its entirety
24 with the following:

25 WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY loaned to OWNER
26 \$8,000,000.00 derived from ARPA funds ("ARPA Loan"), to pay for a portion of the
27 acquisition and rehabilitation expenses of the Project, as more fully described in Exhibit
28 "A" of the First Amendment to the ARPA Loan Agreement. The ARPA Loan is

1 evidenced by a Promissory Note executed by OWNER, in favor of the COUNTY dated
2 on or about the date hereof ("ARPA Loan Note") and secured by that certain Deed of
3 Trust, Security Agreement and Fixture Filing (with Assignment of Rents) executed by
4 OWNER, for the benefit of COUNTY and recorded in the Official Records concurrently
5 herewith ("ARPA Loan Deed of Trust"); and

6 ///

7 ///

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9 [SIGNATURES ON THE NEXT PAGE]

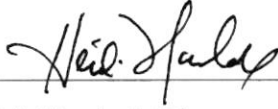
IN WITNESS WHEREOF, COUNTY and OWNER have executed this Covenant as of the dates written below.


COUNTY:

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

BORROWER:

City of Palm Springs, a California municipal
corporation and charter city

By: 
Heidi Marshall, Director
Housing and Workforce Solutions

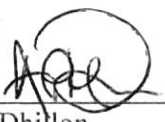
By: 
Scott C. Stiles, City Manager

Date: 1/9/2024

Date: 12/21/23

(Above signatures need to be notarized)

APPROVED AS TO FORM:
Minh C. Tran, County Counsel

By: 
Amrit Dhillon
Deputy County Counsel

(COUNTY and OWNER signatures need to be notarized)

ACKNOWLEDGMENT

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 Riverside

On January 9, 2024 before me, Alicia Jaimes, Notary Public
(insert name and title of the officer)

personally appeared Heidi Marshall
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.

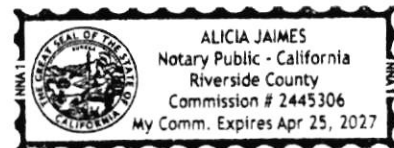
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Alicia Jaimes

(Seal)



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 Riverside

On December 21, 2023, before me, Brent Rasi, Notary Public, personally appeared Scott C. Stiles,

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.

Brent Rasi

Signature of Notary Public



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

2024-0010527

01/11/2024 10:35 AM

Customer Copy Label

The paper to which this label is affixed
has not been compared with the
filed/recorded document

Peter Aldana
County Of Riverside
Assessor-County Clerk-Recorder

SPACE ABOVE THIS LINE FOR RECORDERS USE

FIRST AMENDMENT TO COVENANT AGREEMENT

This First Amendment to Covenant Agreement ("Covenant") is made and entered into as of the day of JANUARY 9, 2024, 2023 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), and City of Palm Springs, a California municipal corporation and charter city ("OWNER").

WHEREAS, COUNTY and BORROWER entered into that certain COVENANT AGREEMENT dated January 28, 2022 ("Covenant Agreement") and recorded on January 28, 2022 as Instrument No. 2022-0048404 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 ARPA Loan Agreement, COUNTY loaned to OWNER \$5,740,000.00 derived from ARPA funds ("ARPA Loan"), to pay for a portion of the acquisition and rehabilitation expenses of the Project, as more fully described in the ARPA Loan Agreement. The ARPA Loan is evidenced by a Promissory Note executed by OWNER, in favor of the COUNTY dated on or about the date hereof ("ARPA 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

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

2024-0010528

01/11/2024 10:35 AM Fee: \$ 0.00

Page 1 of 7

Recorded in Official Records
County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder



5553

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**FIRST AMENDMENT TO DEED OF TRUST,
SECURITY AGREEMENT AND FIXTURE FILING
(WITH ASSIGNMENT OF RENTS)
ARPA 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 9TH day of JANUARY, 2024, ~~2023~~, by City of Palm Springs, a California municipal corporation and charter city (hereinafter referred to as "Trustor"), whose address is 3200 E. Tahquitz Canyon Way, Palm Springs, California 92262, Attention: City Clerk. The trustee is Housing and Workforce Solutions ("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 January 28, 2022, securing Trustor's obligations pursuant to that certain "Promissory Note" in the original principal sum of Five Million Seven Hundred Forty Thousand Dollars (\$5,740,000).
- B. The Deed of Trust was recorded in the official records of Riverside County on January 28, 2022, as Document No. 2022-0048403.
- 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 ARPA Funds ("First Amendment") and an Amended and Restated Promissory Note ("Note Amendment"), each of even date herewith, which increases the ARPA Loan amount from \$5,740,000 to \$8,000,000 in ARPA funds.

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

- 1. Amendment to Secured Amount. The amount of the ARPA Loan, as set forth in the first paragraph of the Note Amendment, is hereby amended from \$5,740,000 to \$8,000,000 in ARPA Loan funds (the "Amended ARPA Loan" or "Amended Note Amount").
- 2. All references to the ARPA Loan funds in the amount of \$5,740,000 in the Deed of Trust are hereby deleted in their entirety and replaced with reference to the ARPA Loan in the amount of \$8,000,000.

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:

CITY OF PALM SPRINGS, a California municipal corporation and charter city

By: 

Its: Scott C. Stiles
City Manager

Date: 12/21/23

(TRUSTOR signature needs to be notarized)

(SIGNATURES CONTINUE ON NEXT PAGE)

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California

County of Riverside }

On December 23, 2023 before me, Brent Rasi, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Scott C. Stiles
Name(s) of Signer(s)

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 Brent Rasi
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

☐ Corporate Officer – Title(s): _____ ☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General ☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact ☐ Individual ☐ Attorney in Fact

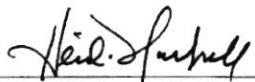
☐ Trustee ☐ Guardian or Conservator ☐ Trustee ☐ Guardian or Conservator

☐ Other: _____ ☐ Other: _____

Signer is Representing: _____ Signer is Representing: _____

AGREED AND ACCEPTED BY LENDER:

COUNTY OF RIVERSIDE

By: 
Heidi Marshall, Director
Housing and Workforce Solutions

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: 
Amrit P. Dhillon
Deputy County Counsel

ACKNOWLEDGMENT

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 Riverside)

On January 9, 2024 before me, Alicia Jaimes, Notary Public
(insert name and title of the officer)

personally appeared Heidi Marshall
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 Alicia Jaimes (Seal)

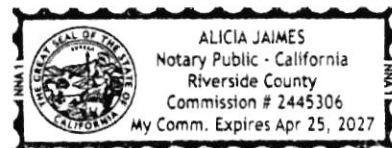


EXHIBIT "B-1"

LEGAL DESCRIPTION OF PROPERTY

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

LOT B, AS SHOWN ON LOT LINE ADJUSTMENT GRANT DEED LLA 09-01, AS EVIDENCED BY DOCUMENT RECORDED NOVEMBER 25, 2009 AS INSTRUMENT NO. 2009-0612113 OF OFFICIAL RECORDS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF PARCEL 1 OF PARCEL MAP NO. 17371, IN CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 105 PAGE 93 OF PARCEL MAPS, RECORDS OF SAID COUNTY, LYING SOUTHERLY OF THE EASTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID PARCEL 1 SHOWN AS HAVING A BEARING OF "NORTH 89° 41' 05" WEST", A DISTANCE OF "429.95 FEET" ON SAID PARCEL MAP, SAID PORTION OF SAID PARCEL 1, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 3 SOUTH, RANGE 4 EAST, SAN BERNARDINO BASE AND MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION; THENCE SOUTH 00° 08' 00" WEST, ON THE WESTERLY LINE OF SAID SOUTHEAST QUARTER, A DISTANCE OF 460.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 00° 05' 56" WEST, A DISTANCE OF 85.05 FEET; THENCE SOUTH 00° 08' 02" WEST, A DISTANCE OF 130.11 FEET; THENCE SOUTH 00° 10' 36" WEST, A DISTANCE OF 126.52 FEET; THENCE SOUTH 89° 45' 43" EAST, A DISTANCE OF 464.23 FEET;

THENCE NORTH 00° 08' 42" EAST, A DISTANCE OF 263.86 FEET; THENCE NORTH 00° 06' 52" EAST, A DISTANCE OF 76.82 FEET; THENCE NORTH 89° 38' 20" WEST, A DISTANCE OF 464.22 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ONE-SIXTEENTH OF ALL COAL, OIL, GAS AND OTHER MINERAL, DEPOSITS AS RESERVED IN THE PATENT EXECUTED BY THE STATE OF CALIFORNIA RECORDED MAY 22, 1936 IN BOOK 282, PAGE 274 OF OFFICIAL RECORDS.

APN: 669-420-019

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

2024-0010528

01/11/2024 10:35 AM

*****Customer Copy Label*****

The paper to which this label is affixed
has not been compared with the
filed/recorded document

Peter Aldana
County Of Riverside
Assessor-County Clerk-Recorder

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**FIRST AMENDMENT TO DEED OF TRUST,
SECURITY AGREEMENT AND FIXTURE FILING
(WITH ASSIGNMENT OF RENTS)
ARPA 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 9TH day of JANUARY, 2024, ~~2023~~, by City of Palm Springs, a California municipal corporation and charter city (hereinafter referred to as "Trustor"), whose address is 3200 E. Tahquitz Canyon Way, Palm Springs, California 92262, Attention: City Clerk. The trustee is Housing and Workforce Solutions ("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 January 28, 2022, securing Trustor's obligations pursuant to that certain "Promissory Note" in the original principal sum of Five Million Seven Hundred Forty Thousand Dollars (\$5,740,000).
- B. The Deed of Trust was recorded in the official records of Riverside County on January 28, 2022, as Document No. 2022-0048403.
- 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 ARPA Funds ("First Amendment") and an Amended and Restated Promissory Note ("Note Amendment"), each of even date herewith, which increases the ARPA Loan amount from \$5,740,000 to \$8,000,000 in ARPA funds.

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

- 1. Amendment to Secured Amount. The amount of the ARPA Loan, as set forth in the first paragraph of the Note Amendment, is hereby amended from \$5,740,000 to \$8,000,000 in ARPA Loan funds (the "Amended ARPA Loan" or "Amended Note Amount").
- 2. All references to the ARPA Loan funds in the amount of \$5,740,000 in the Deed of Trust are hereby deleted in their entirety and replaced with reference to the ARPA Loan in the amount of \$8,000,000.