

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



**ITEM: 3.12  
(ID # 24392)**

**MEETING DATE:**  
Tuesday, April 09, 2024

**FROM :** HOUSING AND WORKFORCE SOLUTIONS:

**SUBJECT:** HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Form of the Loan Agreement for the Use of Housing and Homelessness Incentive Program (HHIP) Funds for Mulberry Gardens Senior Apartments in the City of Riverside by and between the County of Riverside and Mulberry Gardens Senior, L.P., a California Limited Partnership, and Approval of All Attachments Thereto, and Authorize the Director of HWS to Execute a Form of the Attached HHIP Loan Agreement, Covenant Agreement, and Subsequent Subordination Agreements; District 1. [\$1,300,000 – 100% HHIP Funds]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve a loan in the amount of \$1,300,000 derived from HHIP funds to pay a portion of the of the development and construction costs of Mulberry Gardens Senior Apartments that will provide affordable housing to seniors at risk of homelessness;

Continued on Page 2

**ACTION:Policy**

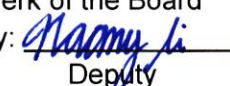
  
Heidi Marshall, Director 3/6/2024

---

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez  
Nays: None  
Absent: None  
Date: April 9, 2024  
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 forms of Loan Agreement for the Use of HHIP Funds, including all attachments thereto (HHIP Loan Agreement), the HHIP Leasehold Deed of Trust and Assignment of Rents, HHIP Loan Promissory Note, and HHIP Covenant Agreement;
3. Authorize the Director of the Housing and Workforce Solutions (HWS), or designee, to execute a HHIP Loan Agreement and a HHIP Covenant Agreement, each conforming in form and substance to the attached HHIP Loan Agreement and HHIP Covenant Agreement, subject to approval as to form by County Counsel;
4. Authorize the Director of HWS, or designee, to negotiate and execute a Subordination Agreement subordinating the HHIP Loan Agreement, HHIP Leasehold Deed of Trust and Assignment of Rents to a Deed of Trust for the benefit of Wells Fargo Bank, securing a construction loan for the Project for a not to exceed amount of \$25,000,000 subject to approval as to form by County Counsel; and
5. Authorize the Director of HWS, or designee, to negotiate and execute a Subordination Agreement, subordinating the HHIP Covenant, the HHIP Loan Agreement, HHIP Leasehold Deed of Trust and Assignment of Rents to a Deed of Trust for the benefit of City of Riverside, securing a HOME loan for the Project for a not to exceed amount of \$3,000,000, subject to approval as to form by County Counsel; and
6. Authorize the Director of HWS, or designee, to take all necessary steps to implement the HHIP Loan Agreement and any additional Subordination Agreements, including but not limited to, executing any and all subsequent and necessary documents, subject to approval as to form by County Counsel.

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$1,300,000	\$ 0	\$1,300,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> Housing and Homelessness Incentive Program (HHIP) Funds (100%)			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 23/24	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

On January 10, 2023 (Minute Order 3.15), the Board of Supervisors of the County of Riverside accepted \$35,095,000 in Housing and Homelessness Incentive Program (HHIP) funds from the Inland Empire Health Plan (IEHP) and Molina Healthcare of California to help the County

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

address homelessness and housing insecurity and social determinants of health. On October 3, 2023 (Minute Order 3.17), the Board approved the First Amended and Restated HHIP Agreement (HWSCoC-0004868) with IEHP to accept the Incentive Funding to increase the aggregate contract amount by \$12,000,000 from \$32,600,000 to \$44,600,000. The funding received from IEHP was funding made available by the California Department of Health Care Services (DHCS) initiative to transform and strengthen Medi-Cal, offering Californians a more equitable, coordinated, and person-centered approach to maximizing health and life trajectory. An allowable eligible use of HHIP funds includes increasing housing for the County's homeless and at-risk of homelessness population.

Eden Housing, Inc., a California non-profit public benefit corporation and affordable housing developer (Developer), has proposed a 59-unit affordable housing development, including permanent supportive housing units for seniors at-risk of homelessness, on approximately 1.26 acres located at 2520 Mulberry Street in the City of Riverside, identified as Assessor's Parcel Number 209-130-003 (Project). The Developer has formed a limited partnership known as Mulberry Gardens Senior, L.P., a California limited partnership (Partnership), for the purpose of owning, developing, and financing new construction of the Project. The Project will consist of 58 one-bedroom units and 1 two-bedroom manager's unit within two residential buildings. The Project will have a shared courtyard with Mulberry Gardens Family Apartments the proposed Phase II of the Project. The two community centers will be designed to foster social interaction between the two properties. Supportive services will be provided free of charge to residents in the community rooms. The Project will be landscaped with raised planters, a tot lot, outdoor kitchen, fire pit and community garden.

The total development cost for Project is estimated at \$43,133,440. In addition to the HHIP, other sources of permanent financing include:

<b>Permanent Sources</b>	<b>Amount</b>
HCD Infill Infrastructure Grant Program	\$2,950,480
HCD Local Government Matching Grant Program	\$6,000,000
Family LP Improvements Cost Sharing Agreement (LGMG)	\$2,125,810
County of Riverside HHIP Loan	\$1,300,000
General Partner Equity-Land Donation	\$1,424,079
General Partner Equity-TUMF Fee Waiver	\$381,640
City of Riverside HOME Loan	\$3,000,000
Interest Accrued	\$137,250
Sponsor Loan- California Energy Commission Build Grant	\$216,780
General Partner	\$100
Limited Partner	\$25,597,301
<b>TOTAL:</b>	<b>\$43,133,440</b>

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

The terms of the proposed HHIP Loan and obligations of Developer and the County are memorialized in the proposed form of the Loan Agreement for the Use of HHIP Funds, including all exhibits, attached hereto (HHIP Loan Agreement).

County Counsel has reviewed and approved as to form the attached form of the Loan Agreement for the Use of HHIP Funds, form of the HHIP Deed of Trust, form of the HHIP Loan Promissory Note, and form of the HHIP Covenant Agreement. Staff recommends that the Board approve forms of the Loan Agreement for the Use of HHIP funds, HHIP Deed of Trust, HHIP Loan Promissory Note, and HHIP Covenant Agreement. Staff further recommend authorizing HWS to negotiate and execute Subordination Agreements to finalize the Project.

**Impact on Citizens and Businesses**

The construction of the Project will have a positive impact on residents and businesses as it will provide needed affordable housing for seniors at risk of homelessness. The Project is also expected to create jobs in construction, property maintenance, and property management.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

No impact upon the County's General Fund; the County's contribution to the Project will be fully funded with State HHIP funds awarded to the County by IEHP.

**Attachments:**

- Form of the Loan Agreement for the Use of HHIP Funds, including all exhibits
- Forms of the HHIP Deed of Trust, HHIP Loan Promissory Note and HHIP Covenant Agreement

  
Brianna Lontajo, Principal Management Analyst 4/3/2024

  
Aaron Gettis, Chief of Deputy County Counsel 4/2/2024

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010  
Post Office Box 1147, Riverside, Ca 92502-1147  
Thank you.

1 NO FEE FOR RECORDING PURSUANT  
2 TO GOVERNMENT CODE SECTION 6103  
3 Order No.  
4 Escrow No.  
5 Loan No.

6 RECORDING REQUESTED BY AND  
7 WHEN RECORDED MAIL TO:

8 County of Riverside  
9 Housing and Workforce Solutions  
10 3403 10<sup>th</sup> Street, Suite 300  
11 Riverside, CA 92501  
12 Attn: Nicole Sanchez

13 SPACE ABOVE THIS LINE FOR RECORDER'S USE

14 LOAN AGREEMENT FOR THE USE OF  
15 HOUSING AND HOMELESSNESS INCENTIVE PROGRAM (HHIP) FUNDS  
16 (Mulberry Senior Apartments)

17 This LOAN AGREEMENT FOR THE USE OF HOUSING AND HOMELESSNESS  
18 INCENTIVE PROGRAM ("HHIP") FUNDS (Mulberry Senior Apartments) ("AGREEMENT")  
19 is made and entered into effective the \_\_\_\_\_ day of \_\_\_\_\_, 2024, by and between  
20 the COUNTY OF RIVERSIDE, a political subdivision of the State of California, ("COUNTY")  
21 and Mulberry Gardens Senior, L.P., a California limited partnership, ("BORROWER").  
22 COUNTY and BORROWER are each individually referred to herein as a "Party" and  
23 collectively referred to herein as the "Parties."

24 RECITALS:

25 WHEREAS, the Inland Empire Health Plan ("IEHP") is participating in the Housing and  
26 Homelessness Incentive Program ("HHIP") implemented by the California Department of  
27 Health Care Services ("DHCS") in accordance with the Medi-Cal Home and Community-Based  
28 Services ("HCBS") Spending Plan; and

WHEREAS, on November 15, 2022, IEHP announced that the COUNTY was allocated  
HHIP Investment Funds from IEHP, earned and awarded through DHCS, in the amount of  
\$32,600,000, for the following: (1) Rental assistance and rapid rehousing; (2) Operating  
subsidies in new and existing affordable or supportive housing units, emergency shelters, and

APR 9 2024 3.12

**CLERK'S COPY**

to Riverside County Clerk of the Board, Stop 1010  
Post Office Box 1147, Riverside, Ca 92502-1147  
Thank you.

1 NO FEE FOR RECORDING PURSUANT  
2 TO GOVERNMENT CODE SECTION 6103  
3 Order No.  
4 Escrow No.  
5 Loan No.

6 RECORDING REQUESTED BY AND  
7 WHEN RECORDED MAIL TO:

8 County of Riverside  
9 Housing and Workforce Solutions  
10 3403 10<sup>th</sup> Street, Suite 300  
11 Riverside, CA 92501  
12 Attn. Nicole Sanchez

SPACE ABOVE THIS LINE FOR RECORDERS USE

**COVENANT AGREEMENT**

13 This COVENANT AGREEMENT ("COVENANT AGREEMENT") is made and entered  
14 into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2024 by and between the COUNTY OF RIVERSIDE, a  
15 political subdivision of the State of California, ("COUNTY"), and Mulberry Gardens Senior, L.P.,  
16 a California limited partnership, ("BORROWER"). COUNTY and BORROWER are individually  
17 referred to herein as a "Party" and collectively referred to herein as the "Parties."

**RECITALS**

18 WHEREAS, the Inland Empire Health Plan ("IEHP") is participating in the Housing and  
19 Homelessness Incentive Program ("HHIP") implemented by the California Department of  
20 Health Care Services ("DHCS") in accordance with the Medi-Cal Home and Community-Based  
21 Services ("HCBS") Spending Plan; and

22 WHEREAS, on November 15, 2022, IEHP announced that the COUNTY was allocated  
23 HHIP Investment Funds from IEHP, earned and awarded through DHCS, in the amount of  
24 \$32,600,000, for the following: (1) Rental assistance and rapid rehousing; (2) Operating  
25 subsidies in new and existing affordable or supportive housing units, emergency shelters, and  
26 navigation centers; operating subsidies may include operating reserves; (3) Incentives to  
27 landlords, including, but not limited to, security deposits and holding fees); (4) Outreach and  
28 coordination, which may include access to job programs, to assist vulnerable populations in

APR 09 2024 3.12

1 accessing permanent housing and to promote housing stability in supportive housing; (5)  
2 Systems support for activities necessary to create regional partnerships and maintain a homeless  
3 services and housing delivery system particularly for vulnerable populations including families  
4 and homeless youth; (6) Delivery of permanent housing and innovative housing solutions such  
5 as hotel and motel conversions; (7) Prevention and shelter diversion to permanent housing; and  
6 (8) New navigation centers and emergency shelters based on demonstrated need;

7 WHEREAS, on January 10, 2023, via Minute Order 3.15, the Board of Supervisors of the  
8 County of Riverside accepted the \$32,095,000 in HHIP funds from IEHP and approved the  
9 agreement between the COUNTY and IEHP for the use of HHIP program funds;

10 WHEREAS, on October 3, 2023, via Minute Order 3.17, the Board of Supervisors of the  
11 County of Riverside approved the First Amended and Restated HHIP Agreement (HWSCoC-  
12 0004868) with IEHP to accept Incentive Funding to increase the aggregate contract amount by  
13 \$12,000,000 from \$32,600,000 to \$44,600,000 in HHIP funds;

14 WHEREAS, BORROWER has a leasehold interest in that certain real property known as  
15 2520 Mulberry Street, Riverside, California 92501, and legally described in the Legal  
16 Description attached hereto and incorporated herein as Exhibit "A" (collectively, the  
17 "Property");

18 WHEREAS, BORROWER is proposing to utilize the HHIP funds to pay a portion of the  
19 development and construction of Mulberry Gardens Senior Apartments, a multi-family  
20 affordable rental housing project consisting of fifty-eight (58) affordable rental housing units  
21 and one (1) residential manager's unit ("Project"), which shall be located on the Property;

22 WHEREAS, the Project is an eligible use of HHIP funds;

23 WHEREAS, the purpose of this Covenant Agreement is, among other things, for  
24 COUNTY to provide for the loan of HHIP funds to BORROWER in the maximum amount of  
25 One Million Three Hundred Thousand Dollars (\$1,300,000) to fund a portion of the development  
26 and construction costs of the Project, as more fully described herein;

27 WHEREAS, a total of fourteen (14) of the units will be reserved as HHIP-Assisted Units  
28

1 (as defined below), of which fourteen (14) units will have a preference for seniors who are  
2 homeless or at risk of homelessness, or experiencing housing insecurity.

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

7 1) RESTRICTIONS. The recitals set forth above are true and correct and incorporated  
8 herein. This Covenant Agreement shall continue in full force and effect for the later of (i) fifty-  
9 five (55) years from the recordation of the Notice of Completion , or (ii) January 1, 2081 (“Term”  
10 or “Affordability Period”). For the duration of the Term, the Property shall be held, sold and  
11 conveyed, subject to the following covenants, conditions, and restrictions:

12 a) 14 units at the Project shall be restricted as HHIP-Assisted Units provided  
13 to homeless individuals or individuals at risk of homelessness whose incomes do not exceed 30%  
14 of the area median income for the County of Riverside, as published by HUD, at the time of initial  
15 occupancy; provided, however, that in the event that the Project’s rental subsidy is terminated, not  
16 renewed, or materially reduced through no fault of OWNER, the rent and income restrictions for  
17 the HHIP-Assisted Units may be increased up to 60% of the area median income for the County  
18 of Riverside, but in no event greater than the amount required to ensure that the Project generates  
19 sufficient income to cover its operating expenses and debt service and as is necessary to maintain  
20 the financial stability of the Project.

21 b) OWNER shall comply with the terms of HHIP, the HHIP Loan Agreement,  
22 HHIP Loan Note, HHIP Loan Deed of Trust and any other instrument secured against the Property.

23 2) SENIOR PRIORITY. Lien priority, including applicable regulatory agreements,  
24 shall be as follows: (1) first priority shall be City of Riverside HOME Covenant Agreement for  
25 the benefit of the City of Riverside (“City”); (2) second priority shall be the County of  
26 Riverside (“County”) HHIP Covenant Agreement; (3) third priority shall be Wells Fargo Bank  
27 Deed of Trust Riverside securing that certain construction loan for the Project in the approximate  
28



1 amount of \$21,256,550 (the "Construction Loan"); (4) fourth priority shall be the City HOME  
2 Deed of Trust; (5) fifth priority shall be the deed of trust for the benefit of the County; (6) sixth  
3 priority shall be County of Riverside's HHIP Loan Agreement recorded in the Official Records;(7)  
4 seventh priority shall be an Infill Infrastructure Grant Program (IIG) Covenant for the benefit of  
5 the State of California Department of Housing and Community Development (HCD);(8) eighth  
6 priority shall be the Local Government Matching Grants Program Deed of Trust; (9) ninth priority  
7 shall be the IIG Deed of Trust.

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

12                   a)       Housing and Homelessness Incentive Program guidelines, as may be  
13 amended from time to time.

14                   b)       Other Federal requirements and nondiscrimination. As set forth in 24 CFR  
15 part 5, Subpart A, OWNER is required to include the following requirements: nondiscrimination  
16 and equal opportunity under Section 282 of the Act; disclosure; debarred, suspended, or ineligible  
17 contractors; and drug-free workplace.

18                   c)       Affirmative marketing and minority outreach program. OWNER must  
19 adopt affirmative marketing procedures and requirements. These must include:

20                           (1)       Methods for informing the public, owners, and potential tenants about  
21 Federal fair housing laws and the affirmative marketing policy (e.g., the use of the Equal Housing  
22 Opportunity logotype or slogan in press releases and solicitations for owners, and written  
23 communication to fair housing and other groups).

24                           (2)       Requirements and practices that OWNER must adhere to in order to  
25 carry out the affirmative marketing procedures and requirements (e.g., use of commercial media,  
26 use of community contacts, use of the Equal Housing Opportunity logotype or slogan, and display  
27 of fair housing poster).

1 (3) Procedures to be used by OWNER to inform and solicit applications  
2 from persons in the housing market area who are not likely to apply without special outreach (e.g.,  
3 use of community organizations, employment centers, fair housing groups, or housing counseling  
4 agencies).

5 (4) Records that will be kept describing actions taken by OWNER to  
6 affirmatively market units and records to assess the results of these actions.

7 (5) A description of how OWNER will annually assess the success of  
8 affirmative marketing actions and what corrective actions will be taken where affirmative  
9 marketing requirements are not met.

10 (6) OWNER must prescribe procedures to establish and oversee a minority  
11 outreach program to ensure the inclusion, to the maximum extent possible, of minorities and  
12 women, and entities owned by minorities and women, including, without limitation, real estate  
13 firms, construction firms, appraisal firms, management firms, financial institutions, investment  
14 banking firms, underwriters, accountants, and providers of legal services, in all contracts entered  
15 into by OWNER with such persons or entities, public and private, in order to facilitate the  
16 activities of COUNTY to provide affordable housing authorized under this Act or any other  
17 Federal housing law. Section 24 CFR 85.36(e) provided affirmative steps to assure that minority  
18 business enterprises and women business enterprises are used when possible in the procurement  
19 of property and services. The steps include:

20 (i) Placing qualified small and minority businesses and women's  
21 business enterprises on solicitation lists.

22 (ii) Assuring that small and minority businesses, and women's  
23 business enterprises are solicited whenever they are potential sources.

24 (iii) Dividing total requirements, when economically feasible, into  
25 smaller tasks or quantities to permit maximum participation by small and minority business, and  
26 women's business enterprises.

27 (iv) Establishing delivery schedules, where the requirement permits,  
28

1 which encourage participation by small and minority business, and women's business enterprises.

2 (v) Using the services and assistance of the Small Business  
3 Administration, and the Minority Business Development Agency of the Department of  
4 Commerce.

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

27  
28

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

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

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

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

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

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

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

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

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

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

20 b) Commercial General Liability Insurance. Commercial General Liability  
21 insurance coverage, including but not limited to, premises liability, contractual liability, products  
22 and completed operations liability, personal and advertising injury, and cross liability coverage,  
23 covering claims which may arise from or out of OWNER’s performance of its obligations  
24 hereunder. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts,  
25 and Departments, their respective directors, officers, Board of Supervisors, employees, elected or  
26 appointed officials, agents or representatives as Additional Insured. Policy’s limit of liability shall  
27 not be less than \$2,000,000 per occurrence combined single limit. If such insurance contains a  
28

1 general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times  
2 the occurrence limit.

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

12 d) General Insurance Provisions – All Lines.

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

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

24 (3) OWNER shall cause OWNER's insurance carrier(s) to furnish the  
25 County of Riverside with copies of the Certificate(s) of Insurance and Endorsements effecting  
26 coverage as required herein, and 2) if requested to do so orally or in writing by Risk Manager,  
27 provide copies of policies including all Endorsements and all attachments thereto, showing such  
28

1 insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall  
2 contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given  
3 to the County of Riverside prior to any material modification, cancellation, expiration or reduction  
4 in coverage of such insurance. OWNER shall not continue operations until COUNTY has been  
5 furnished Certificate(s) of Insurance and copies of endorsements and if requested, copies of  
6 policies of insurance including all endorsements and any and all other attachments as required  
7 herein. An individual authorized by the insurance carrier to do so, on its behalf, shall sign the  
8 original endorsements for each policy and the Certificate of Insurance.

9 (4) It is understood and agreed to by the parties hereto that OWNER's  
10 insurance shall be construed as primary insurance, and COUNTY's insurance and/or deductibles  
11 and/or self-insured retention's or self-insured programs shall not be construed as contributory.

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

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

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

24 9) HOLD HARMLESS/INDEMNIFICATION. OWNER shall indemnify and hold  
25 harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their  
26 respective directors, officers, Board of Supervisors, elected and appointed officials, employees,  
27 agents and representatives (individually and collectively hereinafter referred to as Indemnitees)

28



1 from any liability whatsoever, based or asserted upon any services of OWNER, its officers,  
2 employees, subcontractors, agents or representatives arising out of or in any way relating to this  
3 Agreement, including but not limited to property damage, bodily injury, or death or any other  
4 element of any kind or nature whatsoever arising from the performance of OWNER, its officers,  
5 employees, subcontractors, agents or representatives Indemnitors from this Agreement , except in  
6 the event of gross negligence or willful misconduct of the Indemnitees; provided, however, any  
7 gross negligence or willful misconduct of the Indemnitees will only affect OWNER's duty to  
8 indemnify for the specific act found to be gross negligence or willful misconduct, and will not  
9 preclude a duty to indemnify for any act or omission of OWNER. OWNER shall defend, at its sole  
10 expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense  
11 and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or  
12 omissions. With respect to any action or claim subject to indemnification herein by OWNER shall,  
13 at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust,  
14 settle, or compromise any such action or claim without the prior consent of COUNTY; provided,  
15 however, that any such adjustment, settlement or compromise in no manner whatsoever limits or  
16 circumscribes OWNER's indemnification to Indemnitees as set forth herein. OWNER's obligation  
17 hereunder shall be satisfied when OWNER has provided to COUNTY the appropriate form of  
18 dismissal relieving COUNTY from any liability for the action or claim involved. The specified  
19 insurance limits required in this Agreement shall in no way limit or circumscribe OWNER's  
20 obligations to indemnify and hold harmless the Indemnitees herein from third party claims. In the  
21 event there is conflict between this clause and California Civil Code Section 2782, this clause shall  
22 be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve OWNER from  
23 indemnifying the Indemnitees to the fullest extent allowed by law. The indemnification set forth  
24 in this paragraph 14 shall survive the expiration and earlier termination of this Covenant  
25 Agreement.

26 10) NOTICES. All Notices provided for in this Covenant Agreement shall be deemed  
27 received when personally delivered, or two (2) days following mailing by certified mail, return  
28

1 receipt requested. All mailing shall be addressed to the respective parties at their addresses set  
2 forth below, or at such other address as each party may designate in writing and give to the other  
3 party:

4           COUNTY  
5           Director HWS  
6           County of Riverside  
7           3404 10<sup>th</sup> Street  
8           Riverside, CA 92501

BORROWER  
            Mulberry Gardens Senior, L.P.  
            c/o Eden Housing, Inc  
            22645 Grand Street  
            Hayward, CA 94541  
            Attn: President/CEO

            With a copy to:  
            Wells Fargo Bank, National Association  
            550 S. Tryon Street  
            23rd Floor, MAC D1086-239  
            Charlotte, NC 28202-4200  
            Attention: Director of Tax Credit Asset  
            Management

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

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

21           13) NOTICE AND CURE. Prior to exercising any remedies hereunder, the COUNTY  
22 shall give OWNER notice of such default pursuant to **Section 10** above. Any monetary default  
23 shall be cured within ten (10) days of delivery of written notice. Except as otherwise set forth  
24 herein, if a non-monetary default is reasonably capable of being cured within thirty (30) days of  
25 delivery of such notice of default, OWNER shall have such period to effect a cure prior to exercise  
26 of remedies by COUNTY. If the non-monetary default is such that it is not reasonably capable of  
27 being cured within thirty (30) days of delivery of such notice of default, and OWNER (a) initiates  
28

1 corrective action within said period, and (b) diligently, continually, and in good faith works to  
2 effect a cure as soon as possible, then OWNER shall have such additional time as is reasonably  
3 necessary to cure the default prior to exercise of any remedies by the COUNTY; but in no event  
4 no later than one hundred twenty (120) days from delivery of such notice of default, subject to  
5 force majeure (including government restrictions, pandemics, and acts of God). COUNTY, upon  
6 providing OWNER with any notice of default under this Covenant, shall, within a reasonable time,  
7 provide a copy of such default notice to a Permitted Lender (as defined herein) who has given  
8 written notice to COUNTY of its interest in the Property and Project. From and after such notice  
9 has been delivered to a Permitted Lender and the Owner's limited partner, such Permitted Lender  
10 and limited partner shall have the same period for remedying the default complained of as the cure  
11 period provided to OWNER pursuant to this Section 18. COUNTY shall accept performance by  
12 a Permitted Lender or limited partner of Owner as if the same had been done by OWNER.

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

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

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

25 Except as otherwise provided under the HHIP Loan Agreement, OWNER hereby covenants and  
26 agrees not to sell, transfer, assign or otherwise dispose of the Project, the Property or any portion  
27 thereof, without obtaining the prior written consent of COUNTY, in its sole discretion. Any sale,  
28

1 assignment, or transfer of the Project or Property, shall be memorialized in an assignment and  
2 assumption agreement the form and substance of which have been first approved in writing by the  
3 COUNTY in its sole discretion. Such assignment and assumption agreement shall, among other  
4 things, provide that the transferee has assumed in writing and in full, and is reasonably capable of  
5 performing and complying with OWNER's duties and obligations under the HHIP Loan  
6 Agreement and this Covenant, provided, however OWNER shall be released of all obligations  
7 under the HHIP Loan Agreement and this Covenant Agreement accruing from and after the date  
8 of such sale, assignment or transfer.

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

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

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

21 20) PERMITTED MORTGAGES. No violation or breach of the covenants, conditions,  
22 restrictions, provisions or limitations contained in this Covenant shall defeat or render invalid or  
23 in any way impair the lien or charge of any deed of trust or mortgage permitted by the HHIP Loan  
24 Agreement or the lien or charge of a deed of trust made by OWNER for the benefit of any lender  
25 first approved in writing by the COUNTY as evidenced in the HHIP Loan Documents or otherwise  
26 (each, a "Permitted Lender") and nothing herein or in the HHIP Loan Agreement shall prohibit or  
27 otherwise limit the exercise of a Permitted Lender's rights and remedies thereunder, including a  
28

1 foreclosure or deed-in-lieu of foreclosure and subsequent transfer thereafter.

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

6 22) PROJECT MONITORING AND EVALUATION.

7 a) Reserved.

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

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

27 24) COUNTERPARTS. This Covenant may be signed by the different parties hereto in  
28

1 counterparts, each of which shall be an original, but all of which together shall constitute one and  
2 the same agreement.

3 25) RECITALS. The Recitals set forth above are true and correct and incorporated  
4 herein by this reference.

5 26) This Covenant Agreement sets forth and contains the entire understanding and  
6 agreement of the parties hereto. There are no oral or written representations, understandings, or  
7 ancillary covenants, undertakings or agreements, which are not contained or expressly referred to  
8 within this Covenant Agreement, including all amendments and modifications to this Covenant  
9 Agreement.

10 ///

11 ///

12 [Remainder of Page Intentionally Blank]

13 [SIGNATURES ON THE NEXT PAGE]

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

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:

MULBERRY GARDENS SENIOR, L.P. a California limited partnership

By: Mulberry Gardens Senior LLC,  
a California limited liability company,  
its general partner

By: Eden Housing, Inc.,  
a California nonprofit public benefit corporation,  
its sole/member manager

By: \_\_\_\_\_  
Aruna Doddapaneni, Senior Vice President  
of Development

By: \_\_\_\_\_  
Heidi Marshall, Director HWS

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**(Above signatures need to be notarized)**

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

By: \_\_\_\_\_  
Amrit P. 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 \_\_\_\_\_, 2024, 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 \_\_\_\_\_, 2024, 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

## EXHIBIT "A"

### LEGAL DESCRIPTION OF PROPERTY

**The land referred to herein is situated in the State of California, County of Riverside and described as follows:**

BEING A PORTION OF LOT 38 OF THE LANDS OF THE SOUTHERN CALIFORNIA COLONY ASSOCIATION, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS SHOWN BY MAP ON FILE IN BOOK 7 PAGE 3 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:  
BEGINNING AT THE NORTHERLY CORNER OF LOT 38, SAID NORTHERLY CORNER BEING THE CENTERLINE INTERSECTION OF MULBERRY STREET AND HOLDING STREET; THENCE ALONG THE NORTHEASTERLY LINE OF SAID LOT 38, SOUTH 60°16'35" EAST A DISTANCE OF 30.00 FEET TO THE NORTHERLY CORNER OF THAT CERTAIN EASEMENT TO THE CITY OF RIVERSIDE FOR PUBLIC STREET PURPOSES RECORDED MAY 6, 1955 AS BOOK 1773 PAGE 154 OF OFFICIAL RECORDS OF SAID RIVERSIDE COUNTY SAID NORTHERLY CORNER BEING ALSO THE TRUE POINT OF BEGINNING; THENCE ALONG THE NORTHERLY LINE OF SAID EASEMENT SOUTH 60°16'35" EAST A DISTANCE OF 459.00 FEET; THENCE LEAVING SAID NORTHERLY LINE SOUTH 29°49' 35" WEST A DISTANCE OF 93.95 FEET; THENCE NORTH 60°16' 35" WEST A DISTANCE OF 92.23 FEET; THENCE SOUTH 29°49' 36" WEST A DISTANCE OF 82.38 FEET; THENCE NORTH 60° 16' 35" WEST A DISTANCE OF 60.17 FEET; THENCE NORTH 29° 49' 36" EAST A DISTANCE OF 61.12 FEET; THENCE NORTH 60° 38' 59" WEST A DISTANCE OF 246.00 FEET; THENCE NORTH 29° 49' 36" EAST A DISTANCE OF 2.92 FEET; THENCE NORTH 60° 10' 24" WEST A DISTANCE OF 60.61 FEET TO THE SOUTHERLY RIGHT OF WAY OF MULBERRY STREET 60.00 FEET IN WIDTH; THENCE ALONG SAID SOUTHERLY RIGHT OF WAY THEREOF NORTH 29°49' 36" EAST A DISTANCE OF 113.79 FEET TO THE TRUE POINT OF BEGINNING.  
AREA CONTAINS 1.25 ACRES MORE OR LESS

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010

Post Office Box 1147, Riverside, Ca 92502-1147

Thank you.

EXEMPT RECORDING FEE CODE 6103

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

County of Riverside  
Housing and Workforce Solutions  
3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501  
Attn. Nicole Sanchez

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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

This LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING (WITH ASSIGNMENT OF RENTS) is made this \_\_\_ day of \_\_\_\_\_, 2024 by Mulberry Gardens Senior, L.P., a California limited partnership, (hereinafter referred to as "Trustor"), whose address is 22645 Grand Street, Hayward, CA 94541, Attention: Andrea Osgood. 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 10<sup>th</sup> Street, Suite 300, Riverside, CA 92501.

WITNESSETH: That Trustor IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee, its successors and assigns, in Trust, with POWER OF SALE TOGETHER WITH RIGHT OF ENTRY AND POSSESSION the following property (the "Trust Estate"):

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

(B) All buildings, structures and other improvements now or in the future located or to be constructed on the Subject Property (the "Improvements");

(C) all tenements, hereditaments, appurtenances, privileges, franchises and other rights and interests now or in the future benefiting or otherwise relating to the Subject Property or the Improvements, including easements, rights-of-way and development rights (the "Appurtenances"). (The Appurtenances, together with the Subject Property and the Improvements, are hereafter referred to as the "Real Property");

(D) All rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the Trustor's use,

APR 09 2024

3.12

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

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

(F) all present and future right, title and interest of Trustor in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written material (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Property or any other part of the Trust Estate or the Ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the Property or any other part of the Trust Estate, including (to the extent applicable to the Property or any other portion of the Trust Estate) (i) permits, approvals and other governmental authorizations, (ii) improvement plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers, supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) takeout, refinancing and permanent loan commitments, (v) warranties, guaranties, indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (vi) claims, demands, awards, settlements, and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Property, (vii) license agreements, service and maintenance agreements, purchase and sale agreements and purchase options, together with advance payments, security deposits and other amounts paid to or deposited with Trustor under any such agreements, (viii) reserves, deposits, bonds, deferred payments, refunds, rebates, discounts, cost savings, escrow proceeds, sale proceeds and other rights to the payment of money, trade names, trademarks, goodwill and all other types of intangible personal property of any kind or nature, and (ix) all supplements, modifications, amendments, renewals, extensions, proceeds, replacements and substitutions of or to any of such property (the "Intangibles").

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estates described above in which a security interest may be created under the UCC (collectively, the "Personal Property"). This Leasehold Deed of Trust constitutes a security agreement under the UCC, conveying a security interest in the Personal Property to Trustee and Beneficiary. Trustee and Beneficiary shall have, in addition to all rights and remedies provided

herein, all the rights and remedies of a “secured party” under the UCC and other applicable California law. Trustor covenants and agrees that this Leasehold Deed of Trust constitutes a fixture filing under Section 9334 and 9502(b) of the UCC.

FOR THE PURPOSE OF SECURING, in such order of priority as Beneficiary may elect, the following:

- i. due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:
  - (a) that certain Promissory Note (HHIP Loan) in favor of the Beneficiary (“County” therein) executed by Trustor (“Borrower” therein) of even date herewith (the “HHIP Note”) in the principal amount of \$1,300,000.
  - (b) that certain Loan Agreement for the Use of Housing and Homelessness Incentive Program (HHIP) Funds dated \_\_\_\_\_, 2024 and recorded in the Official Records of the County of Riverside (“Official Records”) concurrently herewith, between Trustor (“Borrower” therein) and Beneficiary (“County” therein) (the “HHIP Loan Agreement”); and
  - (c) that certain Covenant Agreement dated \_\_\_\_\_, 2024 and recorded concurrently herewith in the Official Records, between Trustor (“Borrower” therein) and Beneficiary (“County” therein) (“Covenant Agreement”).
- ii. payment of indebtedness of the Trustor to the Beneficiary not to exceed ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000) (the “HHIP Loan”) according to the terms of the HHIP Note.

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

The HHIP Loan evidenced by the HHIP Note and secured by this Leasehold Deed of Trust is being made pursuant to the HHIP Investment Funds from IEHP (“HHIP Funds”). Pursuant to the HHIP Loan Agreement, the maturity date of the HHIP Loan shall be the later to occur of (i) July 1, 2079 or (ii) fifty-five (55) years from recordation of the Covenant Agreement in the Official Records for the Project (as defined in the HHIP Loan Agreement) (“HHIP Loan Term”).

TRUSTOR COVENANTS that the Trustor is lawfully seized of the estate hereby conveyed and has the right to grant and convey Trustor's leasehold interest in the Property. Trustor warrants and will defend generally the title to the Property against all claims and demands, subject to such encumbrances of record.

**AND TO PROTECT THE SECURITY OF THIS LEASEHOLD DEED OF TRUST,  
TRUSTOR COVENANTS AND AGREES:**

1. That Trustor shall pay the HHIP Note at the time and in the manner provided therein, and perform the obligations of the Trustor as set forth in the HHIP Loan Agreement and Covenant Agreement at the time and in the manner respectively provided therein.

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

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

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

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

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

6. **Taxes and Insurance.** Trustor shall pay before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Leasehold Deed of Trust, directly to the person owed payment. Trustor shall promptly furnish to Beneficiary receipts evidencing the payments.

a. Should Trustor fail to make any payment or to do any act herein provided, then Beneficiary or Trustee, but without obligation so to do and upon written notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof,

Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

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

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

a. Except for the liens permitted in writing by the Beneficiary, Trustor shall promptly discharge any other lien which shall have attained priority over this Leasehold Deed of Trust unless Trustor: (1) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Beneficiary; (2) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Beneficiary's opinion operate to prevent the enforcement of the lien; or (3) bond around the lien (4) secures from the holder of the lien an agreement satisfactory to Beneficiary subordinating the lien to this Leasehold Deed of Trust. Except for the liens approved herein, if Beneficiary determines that any part of the Property is subject to a lien which may attain priority over this Leasehold Deed of Trust, Beneficiary may give Trustor a notice identifying the lien. Trustor shall satisfy such lien or take one or more of the actions set forth above within 30 days of the giving of notice.

9. **Priority of HHIP Deed of Trust.** Lien priority, including applicable regulatory agreements, shall be as follows: (1) first priority shall be City of Riverside HOME Covenant Agreement for the benefit of the City of Riverside ("City"); (2) second priority shall be the County of Riverside ("County") HHIP Covenant Agreement; (3) third priority shall be Wells Fargo Bank Deed of Trust securing that certain construction loan for the Project in the approximate amount of \$ \$21,256,550 (the "Construction Loan"); (4) fourth priority shall be the City HOME Deed of Trust; (5) fifth priority shall be the leasehold deed of trust for the benefit of the County; (6) sixth priority shall be County of Riverside's HHIP Loan Agreement recorded in the Official Records; (7) seventh priority shall be an Infill Infrastructure Grant Program ("IIG") Covenant for the benefit of the State of California Department of Housing and Community Development ("HCD"); (8) eighth priority shall be the Local Government Matching Grants Program Deed of Trust; (9) ninth priority shall be the IIG Deed of Trust.

10. **Hazard or Property Insurance.** Trustor shall keep the improvements now existing or hereafter erected on the Property insured against loss of fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Beneficiary reasonably requires insurance. This insurance shall be maintained in the amounts and for the periods as required in the HHIP Loan Agreement. The insurance carrier providing the insurance shall be chosen by Trustor subject to Beneficiary's approval which shall not be



unreasonably withheld. If Trustor fails to maintain coverage described above, Beneficiary may, at Beneficiary's option, obtain coverage to protect Beneficiary's rights in the Property in accordance with **Section 12**.

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

b. Unless Beneficiary and Trustor otherwise agree in writing and subject to the rights of senior lenders, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Trustor determines that such restoration or repair is economically feasible and there is no default continuing beyond the expiration of all applicable cure periods. If Trustor determines that such restoration or repair is not economically feasible or if a default exists after expiration of all applicable cure periods, the insurance proceeds shall be applied to the sums secured by this Leasehold Deed of Trust, with the excess, if any, paid to Trustor. If the Property is abandoned by Trustor, or if Trustor fails to respond to Beneficiary within 30 days from the date notice is mailed by Beneficiary to Trustor that the insurance carrier offers to settle a claim for insurance benefits, Beneficiary is authorized to collect and apply the insurance proceeds at Beneficiary's option either to restoration or repair of the Property or to the sums secured by this Leasehold Deed of Trust.

c. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of Note. If under **Section 27** the Property is acquired by Beneficiary, Trustor's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Beneficiary to the extent of the sums secured by this Leasehold Deed of Trust immediately prior to the acquisition.

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

**11. Preservation, Maintenance and Protection of the Property; Trustor's Loan Application; Leaseholds.**

a. Trustor shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property; normal wear and tear excepted. Trustor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Beneficiary's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Leasehold Deed of Trust or Beneficiary's security interest. Trustor may cure such a default and reinstate, as provided in **Section 23**, by causing the action or proceeding to be dismissed with a ruling that, in Beneficiary's good faith determination, precludes forfeiture of the Trustor's interest in the Property or other material impairment of the lien created

by this Leasehold Deed of Trust or Beneficiary's security interest. Trustor shall also be in default if Trustor, during the loan application process, gave materially false or inaccurate information or statements to Beneficiary (or failed to provide Beneficiary with any material information) in connection with the loan evidenced by the HHIP Note, including, but not limited to representations concerning Trustor's use of the Property for affordable housing. If this Leasehold Deed of Trust is on a leasehold, Trustor shall comply with all provisions of the lease. If Trustor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

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

## 12. **Protection of Beneficiary's Rights in the Property.**

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

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

## 13. **Reserved.**

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

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

a. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Leasehold Deed of Trust, whether or not then due, with any excess paid to

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

b. If the Property is abandoned by Trustor, or if, after notice by Beneficiary to Trustor that the condemner offers to make an award or settle a claim for damages, Trustor fails to respond to Beneficiary within 30 days after the date the notice is given, Beneficiary is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Leasehold Deed of Trust, whether or not then due.

c. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to in **Sections 5 and 6** or change the amount of such payments.

16. **Trustor Not Released; Forbearance By Beneficiary Not a Waiver.** Except in connection with any successor in interest approved by Beneficiary in writing, extension of the time for payment or modification of amortization of the sums secured by this Leasehold Deed of Trust granted by Beneficiary to any successor in interest of Trustor shall not operate to release the liability of the original Trustor or Trustor's successors in interest. Beneficiary shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Leasehold Deed of Trust by reason of any demand made by the original Trustor or Trustor's successors in interest. Any forbearance by Beneficiary in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

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

18. **Loan Charges.** If the loan secured by this Leasehold Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Trustor which exceeded permitted limits will be promptly refunded to Trustor. Beneficiary may choose to make this refund by reducing the principal owed under the HHIP Note or by making a direct payment to Trustor. If a

refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

19. **Notices.** Any notice to Trustor provided for in this Leasehold Deed of Trust shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Trustor's mailing address stated herein or any other address Trustor designates by notice to Beneficiary. All such notices to the Trustor shall also be provided concurrently to Trustor's limited partner at the address set forth in the HHIP Loan Agreement. Any notice required to be given to a Senior Lien Holder shall be given by first class mail to such other address the Senior Lien Holder designates by notice to the Trustor. Any notice provided for in this Leasehold Deed of Trust shall be deemed to have been given to Trustor or Beneficiary when given as provided in this Section.

20. **Governing Law; Severability.** This Leasehold Deed of Trust shall be governed by federal law and the laws of the State of California. In the event that any provision or clause of this Leasehold Deed of Trust or the HHIP Note conflicts with applicable law, such conflict shall not affect other provisions of this Leasehold Deed of Trust or the Note which can be given effect without the conflicting provision. To this end the provisions of this Leasehold Deed of Trust and the HHIP Note are declared to be severable. Any action at law or in equity arising under this Leasehold Deed of Trust or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed in the Superior Court of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

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

22. **Transfer of the Property or a Beneficial Interest in Trustor.**

a. Except as otherwise allowed under the HHIP Loan Agreement, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Trustor is sold or transferred and Trustor is not a natural person) without Beneficiary's prior written consent (including a transfer of all or any part of the Property to any person who, at initial occupancy of the Property, does not comply with applicable rent and income restrictions) Beneficiary may, at its option, require immediate payment in full of all sums secured by this Leasehold Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the date of this Leasehold Deed of Trust. Nothing in this Leasehold Deed of Trust shall be deemed to require Beneficiary's approval of a conveyance of an easement interest in the Property for utility purposes or for any Permitted Transfers pursuant to the HHIP Loan Agreement.

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

23. **Trustor's Right to Reinstate.** If Trustor meets certain conditions, Trustor shall have the right to have enforcement of this Leasehold Deed of Trust discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Leasehold Deed of Trust; or (b) entry of a judgment enforcing this Leasehold Deed of Trust. Those conditions are that Trustor: (a) pays Beneficiary all sums which then would be due under this Leasehold Deed of Trust and the HHIP Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Leasehold Deed of Trust, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Beneficiary may reasonably require to assure that the lien of this Leasehold Deed of Trust, Beneficiary's rights in the Property and Trustor's obligation to pay the sums secured by this Leasehold Deed of Trust shall continue unchanged. Upon reinstatement by Trustor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under **Section 22**.

24. **Reserved.**

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

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

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

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

27. **Acceleration; Remedies.** Beneficiary shall give notice to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this Leasehold Deed of

Trust. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, which shall not be less than ten (10) calendar days from the date of the mailing of the notice for a monetary default, or a date, which shall not be less than sixty (60) calendar days from the mailing of the notice for a non-monetary default, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Leasehold Deed of Trust and sale of the Property. The notice shall further inform Trustor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Trustor to acceleration and sale. If the default is not cured by the Trustor on or before the date specified in the notice, and the Senior Lien Holder or the investor limited partner have not cured the default within that same period, subject to any non-recourse provisions set forth in Section 8 of the Note, then Beneficiary at its option may require immediate payment in full of all sums secured by this Leasehold Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Section 27**, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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

b. Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Leasehold Deed of Trust; and (c) any excess to the person or persons legally entitled to it.

28. **Release.** Upon payment of all sums secured by this Leasehold Deed of Trust, Beneficiary shall release this Leasehold Deed of Trust without charge to Trustor. Trustor shall pay any recordation costs. The lien of the Covenant Agreement shall not be released or reconveyed until the expiration of the term set forth therein notwithstanding the payment of all sums secured by this Leasehold Deed of Trust.

29. **Substitute Trustee.** Beneficiary, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the county in which this Leasehold Deed of Trust is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

30. **Reserved.**

32. **Reserved.**

33. **Removal, Demolition or Alteration of Personal Property and Fixtures.** Except to the extent permitted by the following sentence, no personal property or fixtures shall be removed, demolished or materially altered without the prior written consent of the Beneficiary. Trustor may remove and dispose of, free from the lien of this Leasehold Deed of Trust, such personal property and fixtures as from time to time become worn out or obsolete, providing that, (a) the same is done in the ordinary course of business, and (2) either (i) at the time of, or prior to, such removal, any such personal property or fixtures are replaced with other personal property or fixtures which are free from liens other than encumbrances permitted hereunder and which have a value at least equal to that of the replaced personal property and fixtures (and by such removal replacement Trustor shall be deemed to have subjected such replacement personal property and fixtures to the lien of this Leasehold Deed of Trust), or (ii) such personal property and fixtures may not require replacement if functionally, economically or operationally obsolete and so long as the fair market value of and operational efficiency of the Project is not reduced or adversely effected thereby.

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

35. **Subordination to Tax Credit Regulatory Agreement.** Trustee and Beneficiary agrees that this Leasehold Deed of Trust is and shall be subordinate to the "extended low-income housing commitment" (as such term is defined in Section 42(h)(6)(B) of the Internal Revenue Code of 1986, as amended) recorded against property in favor of the California Tax Credit Allocation Committee (the "Tax Credit Extended Use Agreement") provided that such Tax Credit Extended Use Agreement, by its terms, terminates upon foreclosure or a transfer of the property by instrument in lieu of foreclosure subject to the restrictions on tenant evictions and rent increases set forth in Section 42(h)(6)(e)(ii) of the Internal Revenue Code of 1986, as amended.

**[Remainder of Page Blank]**

**[Signatures on Following Page]**

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

TRUSTOR:

Mulberry Gardens Senior, L.P, a California Limited Partnership

By: Mulberry Gardens Senior LLC,  
a California limited liability company,  
its general partner

By: Eden Housing, Inc.,  
a California nonprofit public benefit corporation,  
its sole/member manager

By: \_\_\_\_\_  
Aruna Doddapaneni, Senior Vice President of  
Development

Aruna

**(Signature needs 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 \_\_\_\_\_, 2024, 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

## **EXHIBIT "A"**

### LEGAL DESCRIPTION OF PROPERTY

**The land referred to herein is situated in the State of California, County of Riverside and described as follows:**

BEING A PORTION OF LOT 38 OF THE LANDS OF THE SOUTHERN CALIFORNIA COLONY ASSOCIATION, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS SHOWN BY MAP ON FILE IN BOOK 7 PAGE 3 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:  
BEGINNING AT THE NORTHERLY CORNER OF LOT 38, SAID NORTHERLY CORNER BEING THE CENTERLINE INTERSECTION OF MULBERRY STREET AND HOLDING STREET; THENCE ALONG THE NORTHEASTERLY LINE OF SAID LOT 38, SOUTH 60°16'35" EAST A DISTANCE OF 30.00 FEET TO THE NORTHERLY CORNER OF THAT CERTAIN EASEMENT TO THE CITY OF RIVERSIDE FOR PUBLIC STREET PURPOSES RECORDED MAY 6, 1955 AS BOOK 1773 PAGE 154 OF OFFICIAL RECORDS OF SAID RIVERSIDE COUNTY SAID NORTHERLY CORNER BEING ALSO THE TRUE POINT OF BEGINNING; THENCE ALONG THE NORTHERLY LINE OF SAID EASEMENT SOUTH 60°16'35" EAST A DISTANCE OF 459.00 FEET; THENCE LEAVING SAID NORTHERLY LINE SOUTH 29°49' 35" WEST A DISTANCE OF 93.95 FEET; THENCE NORTH 60°16' 35" WEST A DISTANCE OF 92.23 FEET; THENCE SOUTH 29°49' 36" WEST A DISTANCE OF 82.38 FEET; THENCE NORTH 60° 16' 35" WEST A DISTANCE OF 60.17 FEET; THENCE NORTH 29° 49' 36" EAST A DISTANCE OF 61.12 FEET; THENCE NORTH 60° 38' 59" WEST A DISTANCE OF 246.00 FEET; THENCE NORTH 29° 49' 36" EAST A DISTANCE OF 2.92 FEET; THENCE NORTH 60° 10' 24" WEST A DISTANCE OF 60.61 FEET TO THE SOUTHERLY RIGHT OF WAY OF MULBERRY STREET 60.00 FEET IN WIDTH; THENCE ALONG SAID SOUTHERLY RIGHT OF WAY THEREOF NORTH 29°49' 36" EAST A DISTANCE OF 113.79 FEET TO THE TRUE POINT OF BEGINNING.  
AREA CONTAINS 1.25 ACRES MORE OR LESS

**PROMISSORY NOTE (HHIP Loan)****\$1,300,000****Riverside, CA**

For value received, Mulberry Gardens Senior, L.P., a California limited partnership ("Borrower"), promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), or order, at 3403 10<sup>th</sup> Street, Suite 300, Riverside, CA 92501, the sum of One Million Three Hundred Thousand Dollars (U.S. \$1,300,000) (the "HHIP Loan" or "Note Amount") which at the time of payment is lawful for the payment of public and private debts.

This Promissory Note ("Note") is given in accordance with that certain Loan Agreement for the Use of HHIP Funds executed by COUNTY and Borrower, dated as of \_\_\_\_\_, 2024 and recorded in the Official Records of the County of Riverside ("Official Records") on or about the date hereof (the "HHIP Loan Agreement"). Except to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings ascribed to such terms in the HHIP Loan Agreement. The Note is secured by a Leasehold Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) executed by Borrower for the benefit of the County dated \_\_\_\_\_, 2024 and recorded on or about the date hereof in the Official Records (the "HHIP Deed of Trust" or "Deed of Trust"). This Note, the HHIP Loan Agreement, and the Deed of Trust (as hereinafter defined), and any amendments or modifications thereto, shall collectively be referred to herein as the "HHIP Loan Documents." The rights and obligations of the Borrower and COUNTY under this Note shall be governed by the HHIP Loan Agreement and the following terms:

- (1) The HHIP Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to HHIP Investment Funds from IEHP ("HHIP Funds"). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on use, affordability and occupancy set forth in the HHIP Rules (as defined in the HHIP Loan Agreement), the HHIP 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 HHIP Loan will accrue simple interest at a rate of three percent (3%) per annum, except in the case of default as hereinafter provided, and shall be repaid on an annual basis from the Project's Residual Receipts as defined herein. Interest will accrue 30 days from the date of recordation of the Notice of Completion in the Official Records.
- (3) This Note shall be repaid according to the following: Fifty percent (50%) of the Project's Residual Receipts shall be used towards the payment of the loans secured by the Project, which includes the HHIP Loan ("Residual Receipts Loans"). The payment shall be split pro-rata between each Residual Receipts Loan based on the percentage of each respective loan amount according to its share of the total amount of all such loans, until the HHIP Note is repaid in full; and fifty percent (50%) of the Project's Residual Receipts will be paid to Borrower.
- (4) The Project's Residual Receipts shall be determined based on an annual review of certified financial statements for the Project. Annual audited financial statements shall be submitted by BORROWER within one hundred fifty (150) days following the close of the Project fiscal year commencing on May 1 of the first full calendar year following the recordation

of the Notice of Completion. All outstanding principal along with accrued interest shall be due upon maturity of the HHIP Loan Agreement, which shall be the later to occur of (i) January 1, 2081 or (ii) fifty-five (55) years from and after the recordation of the Notice of Completion (the "HHIP Loan Term"). The first payment shall be due on July 1<sup>st</sup> in the first full calendar year following the date of the Project's permanent finance closing, to the extent of available Residual Receipts, as set forth herein. Subsequent payments shall be made on July 1<sup>st</sup> thereafter to the extent of available Residual Receipts until sooner of full repayment of the HHIP Loan or the HHIP Loan maturity date as set forth above.

- (5) The term "Project Residual Receipts" used herein shall mean the gross rental income from all residential and non-residential components of the Project, proceeds from loss of rent insurance, and any other income to the Developer derived from the ownership, operation and management of the Property, not including interest on required reserve accounts, including but not limited to the following operating expenses:
- a) auditing and accounting fees;
  - b) a reasonable property management fee not to exceed \$79.50 per unit per month, increasing annually by 3% per year;
  - c) Operating Expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which shall include administration, on-site management, utilities, on-site staff payroll, payroll taxes, and maintenance);
  - d) replacement reserves, established in a separate account from operating reserves, limited to \$500 per unit per year for all units in the Project,;
  - e) Operating Reserves replenishment;
  - f) developer's fee in the amount of approximately \$2,200,000;
  - g) general partner asset management annual fees which shall be no more than \$25,000, increased by no more than 3% annually on a cumulative bases if not paid in prior years;
  - h) an annual limited partner asset management fee not to exceed \$8,500 which fee shall be increased annually by 3% on a cumulative basis;
  - i) payments of principal and interest on amortized loans and indebtedness senior to the HHIP Loan, which have been approved by COUNTY (collectively, the "Senior Debt"); and
  - j) COUNTY's Annual Monitoring Fee in the total annual amount of \$5,900 for the County HHIP Loan.

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

Operating expenses shall not include repayment of advances to the Borrower from its limited partner(s), general partner(s), their affiliate(s) and/or third parties (collectively a "Partnership Loan"); provided, however, inclusion of repayment of such Partnership Loan in operating expenses may be authorized by the County's Director HWS, or designee, in their sole discretion, upon written request received by the County. In considering such Borrower request for approval of inclusion of repayment of a Partnership Loan in operating expenses, County's Director HWS, or designee, will consider the following: (i) whether such request was made pursuant to the terms of the Partnership Agreement, (ii) if a Project deficit exists and written evidence of such deficit is provided to the County's Director HWS, or designee, (iii) Borrower has demonstrated to Authority, in writing, that the requested loan is the only available means of relieving such deficit, (iv) the

County's Director HWS, or designee, approves the loan terms, including, but not limited to the loan amount, interest rate, and maturity date. The County's Director HWS, or designee, shall retain the right, in its discretion, to defer such approval to the County's Board of Supervisors. Failure by the County's Director HWS, or designee, to respond to such request within 30 days of the County's receipt of such written notice shall be deemed disapproval of such request.

- (6) The HHIP Loan evidenced by this Note is secured by the HHIP Deed of Trust.
- (7) This Note may be prepaid in whole or in part by the undersigned at any time without prepayment penalty or premium, provided however notwithstanding such prepayment, Borrower shall be required to adhere to the affordability restrictions contained in the Covenants until the expiration of the term contained therein.
- (8) Subject to the provisions and limitations of this Section 8, the obligation to repay the Note Amount is a nonrecourse obligation of Borrower and its partners. Neither Borrower nor its officers, members, or partners shall have any personal liability for repayment of the Note Amount, except as provided in this Section 8. The sole recourse of the COUNTY shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the HHIP 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 4, the COUNTY may recover directly from Borrower or, unless otherwise prohibited by any applicable law, from any other party: (a) any actual damages, costs and expenses incurred by the COUNTY as a result of fraud, misrepresentation or any criminal act or acts of Borrower or any, 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 HHIP Loan Agreement, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; and (c) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Property and that are payable or applicable prior to any foreclosure under the Deed of Trust.
- (9) The occurrence of any of the following events shall constitute an "Event of Default" under this Note after notice and opportunity to cure pursuant to the terms set forth in the HHIP Loan Agreement:

- a. Monetary Default. (1) Borrower's failure to pay when due any sums payable under the HHIP Note or any advances made by COUNTY under this Agreement, (2) Borrower's or any agent of Borrower's use of HHIP funds for costs other than those costs permitted under the HHIP 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 HHIP 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 HHIP Deed of Trust, (3) Borrower's failure to obtain and maintain the insurance coverage required under the HHIP Loan Agreement, (4) any material default under the HHIP Loan Agreement, HHIP Deed of Trust with Assignment of Rents, Covenant Agreement, HHIP Note, or any document executed by the County in connection with this Agreement beyond the expiration of applicable notice and cure periods, and/or (4) default past any applicable notice and cure period under the terms of the HHIP 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 HHIP Loan Agreement beyond applicable notice and cure periods; 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 beyond the applicable notice and cure periods set forth therein; whether or not COUNTY is a party to such agreement.
- (10) COUNTY shall give written notice of default to Borrower, with a copy to Borrower's limited partner, specifying the default complained of by the COUNTY. Borrower shall have ten (10) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.
- (11) Any failures or delays by COUNTY in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by COUNTY in asserting any of its rights and remedies shall not deprive COUNTY of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

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

- (19) Except as to the permitted deeds of trust identified in the HHIP Loan Agreement or the Deed of Trust, Borrower shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion.
- (20) The relationship of Borrower and the COUNTY pursuant to this Note is that of debtor and creditor and shall not be, or be construed to be, a joint venture, equity venture, partnership or other relationship.
- (21) (a) Formal notices, demands and communications between the County and Borrower shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the COUNTY and Borrower as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or "kick-out" sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.
- (b) The address of the COUNTY for purposes of receiving notices pursuant to this Note shall be 3403 10<sup>th</sup> St., 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 c/o Eden Housing, Inc., 22645 Grand Street, with a copy to:
- Wells Fargo Bank, National Association  
550 S. Tryon Street  
23rd Floor, MAC D1086-239  
Charlotte, NC 28202-4200  
Attention: Director of Tax Credit Asset Management  
Bina.M.Galal@wellsfargo.com  
Michael.Loose@wellsfargo.com
- (22) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
- (23) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
- (24) This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.



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

BORROWER:

Mulberry Gardens Senior, L.P., a California Limited Partnership

By: Mulberry Gardens Senior LLC,  
a California limited liability company,  
its general partner

By: Eden Housing, Inc.,  
a California nonprofit public benefit corporation,  
its sole/member manager

By: \_\_\_\_\_  
Aruna Doddapaneni, Senior Vice President of  
Development

Date: \_\_\_\_\_