

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



**ITEM:** 3.49  
(ID # 26162)

**MEETING DATE:**

Tuesday, November 05, 2024

**FROM :** HOUSING AND WORKFORCE SOLUTIONS

**SUBJECT:** HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds for Oak View Ranch Senior Apartments (formerly known as Murrieta Apartments Phase II) with NCRC Murrieta Senior Housing LP, a California Limited Partnership, and All Attachments Thereto, in the City of Murrieta, Authorize the Chair of the Board to Execute the ARPA Loan Agreement and Covenant Agreement, and Authorize the Director of HWS, or Designee, to Execute Subsequent Subordination Agreements; District 3. [\$7,000,000 – 100% American Rescue Plan (ARPA) Funds] [CEQA Exempt] (4/5 Vote Required) (Clerk of the Board to File the Notice of Exemption)

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

1. Find, its independent judgement and analysis as a Responsible Agency under CEQA in issuing certain limited approvals, after it reviewed and considered the information in the previously adopted Mitigated Negative Declaration (MND), Initial Study and Environmental Analysis under Planning Application Number 2021-2311 and Tentative Parcel Map 2021-2326 thereto, Resolution Number 22-4558 for the City of Murrieta, as lead agency, adopted on April 6, 2021 for the Oak View Ranch Senior Apartments Affordable Housing Project (Project), that as to those potential environmental impacts within the County's powers and authorities as responsible agency concerning the Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds and approvals associated therewith, any potentially significant environmental effects have been adequately analyzed and nothing further is required under CEQA;

Continued on Page 2

**ACTION:** 4/5 Vote Required, Policy

  
Heidi Marshall, Director 10/8/2024

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Jeffries, seconded by Supervisor Gutierrez 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: November 5, 2024  
xc: HWS, Recorder, State Clearinghouse, OPR

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 Obligation of \$7,000,000 from the Third District's ARPA funds for the Oak View Ranch Senior Apartments Housing Project;
3. Approve a loan in the amount of \$7,000,000 derived from County's ARPA allocation to pay a portion of the new construction and development costs related to the Oak View Ranch Senior Apartments Housing Project, located in the City of Murrieta, to assist low-income households and individuals disproportionately affected by the COVID-19 pandemic;
4. Approve the attached Loan Agreement for the Use of ARPA Funds, including all attachments thereto (ARPA Loan Agreement), the Leasehold Deed of Trust and Assignment of Leases and Rents, Security Agreement and Fixture Filing (ARPA Leasehold Deed of Trust), Promissory Note (ARPA Loan Note), Covenant Agreement (ARPA Covenant), and Environmental Indemnity;
5. Authorize the Chair of the Board of Supervisors to execute the ARPA Loan Agreement and an ARPA Covenant;
6. Authorize the Director of HWS, or designee, to negotiate and execute Subordination Agreements subordinating the ARPA Leasehold Deed of Trust for the benefit of a Construction and/or Permanent Senior Lender(s) securing a loan for the Project for a not to exceed amount of \$30,000,000, subject to approval as to form by County Counsel;
7. Authorize the Director of HWS, or designee, to take all necessary steps to implement the ARPA Loan Agreement and the Subordination Agreements, including but not limited to, signing amendments and subsequent necessary and relevant documents, subject to approval as to form by County Counsel;
8. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk and the State Clearinghouse at the Office of Planning and Research (OPR) within five (5) business days of approval; and
9. Approve and direct the Auditor-Controller to make the budget adjustment as detailed in the attached Schedule A.

<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>	\$7,000,000	\$ 0	\$7,000,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> American Rescue Plan Act (ARPA) Funds (100%)			<b>Budget Adjustment:</b> Yes	
			<b>For Fiscal Year:</b> 24/25	

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

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

**BACKGROUND:**

**Summary**

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

On October 4, 2022 (Minute Order 3.44), the Board approved the 2<sup>nd</sup> installment allocation of ARPA funding. Of this 2<sup>nd</sup> ARPA allocation, \$33,000,000 was equally distributed to each district. The funding allocated by the Board was the State and Local Fiscal Recovery Funds (SLFRF) that the County was allocated as part of the American Rescue Plan Act (ARPA) of 2021 (Pub. L 117-2). These ARPA funds are to focus on projects and/or programs that serve as a pathway to create affordable housing with necessary supporting infrastructure to assist low-income communities disproportionately affected by the COVID-19 pandemic. One of the eligible uses of ARPA funds include the increase in the supply of affordable and permanent supportive housing which is critical to addressing homelessness.

NCRC Murrieta Senior Housing LP (Owner), a California limited partnership, has applied to the County of Riverside (County) for ARPA funding allocated from California's direct allocation of federal ARPA funds in the amount of \$7,000,000 (ARPA Loan) to pay a portion of the costs to develop and construct the Oak View Ranch Senior Apartment Housing Project, an affordable senior low-income rental housing project for seniors experiencing homelessness or at risk of homelessness (Proposed Project). If approved, the ARPA Loan will be evidenced by a Promissory Note in favor of the County (ARPA Loan Note), which would be secured by a Leasehold Deed of Trust with Assignment of Leases and Rents, Security Agreement and Fixture Filing for the benefit of the County (ARPA Leasehold Deed of Trust). The proposed ARPA Deed of Trust and ARPA Loan Note are exhibits to the ARPA Loan Agreement attached hereto.

Oak View Ranch Senior Apartments is Phase II of a two-phase project that will provide multi-generational housing. Phase I is under construction and they are building 119 units affordable housing for families. Phase II, involves constructing 81 affordable rental units for seniors, consisting of 80 units and 1 manager unit. The Proposed Project will consist of one building comprised of 72 one-bedroom units and 9 two-bedroom units. The Proposed Project will be

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

situated on approximately 1.47 acres located at 24960 Adams Avenue, in the City of Murrieta, also identified as Assessor's Parcel Number (APN) 906-080-073.

In connection with the County's ARPA Loan, the County will be restricting forty (40) housing units for low-income seniors as ARPA-restricted units. Among the ARPA restricted units, nineteen (19) units will be reserved for senior households with incomes not exceeding 60% of the area median income of the County of Riverside, eight (8) units for senior households with incomes not exceeding 40% AMI, and thirteen (13) units for senior households with incomes not exceeding 30% AMI and determined by the United States Department of Housing and Urban Development (HUD) for an affordable rent under 24 CFR Section 92.252.

Staff recommends approval of ARPA funds for the Proposed Project to pay a portion of the development and construction costs in an amount not to exceed \$7,000,000 of ARPA funds approved for the Proposed Project.

The Proposed Project will share amenities with Oak View Family Ranch which include an outdoor pool and clubhouse, children's playground, community center, community garden, half basketball court, outdoor fitness stations, conversation areas, pet-friendly green space, BBQ area with tables, Boys & Girls Club, and a senior center.

<b>Permanent Sources</b>	<b>Amount</b>
Riverside County ARPA Grant	\$7,000,000
Permanent Loan	\$5,424,662
Permit and Plan Check Fee Waiver	\$526,400
City of Murrieta Housing Authority Loan	\$1,500,000
City of Murrieta Housing Authority Ground Lease	\$1,260,000
Raunch Grant	\$1,000,000
Accrued and Deferred Soft loan Interest	\$228,844
Developer Fee Contribution	\$2,152,202
Deferred Developer Fee	\$1,028,834
General Partner	\$100
Tax Credit Equity	\$16,328,900
<b>Total</b>	<b>\$36,449,942</b>

County Counsel has reviewed and approved as to form the attached Loan Agreement for the Use of ARPA Funds, the ARPA Leasehold Deed of Trust, the ARPA Loan Note, the ARPA Covenant, and the Environmental Indemnity. Staff recommends that the Chair of the Board execute the Loan Agreement for the Use of ARPA fund and ARPA Covenant. Staff further recommends authorizing Director of HWS, or designee, to negotiate and execute a Subordination Agreement subordinating the ARPA Deed of Trust for the benefit of a construction and/or Permanent Senior Lender securing a loan for the Project for a not to exceed amount of \$30,000,000, subject to approval as to form by County Counsel.

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

Any potential significant effects of the Project have been addressed by the City of Murrieta, as Lead Agency in its Mitigated Negative Declaration (MND), Initial Study and Environmental Analysis for Oak View Ranch Senior Apartments (formerly known as Murrieta Apartments Phase II) Housing Project (Planning Application Numbers 2021-2311 and Tentative Parcel Map 2021-2326 thereto, Resolution Number 22-4558), adopted by the City of Murrieta on April 6, 2021 and filed with the Riverside County Clerk's Office on April 22, 2021. Acting as the Responsible Agency, the County of Riverside Board of Supervisors will adopt the Notice of Determination. Entering into the ARPA Loan Agreement will not result in any new significant environmental effects; the actions will not substantially increase the severity of the environmental effects; no considerably different mitigation measures have been identified; and no mitigation measures found infeasible have become feasible. As a result, no further environmental documentation is required for California Environmental Quality Act purposes. The project was also found to be exempt pursuant to the attached Notice of Exemption (see the NOE for additional details).

**Impact on Residents and Businesses**

The development of Oak View Ranch Senior Apartments will have a positive impact on residents and businesses through the creation of jobs and affordable housing in southwest Riverside County.

**Additional Fiscal Information**

There is no impact on the County's General Fund. The County's contribution to the Proposed Project will be fully funded through American Rescue Plan Act (ARPA) funds allocated from California's direct allocation of federal ARPA funds, with \$3 million coming from the first tranche and \$4 million from the second tranche.

**ATTACHMENTS:**

- Schedule A – Budget Adjustment
- Loan Agreement for the Use of ARPA Funds, including all exhibits - Leasehold Deed of Trust with Assignment of Leases and Rents, Security Agreement and Fixture Filing, ARPA Loan Promissory Note and ARPA Covenant Agreement
- Promissory Note
- Covenant Agreement
- Environmental Indemnity
- Notice of Exemption

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

*Brett Austin*  
Brett Austin, Supervising Accountant 10/31/2024

*Brianne Lontajo*  
Brianne Lontajo, Principal Management Analyst 10/31/2024

*Aaron Gettis*  
Aaron Gettis, Chief of Deputy County Counsel 10/31/2024



FILED / POSTED

County of Riverside  
Peter Aldana  
Assessor-County Clerk-Recorder

E-202401188  
11/06/2024 10:16 AM Fee: \$ 50.00  
Page 1 of 1

Removed: \_\_\_\_\_ By: \_\_\_\_\_ Deputy

**Notice of Exemption**

To:  Office of Planning and Research  
For U.S Mail: P.O. Box 3044  
Sacramento, CA 95812-3044  
Street Address: 1400 Tenth St.  
Sacramento, CA 95814

From: Public  
Agency: County of Riverside  
Address: 4080 Lemon Street, Suite 400  
Riverside, CA 92501  
Contact: Alicia Jaines  
Phone: (951) 955-0783

County Clerk  
County of Riverside  
2724 Gateway Drive  
P.O. Box 751  
Address: Riverside, CA 92502-0751

Lead Agency (if different from above):  
Address: \_\_\_\_\_  
Contact: Juan Garcia  
Phone: (951) 955-8126

**SUBJECT: Filing of Notice of Determination in Compliance with Section 21108 or 21152 of the public Resources Code.**

State Clearinghouse Number (if submitted to State Clearinghouse): \_\_\_\_\_

Project Title: Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds for Oak View Ranch Senior Apartments

24960 Adams Avenue, in the City of Murrieta in the County of Riverside, also identified as Assessor's Parcel Number (APN) 906-080-073, subdivision of APN 906-080-018

Project Location (include county): ("Property")

Project Description: Oak View Ranch Senior Apartments is phase II of a two-phase project providing multi-generational housing. Phase I is under construction and they are building 119 units of affordable housing for families. Phase II, involves constructing eighty-one (81) affordable senior low-income rental housing project for seniors experiencing homelessness or at risk of homelessness; consisting of eighty (80) units and 1 manager unit. The Proposed Project will consist of one building comprised of 72 one-bedroom units, 8 two-bedroom units, and 1 three-bedroom unit. The Proposed Project will be situated on approximately 1.47 acres of a 6.22-acre site owned by the City of Murrieta Housing Authority and leased to the Owner. In connection with the County's ARPA Loan, the County will be restricting forty (40) housing units for low-income seniors (ARPA Restricted) units. Among the ARPA Restricted units, nineteen (19) units will be reserved for senior households with incomes not exceeding 60% of the area median income of the County of Riverside, eight (8) units for senior households with incomes not exceeding 40% AMI, and thirteen (13) units for senior households with incomes not exceeding 30% AMI. The use and occupancy of the ARPA-assisted units will be restricted until the later to occur of (i) July 1, 2079 or (ii) 55 years from the recordation of the Notice of Completion for which new construction is completed for the Proposed Project.

Project Sponsor: County of Riverside

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

Lead agency or  Responsible Agency

November 5, 2024 and has made the following determinations regarding the above-described project:  
(Tentative date)

Find that the Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds does not constitute a project under California Environmental Quality Act (CEQA) and the State CEQA Guidelines (14. Cal. Code Regs §§15000 et seq.), specifically pursuant to Section 15332 (Class 32 - In-Fill Development Projects), in that the project will not cause a significant effect on the environment and requires a developer to comply with CEQA and obtain all land use entitlements from the local jurisdiction as the lead agency, and does not commit the lead agency to any definite course of action or foreclose alternatives or mitigation measures that would ordinarily be part of CEQA.

Signature: (Public Agency)  Title: Deputy Director  
Juan Garcia

Date: 10/23/24 Date received for filing at OPR: \_\_\_\_\_

# Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds for Oak View Ranch Senior Apartments

## Summary

**SCH Number**

2024110159

**Public Agency**

Riverside County

**Document Title**

Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds for Oak View Ranch Senior Apartments

**Document Type**

NOE - Notice of Exemption

**Received**

11/6/2024

**Posted**

11/6/2024

**Document Description**

Oak View Ranch Senior Apartments is phase II of a two-phase project providing multi-generational housing. Phase I is under construction and they are building 119 units of affordable housing for families. Phase II, involves constructing eighty-one (81) affordable senior low-income rental housing project for seniors experiencing homelessness or at risk of homelessness' consisting of eighty(80) units and 1 manager unit. The Proposed Project will consist of one building comprised of 72 one-bedroom units, 8 two-bedroom units, and 1 three-bedroom unit. The Proposed Project will be situated on approximately 1.47 acres of a 6.22-acre site owned by the City of Murrieta Housing authority and lease to the Owner. In connection with the County's ARPA Loan, the County will be restricting forty (40) housing units for low-income seniors (ARPA Restricted) units. Among the ARPA Restricted units, nineteen (19) units will be reserved for senior households with incomes not exceeding 60% of the area median income of the County of Riverside, eight (8) units for senior households with incomes not exceeding 40% AMI, and thirteen (13) units for senior households with incomes not exceeding 30% AMI. The use and occupancy of the ARPA-assisted units will be restricted until the later to occur of (j) July 1, 2079 or (ii) 55 years from the recordation of the Notice of Completion for which new construction is completed for the Proposed Project.

## Contact Information

**Name**



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: Alicia Jaimes

13 SPACE ABOVE THIS LINE FOR RECORDER'S USE

14 LOAN AGREEMENT FOR THE USE OF  
15 AMERICAN RESCUE PLAN ACT (ARPA) FUNDS  
16 (Oak View Ranch Senior Apartments)

17 This LOAN AGREEMENT FOR THE USE OF AMERICAN RESCUE PLAN ACT  
18 FUNDS ("Agreement") is made and entered into this 5 day of November 2024 by and  
19 between the COUNTY OF RIVERSIDE, a political subdivision of the State of California  
20 ("COUNTY") and NCRC MURRIETA SENIOR HOUSING LP, a California limited  
21 partnership ("BORROWER"). The COUNTY and BORROWER may be individually referred  
22 to herein as a "Party" and collectively as the "Parties." This Agreement, for the use of funding  
23 under the American Rescue Plan Act of 2021 (Pub.L. 117-2), amending Title VI of the Social  
24 Security Act (42 U.S.C. 801 et seq.), hereinafter "ARPA" or "Act", is made and entered into as  
25 of the Effective Date (defined herein).

26 WITNESSETH:

27 WHEREAS, the Act provides that ARPA funds may be used to cover costs that are  
28 necessary expenditures incurred due to the public health emergency with respect to the COVID-  
19 pandemic;

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

1 homelessness;

2 WHEREAS, the purpose of this Agreement is, among other things, for COUNTY to  
3 provide financial assistance to BORROWER in the maximum amount of Seven Million Dollars  
4 (\$7,000,000.00) consisting of ARPA funds, to pay a portion of the costs to develop and construct  
5 an affordable rental housing project for seniors, Oak View Ranch Senior Apartments (the  
6 “Project”) located at 24960 Adams Avenue, in the City of Murrieta, County of Riverside, State  
7 of California, also identified as Assessor’s Parcel Number (“APN”) 906-080-073, as more  
8 specifically described in the legal description attached hereto as **Exhibit A** and incorporated  
9 herein by this reference (“Property”);

10 WHEREAS, the Project will consist of eighty-one (81) affordable rental units for seniors,  
11 consisting of eighty (80) units and one (1) manager unit. A total of forty (40) units restricted as  
12 ARPA-Assisted units, of which 19 units will be restricted to households whose incomes do not  
13 exceed 60% of the area median income (“AMI”) for the County of Riverside, eight (8) units will  
14 be restricted to households whose income do not exceed 40% AMI, and 13 units will be restricted  
15 to households whose income do not exceed 30% AMI as more specifically described in **Exhibit**  
16 **A** (the “ARPA- Assisted Units”); and

17 WHEREAS, the ARPA-assisted activities described herein comply with the objectives  
18 required under the ARPA in that they are necessary to assist populations experiencing food and  
19 housing insecurity as a result of impacts due to the COVID-19 public health emergency.

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

23 1. PURPOSE. The aforementioned Recitals are true and correct and incorporated  
24 herein by this reference. COUNTY has agreed to lend up to a maximum total amount of Seven  
25 Million Dollars (\$7,000,000.00) in ARPA Act funds (“ARPA Loan”) to BORROWER upon the  
26 satisfaction of the terms and conditions set forth herein, including but not limited to the  
27 conditions precedent to distribution of the ARPA Loan set forth in **Section 11** below. Subject  
28

1 also to **Section 48** below, BORROWER shall undertake and complete the ARPA activities  
2 required herein and as set forth in **Exhibits A and A-1**, and shall utilize the ARPA Loan, as  
3 required herein and pursuant to the Act, ARPA Final Rule that became effective April 1, 2022,  
4 and the regulations as set forth in 31 CFR 35 (collectively, “ARPA Rules”). The Project will  
5 provide housing for 40 units specifically designed for individuals experiencing homelessness or  
6 at risk of homelessness, 62 years and older whose household incomes do not exceed 30%, 40%  
7 or 60%, AMI for the County of Riverside adjusted for actual family size (“Qualified  
8 Population”), as more specifically described in **Exhibit A**.

9  
10 2. BORROWER’S OBLIGATIONS. Upon the commencement of the Effective Date  
11 (defined in **Section 55** below), BORROWER hereby agrees to undertake and complete the  
12 following activities within the time period(s) set forth herein and in **Exhibit A-1**:

- 13 a. Satisfy the conditions precedent to distribution of the ARPA Loan set forth in  
14 **Section 11** below.
- 15 b. Acquire the Property in accordance with the timeline set forth in **Exhibit A**  
16 **and A-1**.
- 17 c. Operate the Project in such a manner so that it will remain affordable to  
18 Qualified Populations for the Affordability Period as defined in **Section 13**  
19 below without regard to (i) the term of the promissory note or (ii) transfer of  
20 ownership.
- 21 d. Maintain the Project in compliance with ARPA Rules, applicable local, state,  
22 federal laws, codes and regulations as further described in **Section 17** below  
23 until the expiration of the Term of this Agreement set forth in **Section 6** below,  
24 and the Affordability Period set forth in **Section 13** below.

25 3. RESERVED.

26 4. ARPA LOAN. Subject to BORROWER’s satisfaction of the conditions precedent  
27 to disbursement of the ARPA Loan set forth in **Section 11** below, COUNTY shall provide  
28 financing to BORROWER in the form of a loan in the amount of \$7,000,000.00 (“ARPA Loan”),

1 pursuant to the following terms and conditions:

- 2 a. Term of ARPA Loan. The maturity date of the ARPA Loan shall be the later  
3 to occur of (i) December 31, 2079, or (ii) fifty-five (55) years from the  
4 recordation of the Notice of Completion in the Official Records for the last  
5 building for which construction is complete for the Project (the “ARPA Loan  
6 Term”). The term, “Official Records” used herein shall mean the Official  
7 Records of the Recorder’s Office of the County of Riverside.
- 8 b. Principal. The total amount of the ARPA Loan shall not exceed  
9 \$7,000,000.00, and shall be evidenced by a Promissory Note, substantially  
10 conforming in form and substance to the Promissory Note attached hereto and  
11 incorporated herein as **Exhibit C** (“ARPA Note”), which note shall be secured  
12 by a Leasehold Deed of Trust, Security Agreement and Fixture Filing (with  
13 Assignment of Rents), substantially conforming in form and substance to the  
14 Leasehold Deed of Trust, Security Agreement and Fixture Filing (with  
15 Assignment of Rents) attached hereto and incorporated herein as **Exhibit B**  
16 (“ARPA Leasehold Deed of Trust”).
- 17 c. Interest. The interest rate shall be three percent (3%) simple interest per  
18 annum.
- 19 d. Repayment. The terms of the ARPA Note shall be as follows:
- 20 i. That the ARPA Loan will accrue simple interest at a rate of three percent  
21 (3%) per annum, except in the case of an event of default as hereinafter  
22 provided wherein a higher default interest rate shall apply as more  
23 specifically set forth in the Note, and shall be repaid on an annual basis  
24 from the Project’s Residual Receipts (defined in Section 4 (d)(iv) below).
- 25 ii. Fifty percent (50%) of the Project’s Residual Receipts shall be paid  
26 annually to COUNTY, and other soft lenders (collectively the “Soft  
27 Lenders” and individually a “Soft Lender”), with such fifty percent (50%)  
28

1 split pro rata in accordance with the amounts of their respective loans for  
2 the Project (each, a “Pro Rata Share”) in accordance with the terms set  
3 forth herein. Such payment of the Pro Rata Share of fifty percent (50%)  
4 of the Project’s Residual Receipts to the Soft Lenders shall continue  
5 annually until the applicable promissory note to a Soft Lender, including  
6 the COUNTY’S ARPA Note, are repaid in full, respectively.

7 iii. Any remainder of the Project’s Residual Receipts will be paid in  
8 accordance with the cash flow “waterfall” provisions of Borrower’s limited  
9 partnership agreement.

10 iv. The term “Residual Receipts” used herein shall mean all money and  
11 income from the Project remaining annually after the payment of all  
12 normal and necessary expenses of operation of the Project, including but  
13 not limited to the following:

14 (1) payments of principal and interest and other mandatory payments on  
15 amortized loans and indebtedness senior to the Loan, which have been  
16 approved in writing by COUNTY (collectively, the “Senior Debt”);

17 (2) utility fees and costs not paid by tenants;

18 (3) insurance on the Project;

19 (4) ad valorem taxes and assessment payments;

20 (5) management fees, expenses and costs, as well as the cost of social  
21 programs at the Project and compliance monitoring/reporting, which  
22 shall total initially \$70 per Unit per month, which management fee  
23 shall be increased annually by an amount not to exceed the greater of  
24 (i) three and a half percent (3.5%) or (ii) the increase in the Consumer  
25 Price Index for Riverside-San Bernardino-Ontario, CA area (“CPI”),  
26 and any accrued and unpaid fees from prior years;

27 (6) auditing and accounting fees;

28

- 1 (7) operating expenses (any expense reasonably and normally incurred in  
2 carrying out the Project's day-to-day activities, which shall include  
3 administration, on-site management costs, utilities, on-site staff  
4 payroll, payroll taxes, and maintenance);
- 5 (8) reserves for repair and replacement of the Project, in an annual amount  
6 of no less than \$350 per rental unit per year, increased annually by an  
7 amount not to exceed the greater of (i) three percent (3%) or (ii) the  
8 increase in CPI;
- 9 (9) required operating reserve replenishments in an amount up to \$175,000  
10 per year;
- 11 (10) repayment of any operating deficit loans made by a partner to the  
12 BORROWER and payment of unpaid tax credit adjustment payments  
13 owed to a limited partner of BORROWER;
- 14 (11) partnership management fees up to \$15,000 annually payable to a  
15 partner of BORROWER, and asset management fees up to \$5,000  
16 annually (increasingly annually by three (3%)) payable to a partner of  
17 BORROWER, and any accrued and unpaid fees from prior years;
- 18 (12) payment of deferred developer fees pursuant to BORROWER'S  
19 limited partnership agreement; and
- 20 (13) all other fees and expenses which may be permitted by the annual  
21 budget approved by the COUNTY.
- 22 v. Operating expenses will be considered "normal and necessary" if incurred  
23 generally for similarly structured, financed, and restricted rental properties  
24 operated by similar entities. At such time, payment of the COUNTY'S Pro  
25 Rata Share of the Residual Receipts produced from the Project shall be  
26 made by the BORROWER to the COUNTY annually on July 15th of each  
27 year. Payment shall be applied first to accrued interest and thereafter to  
28

1 principal. BORROWER shall annually provide the COUNTY with an  
2 accounting acceptable to the COUNTY, documenting the calculation of  
3 Residual Receipts for the previous calendar year ending December 31.  
4 This accounting shall be made on or before July 15, together with the  
5 payment of Residual Receipts.

6 e. Prepayment. Prepayment of principal and/or interest under the ARPA Note  
7 may occur at any time without penalty; provided, however (i) the requirements  
8 of **Section 17**, “Compliance with Laws and Regulations”, shall remain in full  
9 force and effect for the term of the Agreement specified in **Section 6** below;  
10 and (ii) the requirements set forth in the Covenant Agreement, attached hereto  
11 as **Exhibit E**, shall remain in effect until the expiration of the Affordability  
12 Period.

13 f. Security. The Covenant Agreement, ARPA Leasehold Deed of Trust, and this  
14 Agreement shall be respectively in the first, second, and third priority lien  
15 position, in relation to themselves, each for the benefit of COUNTY. Their  
16 priority in relation to other encumbrances shall be as approved by the  
17 COUNTY in its reasonable discretion, such approval not to be unreasonably  
18 withheld, conditioned, or delayed, provided, however, that COUNTY’s  
19 affordability restrictions set forth in the Covenant Agreement are preserved for  
20 the Qualified Population for the Affordability Period (defined below).

21 5. PRIOR COUNTY APPROVAL.

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

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

5 6. TERM OF AGREEMENT. This Term of this Agreement shall become effective  
6 upon the Effective Date, as defined in **Section 55** below, and unless terminated earlier pursuant  
7 to the terms hereof, shall continue in full force and effect until the later to occur of (i) December  
8 31, 2079 or (ii) fifty-five (55) years from the recordation of the Notice of Completion in the  
9 Official Records for the last building for which construction is completed for the Project (“Term  
10 of Agreement”).

11 7. BORROWER’S REPRESENTATIONS. BORROWER represents and warrants  
12 to COUNTY as follows:

- 13 a. Authority. BORROWER has full right, power and lawful authority to enter  
14 into this Agreement and accept the ARPA Loan and undertake all obligations  
15 as provided herein. The execution, performance, and delivery of this  
16 Agreement by BORROWER have been fully authorized by all requisite  
17 actions on the part of BORROWER.
- 18 b. No Conflict. To the best of BORROWER’s knowledge, BORROWER’s  
19 execution, delivery and performance of its obligations under this Agreement  
20 will not constitute a default or a breach under contract, agreement or order to  
21 which BORROWER is a party or by which it is bound.
- 22 c. No Bankruptcy. BORROWER is not the subject of a bankruptcy proceeding.
- 23 d. Prior to Closing. BORROWER shall, upon learning of any fact or condition  
24 which would cause any of the warranties and representations in this **Section 7**  
25 not to be true as of close of escrow, immediately give written notice of such  
26 fact or condition to COUNTY. Such exception(s) to a representation shall not  
27 be deemed a breach by BORROWER hereunder, but shall constitute an  
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1           exception which COUNTY shall have the right to approve or disapprove if  
2           such exception would have an effect on the value and/or operation of the  
3           Project.

4           8.     COMPLETION SCHEDULE. BORROWER shall proceed consistent with the  
5     Implementation Schedule set forth in **Exhibit A-1**, as such schedule may be amended pursuant  
6     to **Section 10**, and subject to Force Majeure Delays as defined in **Section 9**.

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

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

3 10. EXTENSION OF TIME. COUNTY may grant an extension to the  
4 Implementation Schedule set forth in **Exhibit A-1** for the purpose of completing BORROWER's  
5 activities which cannot be completed as outlined in **Exhibit A-1**. BORROWER shall request  
6 said extension in writing, stating the reasons therefore, which extension must be first approved  
7 in writing by the COUNTY in its reasonable discretion. The Director of HWS, or designee, on  
8 behalf of the COUNTY and without referring such matter to the County's Board of Supervisors  
9 may extend all pending deadlines in the Implementation Schedule on two (2) or fewer occasions,  
10 so long as the aggregate duration of such administrative time extensions is no greater than ninety  
11 (90) days and so long as any extensions are within any deadlines set forth in the ARPA Rules.  
12 Every term, condition, covenant, and requirement of this Agreement shall continue in full force  
13 and effect during the period of any such extension.

14 11. CONDITIONS PRECEDENT TO DISTRIBUTION OF ARPA ACT LOAN  
15 FUNDS. COUNTY, through its Department of HWS, shall: (1) make payments of the ARPA  
16 Loan funds to BORROWER as designated in **Exhibit A** subject to Borrower's satisfaction of the  
17 conditions precedent set forth below, and (2) monitor the Project to ensure compliance with  
18 applicable federal regulations and the terms of this Agreement. COUNTY shall not disburse any  
19 ARPA Loan funds pursuant to this Agreement until the following conditions precedent have  
20 been satisfied:

- 21 a. BORROWER has completed the National Environmental Policy Act  
22 ("NEPA") process, including the Environmental Assessment ("EA") Report  
23 and Findings incorporated in the EA and in the Finding of No Significant  
24 Impact ("FONSI") for the Project, and has been approved by COUNTY as the  
25 responsible entity for purposes of the subject NEPA review;
- 26 b. BORROWER executes this Agreement and delivers it to COUNTY for  
27 recordation in the Official Records;
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- 1 c. BORROWER provides COUNTY with evidence of insurance as required  
2 herein;
- 3 d. BORROWER executes the ARPA Leasehold Deed of Trust, substantially  
4 conforming in form and substance to the Leasehold Deed of Trust, Security  
5 Agreement and Fixture Filing (with Assignment of Rents) attached hereto as  
6 **Exhibit B**, in recordable form, and delivers such document to the County of  
7 Riverside for recordation in the Official Records;
- 8 e. BORROWER executes the ARPA Note, substantially conforming in form and  
9 substance to the Promissory Note attached hereto as **Exhibit C** and delivers to  
10 COUNTY;
- 11 f. BORROWER executes the Covenant Agreement, substantially conforming in  
12 form and substance to the Covenant Agreement attached hereto and  
13 incorporated herein as **Exhibit E**, in recordable form, and delivers to the  
14 County of Riverside for recordation in the Official Records;
- 15 g. COUNTY executes and records in the Official Records the Requests for Notice  
16 of Default, conforming in form and substance to **Exhibit F** attached hereto;
- 17 h. BORROWER provides, at its expense, an American Land Title Association  
18 (“ALTA”) lender’s policy in favor of COUNTY, insuring the Covenant  
19 Agreement as lien against the Property; and
- 20 i. BORROWER is not in default under the terms of this Agreement or any other  
21 agreement related to the financing of the Project;
- 22 j. If Davis Bacon and/or prevailing wages are required to be paid, BORROWER  
23 hires a qualified professional firm to review and monitor Davis Bacon and/or  
24 prevailing wage compliance for all submissions of contractors certified  
25 payrolls to COUNTY. In the event that the Project requires prevailing wages,  
26 BORROWER shall comply with, and shall require its contractors and  
27 subcontractors performing work on the Project, to pay prevailing wages, use a  
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1 skilled and trained workforce, and adhere to any applicable labor regulations  
2 and all State laws in connection with the construction of the Project, including  
3 but not limited to Chapter 1 (commencing with Section 1720) of Part 7 of  
4 Division 2 of the Labor Code, and Chapter 2.9 (commencing with Section  
5 2600) of Part 1 of Division 2 of the Public Contract Code. BORROWER  
6 agrees and acknowledges that it is the responsibility of BORROWER to obtain  
7 a legal determination, at BORROWER's sole cost and expense, as to whether  
8 prevailing wages must be paid during the construction of the Project. If the  
9 Project is subject to prevailing wages, then BORROWER shall be solely  
10 responsible to pay its contractors and subcontractors the required prevailing  
11 wage rates. BORROWER agrees to indemnify, defend, and hold COUNTY  
12 harmless from and against any and all liability arising out of and related to  
13 BORROWER's failure to comply with any and all applicable Davis Bacon  
14 and/or State prevailing wage requirements;

15 k. BORROWER agrees to verify that BORROWER, and its principals, or any/all  
16 persons, contractors, consultants, businesses, etc. ("Developer Associates"),  
17 that BORROWER is conducting business with, are not presently debarred,  
18 proposed for debarment, suspended, declared ineligible, or voluntarily  
19 excluded from participation or from receiving federal contracts or federally  
20 approved subcontracts or from certain types of federal financial and  
21 nonfinancial assistance and benefits with the Excluded Parties Listing System  
22 ("EPLS"). EPLS records are located at [www.sam.gov](http://www.sam.gov); and

23 l. BORROWER shall search and provide a single comprehensive list of  
24 Developer Associates (individuals and firms) and print and maintain evidence  
25 of the search results of each Developer Associate as verification of compliance  
26 with this requirement, as provided in **Exhibit G**, "Contractor Debarment  
27 Certification Form", which is attached hereto and incorporated herein by this  
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1 reference.

2 BORROWER agrees to submit the following documentation to COUNTY, 180 days from  
3 close of escrow:

- 4 1) Service Plan; and
- 5 2) Management Plan.

6 5. DISTRIBUTION OF FUNDS. COUNTY'S Board of Supervisors shall determine  
7 the final disbursement and distribution of all ARPA funds received by COUNTY under ARPA.  
8 Disbursement of the ARPA Loan funds shall occur upon the satisfaction of conditions set forth  
9 in **Section 11**. COUNTY shall pay BORROWER in the form of funding draw requests with  
10 supporting documents which specifically state how such funds will be expended. COUNTY shall  
11 promptly review the funding draw request and supporting documentation, but in no event later  
12 than thirty (30) days. COUNTY may require additional information from BORROWER as may  
13 be necessary and appropriate for COUNTY to make its determination as to allowable costs.  
14 COUNTY shall deposit the sum specified in the funding draw requests into BORROWER'S  
15 bank account upon receipt of wire instructions.

16 12. TERMS OF AFFORDABILITY. The ARPA-Assisted Units at the Project shall  
17 remain occupied and available to Qualified Populations, pursuant to **Section 18** below, **Exhibit**  
18 **A**, and the Covenant Agreement attached hereto as **Exhibit E**, until the later of (i) fifty-five (55)  
19 years from the recordation of the Notice of Completion in the Official Records, or (ii) December  
20 1, 2079 ("Affordability Period").

21 13. INSURANCE. Without limiting or diminishing BORROWER'S obligation to  
22 indemnify or hold COUNTY harmless, BORROWER or its general contractor for the Project  
23 ("General Contractor"), shall procure and maintain or cause to be maintained, at its sole cost and  
24 expense, the following insurance coverages during the Term of this Agreement.

- 25 a. Builder's All Risk (Course of Construction) Insurance. BORROWER shall  
26 cause General Contractor to provide a policy of Builder's All Risk (Course of  
27 Construction) insurance coverage including (if the work is located in an  
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1 earthquake or flood zone or if required on financed or bond financing  
2 arrangements) coverage for earthquake and flood, covering the COUNTY,  
3 BORROWER, General Contractor and every subcontractor, of every tier, for  
4 the entire Project, including property to be used in the construction of the work  
5 while such property is at off-site storage locations or while in transit or  
6 temporary off-site storage. Such policy shall include, but not be limited to,  
7 coverage for fire, collapse, faulty workmanship, debris removal, expediting  
8 expense, fire department service charges, valuable papers and records, trees,  
9 grass, shrubbery and plants. If scaffolding, false work and temporary buildings  
10 are insured separately by the General Contractor or others, evidence of such  
11 separate coverage shall be provided to COUNTY prior to the start of the work.  
12 Such policy shall be written on a completed value form. Such policy shall also  
13 provide coverage for temporary structures (on-site offices, etc.), fixtures,  
14 machinery and equipment being installed as part of the work. BORROWER  
15 shall require that General Contractor shall be responsible for any and all  
16 deductibles under such policy. Upon request by COUNTY, BORROWER ,  
17 on behalf of General Contractor, shall declare all terms, conditions, coverages  
18 and limits of such policy. If the COUNTY so provides, in its sole discretion,  
19 the All Risk (Course of Construction) insurance for the Project, then  
20 BORROWER shall cause the General Contractor to assume the cost of any and  
21 all applicable policy deductibles (currently, \$50,000 per occurrence) and shall  
22 insure its own machinery, equipment, tools, etc. from any loss of any nature  
23 whatsoever.

- 24 b. Workers' Compensation Insurance. If BORROWER or General Contractor  
25 have employees as defined by the State of California, BORROWER or General  
26 Contractor, as applicable, shall maintain statutory Workers' Compensation  
27 Insurance (Coverage A) as prescribed by the laws of the State of California.  
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1 Policy shall include Employers' Liability (Coverage B) including  
2 Occupational Disease with limits not less than \$1,000,000 per person per  
3 accident. The policy shall be endorsed to waive subrogation in favor of The  
4 County of Riverside.

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

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

3 e. General Insurance Provisions – All Lines.

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

10 (ii) BORROWER, or Borrower on behalf of General Contractor, must  
11 declare its insurance self-insured retentions. If such self-insured  
12 retentions exceed \$500,000 per occurrence such retentions shall have  
13 the prior written consent of COUNTY Risk Manager before the  
14 commencement of operations under this Agreement. Upon notification  
15 of self-insured retention unacceptable to COUNTY, and at the election  
16 of COUNTY's Risk Manager, BORROWER's or General  
17 Contractor's, as applicable, carriers shall either: (a) reduce or eliminate  
18 such self-insured retention as respects this Agreement with COUNTY,  
19 or (b) procure a bond which guarantees payment of losses and related  
20 investigations, claims administration, and defense costs and expenses.

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

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

22 (v) If, during the term of this Agreement or any extension thereof, there is  
23 a material change in the scope of services; or, there is a material change  
24 in the equipment to be used in the performance of the scope of work  
25 which will add additional exposures (such as the use of aircraft,  
26 watercraft, cranes, etc.); or, the term of this Agreement, including any  
27 extensions thereof, exceeds five (5) years, COUNTY reserves the right  
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1 to adjust the types of insurance required under this Agreement and the  
2 monetary limits of liability for the insurance coverages currently  
3 required herein, if; in COUNTY Risk Manager's reasonable judgment,  
4 the amount or type of insurance carried by BORROWER has become  
5 inadequate.

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

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

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

13 16. FINANCIAL AND PROJECT RECORDS. BORROWER shall maintain financial,  
14 programmatic, statistical, and other supporting records of its operations and financial activities  
15 sufficient to establish compliance with subsection 601(d) of the Social Security Act, as amended,  
16 (42 U.S.C. 801(d)), in accordance with the requirements of the Act, the ARPA Rules, and the  
17 regulations as amended and promulgated thereunder, which records shall be open to inspection  
18 and audit by authorized representatives of COUNTY, the California Department of Finance, and  
19 the United States Department of the Treasury Office of Inspector General, during regular working  
20 hours. COUNTY, state, and federal representatives have the right of access, with at least forty-  
21 eight (48) hours prior notice, to any pertinent books, documents, papers, or other records of  
22 BORROWER, in order to make audits, examinations, excerpts, and transcripts. Said records shall  
23 be retained for such time as may be required by the ARPA, but in no event no less than five (5)  
24 years after the Project completion date as evidenced by recordation of the Notice of Completion,  
25 or after final payment is made, whichever is later, to support reported expenditures and to  
26 participate in COUNTY, state, and federal audits; except that records of individual tenant income  
27 verifications, Project rents, and Project inspections must be retained for the most recent five (5)  
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1 year period, until five (5) years after the Affordability Period terminates. If any litigation, claim,  
2 negotiation, audit, or other action has been started before the expiration of the regular period  
3 specified, the records must be retained until completion of the action and resolution of all issues  
4 which arise from it, or until the end of the regular period, whichever is later.

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

- 10 a. Compliance with Executive Order 11246 of September 24, 1965, entitled  
11 "Equal Employment Opportunity", as amended by Executive Order 11375 of  
12 October 13, 1967, and as supplemented in Department of Labor Regulations  
13 (41 CFR Part 60). The BORROWER will not discriminate against any  
14 employee or applicant for employment because of race, color, religion, sex, or  
15 national origin. BORROWER shall ensure that all qualified applicants will  
16 receive consideration for employment without regard to race, color, religion,  
17 sex or national origin. The BORROWER will take affirmative action to ensure  
18 that applicants are employed and the employees are treated during employment,  
19 without regard to their race color, religion, sex, or national origin. Such actions  
20 shall include, but are not limited to, the following: employment, up-grading,  
21 demotion, or transfer; recruitment or recruitment advertising; rates of pay or  
22 other forms of compensation; and selection for training, including  
23 apprenticeship. The BORROWER agrees to post in a conspicuous place,  
24 available to employees and applicants for employment, notices to be provided  
25 by the County setting forth the provisions of this non-discrimination clause;
- 26 b. Executive Order 11063, as amended by Executive Order 12259, and  
27 implementing regulations at 24 CFR Part 107;
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- 1 c. Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended,  
2 and implementing regulations;
- 3 d. The Age Discrimination Act of 1975 (Pub. L. 94-135), as amended, and  
4 implementing regulations;
- 5 e. The regulations, policies, guidelines and requirements of the Uniform  
6 Administrative Requirements, Cost Principles, and Audit Requirements for  
7 Federal Awards (2 CFR Part 200) as they relate to the acceptance and use of  
8 federal funds under the federally-assigned program;
- 9 f. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352) and implementing  
10 regulations issued at 24 CFR Part 1;
- 11 g. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284) as amended;
- 12 h. *Rights to Data and Copyrights*: Contractors and consultants agree to comply  
13 with all applicable provisions pertaining to the use of data and copyrights  
14 pursuant to 48 CFR Part 27.404-3, Federal Acquisition Regulations (FAR).
- 15 i. *Air Pollution Prevention and Control* (formally known as the *Clean Air Act*)  
16 (42 U.S.C.A. 7401 et seq.) and the *Federal Water Pollution Control Act* (33  
17 U.S.C.A. Section 1251 et seq.), as amended: Contracts and subgrants of  
18 amounts in excess of \$100,000 shall contain a provision that requires the  
19 recipient to agree to comply with all applicable standards, orders or regulations  
20 issued pursuant to the *Clean Air Act* (42 U.S.C.A. 7401 et seq.) and the *Federal*  
21 *Water Pollution Control Act* as amended (33 U.S.C.A. Section 1251 et seq.).  
22 Violations shall be reported to the Federal awarding agency and the Regional  
23 Office of the Environmental Protection Agency (EPA).
- 24 j. *Anti-Lobbying Certification* (31 U.S.C.A. 1352): The language of the  
25 certification set forth below shall be required in all contracts or subcontracts  
26 entered into in connection with this loan activity and all BORROWERS shall  
27 certify and disclose accordingly. This certification is a material representation  
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1 of fact upon which reliance was placed when this transaction was made or  
2 entered into. Submission of this certification is a prerequisite for making or  
3 entering into this transaction imposed by. Section 1352, Title 31, U.S. code.  
4 Any person who fails to file the required certification shall be subject to a civil  
5 penalty of not less than \$10,000 and no more than \$100,000 for such failure.

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

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

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

5 1. *Drug-Free Workplace Requirements:* The Anti-Drug Abuse Act of 1988 (41  
6 U.S.C.A. Section 8101-8103) requires grantees (including individuals) of  
7 federal agencies, as a prior condition of being awarded a grant, to certify that  
8 they will provide drug-free workplaces. Each potential recipient must certify  
9 that it will comply with drug-free workplace requirements in accordance with  
10 the Act and with HUD's rules at 2 CFR Part 2424.

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

- 1 n. *Federal Employee Benefit Clause*: No member of or delegate to the Congress  
2 of the United States, and no Resident Commissioner shall be admitted to any  
3 share or part of this Agreement or to any benefit to arise from the same.
- 4 o. *Energy Efficiency*: Mandatory standards and policies relating to energy  
5 efficiency which are contained in the State energy conservation plan issued in  
6 compliance with the Energy Policy and Conservation Act (Pub. L. 94 - 163,  
7 Dec. 22, 1975; 42 U.S.C.A. Section 6201, et. seq., 89 Stat.871).
- 8 p. *Procurement of Recovered Materials (2 CFR 200.322.)*: A non-Federal entity  
9 that is a state agency or agency of a political subdivision of a state and its  
10 contractors must comply with 42 U.S.C. Section 6002 of the Solid Waste  
11 Disposal Act, as amended by the Resource Conservation and Recovery Act.  
12 The requirements of Section 6002 include procuring only items designated in  
13 guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247  
14 that contain the highest percentage of recovered materials practicable,  
15 consistent with maintaining a satisfactory level of competition, where the  
16 purchase price of the item exceeds \$10,000 or the value of the quantity acquired  
17 by the preceding fiscal year exceeded \$10,000; procuring solid waste  
18 management services in a manner that maximizes energy and resource  
19 recovery; and establishing an affirmative procurement program for  
20 procurement of recovered materials identified in the EPA guidelines. The  
21 requirements of 2 CFR 200.322, as amended effective November 12, 2020, are  
22 hereby included in this Agreement as appropriate and to the extent consistent  
23 with law.
- 24 q. Other Federal requirements and nondiscrimination. As set forth in 24 CFR part  
25 5, sub part A, BORROWER is required to include the following requirements:  
26 nondiscrimination and equal opportunity under Section 282 of the Act;  
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1 disclosure; debarred, suspended, or ineligible contractors; and drug-free  
2 workplace.

3 r. Affirmative marketing and minority outreach program. BORROWER must  
4 adopt affirmative marketing procedures and requirements. These must include:

5 (i) Methods for informing the public, owners, and potential tenants about  
6 Federal fair housing laws and the affirmative marketing policy (e.g.,  
7 the use of the Equal Housing Opportunity logotype or slogan in press  
8 releases and solicitations for owners, and written communication to fair  
9 housing and other groups).

10 (ii) Requirements and practices that BORROWER must adhere to in order  
11 to carry out the affirmative marketing procedures and requirements  
12 (e.g., use of commercial media, use of community contacts, use of the  
13 Equal Housing Opportunity logotype or slogan, and display of fair  
14 housing poster).

15 (iii) Procedures to be used by BORROWER to inform and solicit  
16 applications from persons in the housing market area who are not likely  
17 to apply without special outreach (e.g., use of community  
18 organizations, employment centers, fair housing groups, or housing  
19 counseling agencies).

20 (iv) Records that will be kept describing actions taken by BORROWER to  
21 affirmatively market units and records to assess the results of these  
22 actions.

23 (v) A description of how BORROWER will annually assess the success of  
24 affirmative marketing actions and what corrective actions will be taken  
25 where affirmative marketing requirements are not met.

26 (vi) BORROWER must prescribe procedures to establish and oversee a  
27 minority outreach program to ensure the inclusion, to the maximum  
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1 extent possible, of minorities and women, and entities owned by  
2 minorities and women, including, without limitation, real estate firms,  
3 construction firms, appraisal firms, management firms, financial  
4 institutions, investment banking firms, underwriters, accountants, and  
5 providers of legal services, in all contracts entered into by  
6 BORROWER with such persons or entities, public and private, in order  
7 to facilitate the activities of COUNTY to provide affordable housing  
8 authorized under this Act or any other Federal housing law. Section 24  
9 CFR 85.36(e) provided affirmative steps to assure that minority-owned  
10 businesses and women-owned businesses are used when possible in the  
11 procurement of property and services. The steps include:

- 12 (1) Placing qualified small and minority-owned businesses and  
13 women-owned businesses on solicitation lists.
- 14 (2) Assuring that small and minority-owned businesses, and  
15 women-owned businesses are solicited whenever they are  
16 potential sources.
- 17 (3) Dividing total requirements, when economically feasible, into  
18 smaller tasks or quantities to permit maximum participation by  
19 small and minority-owned business, and women-owned  
20 businesses.
- 21 (4) Establishing delivery schedules, where the requirement  
22 permits, which encourage participation by small and minority-  
23 owned business, and women-owned businesses.
- 24 (5) Using the services and assistance of the Small Business  
25 Administration, and the Minority Business Development  
26 Agency of the Department of Commerce.

1 (6) Requiring the prime contractor, if subcontracts are to be let, to  
2 take the affirmative steps listed in (1) through (5) above of this  
3 section.

4 s. Displacement, relocation, and acquisition. The relocation requirements of  
5 Title II and the acquisition requirements of Title III of the Uniform Relocation  
6 Assistance and Real Property Acquisition Policies Act of 1970, and the  
7 implementing regulations at 24 CFR Part 42. BORROWER must ensure that  
8 it has taken all reasonable steps to minimize the displacement of persons as a  
9 result of this Project.

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

15 u. Labor. Every contract for the construction of housing that includes twelve (12)  
16 or more units assisted with ARPA funds must contain a provision requiring the  
17 payment of not less than the wages prevailing in the locality, as predetermined  
18 by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-  
19 276a-5), to all laborers and mechanics employed in the development of any  
20 part of the housing. Such contracts must also be subject to the overtime  
21 provisions, as applicable, of the Contract Work Hours and Safety Standards  
22 Act (40 U.S.C. 327-332). BORROWER must apply most current wage rate  
23 determination at the date of execution of this Agreement.

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

25 w. Consultant Activities. No person providing consultant services in an employer-  
26 employee type relationship shall receive more than a reasonable rate of  
27 compensation for personal services paid with ARPA funds.  
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- 1 x. Uniform Administrative Requirements of 2 CFR Part 200 as now in effect and  
2 as may be amended from time to time. Federal awards expended as a recipient  
3 or a Borrower, as defined therein, would be subject to single audit. The  
4 payments received for goods or services provided as a vendor would not be  
5 considered Federal awards.
- 6 y. BORROWER shall include written agreements that include all provisions of  
7 **Section 17** if BORROWER provides ARPA funds to for-profit owners or  
8 developers, non-profit owners or developers, sub-recipients, homeowners,  
9 homebuyers, tenants receiving tenant-based rental assistance, or contractors.
- 10 z. Immigration requirements of Federal Register, Vol. 62, No. 221, Department  
11 of Justice Interim Guidance on Verification of Citizenship, Qualified Alien  
12 Status and Eligibility Under Title IV of the Personal Responsibility and Work  
13 Opportunity Reconciliation Act of 1996 (“PRWORA”). Final Attorney  
14 General’s Order issued pursuant to PRWORA is specified under Federal  
15 Register Vol. 66, No. 10, Department of Justice Final Specification of  
16 Community Programs Necessary for Protection of Life or Safety Under Welfare  
17 Reform Legislation.
- 18 aa. BORROWER shall comply with all applicable local, state and federal laws in  
19 addition to the above-mentioned laws, including the ARPA Rules.

20 18. PROJECT REQUIREMENTS. The Borrower shall make the Project accessible to  
21 seniors aged 62 and older, of which a total of forty (40) rental units will be reserved as ARPA-  
22 assisted units to assist seniors experiencing homelessness or who are at risk of homelessness, of  
23 which 19 of those units will be restricted to seniors with incomes that do not exceed 60% of the  
24 area median income; eight (8) will be restricted for seniors whose incomes do not exceed 40% of  
25 the area median income, and thirteen (13) will be restricted to seniors with incomes not exceeding  
26 30% of the area median income for Riverside County. These groups will be referred to as the  
27 (“Qualified Populations”).

1 If BORROWER intends to use the Project for a use other than to provide shelter and  
2 services to the Qualified Populations, BORROWER shall utilize the Property for another  
3 ARPA-Eligible Activity. BORROWER shall provide COUNTY with sixty (60) days' notice of  
4 conversion for another ARPA-Eligible Activity. The approval of the alternate ARPA- Eligible  
5 Activity shall not be unreasonably withheld by COUNTY. If the Project is not used to provide  
6 shelter and services to the Qualified Populations and BORROWER does not intend to use the  
7 Property for another ARPA-Eligible Activity, then COUNTY and BORROWER mutually agree  
8 that any ARPA Loan funds drawn shall be returned within thirty (30) calendar days. Upon such  
9 termination, this Agreement shall become null and void. COUNTY and BORROWER shall be  
10 released and discharged respectively from their obligations under this Agreement. All cost  
11 incurred by each party on the Project will be assumed respectively.

12 18. INTENTIONALLY OMITTED

13 19. INTENTIONALLY OMITTED.

14 20. FEDERAL REQUIREMENTS. BORROWER shall comply with the provisions of  
15 the ARPA Act, ARPA Rules, and any amendments thereto and all applicable federal regulations  
16 and guidelines now or hereafter enacted pursuant to the Act in addition to the federal provisions  
17 attached hereto as **Exhibit H**.

18 21. SALE, ASSIGNMENT OR OTHER TRANSFER OF THE PROJECT.  
19 BORROWER hereby covenants and agrees not to sell, assign, transfer or otherwise dispose of  
20 the Project or any portion thereof, without obtaining the prior written consent of the COUNTY,  
21 which consent shall be conditioned solely upon receipt by the COUNTY of reasonable evidence  
22 satisfactory to the COUNTY in its reasonable discretion that the transfer of the Project complies  
23 with ARPA Rules and qualifies as an ARPA-Eligible Activity, that transferee has assumed in  
24 writing and in full, and is reasonably capable of performing and complying with the  
25 BORROWER's duties and obligations under this Agreement, provided, however Borrower shall  
26 not be released of all obligations hereunder which accrue from and after the date of such sale  
27 unless agreed to in a writing signed by COUNTY. Notwithstanding anything to the contrary  
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1 contained herein, upon written notice to COUNTY, BORROWER may (i) lease for occupancy of  
2 all or any of the ARPA-Assisted Units in accordance with this Agreement; (ii) grant easements  
3 or permits to facilitate the development of the Property in accordance with this Agreement; (iii)  
4 transfer the BORROWER'S limited partners' interest in the BORROWER; (iv) removed and  
5 replace the BORROWER'S general partner(s) for cause in accordance with BORROWER'S  
6 agreement of limited partnership; (v) make transfers pursuant to that certain Purchase Option and  
7 Right of First Refusal Agreement (collectively a "Permitted Transfer"). All Permitted Transfers  
8 shall be subject to reasonable review of documentation by the COUNTY. The parties hereto  
9 acknowledge that "Affiliate" for the purposes of this section means, as to any Person (as defined  
10 below), any general partnership, limited partnership, corporation joint venture, trust, business  
11 trust, cooperative, association, limited liability company or individual (collectively, a "Person")  
12 that (A) directly or indirectly controls or is controlled by (such as any partnership or limited  
13 liability company in which the Person, directly or indirectly, serves as a general partners or  
14 managing member, respectively) or is under common control with the specified Person; (B) is an  
15 officer or director of, commissioner of, partner in, member of or trustee of, or serves in a similar  
16 capacity with respect to, the specified Person or of which the specified Person is an officer,  
17 director, member, partner or trustee, or with respect to which the specified Person serves in a  
18 similar capacity; or (C) is the beneficial owner, directly or indirectly, of 10% or more of any class  
19 of equity securities of the specified Person or of which the specified Person is directly or indirectly  
20 the owner of 10% or more or any class of equity securities. The term "control" (including the  
21 term "controlled by") and "under common control with") means the possession, direct or indirect,  
22 of the power to direct or cause the direction of the management and policies of a Person, whether  
23 through the voting securities, by contract or otherwise.

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

1           23.    NONDISCRIMINATION. Borrower shall abide by 24 CFR 570.602 which  
2 requires that no person in the United States shall on the grounds of race, color, national origin,  
3 religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to  
4 discrimination under any program or activity receiving Federal financial assistance made  
5 available pursuant to the Act. Under the Act, Section 109 directs that the prohibitions against  
6 discrimination of the basis of age under the Age Discrimination Act and the prohibitions against  
7 discrimination of the basis of disability under Section 504 shall apply to programs or activities  
8 receiving Federal financial assistance under Title I programs. The policies and procedures  
9 necessary to ensure enforcement of Section 109 are codified in 24 CFR Part 6. In addition,  
10 BORROWER shall not discriminate on the basis of race, gender, religion, national origin,  
11 ethnicity, sexual orientation, age or disability in the solicitation, selection, hiring or treatment of  
12 any contractors or consultants, to participate in subcontracting/subconsulting opportunities.  
13 BORROWER understands and agrees that violation of this clause shall be considered a material  
14 breach of this Agreement and may result in termination, debarment or other sanctions. This  
15 language shall be incorporated into all contracts between BORROWER and any contractor,  
16 consultant, subcontractor, subconsultants, vendors and suppliers. BORROWER shall comply  
17 with the provisions of the California Fair Employment and Housing Act (Government Code  
18 Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended, and all  
19 Administrative Rules and Regulations issued pursuant to said Acts and Orders with respect to its  
20 use of the Property.

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

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

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

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

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

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

26 24. PROHIBITION AGAINST CONFLICTS OF INTEREST:

- 27 a. BORROWER and its assigns, employees, agents, consultants, officers and  
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1 elected and appointed officials shall become familiar with and shall comply  
2 with the conflict of interest provisions in 2 CFR Part 200 and Policy Manual  
3 #A-11, attached hereto as **Exhibit D** and by this reference incorporated herein,  
4 to the extent such provisions apply to a non-Federal borrower of a loan of  
5 federal funds.

6 b. BORROWER understands and agrees that no waiver or exception can be  
7 granted to the prohibition against conflict of interest. Any request by  
8 BORROWER for an exception shall be reviewed by COUNTY to determine  
9 whether such request is appropriate.

10 c. Prior to any funding under this Agreement, BORROWER shall provide  
11 COUNTY with a list of all employees, agents, consultants, officers and elected  
12 and appointed officials who are in a position to participate in a decision-making  
13 process, exercise any functions or responsibilities, or gain inside information  
14 with respect to the ARPA activities funded under this Agreement.  
15 BORROWER shall also promptly disclose to COUNTY any potential conflict,  
16 including even the appearance of conflict that may arise with respect to the  
17 ARPA activities funded under this Agreement.

18 d. Any violation of this section shall be deemed a material breach of this  
19 Agreement, and the Agreement shall be immediately terminated by COUNTY.

20 25. INTENTIONALLY OMITTED.

21 26. PROJECT MONITORING AND EVALUATION.

22 a. Inspections. During the Affordability Period, COUNTY will perform on-site  
23 inspections of the Project to determine compliance with the property standards  
24 and to verify the information submitted by the owners in accordance with  
25 requirements. The on-site inspections must occur within 12 months after  
26 Covenant Agreement and at least once every 3 years thereafter during the  
27 Affordability Period. If there are observed deficiencies for any of the  
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1 inspectable items in the property standards established by COUNTY, a follow-  
2 up on-site inspection to verify that deficiencies are corrected must occur within  
3 12 months. COUNTY may establish a list of non-hazardous deficiencies for  
4 which correction can be verified by third party documentation (e.g., paid  
5 invoice for work order) rather than re-inspection. Health and safety deficiencies  
6 must be corrected immediately. COUNTY must adopt a more frequent  
7 inspection schedule for properties that have been found to have health and  
8 safety deficiencies.

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

11 28. ACCESS TO PROJECT SITE. COUNTY, state and/or federal awarding agencies  
12 shall have the right to access the Project site and the Property during normal business hours, and  
13 upon completion of the Project during normal business hours upon 48 hours written notice to  
14 BORROWER, to review the operation of the Project in accordance with this Agreement, subject  
15 to the rights of tenants.

16 29. EVENTS OF DEFAULT. The occurrence of any of the following events shall  
17 constitute an "Event of Default" under this Agreement:

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

- 1           b. Non-Monetary Default.     (1) Discrimination by BORROWER or  
2           BORROWER's agent(s) on the basis of characteristics prohibited by this  
3           Agreement or applicable law; (2) the imposition of any encumbrances or liens  
4           on the Project without COUNTY's prior written approval that are prohibited  
5           under this Agreement or that have the effect of reducing the priority or  
6           invalidating the lien of the ARPA Leasehold Deed of Trust; (3) BORROWER's  
7           failure to obtain and maintain the insurance coverage required under this  
8           Agreement; (4) any material default under this Agreement, the ARPA Loan  
9           Leasehold Deed of Trust, Covenant Agreement, ARPA Note or any document  
10          executed by the County in connection with this Agreement, and /or (5) a default  
11          under the terms of any senior loan documents or any other instrument or  
12          document secured against the Property or the Project;
- 13          c. General Performance of Loan Obligations. Any substantial or continuous or  
14          repeated breach by BORROWER or BORROWER's agents of any material  
15          obligations of BORROWER under this Agreement;
- 16          d. General Performance of Other Obligations. Any substantial or continuous or  
17          repeated breach by BORROWER or BORROWER's agents of any material  
18          obligations of BORROWER related to the Project imposed by any other  
19          agreement with respect to the financing, development, or operation of the  
20          Project; whether or not COUNTY is a party to such agreement; but only  
21          following any applicable notice and cure periods with respect to any such  
22          obligation;
- 23          e. Representations and Warranties. A determination by COUNTY that any of  
24          BORROWER's representations or warranties made in this Agreement, any  
25          statements made to COUNTY by BORROWER, or any certificates, documents,  
26          or schedules supplied to COUNTY by BORROWER were false in any material  
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1 respect when made, or that BORROWER concealed or failed to disclose a  
2 material fact to COUNTY.

3 f. Damage to Project. In the event that the Project is materially damaged or  
4 destroyed by fire or other casualty, and BORROWER receives an award or  
5 insurance proceeds sufficient for the repair or reconstruction of the Project, and  
6 BORROWER does not use such award or proceeds to repair or reconstruct the  
7 Project.

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

18 30. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. Formal notices,  
19 demands and communications between the COUNTY and the BORROWER shall be  
20 sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt  
21 requested, to the principal offices of the COUNTY and the BORROWER, as designated in  
22 **Section 53**, below. Such written notices, demands and communications may be sent in the same  
23 manner to such other addresses as either party may from time to time designate by mail as  
24 provided in this **Section 31**. Any notice that is transmitted by electronic facsimile transmission  
25 followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission; any  
26 notice that is personally delivered (including by means of professional messenger service,  
27 courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service),  
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1 shall be deemed received on the documented date of receipt by the recipient; and any notice that  
2 is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed  
3 received on the date of delivery thereof.

- 4 a. Subject to the Force Majeure Delay, as provided in **Section 9**, failure or delay  
5 by BORROWER to perform any term or provision of this Agreement after  
6 notice and an opportunity to cure constitutes a default under this Agreement.  
7 BORROWER must immediately commence to cure, correct or remedy such  
8 failure or delay and shall complete such cure, correction or remedy with  
9 reasonable diligence.
- 10 b. COUNTY shall give written notice of default to BORROWER, specifying the  
11 default complained of by COUNTY. Failure or delay in giving such notice  
12 shall not constitute a waiver of any default, nor shall it change the time of  
13 default. Except as otherwise expressly provided in this Agreement, any failures  
14 or delays by COUNTY in asserting any of its rights and remedies as to any  
15 default shall not operate as a waiver of any default or of any such rights or  
16 remedies. Delays by COUNTY in asserting any of its rights and remedies shall  
17 not deprive COUNTY of its right to institute and maintain any actions or  
18 proceedings which it may deem necessary to protect, assert or enforce any such  
19 rights or remedies.
- 20 c. If a monetary event of default occurs, prior to exercising any remedies  
21 hereunder, COUNTY shall give BORROWER written notice of such default.  
22 BORROWER shall have a period of thirty (30) days after such notice is given  
23 within which to cure the default prior to exercise of remedies by COUNTY.
- 24 d. If a non-monetary event of default occurs, prior to exercising any remedies  
25 hereunder, COUNTY shall give BORROWER written notice of such default.  
26 If the default is reasonably capable of being cured within thirty (30) days,  
27 BORROWER shall have such period to effect a cure prior to exercise of  
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1 remedies by COUNTY. If the default is such that it is not reasonably capable  
2 of being cured within thirty (30) days, and BORROWER (i) initiates corrective  
3 action within said period, and (ii) diligently, continually, and in good faith  
4 works to effect a cure as soon as possible, then BORROWER shall have such  
5 additional time as is reasonably necessary to cure the default prior to exercise  
6 of any remedies by the injured party, but in no event no more than sixty (60)  
7 days from the date of the notice of default. In no event shall COUNTY be  
8 precluded from exercising remedies if its security becomes or is about to  
9 become materially jeopardized by any failure to cure a default or the default is  
10 not cured within sixty (60) days after the first notice of default is given.

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

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

- 18 a. Terminate this Agreement, in which event the entire ARPA Loan amount as  
19 well as any other monies advanced to BORROWER by COUNTY under this  
20 Agreement including administrative costs, shall immediately become due and  
21 payable to COUNTY at the option of COUNTY.
- 22 b. Bring an action in equitable relief (1) seeking the specific performance by  
23 BORROWER of the terms and conditions of this Agreement, and/or (2)  
24 enjoining, abating, or preventing any violation of said terms and conditions,  
25 and/or (3) seeking declaratory relief.
- 26 c. Accelerate the ARPA Loan and demand immediate full payment of the  
27 principal payment outstanding and all accrued interest under the ARPA Note,  
28

1 as well as any other monies advanced to BORROWER by COUNTY under this  
2 Agreement.

3 d. Enter the Project and take any remedial actions necessary in its judgment with  
4 respect to hazardous materials that COUNTY deems necessary to comply with  
5 hazardous materials laws or to render the Project suitable for occupancy, which  
6 costs shall be due and payable by BORROWER to COUNTY.

7 e. Enter upon, take possession of, and manage the Project, either in person, by  
8 agent, or by a receiver appointed by a court, and collect rents and other amounts  
9 specified in the assignment of rents in the Leasehold Deed of Trust and apply  
10 them to operate the Project or to pay off the ARPA Loan or any advances made  
11 under this Agreement, as provided for by the ARPA Leasehold Deed of Trust.

12 f. Pursue any other remedies allowed at law or in equity.

13 32. RESERVED.

14 33. BORROWER'S WARRANTIES. BORROWER represents and warrants (1) that  
15 it has access to professional advice and support to the extent necessary to enable BORROWER  
16 to fully comply with the terms of this Agreement, and to otherwise carry out the Project, (2)  
17 that it is duly organized, validly existing and in good standing under the laws of the State of  
18 California, (3) that it has the full power and authority to undertake the Project and to execute  
19 this Agreement, (4) that the persons executing and delivering this Agreement are authorized to  
20 execute and deliver such documents on behalf of BORROWER and (5) that neither  
21 BORROWER nor any of its principals is presently debarred, suspended, proposed for  
22 debarment, declared ineligible, or voluntarily excluded from participation in connection with  
23 the transaction contemplated by this Agreement.

24 34. BORROWER'S CERTIFICATION. BORROWER certifies, to the best of its  
25 knowledge and belief, that:

26 a. No federally appropriated funds have been paid or will be paid, by or on behalf  
27 of the undersigned, to any person for influencing or attempting to influence an  
28

1 officer or employee of any agency, a member of Congress, an officer or  
2 employee of Congress, or an employee of a member of Congress in connection  
3 with the awarding of any federal contract, the making of any federal grant, the  
4 making of any federal loan, the entering into of any cooperative agreement, and  
5 the extension, continuation, review, amendment, or modification of any federal  
6 contract, grant, loan, or cooperative agreement.

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

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

20 35. HOLD HARMLESS AND INDEMNIFICATION. BORROWER shall indemnify  
21 and hold harmless the County of Riverside, its Agencies, Boards, Districts, Special Districts and  
22 Departments, their respective directors, officers, Board of Supervisors, Board of Commissioners,  
23 elected and appointed officials, employees, agents and representatives (collectively the  
24 "Indemnified Parties") from any liability whatsoever, based or asserted upon any services of  
25 BORROWER, its officers, employees, subcontractors, agents or representatives arising out of  
26 their performance under this Agreement, including but not limited to property damage, bodily  
27 injury, or death or any other element of any kind or nature whatsoever arising from the  
28



1 performance of BORROWER, its officers, agents, employees, subcontractors, agents or  
2 representatives under this Agreement, except in the event of the gross negligence or willful  
3 misconduct of the Indemnified Parties; provided however, any gross negligence or willful  
4 misconduct of Indemnified Parties will only affect the duty to indemnify for the specific act found  
5 to be gross negligence or willful misconduct, and will not preclude a duty to indemnify for any  
6 act or omission of BORROWER. BORROWER shall defend, at its sole expense (including all  
7 costs and fees including, but not limited, to attorney fees, cost of investigation, defense and  
8 settlements or awards), the County of Riverside, its Agencies, Districts, Special Districts and  
9 Departments, their respective directors, officers, Board of Supervisors, Board of Commissioners,  
10 elected and appointed officials, employees, agents and representatives in any claim or action  
11 based upon such alleged acts or omissions.

12 With respect to any action or claim subject to indemnification herein by BORROWER,  
13 BORROWER shall, at their sole cost, have the right to use counsel of their own choice and shall  
14 have the right to adjust, settle, or compromise any such action or claim without the prior consent  
15 of COUNTY; provided, however, that any such adjustment, settlement or compromise in no  
16 manner whatsoever limits or circumscribes BORROWER'S indemnification to COUNTY as set  
17 forth herein.

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

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

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

27 BORROWER's obligations set forth in this **Section 36** shall survive the expiration or  
28

1 earlier termination of this Agreement.

2 36. TERMINATION.

3 a. BORROWER. BORROWER may terminate this Agreement prior to  
4 disbursement of any ARPA Loan funds by COUNTY in accordance with the  
5 applicable ARPA Act regulations.

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

10 (i) In the event BORROWER fails to perform the covenants herein  
11 contained at such times and in such manner as provided in this  
12 Agreement after the applicable notice and cure provision hereof; or

13 (ii) In the event there is a conflict with any federal, state or local law,  
14 ordinance, regulation or rule rendering any material provision, in the  
15 judgment of COUNTY of this Agreement invalid or untenable; or

16 (iii) In the event the ARPA funding identified in **Section 1** above is  
17 terminated or otherwise becomes unavailable.

18 c. This Agreement may be terminated or funding suspended in whole or in part  
19 for cause. Cause shall be based on the failure of BORROWER to materially  
20 comply with either the terms or conditions of this Agreement after the  
21 expiration of all applicable notice and cure provisions hereof. Upon suspension  
22 of funding, BORROWER agrees not to incur any costs related thereto, or  
23 connected with, any area of conflict from which COUNTY has determined that  
24 suspension of funds is necessary.

25 d. Upon expiration or earlier termination of this Agreement, BORROWER shall  
26 transfer to COUNTY any unexpended ARPA funds in its possession at the time  
27 of expiration of the Agreement as well as any accounts receivable held by  
28

1           BORROWER which are attributable to the use of ARPA funds awarded  
2           pursuant to this Agreement.

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

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

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

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

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

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

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

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

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

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

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

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

9 48. CONDITIONAL COMMITMENT.

- 10 a. Construction. BORROWER must demonstrate that it is working towards  
11 obtaining financing to construct the Project in accordance with the scheduled  
12 Completion Deadline.
- 13 b. Completion. The Project must be completed no later than two (2) years from  
14 the Effective Date of this Agreement (the "Completion Deadline"). If  
15 BORROWER is unable to meet the condition as required by this **Section 48**  
16 including any extension, then COUNTY and BORROWER mutually agree that  
17 this Agreement will self-terminate and any ARPA Loan funds disbursed to  
18 BORROWER to date shall be returned to COUNTY within thirty (30) calendar  
19 days of such termination. Upon such termination, this Agreement shall become  
20 null and void. COUNTY and BORROWER shall be released and discharged  
21 respectively from their obligations under this Agreement, except for those  
22 provisions which by their terms survive termination. All costs incurred by each  
23 party on the Project will be assumed respectively.

24 49. INTENTIONALLY OMITTED.

25 50. INTENTIONALLY OMITTED.

26 51. EXHIBITS AND ATTACHMENTS. Each of the attachments and exhibits  
27 attached hereto is incorporated herein by this reference.  
28

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

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

13           COUNTY  
14 Director HWS  
15 County of Riverside  
16 3403 10<sup>th</sup> Street, Suite 300  
17 Riverside, CA 92501

13           BORROWER  
14 c/o National Community Renaissance  
15 of California  
16 9692 Haven Avenue, Suite 100  
17 Rancho Cucamonga, CA 91730  
18 Attention: CEO/CFO

17           Email: [mruane@nationalcore.org](mailto:mruane@nationalcore.org)  
18                 [mfinn@nationalcore.org](mailto:mfinn@nationalcore.org)

19           and:

20           National Community Renaissance  
21 Of California  
22 9692 Haven Avenue, Suite 100  
23 Rancho Cucamonga, CA 91730  
24 Attention: General Counsel  
25 Email: [rdiaz@nationalcore.org](mailto:rdiaz@nationalcore.org)

24           With a copy to:

25           Klein Hornig LLP  
26 1325 G Street NW, Suite 770  
27 Washington, DC 20005  
28 Attn: Jed D'A'bravanel  
          Email: [jdabravanel@kleinhornig.com](mailto:jdabravanel@kleinhornig.com)

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

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

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

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

20 58. CONSTRUCTION AND INTERPRETATION OF AGREEMENT.

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

1 of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute  
2 regarding the interpretation of this Agreement, this Agreement shall not be  
3 interpreted or construed against the party preparing it, and instead other rules  
4 of interpretation and construction shall be utilized.

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

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

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

27 e. As used in this Agreement, and as the context may require, the singular includes  
28



1 the plural and vice versa, and the masculine gender includes the feminine and  
2 vice versa.

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

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

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

12 62. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.

- 13 a. This Agreement shall be executed in three duplicate originals each of which is  
14 deemed to be an original. This Agreement, including all attachments hereto  
15 and exhibits appended to such attachments shall constitute the entire  
16 understanding and agreement of the parties.
- 17 b. This Agreement integrates all of the terms and conditions mentioned herein or  
18 incidental hereto, and supersedes all negotiations or previous agreements  
19 between the parties with respect to all or any part of the Property.
- 20 c. All waivers of the provisions of this Agreement must be in writing and signed  
21 by the appropriate authorities of the COUNTY or the BORROWER, and all  
22 amendments hereto must be in writing and signed by the appropriate authorities  
23 of the COUNTY and the BORROWER. This Agreement and any provisions  
24 hereof may be amended by mutual written agreement by the BORROWER and  
25 the COUNTY.

26  
27 (SIGNATURES ON THE NEXT PAGE)

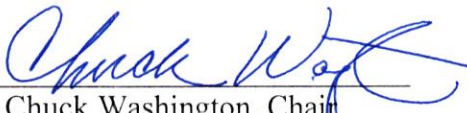
1  
2 IN WITNESS WHEREOF, COUNTY and BORROWER have executed this Agreement  
3 as of the dates written below.

4 COUNTY:

BORROWER:

5  
6 COUNTY OF RIVERSIDE, a political  
7 subdivision of the State of California


8 NCRC MURRIETA SENIOR HOUSING LP,  
9 a California limited partnership

10 By:   
11 Chuck Washington, Chair  
12 Board of Supervisors

13 By: NCRC Murrieta Senior MGP LLC, a  
14 California limited liability company,  
15 its General Partner

16 Date: 11/05/2024

17 By: National Community Renaissance of  
18 California, a California nonprofit public  
19 benefit corporation, its Manager

20 By:   
21 Michael Finn, Chief Financial Officer

22 **ATTEST:**  
23 **KIMBERLY A. RECTOR, Clerk**

24 By:   
25 **DEPUTY**

26 Date: 10/25/24

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

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

By:   
Amrit P. Dhillon  
Deputy County Counsel

NOV 05 2024 3.49

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

STATE OF CALIFORNIA

}  
§  
}

COUNTY OF RIVERSIDE

On November 05, 2024, before me, Naomi Sicra, a COB Assistant, personally appeared Chuck Washington, Chair of the Board of Supervisors, 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; and that a copy of this paper, document or instrument has been delivered to the chairperson.

I certify under the 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

Kimberly A. Rector  
Clerk of the Board of Supervisors

By:   
Deputy Clerk

(SEAL)

# California All-Purpose Acknowledgment

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

State of California }  
County of San Bernardino } s.s.

On October 28, 2024 before me, Monica Rodriguez, Notary Public  
Name of Notary Public, Title

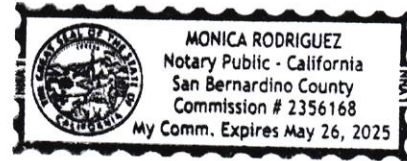
personally appeared Michael Finn  
Name of Signer (1)  
\_\_\_\_\_  
Name of Signer (2)

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person 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



Seal

## OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

### Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of \_\_\_\_\_

containing \_\_\_\_\_ pages, and dated \_\_\_\_\_.

The signer(s) capacity or authority is/are as:

- Individual(s)
- Attorney-in-fact
- Corporate Officer(s) \_\_\_\_\_  
Title(s)

- Guardian/Conservator
- Partner - Limited/General
- Trustee(s)
- Other: \_\_\_\_\_

representing: \_\_\_\_\_  
Name(s) of Person(s) Entity(ies) Signer is Representing

### Additional Information

#### Method of Signer Identification

Proved to me on the basis of satisfactory evidence:

- form(s) of identification  credible witness(es)

Notarial event is detailed in notary journal on:

Page # \_\_\_\_\_ Entry # \_\_\_\_\_

Notary contact: \_\_\_\_\_

Other

- Additional Signer  Signer(s) Thumbprints(s)

\_\_\_\_\_

**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”

**Borrower:** NCRC Murrieta Senior Housing LP, a California limited partnership  
**Address:** 24960 Adams Avenue, City of Murrieta, California  
**Project Title:** Oak View Ranch Senior Apartments (“Project”)  
**Location:** APN: 906-080-073

### Project Description:

BORROWER proposes to utilize \$7,000,000 in ARPA funds to pay a portion of the costs to develop and construct eighty-one (81) affordable rental units for seniors, consisting of eighty (80) units and one (1) unrestricted manager’s unit. Currently referred to as Oak View Ranch Senior Apartments (“OVR Senior” or “Project”). OVR Senior is expected to be constructed in one phase, which will be financed with 4% Low-Income Tax Credits (“LIHTC”). The 1.47-acre site of the project is located at 24960 Adams Avenue, in the City of Murrieta, County of Riverside, State of California, also identified as Assessor’s Parcel Number (“APN”) 906-080-073.

### Qualified Population:

Affordable senior low-income rental housing project for seniors, of whom at least 50% are experiencing homelessness or at risk of homelessness. A total of forty (40) units will be restricted as ARPA-Assisted units, of which 19 units will be restricted to households whose incomes do not exceed 60% of the area median income of the County of Riverside, 8 units will be restricted to households whose income do not exceed 40% AMI, and 13 units will be restricted to households whose income do not exceed 30% AMI.

72	One Bedroom	522 sq.ft.
9	Two Bedroom	751 sq.ft

**Legal Description of Property:**

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

PARCEL A:

PARCELS 3 OF PARCEL MAP NO. 38160, AS SHOWN BY MAP ON FILE IN BOOK 256, PAGES 47 THROUGH 50 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL B:

NON-EXCLUSIVE EASEMENTS FOR (I) INGRESS, EGRESS AND ACCESS AS DESCRIBED IN SECTION 1.1 OF THE DECLARATION OF RECIPROCAL EASEMENTS FOR ACCESS, UTILITIES AND USE FOR OAK VIEW RANCH, (II) UTILITIES AS DESCRIBED IN SECTION 1.3 OF THE DECLARATION, AND (III) DRAINAGE AS DESCRIBED IN SECTION 1.4 OF THE DECLARATION, SUBJECT TO THE TERMS AND PROVISIONS AS CONTAINED IN THE DECLARATION RECORDED MAY 17, 2023, AS INSTRUMENT NO. 2023-0141703 OF OFFICIAL RECORDS.

PORTION OF APN: 906-080-073

APN: 906-080-073

**Exhibit A-1**

**IMPLEMENTATION SCHEDULE**

<b>Milestone</b>	<b>Completion Date</b>
1. Construction Start Deadline	June 1, 2025
2. Completion of Project	February 1, 2027
3. Project Open to the Public	March 15, 2027



**Sources and Uses of Funds:**

Sources:

<b>Permanent Sources</b>	
Riverside County ARPA Grant	\$7,000,000
Permanent Loan	\$5,424,662
Permit and Plan Check Fee Waiver	\$526,400
City of Murrieta Housing Authority Loan	\$1,500,000
City of Murrieta Housing Authority Ground Lease	\$1,260,000
NCRC Sponsor Loan	\$1,000,000
Accrued and Deferred Soft loan Interest	\$228,844
Developer Fee Contribution	\$2,152,202
Deferred Developer Fee	\$1,028,834
General Partner	\$100
Tax Credit Equity	\$16,328,900
<b>Total</b>	<b>\$36,449,942</b>

# EXHIBIT “B”

## LEASEHOLD DEED OF TRUST

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. Alicia Jaimes

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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

This LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (“Leasehold Deed of Trust”) is made this \_\_\_\_\_ day of \_\_\_\_\_ 2024 by NCRC Murrieta Senior Housing LP, a California limited partnership (“Trustor”), whose address is 9692 Haven Avenue, Suite 100, Rancho Cucamonga, CA 91730. 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.

### **RECITALS**

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

B. County made a loan to Trustor in the amount of \$7,000,000 (the “Loan”), of funds made available pursuant to the American Rescue Plan Act of 2021 (Title VI of the Social Security Act Section 602 et seq.) (the “Act”) and the implementing regulations thereto (31 CFT Part 35) (collectively, “ARPA”), EVIDENCED BY THAT CERTAIN Loan Agreement for the Use of ARPA Program Funds by and between Trustor and Beneficiary, dated as of the date hereof (the “Loan Agreement”).

C. In connection with the Loan, Beneficiary and Trustor entered into that certain Covenant Agreement dated as of the date hereof (the “Covenant Agreement”), pursuant to which, Trustor is obligated, among other requirements, to restrict a portion of the Subject Property’s use and occupancy in accordance with its terms.

NOW, THEREFORE, TRUSTOR IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee, its successors and assigns, in Trust, with POWER OF SALE TOGETHER WITH RIGHT OF ENTRY AND POSSESSION the following Property (the “Trust Estate”):

(A) The Subject Property;

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

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

(D) All rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the Trustor's use, management, operation leasing or occupancy of the Trust Estate, including those past due and unpaid (the "Rents");

(E) All present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code (the "UCC"), and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, theater equipment, seating, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property, but not including personal property of 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 used in operation of the Real Property 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. Solely with respect to the Trust Estate, 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 in favor of the Beneficiary ("County" therein) executed by Trustor ("Borrower" therein) of even date herewith (the "ARPA Note") in the principal amount of \$7,000,000.00.
  - (b) that certain Loan Agreement for the Use of ARPA Act 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 "ARPA 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 \$7,000,000.00 U.S. Dollars (the "ARPA Loan") according to the terms of the ARPA Note.

Said ARPA Note, ARPA 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 ARPA Note, ARPA Loan Agreement and Covenant Agreement as used herein shall mean, refer to and include the ARPA Note, ARPA 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 ARPA Loan Agreement.

The ARPA Loan evidenced by the ARPA Note and secured by this Leasehold Deed of Trust is being made pursuant to the American Rescue Plan Act of 2021 (Pub.L. No. 117-2) ("ARPA"). Pursuant to the ARPA Loan Agreement, the maturity date of the ARPA Loan shall be the later to occur of (i) December 1, 2079 or (ii) fifty five (55) years from recordation of the Notice of Completion in the Official Records upon the last building being completed as part of the Project (as defined in the ARPA Loan Agreement) ("ARPA Loan Term").

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

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

1. That Trustor shall pay the ARPA Note at the time and in the manner provided therein, and perform the obligations of the Trustor as set forth in the ARPA 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 ARPA 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 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 ARPA 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 ARPA Note and any late charges due under the ARPA Note. Payments on the ARPA Note shall be deferred annually.

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 ARPA 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 ARPA Leasehold Deed of Trust.** The Covenant Agreement, ARPA Leasehold Deed of Trust, and this Agreement shall be respectively in the first, second, and third priority lien position, in relation to themselves, each for the benefit of COUNTY. Their priority in relation to other encumbrances shall be as approved by the COUNTY in its reasonable discretion, such approval not to be unreasonably withheld, conditioned, or delayed, provided, however, that COUNTY's affordability restrictions set forth in the Covenant Agreement are preserved for the Qualified Population for the Affordability Period (defined below).

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 ARPA 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 the ARPA 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 any Senior Lien Holder Leasehold Deed of Trust.

**11. Preservation, Maintenance and Protection of the Property; Trustor's Loan Application; Leaseholds.** 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 ARPA Note, including, but not limited to representations concerning Trustor's use of 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.

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

**12. Protection of Beneficiary's Rights in the Property.** If Trustor fails to perform the covenants and agreements contained in this 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.

a. 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 ARPA 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 Leasehold 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 repair and/or restoration of 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 ARPA 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. Any notice to Beneficiary shall be given by first class mail to Beneficiary's address stated herein or any other address Beneficiary designates by notice to Trustor. All such notices to Trustor shall also be provided to Trustor's investment limited partner at the address set forth in the Trustor's limited partnership 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 ARPA 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 ARPA 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 ARPA Note and of this Leasehold Deed of Trust.

22. **Transfer of the Property or a Beneficial Interest in Trustor.** Except as otherwise allowed under the ARPA Loan Agreement, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Trustor is sold or transferred and Trustor is not a natural person) without Beneficiary's prior written consent (including a transfer of all or any part of the Property to any person who, at initial occupancy of the Property, does not use the Property for affordable housing) 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 transfer of a limited partnership or non-managing member interest in the Trustor or of a conveyance of an easement interest in the Property for utility purposes.

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

b. Notwithstanding anything to the contrary contained herein, upon written notice to Beneficiary, Trustor may (i) lease for occupancy all or any of the ARPA-Assisted Units in

accordance with this Leasehold Deed of Trust; (ii) grant easements or permits to facilitate the development of the Property in accordance with the Loan Agreement; (iii) transfer the Trustor's limited partnership interest; (iv) remove and replace Trustor's general partner(s) for cause in accordance with Trustor's limited partnership agreement; and (v) make transfers pursuant to that certain Purchase Option and Right of First Refusal Agreement (collectively a "Permitted Transfer"). All Permitted Transfers shall be subject to reasonable review of documentation by Beneficiary.

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 ARPA 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 Leasehold 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 ARPA 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 Lien Holder, if any.

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 more than thirty (30) calendar days from the date of the mailing of the notice for a monetary default, or a date, which shall not be more than thirty (30) calendar days from the mailing of the notice for a non-monetary default, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the 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, Trustor's investor limited partner, the Senior Lien Holder, if any, 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.**

31. **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.

**[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:

NCRC Murrieta Senior Housing LP,  
a California limited partnership

By: NCRC Murrieta Senior Housing MGP LLC  
a California limited liability company,  
its General Partner

By: National Community Renaissance of  
California, a California nonprofit public  
benefit corporation, its Manager

By: \_\_\_\_\_  
Michael Finn, Chief Financial Officer

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

**(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 BELOW IS SITUATED IN THE CITY OF MURRIETA, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

PARCELS 3 OF PARCEL MAP NO. 38160, AS SHOWN BY MAP ON FILE IN BOOK 256, PAGES 47 THROUGH 50 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL B:

NON-EXCLUSIVE EASEMENTS FOR (I) INGRESS, EGRESS AND ACCESS AS DESCRIBED IN SECTION 1.1 OF THE DECLARATION OF RECIPROCAL EASEMENTS FOR ACCESS, UTILITIES AND USE FOR OAK VIEW RANCH, (II) UTILITIES AS DESCRIBED IN SECTION 1.3 OF THE DECLARATION, AND (III) DRAINAGE AS DESCRIBED IN SECTION 1.4 OF THE DECLARATION, SUBJECT TO THE TERMS AND PROVISIONS AS CONTAINED IN THE DECLARATION RECORDED MAY 17, 2023, AS INSTRUMENT NO. 2023-0141703 OF OFFICIAL RECORDS.

PORITION OF APN: 906-080-073

APN: 906-080-073

**EXHIBIT “C**  
**Promissory Note**

**PROMISSORY NOTE (ARPA Loan)**

**\$7,000,000.00**

**Riverside, CA**

In installments as hereafter stated, for value received, NCRC MURRIETA SENIOR HOUSING LP, a California limited partnership ("Borrower"), promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), at 3403 10<sup>th</sup> Street, Suite 300, Riverside, CA 92501, the sum of Seven Million Dollars (U.S. \$7,000,000.00) (the "ARPA Loan" or "Note Amount") which at the time of payment is lawful for the payment of public and private debts.

This Promissory Note ("Note") is given in accordance with that certain Loan Agreement for the Use of ARPA Act 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 "ARPA 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 ARPA 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 as of \_\_\_\_\_, 2024, and recorded in the Official Records (the "ARPA Leasehold Deed of Trust" or "Leasehold Deed of Trust"). The rights and obligations of the Borrower and COUNTY under this Note shall be governed by the ARPA Loan Agreement and the following terms:

- (1) The ARPA Loan evidenced by this Note and secured by the Leasehold Deed of Trust are being made pursuant to the American Rescue Plan Act (Pub.L No. 117-2), hereinafter ("ARPA "). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions set forth in ARPA regulations, the ARPA Loan Agreement and that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Borrower and County.
- (2) That the Loan will accrue simple interest at a rate of three percent (3%) per annum, except in the case of default as hereinafter provided.

This Note shall be repaid according to the following: Fifty percent (50%) of the Project's Residual Receipts shall be paid annually to COUNTY, and other soft lenders (collectively the "Soft Lenders" and individually a "Soft Lender"), with such fifty percent (50%) split pro rata in accordance with the amounts of their respective loans for the Project (each, a "Pro Rata Share") in accordance with the terms set forth herein. Such payment of the Pro Rata Share of fifty percent (50%) of the Project's Residual Receipts to the Soft Lenders shall continue annually until the applicable promissory note to a Soft Lender, including the COUNTY'S ARPA Note, are repaid in full, respectively.

- (3) The term "Residual Receipts" used herein shall mean all money and income from the Project remaining annually after the payment of all normal and necessary expenses of operation of the Project, including but not limited to the following:
  - (i) payments of principal and interest and other mandatory payments on amortized loans and indebtedness senior to the Loan, which have been approved in writing by COUNTY (collectively, the "Senior Debt");
  - (ii) utility fees and costs not paid by tenants;
  - (iii) insurance on the Project;

- (iv) ad valorem taxes and assessment payments;
  - (v) management fees, expenses and costs, as well as the cost of social programs at the Project and compliance monitoring/reporting, which shall total initially \$70 per Unit per month, which management fee shall be increased annually by an amount not to exceed the greater of (i) three and a half percent (3.5%) or (ii) the increase in the Consumer Price Index for Riverside-San Bernardino-Ontario, CA area ("CPI"), and any accrued and unpaid fees from prior years;
  - (vi) auditing and accounting fees;
  - (vii) operating expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which shall include administration, on-site management costs, utilities, on-site staff payroll, payroll taxes, and maintenance);
  - (viii) reserves for repair and replacement of the Project, in an annual amount of no less than \$350 per rental unit per year, increased annually by an amount not to exceed the greater of (i) three percent (3%) or (ii) the increase in CPI;
  - (ix) required operating reserve replenishments in an amount up to \$175,000 per year;
  - (x) repayment of any operating deficit loans made by a partner to the BORROWER and payment of unpaid tax credit adjustment payments owed to a limited partner of BORROWER;
  - (xi) partnership management fees up to \$15,000 annually payable to a partner of BORROWER, and asset management fees up to \$5,000 annually (increasingly annually by three (3%)) payable to a partner of BORROWER, and any accrued and unpaid fees from prior years;
  - (xii) payment of deferred developer fees pursuant to BORROWER'S limited partnership agreement; and
  - (xiii) all other fees and expenses which may be permitted by the annual budget approved by the COUNTY.
- (4) Payment of COUNTY'S Pro Rata Share of the Residual Receipts produced from the Project shall be made by the Borrower to the COUNTY annually on July 15th of each year. Payment shall be applied first to accrued interest and thereafter to principal. Borrower shall annually provide the COUNTY with an accounting acceptable to the COUNTY, documenting the calculation of Residual Receipts for the previous calendar year ending December 31. This accounting shall be made on or before July 15, together with the payment of Residual Receipts.
- (5) All outstanding principal along with accrued interest shall be due upon maturity of the Loan Agreement, which shall be the later to occur of (i) December 31, 2079 or (ii) fifty-five (55) years from and after the recordation of the Notice of Completion in the Official Records for the last building for which construction is complete for the Project (the "Loan Term"). All outstanding principal along with accrued interest shall be due upon the maturity date of the Note and the expiration of the Loan Term.
- (6) The Loan evidenced by this Note is secured by that certain Deed of Trust and Assignment of Rents executed by Borrower for the benefit of the County, dated on or about the date

hereof and recorded in the Official Records of the County of Riverside on or about the date hereof ("Deed of Trust").

- (7) This Note may be prepaid in whole or in part by the undersigned at any time without prepayment penalty or premium, provided however notwithstanding such prepayment, Borrower shall be required to adhere to the affordability restrictions contained in the Covenants until the expiration of the term contained therein.
- (8) Subject to the provisions and limitations of this Paragraph 8, the obligation to repay the Note Amount is a nonrecourse obligation of Borrower and its partners. Neither Borrower nor its partners shall have any personal liability for repayment of the Note Amount, except as provided in this Paragraph 8. The sole recourse of the County shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the ARPA Loan; provided, however, that the foregoing shall not (i) constitute a waiver of any other obligation evidenced by this Note or the Leasehold 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 Leasehold 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 Leasehold 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 Leasehold Deed of Trust. Notwithstanding the first sentence of this Paragraph 4, the COUNTY may recover directly from Borrower or, unless otherwise prohibited by any applicable law, from any other party: (a) any damages, costs and expenses incurred by the COUNTY as a result of fraud, misrepresentation or any criminal act or acts of Borrower, or any general partner, shareholder, officer, director or employee of Borrower, or of any general partner of Borrower, or of any general partner or member of such general partner; (b) any damages, costs and expenses incurred by the COUNTY as a result of any misappropriation of funds provided to pay costs as described in the ARPA Loan Agreement for the operation of the Project, or proceeds of insurance policies or condemnation proceeds; and (c) any misappropriation of proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the Leasehold 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 ARPA Loan Agreement:
  - a. Monetary Default. (1) Borrower's failure to pay when due any sums payable under the ARPA Note or any advances made by COUNTY under

this Agreement, (2) Borrower's or any agent of Borrower's use of ARPA funds for costs other than those costs permitted under the ARPA Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, and/or (3) Borrower's or any agent of Borrower's failure to make any other payment of any assessment or tax due under the ARPA Loan Agreement;

- b. Non-Monetary Default - Operation. (1) Discrimination by Borrower or Borrower's agent on the basis of characteristics prohibited by this Agreement or applicable law, (2) the imposition of any encumbrances or liens on the Project without COUNTY's prior written approval that are prohibited under this agreement or that have the effect of reducing the priority or invalidating the lien of the ARPA Leasehold Deed of Trust, (3) Borrower's failure to obtain and maintain the insurance coverage required under the ARPA Loan Agreement, (4) any material default under the ARPA Loan Agreement, ARPA Leasehold Deed of Trust with Assignment of Rents, Covenant Agreement, ARPA Note, or any document executed by the Borrower in connection with this Agreement, and/or (5) default past any applicable notice and cure period under the terms of the ARPA Leasehold Deed of Trust or any other instrument or document secured against the Property;
  - c. General Performance of Loan Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on Borrower imposed in the ARPA Loan Agreement; and
  - d. General Performance of Other Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on the Project imposed by any other agreement with respect to the financing, development, or operation of the Project; whether or not COUNTY is a party to such agreement.
- (10) COUNTY shall give written notice of default to Borrower, specifying the default complained of by the COUNTY. Borrower shall have thirty (30) calendar days from the mailing of the notice for a monetary default, and thirty (30) calendar days from the mailing of the notice for any other default, by which such action to cure must be taken or commenced if a cure cannot reasonable be rendered within the applicable cure period. 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 leasehold 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 ARPA Loan Agreement, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.
- (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 in the ARPA 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 ARPA Loan Agreement or this Note, except for in the event of a Permitted Transfer of the Project as such term is defined in the ARPA Loan Agreement. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.

- (19) Except as to the permitted deeds of trust identified herein, Borrower shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Leasehold 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> Street, Suite 300, Riverside, California 92501, Attention: Director HWS. The facsimile number for the COUNTY’s receipt of notices is (951) 352-4852.
- (c) The address of Borrower for purposes of receiving notices pursuant to this Note is c/o National Community Renaissance of California, 9692 Haven Avenue, Suite 100, Rancho Cucamonga, CA 91730, Attention: CEO/CFO ([mruane@nationalcore.org](mailto:mruane@nationalcore.org) / [mfinn@nationalcore.org](mailto:mfinn@nationalcore.org)), with a copy to National Community Renaissance of California, 9692 Haven Avenue, Suite 100, Rancho Cucamonga, CA 91730, Attention: General Counsel ([rdiaz@national.org](mailto:rdiaz@national.org)).
- (22) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
- (23) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
- (24) This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.



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

**BORROWER:**

~~Young School for Children, dba~~  
~~TruEvolution California Limited Partnership~~  
a nonprofit public benefit corporation,

By: NCRC Murrieta Senior Housing MGP LLC  
a California Limited Liability Company,  
its General Partner

By: \_\_\_\_\_  
Gabriel Maldonado, Chief Financial Officer  
National Community Renaissance of  
California, a California nonprofit public  
Benefit corporation, its Manager

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

By: \_\_\_\_\_  
Michael Finn, Chief Financial Officer

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

# EXHIBIT "D"

Policy Manual, I.D. # A-11

TOPIC: CONFLICT OF INTEREST CODE  
RIVERSIDE COUNTY  
Housing & Workforce Solutions  
DATE: MARCH 1999

This Conflict of Interest Code is written to comply with Federal Regulations (24 CFR Part 85). "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments" require that grantees and sub-grantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts.

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

# **EXHIBIT “E”**

Covenant Agreement

1 NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 6103

2 Order No.  
Escrow No.  
3 Loan No.

4 RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

5  
6 County of Riverside  
Housing and Workforce Solutions  
7 3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501  
8 Attn. Alicia Jaimes

9 SPACE ABOVE THIS LINE FOR RECORDER'S USE

10 **COVENANT AGREEMENT**  
**(Oak View Ranch Senior Apartments)**

11  
12 This Covenant Agreement (Oak View Ranch Senior Apartments) ("Covenant") is made  
13 and into this \_\_\_\_\_ day of \_\_\_\_\_ 2024 by and between the COUNTY OF  
14 RIVERSIDE, a political subdivision of the State of California ("COUNTY"), and NCRC  
MURRIETA SENIOR HOUSING LP, a California limited partnership ("OWNER").

15  
16 **RECITALS**

17 WHEREAS, OWNER owns that certain real property located at 24960 Adams Avenue in  
18 the City of Murrieta and can also be identified as APN 906-080-073 described in the legal  
19 description attached hereto as **Exhibit A** and incorporated herein by this reference (the  
20 "Property");

21 WHEREAS, COUNTY and OWNER entered into that certain Loan Agreement for the Use  
22 of ARPA Act Funds dated \_\_\_\_\_, 2024 and recorded in the Official  
23 Records of the County of Riverside ("Official Records") concurrently herewith (the "ARPA Loan  
24 Agreement" or "Agreement") which provides for, among other things, the development and  
25 construction on the Property, also known as "Oak View Ranch Senior Apartments" will consist of  
26 (81) affordable rental units for seniors, consisting of eighty (80) units and one (1) unrestricted  
27 manager's unit. A total of 40 units will be rented and occupied by affordable low-income rental  
28

1 housing project for seniors experiencing homelessness or at risk of homelessness occupied by  
2 Qualified Low Income Households (as defined below) (“ARPA-Assisted Units”) (collectively the  
3 “Project”);

4 WHEREAS, forty (40) units at the Project will be reserved as ARPA-Assisted Units  
5 occupied by affordable low-income rental housing project for seniors experiencing homelessness  
6 or at risk of homelessness of which nineteen (19) units will be restricted to households whose  
7 incomes do not exceed 60% of the area median income for the County of Riverside, eight (8) units  
8 will be restricted to households do not exceed 40% AMI, and thirteen (13) units will be restricted  
9 to households whose incomes do not exceed 30% AMI at the time of initial occupancy (“ARPA-  
10 Assisted Units”). Capitalized terms not defined herein shall have the meaning ascribed to them in  
11 the ARPA Loan Agreement;

12 WHEREAS, the County is providing funding under the American Rescue Plan Act (Pub.L  
13 No. 117-2), hereinafter “ARPA,” for the purposes of providing decent, safe, and sanitary housing  
14 to extremely low income senior households, a group that has been disproportionately affected  
15 by the COVID-19 pandemic;

16 WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY loaned to OWNER  
17 \$7,000,000.00 derived from ARPA funds (“ARPA Loan”), to pay for a portion of the acquisition  
18 and construction expenses of the Project, as more fully described in the ARPA Loan Agreement.  
19 The ARPA Loan is evidenced by a Promissory Note executed by OWNER, in favor of the  
20 COUNTY dated on or about the date hereof (“ARPA Loan Note”) and secured by that certain  
21 Leasehold Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents)  
22 executed by OWNER, for the benefit of COUNTY and recorded in the Official Records  
23 concurrently herewith (“ARPA Leasehold Deed of Trust”); and

24 WHEREAS, pursuant to the ARPA Loan Agreement, OWNER has agreed to construct the  
25 Project on the Property and ensure the ARPA-Assisted Units are occupied by the Qualified  
26 Population consistent with the ARPA Act requirements and as set forth more specifically below.

27 NOW, THEREFORE, in consideration of the mutual covenants and agreements, and for  
28

1 other good and valuable consideration, the receipt and sufficiency of which are hereby  
2 acknowledged, OWNER, on behalf of itself and its successors, assigns, and each successor in  
3 interest to the Property or any part thereof, hereby declares as follows:

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

10 a) Forty (40) units at the Project will be restricted as ARPA-Assisted Units for  
11 seniors experiencing homelessness or at risk of homelessness. A Total of forty (40) units restricted  
12 as ARPA-Assisted units, of which 19 units will be restricted to households whose incomes do not  
13 exceed 60% of the area median income (“AMI”) for the County of Riverside, eight (8) units will  
14 be restricted to households whose income do not exceed 40% AMI, and thirteen (13) units will be  
15 restricted to households whose income do not exceed 30% AMI (“ARPA-Assisted Units”), at the  
16 time of initial occupancy. The ARPA-Assisted Units shall be a “floating” designation on the  
17 Property such that the requirements of this Agreement will be satisfied so long as the total number  
18 of ARPA-Assisted Units remains the same throughout the Affordability Period and the substituted  
19 ARPA-Assisted Unit is comparable in terms of size, features, and number of bedrooms to the  
20 originally designates ARPA-Assisted Unit. Rent for the ARPA-Assisted Units, including utilities,  
21 shall be in accordance with TCAC rent requirements. Notwithstanding anything in the ARPA Loan  
22 Agreement or this Covenant to the contrary, the Parties agree that the following shall apply to the  
23 ARPA-Assisted Units:

24 (1) COUNTY agrees that, upon BORROWER’s request and COUNTY’s written  
25 approval, which will not be unreasonably withheld, the maximum tenant household  
26 income and maximum annual rent for ARPA-Assisted Units may be increased to  
27 amounts necessary to make operation of the Project financially feasible as  
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1 determined by the BORROWER, including the payment of all required operating  
2 costs and debt service, but in no event may (a) the maximum tenant household  
3 income limitation exceed 60 percent of AMI or, (b) the maximum annual rent  
4 limitation exceed 30 percent of 60 percent of AMI.

5 (2) In the case of increases due to a foreclosure of any approved financing or deed in  
6 lieu thereof, the above increases may continue until such time, if any, that the rental  
7 assistance or equivalent operating subsidy is restored. Notwithstanding anything to  
8 the contrary in this Section, the BORROWER may not displace tenant households  
9 and must use good faith efforts to reduce the effect of rent increases permitted to  
10 be imposed on existing tenant households by (a) the use of operating and transition  
11 reserves to the extent such funds exist and are available, and (b) the use of other  
12 subsidy sources available that would mitigate the rent increases.

13 (3) If Rent increases on the ARPA-Assisted Units are necessary, after exhausting all  
14 transition reserve funds such increases shall only be permitted to the minimum  
15 extent required for financial feasibility, as reasonably determined by BORROWER  
16 and approved by COUNTY, which approval shall not, in any event, be increased to  
17 an amount in excess of 30 percent of 60 percent of AMI, adjusted for household  
18 size for the number of bedrooms. The COUNTY shall be notified at least eighteen  
19 (18) months in advance of any Rent increase on the ARPA-Assisted Units.

20 (4) In order to enact an increase in the maximum household income and rents for an  
21 ARPA-Assisted Unit for the Project, the BORROWER must submit a written  
22 request to the COUNTY which shall outline a plan with an explanation of the fiscal  
23 necessity of adjusting the maximum household income and rents charged for the  
24 ARPA-Assisted Units. The plan shall provide the following items along with any  
25 additional requirements from the COUNTY:

26 (a) An explanation of the efforts the Project Owner has made to secure other rental  
27 subsidies to sustain overall Project operations;

1 (b) An explanation of the fiscal necessity of adjusting the maximum household  
2 income and rents charged for the ARPA-Assisted Units;

3 (c) A process for increasing the Project rent for all affected units and make  
4 reasonable efforts to continue to market and rent Project units to members of  
5 the target population, as well as ensuring that any increases to the household  
6 income limit are applied, as much as possible, only to vacant units as they  
7 become available. This portion of the plan shall discuss changes in both  
8 maximum household incomes and rents, and;

9 (d) The plan for continuing, throughout the term of this Covenant Agreement, to  
10 apply for other subsidies that will allow a return of all Project units to members  
11 of the target population and rents originally contemplated.

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

15 2) SENIOR LIEN PRIORITY. Notwithstanding anything to the contrary contained in  
16 the ARPA Loan Agreement, including any of its attachments, this Covenant Agreement shall be,  
17 and remain in, senior lien position and priority to other encumbrances as approved by the  
18 COUNTY in its reasonable discretion, such approval not to be unreasonably withheld, conditioned,  
19 or delayed, provided, however, that COUNTY's affordability restrictions set forth in this Covenant  
20 Agreement are preserved for the Qualified Population for the Affordability Period as defined in  
21 the ARPA Loan Agreement.

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

26 a) The American Rescue Plan Act (Pub.L 117-2).

27 b) Other Federal requirements and nondiscrimination. As set forth in 24 CFR  
28



1 part 5, Subpart A, OWNER is required to include the following requirements: nondiscrimination  
2 and equal opportunity under Section 282 of the Act; disclosure; debarred, suspended, or ineligible  
3 contractors; and drug-free workplace.

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

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

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

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

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

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

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

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

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

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

13 (iv) Establishing delivery schedules, where the requirement permits,  
14 which encourage participation by small and minority business, and women's business enterprises.

15 (v) Using the services and assistance of the Small Business  
16 Administration, and the Minority Business Development Agency of the Department of  
17 Commerce.

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

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

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

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

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

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

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

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

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

27 a) Worker’s Compensation Insurance. If OWNER has employees as defined  
28

1 by the State of California, OWNER shall maintain statutory Workers' Compensation Insurance  
2 (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers'  
3 Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per  
4 person per accident. The policy shall be endorsed to waive subrogation in favor of the County of  
5 Riverside

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

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

25           d)     General Insurance Provisions – All Lines.

26           (1)     Any insurance carrier providing insurance coverage hereunder shall be  
27 admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8)

1 unless such requirements are waived, in writing, by Risk Manager. If Risk Manager waives a  
2 requirement for a particular insurer such waiver is only valid for that specific insurer and only for  
3 one policy term.

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

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

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

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

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

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

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

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

12 COUNTY  
13 Director HWS  
14 County of Riverside  
15 3403 10<sup>th</sup> Street, Suite 300  
16 Riverside, CA 92501

BORROWER  
c/o National Community Renaissance  
of California  
9692 Haven Avenue, Suite 100  
Rancho Cucamonga, CA 91730  
Attention: CEO/CFO  
Email: [mruane@nationalcore.org](mailto:mruane@nationalcore.org)  
[mfinn@nationalcore.org](mailto:mfinn@nationalcore.org)

17 and:

18  
19 National Community Renaissance  
20 Of California  
21 9692 Haven Avenue, Suite 100  
22 Rancho Cucamonga, CA 91730  
23 Attention: General Counsel  
24 Email: [rdiaz@nationalcore.org](mailto:rdiaz@nationalcore.org)

25 With a copy to:

26 Klein Hornig LLP  
27 1325 G Street NW, Suite 770  
28 Washington, DC 20005  
Attn: Jed D'A'bravanel  
Email: [jdabravanel@kleinhornig.com](mailto:jdabravanel@kleinhornig.com)

11) REMEDIES. COUNTY shall have the right, in the event of any breach of any such

1 agreement or covenant, to exercise all available rights and remedies, and to maintain any actions  
2 at law or suit in equity or other proper proceedings to enforce the curing of such breach of  
3 agreement or covenant.

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

8 13) NOTICE AND OPPORTUNITY TO CURE. Prior to exercising any remedies  
9 hereunder, the COUNTY shall give OWNER notice of such default pursuant to **Section 10** above.  
10 Any monetary default shall be cured within ten (10) days of delivery of written notice. Except as  
11 otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within  
12 thirty (30) days of delivery of such notice of default, OWNER shall have such period to effect a  
13 cure prior to exercise of remedies by COUNTY. If the non-monetary default is such that it is not  
14 reasonably capable of being cured within thirty (30) days of delivery of such notice of default, and  
15 OWNER (a) initiates corrective action within said period, and (b) diligently, continually, and in  
16 good faith works to effect a cure as soon as possible, then OWNER shall have such additional time  
17 as is reasonably necessary to cure the default prior to exercise of any remedies by the COUNTY;  
18 but in no event no later than sixty (60) days from delivery of such notice of default, subject to force  
19 majeure (including government restrictions, pandemics, and acts of God). COUNTY, upon  
20 providing OWNER with any notice of default under this Covenant, shall, within a reasonable time,  
21 provide a copy of such default notice to a Permitted Lender (as hereinafter defined) who has given  
22 written notice to COUNTY of its interest in the Property and Project. From and after such notice  
23 has been delivered to a Permitted Lender, such Permitted Lender shall have the same period for  
24 remedying the default complained of as the cure period provided to OWNER pursuant to this  
25 **Section 13**. COUNTY shall accept performance by a Permitted Lender as if the same had been  
26 done by OWNER.

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

10 15) Intentionally omitted.

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

12 OWNER hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the  
13 Project, the Property or any portion thereof, without obtaining the prior written consent of  
14 COUNTY, which consent shall be conditioned upon (a) a COUNTY determination that transferee  
15 is a qualified and experienced operator of low-income housing and (b) solely upon receipt by the  
16 COUNTY of reasonable evidence satisfactory to the County in its sole discretion that the transferee  
17 has assumed in writing all of the OWNER'S duties and obligations under this Covenant, and is  
18 reasonably capable of performing and complying with OWNER's duties and obligations under the  
19 ARPA Loan Agreement and this Covenant, provided, however OWNER shall not be released of  
20 all obligations under the ARPA Loan Agreement and this Covenant unless agreed to in a writing  
21 signed by COUNTY. Notwithstanding anything to the contrary contained herein, upon written  
22 notice to COUNTY, BORROWER may (i) lease for occupancy all or any of the ARPA-Assisted  
23 Units in accordance with this Covenant, (ii) grant easements or permits to facilitate the  
24 development of the Property in accordance with this Covenant and the ARPA Loan Agreement;  
25 (iii) transfer the OWNER's limited partnership interest; (iv) remove and replace the OWNER'S  
26 general partner(s) for cause in accordance with OWNER'S limited partnership agreement; and (v)  
27 make transfers pursuant to that certain Purchase Option and Right of First Refusal Agreement  
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1 (collectively a “Permitted Transfer”).

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

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

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

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

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

25 22) PROJECT MONITORING AND EVALUATION.

26 a) Reserved.

27 b) Inspections. During the Affordability Period, COUNTY must perform on-

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

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

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

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

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

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[SIGNATURES ON THE NEXT PAGE]

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

COUNTY:

BORROWER:

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

NCRC MURRIETA SENIOR HOUSING LP, a California limited partnership

By: \_\_\_\_\_  
Chuck Washington, Chair  
Board of Supervisors

By: NCRC Murrieta Senior MGP LLC, a California limited liability company, its General Partner

By: National Community Renaissance of California, a California nonprofit public benefit Corporation, its Manager

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

By: \_\_\_\_\_  
Michael Finn, Chief Financial Officer

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

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

APPROVED AS TO FORM:  
MINH C. TRAN  
County Counsel

By: \_\_\_\_\_  
Amrit P. Dhillon  
Deputy County Counsel

**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 BELOW IS SITUATED IN THE CITY OF MURRIETA, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

PARCELS 3 OF PARCEL MAP NO. 38160, AS SHOWN BY MAP ON FILE IN BOOK 256, PAGES 47 THROUGH 50 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL B:

NON-EXCLUSIVE EASEMENTS FOR (I) INGRESS, EGRESS AND ACCESS AS DESCRIBED IN SECTION 1.1 OF THE DECLARATION OF RECIPROCAL EASEMENTS FOR ACCESS, UTILITIES AND USE FOR OAK VIEW RANCH, (II) UTILITIES AS DESCRIBED IN SECTION 1.3 OF THE DECLARATION, AND (III) DRAINAGE AS DESCRIBED IN SECTION 1.4 OF THE DECLARATION, SUBJECT TO THE TERMS AND PROVISIONS AS CONTAINED IN THE DECLARATION RECORDED MAY 17, 2023, AS INSTRUMENT NO. 2023-0141703 OF OFFICIAL RECORDS.

PORTION OF APN: 906-080-073

APN: 906-080-073

# **EXHIBIT “F”**

Request for Notices

NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDERS USE

### REQUEST for NOTICE UNDER SECTION 2924b CIVIL CODE

In accordance with Civil Code Section 2924b, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Leasehold Deed of Trust dated \_\_\_\_\_, 2024 and recorded concurrently herewith in the Official Records of the County of Riverside, California, executed by NCRC MURRIETA SENIOR HOUSING LP, a California limited partnership, as Trustor in which, a \_\_\_\_\_, is named as Beneficiary, and \_\_\_\_\_ as Trustee, and describing land referred to in this Report is situated in the County of Riverside, State of California, and is described as follows:

Real property in the County of Riverside, State of California, described as follows:  
See Exhibit A

All notices to be mailed to:

Attn: Director HWS  
County of Riverside  
Housing Division  
3403 10<sup>th</sup> Street, Suite 300  
Riverside, California 92501

Request is hereby made that a copy of any notice of default and a copy of any notice of sale under the Leasehold Deed of Trust.

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

COUNTY OF RIVERSIDE DEPARTMENT OF HOUSING  
AND WORKFORCE SOLUTIONS

\_\_\_\_\_  
Heidi Marshall, Director HWS

# Exhibit A

## Legal Description of Property:

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

PARCEL A:

PARCELS 3 OF PARCEL MAP NO. 38160, AS SHOWN BY MAP ON FILE IN BOOK 256, PAGES 47 THROUGH 50 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL B:

NON-EXCLUSIVE EASEMENTS FOR (I) INGRESS, EGRESS AND ACCESS AS DESCRIBED IN SECTION 1.1 OF THE DECLARATION OF RECIPROCAL EASEMENTS FOR ACCESS, UTILITIES AND USE FOR OAK VIEW RANCH, (II) UTILITIES AS DESCRIBED IN SECTION 1.3 OF THE DECLARATION, AND (III) DRAINAGE AS DESCRIBED IN SECTION 1.4 OF THE DECLARATION, SUBJECT TO THE TERMS AND PROVISIONS AS CONTAINED IN THE DECLARATION RECORDED MAY 17, 2023, AS INSTRUMENT NO. 2023-0141703 OF OFFICIAL RECORDS.

PORTION OF APN: 906-080-073

APN: 906-080-073

# Exhibit G

## Sample

### Contractor Debarment Certification Form

#### Excluded Parties Lists System (EPLS)

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

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

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

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

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

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

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

DEVELOPER SIGNATURE \_\_\_\_\_

# Exhibit H

## Federal Requirements

Should funding be allocated through American Rescue Plan Act (ARPA; (Title VI of the Social Security Act Section 602 et seq.), the COUNTY will administer and distribute those funds in accordance with ARPA. ARPA requires that payments from the Coronavirus Fiscal Recovery Fund be used to respond to the public health emergency or its negative economic impacts, to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay, provide government services to the extent the reduction of revenue due to COVID-19 public health emergency, and to make necessary investments in water, sewer or broadband infrastructure. It is effective beginning May 17, 2021 and ends on December 31, 2026.

Borrower acknowledges and agrees that this Agreement is subject to federal requirements, as applicable, including but not limited to the federal provisions provided below, to the extent such requirements are applicable to a borrower of federal grant funds:

1. **NON-DISCRIMINATION.** Borrower shall not be discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this Agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.) and all other applicable laws or regulations.

2. **EQUAL EMPLOYMENT OPPORTUNITY/ FAIR EMPLOYMENT PRACTICES/ FEDERAL PROVISIONS.** During the performance of this Agreement, the Borrower shall not deny benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. Borrower shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

A. Borrower shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, Section 11000 et seq.), the provisions of Executive Order 11246 of Sept. 23, 1965 and of the rules, regulations, and relevant orders of the Secretary of Labor, the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.8), and of the rules, regulations or standards adopted by the County to implement such article.

B. The Borrower shall comply with the provisions of the Copeland “Anti-Kickback” Act, 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this Agreement.

3. CLEAN AIR ACT. The Borrower agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. Section 7401 et seq. The Borrower agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the California Governor's Office of Emergency Services, American Rescue Plan Act (ARPA), and the appropriate Environmental Protection Agency Regional Office. The Borrower agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by ARPA.

4. FEDERAL WATER POLLUTION CONTROL ACT

The Borrower agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. Sections 1251 et seq. The Borrower agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the American Rescue Plan Act (ARPA), and the appropriate Environmental Protection Agency Regional Office. The Borrower agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by ARPA.

5. DEBARMENT AND SUSPENSION CLAUSE

This Agreement is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the Borrower is required to verify that none of the Borrower, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

The Borrower must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

This certification is a material representation of fact relied upon by the County. If it is later determined that the Borrower did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the County, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

6. BYRD ANTI- LOBBYING AMENDMENT, 31 U.S.C. § 1352 (AS AMENDED)

Borrowers who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the County.

APPENDIX A, 44 C.F.R. PART 18- CERTIFICATION REGARDING LOBBYING



The undersigned Borrower certifies, to the best of his or her knowledge, that:

A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

C. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Borrower certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Borrower understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

BORROWER

By \_\_\_\_\_  
Date \_\_\_\_\_

## 7. PROCUREMENT OF RECOVERED MATERIALS

In the performance of this Agreement, the Borrower shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired

- i. Competitively within a timeframe providing for compliance with the contract performance schedule;
- ii. Meeting contract performance requirements; or
- iii. At a reasonable price.

Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>

The Borrower also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

## 8. ACCESS TO RECORDS

The following access to records requirements applies to this Agreement:

- A. The Borrower agrees to provide the County, the ARPA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Borrower which are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions.
- B. The Borrower agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- C. The Borrower agrees to provide the ARPA Administrator or his or her authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.
- D. In compliance with the Disaster Recovery Act of 2018, the County and the Borrower acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the ARPA Administrator or the Comptroller General of the United States.

9. DEPARTMENT OF HOMELAND SECURITY SEAL, LOGO, FLAGS

The Borrower shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific ARPA pre-approval.

10. COMPLIANCE WITH FEDERAL LAW, REGULATIONS, AND EXECUTIVE ORDERS

This is an acknowledgement that ARPA financial assistance will be used to fund all or a portion of the contract. The Borrower will comply with all applicable Federal law, regulations, executive orders, ARPA policies, procedures, and directives.

11. NO OBLIGATION BY FEDERAL GOVERNMENT

The Federal Government is not a party to this Agreement and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

12. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS

The Borrower acknowledges that 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to the Borrower's actions pertaining to this Agreement.

13. FEDERAL PREVAILING WAGE

DAVIS-BACON ACT COMPLIANCE (applicable to construction contracts in excess of \$2,000 awarded by grantees and subgrantees when required by Federal grant program legislation)

To the extent required by any Federal grant programs applicable to expected funding or reimbursement expenses incurred in connection with the services provided under this Agreement, Borrower agrees to comply with the Davis-Bacon Act (40 U.S.C. §§ 3141-3144 and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5) as set forth below.

- A. The Borrower shall be bound to the provisions of the Davis-Bacon Act and agrees to be bound by all the provisions of Labor Code section 1771 regarding prevailing wages. All labor on this project shall be paid neither less than the greater of the minimum wage rates established by the U.S. Secretary of Labor (Federal Wage Rates), or by the State of California Director of Department of Industrial Relations (State Wage Rates). Current DIR requirements may be found at <http://www.dir.ca.gov/lcp.asp>. Additionally, wages are required to be paid not less than once a week.
- B. The general prevailing wage rates may be accessed at the Department of Labor Home Page at [www.wdol.gov](http://www.wdol.gov). Under the Davis Bacon heading, click on "Selecting DBA WDs." In the drop down menu for State, select, "California." In the drop down menu for County, select "Riverside." In the drop down menu for Construction Type, make the appropriate selection. Then, click Search.

The Federal minimum wage rates for this project are predetermined by the United States Secretary of Labor. If there is a difference between the minimum wage rates predetermined by the Secretary of Labor and the general prevailing wage rates determined by the Director of the California DIR for similar classifications of labor, the Borrower and subcontractors shall pay not less than the higher wage rate. The County will not accept lower State wage rates not specifically included in the Federal minimum wage determinations. This includes "helper" (or other classifications based on hours of experience) or any other classification not appearing in the Federal wage determinations. Where Federal wage determinations do not contain the State wage rate determination otherwise available for use by the Borrower and subcontractors, the Borrower and subcontractors shall pay not less than the Federal minimum wage rate which most closely approximates the duties of the employees in question.

14. CONTRACT WORK HOURS AND SAFETY STANDARDS (applicable to all contracts in excess of \$100,000 that involve the employment of mechanics or laborers, but not to purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence)

A. Compliance: Borrower agrees that it shall comply with Sections 3702 and 3704 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701–3708) as supplemented by Department of Labor regulations (29 CFR Part 5), which are incorporated herein.

B. Overtime: No contractor or subcontractor contracting for any part of the work under this Agreement which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

C. Violation; liability for unpaid wages; liquidated damages: In the event of any violation of the provisions of paragraph B of this section, the Borrower and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such Borrower and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph B, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by paragraph B.

D. Withholding for unpaid wages and liquidated damages: Borrower shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor,

or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph C of this section.

E. Subcontracts: The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs A through D of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs A through D of this section.

15. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT— Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by HUD.

16. RIGHTS TO DATA AND COPYRIGHTS – Borrowers and consultants agree to comply with all applicable provisions pertaining to the use of data and copyrights pursuant to 48 CFR Part 27.4, Federal Acquisition Regulations (FAR).

17. PROHIBITION ON CONTRACTING FOR COVERED TELECOMMUNICATIONS EQUIPMENT OR SERVICES

A. Definitions. As used in this clause, the terms backhaul; covered foreign country; covered telecommunications equipment or services; interconnection arrangements; roaming; substantial or essential component; and telecommunications equipment or services have the meaning as defined in ARPA Policy, #405-143-1 Prohibitions on Expending ARPA Award Funds for Covered Telecommunications Equipment or Services As used in this clause—

B. Prohibitions.

(1) Section 889(b) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232, and 2 C.F.R. § 200.216 prohibit the head of an executive agency on or after Aug.13, 2020, from obligating or expending grant, cooperative agreement, loan, or loan guarantee funds on certain telecommunications products or from certain entities for national security reasons.

(2) Unless an exception in paragraph (c) of this clause applies, the contractor and its subcontractors may not use grant, cooperative agreement, loan, or loan guarantee funds from the Federal Emergency Management Agency to:

(i) Procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;

(ii) Enter into, extend, or renew a contract to procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;

(iii) Enter into, extend, or renew contracts with entities that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system; or (iv) Provide, as part of its performance of this contract, subcontract, or other contractual instrument, any

equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

C. Exceptions.

(1) This clause does not prohibit contractors from providing—

a. A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

b. Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(2) By necessary implication and regulation, the prohibitions also do not apply to:

a. Covered telecommunications equipment or services that:

i. Are not used as a substantial or essential component of any system;

and

ii. Are not used as critical technology of any system.

b. Other telecommunications equipment or services that are not considered covered telecommunications equipment or services.

D. Reporting requirement.

(1) In the event the contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the contractor is notified of such by a subcontractor at any tier or by any other source, the contractor shall report the information in paragraph (d)(2) of this clause to the recipient or subrecipient, unless elsewhere in this contract are established procedures for reporting the information.

(2) The Borrower shall report the following information pursuant to paragraph (d)(1) of this clause:

(i) Within one business day from the date of such identification or notification: The contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: Any further available information about mitigation actions undertaken or recommended. In addition, the contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services. Page 10

E. Subcontracts. The Borrower shall insert the substance of this clause, including this paragraph (e), in all subcontracts and other contractual instruments.

## 18. REPORTING OF MATTERS RELATED TO RECIPIENT INTEGRITY AND PERFORMANCE

### A. General Reporting Requirement

If the total value of your currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then you as the recipient during that period of

time must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under section 872 of [Public Law 110-417](#), as amended ([41 U.S.C. 2313](#)). As required by section 3010 of [Public Law 111-212](#), all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

#### B. Proceedings About Which You Must Report

Submit the information required about each proceeding that:

a. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;

b. Reached its final disposition during the most recent five-year period; and

c. Is one of the following:

(1) A criminal proceeding that resulted in a conviction, as defined in paragraph 5 of this award term and condition;

(2) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;

(3) An administrative proceeding, as defined in paragraph 5. of this award term and condition, that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000; or

(4) Any other criminal, civil, or administrative proceeding if:

(i) It could have led to an outcome described in paragraph 2.c.(1), (2), or (3) of this award term and condition;

(ii) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and

(iii) The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

#### C. Reporting Procedures

Enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph 2 of this award term and condition. You do not need to submit the information a second time under assistance awards that you received if you already provided the information through SAM because you were required to do so under Federal procurement contracts that you were awarded.

#### D. Reporting Frequency

During any period of time when you are subject to the requirement in paragraph 1 of this award term and condition, you must report proceedings information through SAM for the most recent five year period, either to report new information about any proceeding(s) that you have not reported previously or affirm that there is no new information to report. Recipients that have Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than \$10,000,000 must disclose semiannually any information about the criminal, civil, and administrative proceedings.

#### E. Definitions

For purposes of this award term and condition:

a. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (*e.g.*, Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services

Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.

b. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere.

c. Total value of currently active grants, cooperative agreements, and procurement contracts includes -

(1) Only the Federal share of the funding under any Federal award with a recipient cost share or match; and

(2) The value of all expected funding increments under a Federal award and options, even if not yet exercised.

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. Alicia Jaimes

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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

This LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (“Leasehold Deed of Trust”) is made this \_\_\_\_\_ day of \_\_\_\_\_ 2024 by NCRC Murrieta Senior Housing LP, a California limited partnership (“Trustor”), whose address is 9692 Haven Avenue, Suite 100, Rancho Cucamonga, CA 91730. 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.

### **RECITALS**

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

B. County made a loan to Trustor in the amount of \$7,000,000 (the “Loan”), of funds made available pursuant to the American Rescue Plan Act of 2021 (Title VI of the Social Security Act Section 602 et seq.) (the “Act”) and the implementing regulations thereto (31 CFT Part 35) (collectively, “ARPA”), EVIDENCED BY THAT CERTAIN Loan Agreement for the Use of ARPA Program Funds by and between Trustor and Beneficiary, dated as of the date hereof (the “Loan Agreement”).

C. In connection with the Loan, Beneficiary and Trustor entered into that certain Covenant Agreement dated as of the date hereof (the “Covenant Agreement”), pursuant to which, Trustor is obligated, among other requirements, to restrict a portion of the Subject Property’s use and occupancy in accordance with its terms.

NOW, THEREFORE, TRUSTOR IRREVOCABLY GRANTS, TRANSFERS AND ASSIGNS to Trustee, its successors and assigns, in Trust, with POWER OF SALE TOGETHER WITH RIGHT OF ENTRY AND POSSESSION the following Property (the “Trust Estate”):



(A) The Subject Property;

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

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

(D) All rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the Trustor's use, management, operation leasing or occupancy of the Trust Estate, including those past due and unpaid (the "Rents");

(E) All present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code (the "UCC"), and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, theater equipment, seating, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property, but not including personal property of 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 used in operation of the Real Property 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. Solely with respect to the Trust Estate, 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 in favor of the Beneficiary ("County" therein) executed by Trustor ("Borrower" therein) of even date herewith (the "ARPA Note") in the principal amount of \$7,000,000.00.
  - (b) that certain Loan Agreement for the Use of ARPA Act 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 "ARPA 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 \$7,000,000.00 U.S. Dollars (the "ARPA Loan") according to the terms of the ARPA Note.

Said ARPA Note, ARPA 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 ARPA Note, ARPA Loan Agreement and Covenant Agreement as used herein shall mean, refer to and include the ARPA Note, ARPA 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 ARPA Loan Agreement.

The ARPA Loan evidenced by the ARPA Note and secured by this Leasehold Deed of Trust is being made pursuant to the American Rescue Plan Act of 2021 (Pub.L. No. 117-2) ("ARPA"). Pursuant to the ARPA Loan Agreement, the maturity date of the ARPA Loan shall be the later to occur of (i) December 1, 2079 or (ii) fifty five (55) years from recordation of the Notice of Completion in the Official Records upon the last building being completed as part of the Project (as defined in the ARPA Loan Agreement) ("ARPA Loan Term").

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

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

1. That Trustor shall pay the ARPA Note at the time and in the manner provided therein, and perform the obligations of the Trustor as set forth in the ARPA 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 ARPA 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 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 ARPA 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 ARPA Note and any late charges due under the ARPA Note. Payments on the ARPA Note shall be deferred annually.

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 ARPA 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 ARPA Leasehold Deed of Trust.** The Covenant Agreement, ARPA Leasehold Deed of Trust, and this Agreement shall be respectively in the first, second, and third priority lien position, in relation to themselves, each for the benefit of COUNTY. Their priority in relation to other encumbrances shall be as approved by the COUNTY in its reasonable discretion, such approval not to be unreasonably withheld, conditioned, or delayed, provided, however, that COUNTY's affordability restrictions set forth in the Covenant Agreement are preserved for the Qualified Population for the Affordability Period (defined below).

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 ARPA 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 the ARPA 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 any Senior Lien Holder Leasehold Deed of Trust.

11. **Preservation, Maintenance and Protection of the Property; Trustor's Loan Application; Leaseholds.** 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 ARPA Note, including, but not limited to representations concerning Trustor's use of 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.

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

12. **Protection of Beneficiary's Rights in the Property.** If Trustor fails to perform the covenants and agreements contained in this 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.

a. 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 ARPA 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 Leasehold 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 repair and/or restoration of 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 ARPA 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. Any notice to Beneficiary shall be given by first class mail to Beneficiary's address stated herein or any other address Beneficiary designates by notice to Trustor. All such notices to Trustor shall also be provided to Trustor's investment limited partner at the address set forth in the Trustor's limited partnership 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 ARPA 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 ARPA 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 ARPA Note and of this Leasehold Deed of Trust.

22. **Transfer of the Property or a Beneficial Interest in Trustor.** Except as otherwise allowed under the ARPA Loan Agreement, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Trustor is sold or transferred and Trustor is not a natural person) without Beneficiary's prior written consent (including a transfer of all or any part of the Property to any person who, at initial occupancy of the Property, does not use the Property for affordable housing) 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 transfer of a limited partnership or non-managing member interest in the Trustor or of a conveyance of an easement interest in the Property for utility purposes.

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

b. Notwithstanding anything to the contrary contained herein, upon written notice to Beneficiary, Trustor may (i) lease for occupancy all or any of the ARPA-Assisted Units in



accordance with this Leasehold Deed of Trust; (ii) grant easements or permits to facilitate the development of the Property in accordance with the Loan Agreement; (iii) transfer the Trustor's limited partnership interest; (iv) remove and replace Trustor's general partner(s) for cause in accordance with Trustor's limited partnership agreement; and (v) make transfers pursuant to that certain Purchase Option and Right of First Refusal Agreement (collectively a "Permitted Transfer"). All Permitted Transfers shall be subject to reasonable review of documentation by Beneficiary.

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 ARPA 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 Leasehold 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 ARPA 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 Lien Holder, if any.

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 more than thirty (30) calendar days from the date of the mailing of the notice for a monetary default, or a date, which shall not be more than thirty (30) calendar days from the mailing of the notice for a non-monetary default, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the 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, Trustor's investor limited partner, the Senior Lien Holder, if any, 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.**

31. **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.

**[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:

NCRC Murrieta Senior Housing LP,  
a California limited partnership

By: NCRC Murrieta Senior Housing MGP LLC  
a California limited liability company,  
its General Partner

By: National Community Renaissance of  
California, a California nonprofit public  
benefit corporation, its Manager

By:   
\_\_\_\_\_  
Michael Finn, Chief Financial Officer

Date: 10/28/24

**(Signature needs to be notarized)**

# California All-Purpose Acknowledgment

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

State of California

County of San Bernardino

} s.s.

On October 28, 2024 before me, Monica Rodriguez, Notary Public

Name of Notary Public, Title

personally appeared Michael Finn

Name of Signer (1)

Name of Signer (2)

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person 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

Seal

## OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

### Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of \_\_\_\_\_

containing \_\_\_\_\_ pages, and dated \_\_\_\_\_.

The signer(s) capacity or authority is/are as:

- Individual(s)
- Attorney-in-fact
- Corporate Officer(s) \_\_\_\_\_  
Title(s)

- Guardian/Conservator
- Partner - Limited/General
- Trustee(s)
- Other: \_\_\_\_\_

representing: \_\_\_\_\_  
Name(s) of Person(s) or Entity(ies) signed or Representing

### Additional Information

#### Method of Signer Identification

Proved to me on the basis of satisfactory evidence:

- form(s) of identification  credible witness(es)

Notarial event is detailed in notary journal on:

Page # \_\_\_\_\_ Entry # \_\_\_\_\_

Notary contact: \_\_\_\_\_

Other

- Additional Signer  Signer(s) Thumbprints(s)

\_\_\_\_\_

# EXHIBIT "A"

## LEGAL DESCRIPTION OF PROPERTY

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

PARCEL A:

PARCELS 3 OF PARCEL MAP NO. 38160, AS SHOWN BY MAP ON FILE IN BOOK 256, PAGES 47 THROUGH 50 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL B:

NON-EXCLUSIVE EASEMENTS FOR (I) INGRESS, EGRESS AND ACCESS AS DESCRIBED IN SECTION 1.1 OF THE DECLARATION OF RECIPROCAL EASEMENTS FOR ACCESS, UTILITIES AND USE FOR OAK VIEW RANCH, (II) UTILITIES AS DESCRIBED IN SECTION 1.3 OF THE DECLARATION, AND (III) DRAINAGE AS DESCRIBED IN SECTION 1.4 OF THE DECLARATION, SUBJECT TO THE TERMS AND PROVISIONS AS CONTAINED IN THE DECLARATION RECORDED MAY 17, 2023, AS INSTRUMENT NO. 2023-0141703 OF OFFICIAL RECORDS.

PORITION OF APN: 906-080-073

APN: 906-080-073

**PROMISSORY NOTE (ARPA Loan)**

**\$7,000,000.00**

**Riverside, CA**

In installments as hereafter stated, for value received, NCRC MURRIETA SENIOR HOUSING LP, a California limited partnership (“Borrower”), promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), at 3403 10<sup>th</sup> Street, Suite 300, Riverside, CA 92501, the sum of Seven Million Dollars (U.S. \$7,000,000.00) (the “ARPA Loan” or “Note Amount”) which at the time of payment is lawful for the payment of public and private debts.

This Promissory Note (“Note”) is given in accordance with that certain Loan Agreement for the Use of ARPA Act 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 “ARPA 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 ARPA 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 as of \_\_\_\_\_, 2024, and recorded in the Official Records (the “ARPA Leasehold Deed of Trust” of “Leasehold Deed of Trust”). The rights and obligations of the Borrower and COUNTY under this Note shall be governed by the ARPA Loan Agreement and the following terms:

- (1) The ARPA Loan evidenced by this Note and secured by the Leasehold Deed of Trust are being made pursuant to the American Rescue Plan Act (Pub.L No. 117-2), hereinafter (“ARPA ”). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions set forth in ARPA regulations, the ARPA Loan Agreement and that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Borrower and County.
- (2) That the Loan will accrue simple interest at a rate of three percent (3%) per annum, except in the case of default as hereinafter provided.

This Note shall be repaid according to the following: Fifty percent (50%) of the Project’s Residual Receipts shall be paid annually to COUNTY, and other soft lenders (collectively the “Soft Lenders” and individually a “Soft Lender”), with such fifty percent (50%) split pro rata in accordance with the amounts of their respective loans for the Project (each, a “Pro Rata Share”) in accordance with the terms set forth herein. Such payment of the Pro Rata Share of fifty percent (50%) of the Project’s Residual Receipts to the Soft Lenders shall continue annually until the applicable promissory note to a Soft Lender, including the COUNTY’S ARPA Note, are repaid in full, respectively.

- (3) The term “Residual Receipts” used herein shall mean all money and income from the Project remaining annually after the payment of all normal and necessary expenses of operation of the Project, including but not limited to the following:
  - (i) payments of principal and interest and other mandatory payments on amortized loans and indebtedness senior to the Loan, which have been approved in writing by COUNTY (collectively, the “Senior Debt”);
  - (ii) utility fees and costs not paid by tenants;
  - (iii) insurance on the Project;

- (iv) ad valorem taxes and assessment payments;
  - (v) management fees, expenses and costs, as well as the cost of social programs at the Project and compliance monitoring/reporting, which shall total initially \$70 per Unit per month, which management fee shall be increased annually by an amount not to exceed the greater of (i) three and a half percent (3.5%) or (ii) the increase in the Consumer Price Index for Riverside-San Bernardino-Ontario, CA area ("CPI"), and any accrued and unpaid fees from prior years;
  - (vi) auditing and accounting fees;
  - (vii) operating expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which shall include administration, on-site management costs, utilities, on-site staff payroll, payroll taxes, and maintenance);
  - (viii) reserves for repair and replacement of the Project, in an annual amount of no less than \$350 per rental unit per year, increased annually by an amount not to exceed the greater of (i) three percent (3%) or (ii) the increase in CPI;
  - (ix) required operating reserve replenishments in an amount up to \$175,000 per year;
  - (x) repayment of any operating deficit loans made by a partner to the BORROWER and payment of unpaid tax credit adjustment payments owed to a limited partner of BORROWER;
  - (xi) partnership management fees up to \$15,000 annually payable to a partner of BORROWER, and asset management fees up to \$5,000 annually (increasingly annually by three (3%)) payable to a partner of BORROWER, and any accrued and unpaid fees from prior years;
  - (xii) payment of deferred developer fees pursuant to BORROWER'S limited partnership agreement; and
  - (xiii) all other fees and expenses which may be permitted by the annual budget approved by the COUNTY.
- (4) Payment of COUNTY'S Pro Rata Share of the Residual Receipts produced from the Project shall be made by the Borrower to the COUNTY annually on July 15th of each year. Payment shall be applied first to accrued interest and thereafter to principal. Borrower shall annually provide the COUNTY with an accounting acceptable to the COUNTY, documenting the calculation of Residual Receipts for the previous calendar year ending December 31. This accounting shall be made on or before July 15, together with the payment of Residual Receipts.
- (5) All outstanding principal along with accrued interest shall be due upon maturity of the Loan Agreement, which shall be the later to occur of (i) December 31, 2079 or (ii) fifty-five (55) years from and after the recordation of the Notice of Completion in the Official Records for the last building for which construction is complete for the Project (the "Loan Term"). All outstanding principal along with accrued interest shall be due upon the maturity date of the Note and the expiration of the Loan Term.
- (6) The Loan evidenced by this Note is secured by that certain Deed of Trust and Assignment of Rents executed by Borrower for the benefit of the County, dated on or about the date



hereof and recorded in the Official Records of the County of Riverside on or about the date hereof ("Deed of Trust").

- (7) This Note may be prepaid in whole or in part by the undersigned at any time without prepayment penalty or premium, provided however notwithstanding such prepayment, Borrower shall be required to adhere to the affordability restrictions contained in the Covenants until the expiration of the term contained therein.
- (8) Subject to the provisions and limitations of this Paragraph 8, the obligation to repay the Note Amount is a nonrecourse obligation of Borrower and its partners. Neither Borrower nor its partners shall have any personal liability for repayment of the Note Amount, except as provided in this Paragraph 8. The sole recourse of the County shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the ARPA Loan; provided, however, that the foregoing shall not (i) constitute a waiver of any other obligation evidenced by this Note or the Leasehold 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 Leasehold 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 Leasehold 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 Leasehold Deed of Trust. Notwithstanding the first sentence of this Paragraph 4, the COUNTY may recover directly from Borrower or, unless otherwise prohibited by any applicable law, from any other party: (a) any damages, costs and expenses incurred by the COUNTY as a result of fraud, misrepresentation or any criminal act or acts of Borrower, or any general partner, shareholder, officer, director or employee of Borrower, or of any general partner of Borrower, or of any general partner or member of such general partner; (b) any damages, costs and expenses incurred by the COUNTY as a result of any misappropriation of funds provided to pay costs as described in the ARPA Loan Agreement for the operation of the Project, or proceeds of insurance policies or condemnation proceeds; and (c) any misappropriation of proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the Leasehold 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 ARPA Loan Agreement:
- a. Monetary Default. (1) Borrower's failure to pay when due any sums payable under the ARPA Note or any advances made by COUNTY under

this Agreement, (2) Borrower's or any agent of Borrower's use of ARPA funds for costs other than those costs permitted under the ARPA Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, and/or (3) Borrower's or any agent of Borrower's failure to make any other payment of any assessment or tax due under the ARPA Loan Agreement;

- b. Non-Monetary Default - Operation. (1) Discrimination by Borrower or Borrower's agent on the basis of characteristics prohibited by this Agreement or applicable law, (2) the imposition of any encumbrances or liens on the Project without COUNTY's prior written approval that are prohibited under this agreement or that have the effect of reducing the priority or invalidating the lien of the ARPA Leasehold Deed of Trust, (3) Borrower's failure to obtain and maintain the insurance coverage required under the ARPA Loan Agreement, (4) any material default under the ARPA Loan Agreement, ARPA Leasehold Deed of Trust with Assignment of Rents, Covenant Agreement, ARPA Note, or any document executed by the Borrower in connection with this Agreement, and/or (5) default past any applicable notice and cure period under the terms of the ARPA Leasehold Deed of Trust or any other instrument or document secured against the Property;
- c. General Performance of Loan Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on Borrower imposed in the ARPA Loan Agreement; and
- d. General Performance of Other Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on the Project imposed by any other agreement with respect to the financing, development, or operation of the Project; whether or not COUNTY is a party to such agreement.

- (10) COUNTY shall give written notice of default to Borrower, specifying the default complained of by the COUNTY. Borrower shall have thirty (30) calendar days from the mailing of the notice for a monetary default, and thirty (30) calendar days from the mailing of the notice for any other default, by which such action to cure must be taken or commenced if a cure cannot reasonable be rendered within the applicable cure period. 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 leasehold 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 ARPA Loan Agreement, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.
- (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 in the ARPA 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 ARPA Loan Agreement or this Note, except for in the event of a Permitted Transfer of the Project as such term is defined in the ARPA Loan Agreement. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.

- (19) Except as to the permitted deeds of trust identified herein, Borrower shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Leasehold 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> Street, Suite 300, Riverside, California 92501, Attention: Director HWS. The facsimile number for the COUNTY’s receipt of notices is (951) 352-4852.
- (c) The address of Borrower for purposes of receiving notices pursuant to this Note is c/o National Community Renaissance of California, 9692 Haven Avenue, Suite 100, Rancho Cucamonga, CA 91730, Attention: CEO/CFO ([mruane@nationalcore.org](mailto:mruane@nationalcore.org) / [mfinn@nationalcore.org](mailto:mfinn@nationalcore.org)), with a copy to National Community Renaissance of California, 9692 Haven Avenue, Suite 100, Rancho Cucamonga, CA 91730, Attention: General Counsel ([rdiaz@national.org](mailto:rdiaz@national.org)).
- (22) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
- (23) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
- (24) This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.

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

BORROWER:

NCRC Murrieta Senior Housing LP,  
a California Limited Partnership

By: NCRC Murrieta Senior Housing MGP LLC  
a California Limited Liability Company,  
its General Partner

By: National Community Renaissance of  
California, a California nonprofit public  
Benefit corporation, its Manager

By:   
\_\_\_\_\_  
Michael Finn, Chief Financial Officer

Date: 10/28/24

# EXHIBIT "D"

Policy Manual, I.D. # A-11

TOPIC: CONFLICT OF INTEREST CODE  
RIVERSIDE COUNTY  
Housing & Workforce Solutions  
DATE: MARCH 1999

This Conflict of Interest Code is written to comply with Federal Regulations (24 CFR Part 85). "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments" require that grantees and sub-grantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts.

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

1 NO FEE FOR RECORDING PURSUANT  
TO GOVERNMENT CODE SECTION 6103

2 Order No.  
Escrow No.  
3 Loan No.

4 RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

5  
6 County of Riverside  
Housing and Workforce Solutions  
7 3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501  
8 Attn. Alicia Jaimes

SPACE ABOVE THIS LINE FOR RECORDER'S USE

9  
10 **COVENANT AGREEMENT**  
**(Oak View Ranch Senior Apartments)**

11  
12 This Covenant Agreement (Oak View Ranch Senior Apartments) ("Covenant") is made  
13 and into this \_\_\_\_\_ day of \_\_\_\_\_ 2024 by and between the COUNTY OF  
14 RIVERSIDE, a political subdivision of the State of California ("COUNTY"), and NCRC  
MURRIETA SENIOR HOUSING LP, a California limited partnership ("OWNER").

15  
16 **RECITALS**

17 WHEREAS, OWNER owns that certain real property located at 24960 Adams Avenue in  
18 the City of Murrieta and can also be identified as APN 906-080-073 described in the legal  
19 description attached hereto as **Exhibit A** and incorporated herein by this reference (the  
20 "Property");

21 WHEREAS, COUNTY and OWNER entered into that certain Loan Agreement for the Use  
22 of ARPA Act Funds dated \_\_\_\_\_, 2024 and recorded in the Official  
23 Records of the County of Riverside ("Official Records") concurrently herewith (the "ARPA Loan  
24 Agreement" or "Agreement") which provides for, among other things, the development and  
25 construction on the Property, also known as "Oak View Ranch Senior Apartments" will consist of  
26 (81) affordable rental units for seniors, consisting of eighty (80) units and one (1) unrestricted  
27 manager's unit. A total of 40 units will be rented and occupied by affordable low-income rental  
28

1 housing project for seniors experiencing homelessness or at risk of homelessness occupied by  
2 Qualified Low Income Households (as defined below) (“ARPA-Assisted Units”) (collectively the  
3 “Project”);

4 WHEREAS, forty (40) units at the Project will be reserved as ARPA-Assisted Units  
5 occupied by affordable low-income rental housing project for seniors experiencing homelessness  
6 or at risk of homelessness of which nineteen (19) units will be restricted to households whose  
7 incomes do not exceed 60% of the area median income for the County of Riverside, eight (8) units  
8 will be restricted to households do not exceed 40% AMI, and thirteen (13) units will be restricted  
9 to households whose incomes do not exceed 30% AMI at the time of initial occupancy (“ARPA-  
10 Assisted Units”). Capitalized terms not defined herein shall have the meaning ascribed to them in  
11 the ARPA Loan Agreement;

12 WHEREAS, the County is providing funding under the American Rescue Plan Act (Pub.L  
13 No. 117-2), hereinafter “ARPA,” for the purposes of providing decent, safe, and sanitary housing  
14 to extremely low income senior households, a group that has been disproportionately affected  
15 by the COVID-19 pandemic;

16 WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY loaned to OWNER  
17 \$7,000,000.00 derived from ARPA funds (“ARPA Loan”), to pay for a portion of the acquisition  
18 and construction expenses of the Project, as more fully described in the ARPA Loan Agreement.  
19 The ARPA Loan is evidenced by a Promissory Note executed by OWNER, in favor of the  
20 COUNTY dated on or about the date hereof (“ARPA Loan Note”) and secured by that certain  
21 Leasehold Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents)  
22 executed by OWNER, for the benefit of COUNTY and recorded in the Official Records  
23 concurrently herewith (“ARPA Leasehold Deed of Trust”); and

24 WHEREAS, pursuant to the ARPA Loan Agreement, OWNER has agreed to construct the  
25 Project on the Property and ensure the ARPA-Assisted Units are occupied by the Qualified  
26 Population consistent with the ARPA Act requirements and as set forth more specifically below.

27 NOW, THEREFORE, in consideration of the mutual covenants and agreements, and for  
28



1 other good and valuable consideration, the receipt and sufficiency of which are hereby  
2 acknowledged, OWNER, on behalf of itself and its successors, assigns, and each successor in  
3 interest to the Property or any part thereof, hereby declares as follows:

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

10 a) Forty (40) units at the Project will be restricted as ARPA-Assisted Units for  
11 seniors experiencing homelessness or at risk of homelessness. A Total of forty (40) units restricted  
12 as ARPA-Assisted units, of which 19 units will be restricted to households whose incomes do not  
13 exceed 60% of the area median income (“AMI”) for the County of Riverside, eight (8) units will  
14 be restricted to households whose income do not exceed 40% AMI, and thirteen (13) units will be  
15 restricted to households whose income do not exceed 30% AMI (“ARPA-Assisted Units”), at the  
16 time of initial occupancy. The ARPA-Assisted Units shall be a “floating” designation on the  
17 Property such that the requirements of this Agreement will be satisfied so long as the total number  
18 of ARPA-Assisted Units remains the same throughout the Affordability Period and the substituted  
19 ARPA-Assisted Unit is comparable in terms of size, features, and number of bedrooms to the  
20 originally designates ARPA-Assisted Unit. Rent for the ARPA-Assisted Units, including utilities,  
21 shall be in accordance with TCAC rent requirements. Notwithstanding anything in the ARPA Loan  
22 Agreement or this Covenant to the contrary, the Parties agree that the following shall apply to the  
23 ARPA-Assisted Units:

24 (1) COUNTY agrees that, upon BORROWER’s request and COUNTY’s written  
25 approval, which will not be unreasonably withheld, the maximum tenant household  
26 income and maximum annual rent for ARPA-Assisted Units may be increased to  
27 amounts necessary to make operation of the Project financially feasible as  
28

1 determined by the BORROWER, including the payment of all required operating  
2 costs and debt service, but in no event may (a) the maximum tenant household  
3 income limitation exceed 60 percent of AMI or, (b) the maximum annual rent  
4 limitation exceed 30 percent of 60 percent of AMI.

5 (2) In the case of increases due to a foreclosure of any approved financing or deed in  
6 lieu thereof, the above increases may continue until such time, if any, that the rental  
7 assistance or equivalent operating subsidy is restored. Notwithstanding anything to  
8 the contrary in this Section, the BORROWER may not displace tenant households  
9 and must use good faith efforts to reduce the effect of rent increases permitted to  
10 be imposed on existing tenant households by (a) the use of operating and transition  
11 reserves to the extent such funds exist and are available, and (b) the use of other  
12 subsidy sources available that would mitigate the rent increases.

13 (3) If Rent increases on the ARPA-Assisted Units are necessary, after exhausting all  
14 transition reserve funds such increases shall only be permitted to the minimum  
15 extent required for financial feasibility, as reasonably determined by BORROWER  
16 and approved by COUNTY, which approval shall not, in any event, be increased to  
17 an amount in excess of 30 percent of 60 percent of AMI, adjusted for household  
18 size for the number of bedrooms. The COUNTY shall be notified at least eighteen  
19 (18) months in advance of any Rent increase on the ARPA-Assisted Units.

20 (4) In order to enact an increase in the maximum household income and rents for an  
21 ARPA-Assisted Unit for the Project, the BORROWER must submit a written  
22 request to the COUNTY which shall outline a plan with an explanation of the fiscal  
23 necessity of adjusting the maximum household income and rents charged for the  
24 ARPA-Assisted Units. The plan shall provide the following items along with any  
25 additional requirements from the COUNTY:

26 (a) An explanation of the efforts the Project Owner has made to secure other rental  
27 subsidies to sustain overall Project operations;

1 (b) An explanation of the fiscal necessity of adjusting the maximum household  
2 income and rents charged for the ARPA-Assisted Units;

3 (c) A process for increasing the Project rent for all affected units and make  
4 reasonable efforts to continue to market and rent Project units to members of  
5 the target population, as well as ensuring that any increases to the household  
6 income limit are applied, as much as possible, only to vacant units as they  
7 become available. This portion of the plan shall discuss changes in both  
8 maximum household incomes and rents, and;

9 (d) The plan for continuing, throughout the term of this Covenant Agreement, to  
10 apply for other subsidies that will allow a return of all Project units to members  
11 of the target population and rents originally contemplated.

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

15 2) SENIOR LIEN PRIORITY. Notwithstanding anything to the contrary contained in  
16 the ARPA Loan Agreement, including any of its attachments, this Covenant Agreement shall be,  
17 and remain in, senior lien position and priority to other encumbrances as approved by the  
18 COUNTY in its reasonable discretion, such approval not to be unreasonably withheld, conditioned,  
19 or delayed, provided, however, that COUNTY's affordability restrictions set forth in this Covenant  
20 Agreement are preserved for the Qualified Population for the Affordability Period as defined in  
21 the ARPA Loan Agreement.

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

26 a) The American Rescue Plan Act (Pub.L 117-2).

27 b) Other Federal requirements and nondiscrimination. As set forth in 24 CFR  
28

1 part 5, Subpart A, OWNER is required to include the following requirements: nondiscrimination  
2 and equal opportunity under Section 282 of the Act; disclosure; debarred, suspended, or ineligible  
3 contractors; and drug-free workplace.

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

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

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

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

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

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

23 (6) OWNER must prescribe procedures to establish and oversee a minority  
24 outreach program to ensure the inclusion, to the maximum extent possible, of minorities and  
25 women, and entities owned by minorities and women, including, without limitation, real estate  
26 firms, construction firms, appraisal firms, management firms, financial institutions, investment  
27 banking firms, underwriters, accountants, and providers of legal services, in all contracts entered  
28

1 into by OWNER with such persons or entities, public and private, in order to facilitate the  
2 activities of COUNTY to provide affordable housing authorized under this Act or any other  
3 Federal housing law. Section 24 CFR 85.36(e) provided affirmative steps to assure that minority  
4 business enterprises and women business enterprises are used when possible in the procurement  
5 of property and services. The steps include:

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

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

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

13 (iv) Establishing delivery schedules, where the requirement permits,  
14 which encourage participation by small and minority business, and women's business enterprises.

15 (v) Using the services and assistance of the Small Business  
16 Administration, and the Minority Business Development Agency of the Department of  
17 Commerce.

18 4) MAINTENANCE OF THE IMPROVEMENTS. OWNER, on behalf of itself and  
19 its successors, assigns, and each successor in interest to the Property and Project or any part thereof  
20 hereby covenants to and shall protect, maintain, and preserve the Property in compliance with all  
21 applicable federal and state law and regulations and local ordinances. In addition, OWNER, its  
22 successors and assigns, shall maintain the improvements on the Property in the same aesthetic and  
23 sound condition (or better) as the condition of the Property at the time of the recordation of the  
24 Covenant Agreement for the Project, or at the time of completion of construction, as applicable,  
25 reasonable wear and tear excepted. This standard for the quality of maintenance of the Property  
26 shall be met whether or not a specific item of maintenance is listed below. However, representative  
27 items of maintenance shall include frequent and regular inspection for graffiti or damage or  
28

1 deterioration or failure, and immediate repainting or repair or replacement of all surfaces, fencing,  
2 walls, equipment, etc., as necessary; emptying of trash receptacles and removal of litter; sweeping  
3 of public sidewalks adjacent to the Property, on-site walks and paved areas and washing-down as  
4 necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive  
5 condition, including trimming, fertilizing and replacing vegetation as necessary; cleaning windows  
6 on a regular basis; painting the buildings on a regular program and prior to the deterioration of the  
7 painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-  
8 free and weather-tight condition; maintaining security devices in good working order. In the event  
9 OWNER, its successors or assigns fails to maintain the Property in accordance with the standard  
10 for the quality of maintenance, the COUNTY or its designee shall have the right but not the  
11 obligation to enter the Property upon reasonable notice to OWNER, correct any violation, and hold  
12 OWNER, or such successors or assigns responsible for the cost thereof, and such cost, until paid,  
13 shall constitute a lien on the Property.

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

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

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

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

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

25 b) In leases: "The lessee herein covenants by and for himself or herself, his or her  
26 heirs, executors, administrators, and assigns, and all persons claiming under or through him or her,  
27 and this lease is made and accepted upon and subject to the following conditions: That there shall  
28

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

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

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

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

27 a) Worker’s Compensation Insurance. If OWNER has employees as defined  
28



1 by the State of California, OWNER shall maintain statutory Workers' Compensation Insurance  
2 (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers'  
3 Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per  
4 person per accident. The policy shall be endorsed to waive subrogation in favor of the County of  
5 Riverside

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

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

25           d)     General Insurance Provisions – All Lines.

26           (1)     Any insurance carrier providing insurance coverage hereunder shall be  
27 admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8)

1 unless such requirements are waived, in writing, by Risk Manager. If Risk Manager waives a  
2 requirement for a particular insurer such waiver is only valid for that specific insurer and only for  
3 one policy term.

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

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

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

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

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

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

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

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

12 COUNTY  
13 Director HWS  
14 County of Riverside  
15 3403 10<sup>th</sup> Street, Suite 300  
16 Riverside, CA 92501

BORROWER  
c/o National Community Renaissance  
of California  
9692 Haven Avenue, Suite 100  
Rancho Cucamonga, CA 91730  
Attention: CEO/CFO  
Email: [mruane@nationalcore.org](mailto:mruane@nationalcore.org)  
[mfinn@nationalcore.org](mailto:mfinn@nationalcore.org)

17 and:

18 National Community Renaissance  
19 Of California  
20 9692 Haven Avenue, Suite 100  
21 Rancho Cucamonga, CA 91730  
22 Attention: General Counsel  
23 Email: [rdiaz@nationalcore.org](mailto:rdiaz@nationalcore.org)

24 With a copy to:

25 Klein Hornig LLP  
26 1325 G Street NW, Suite 770  
27 Washington, DC 20005  
28 Attn: Jed D'A'bravanel  
Email: [jdabravanel@kleinhornig.com](mailto:jdabravanel@kleinhornig.com)

11) REMEDIES. COUNTY shall have the right, in the event of any breach of any such

1 agreement or covenant, to exercise all available rights and remedies, and to maintain any actions  
2 at law or suit in equity or other proper proceedings to enforce the curing of such breach of  
3 agreement or covenant.

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

8 13) NOTICE AND OPPORTUNITY TO CURE. Prior to exercising any remedies  
9 hereunder, the COUNTY shall give OWNER notice of such default pursuant to **Section 10** above.  
10 Any monetary default shall be cured within ten (10) days of delivery of written notice. Except as  
11 otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within  
12 thirty (30) days of delivery of such notice of default, OWNER shall have such period to effect a  
13 cure prior to exercise of remedies by COUNTY. If the non-monetary default is such that it is not  
14 reasonably capable of being cured within thirty (30) days of delivery of such notice of default, and  
15 OWNER (a) initiates corrective action within said period, and (b) diligently, continually, and in  
16 good faith works to effect a cure as soon as possible, then OWNER shall have such additional time  
17 as is reasonably necessary to cure the default prior to exercise of any remedies by the COUNTY;  
18 but in no event no later than sixty (60) days from delivery of such notice of default, subject to force  
19 majeure (including government restrictions, pandemics, and acts of God). COUNTY, upon  
20 providing OWNER with any notice of default under this Covenant, shall, within a reasonable time,  
21 provide a copy of such default notice to a Permitted Lender (as hereinafter defined) who has given  
22 written notice to COUNTY of its interest in the Property and Project. From and after such notice  
23 has been delivered to a Permitted Lender, such Permitted Lender shall have the same period for  
24 remedying the default complained of as the cure period provided to OWNER pursuant to this  
25 **Section 13**. COUNTY shall accept performance by a Permitted Lender as if the same had been  
26 done by OWNER.

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

10 15) Intentionally omitted.

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

12 OWNER hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the  
13 Project, the Property or any portion thereof, without obtaining the prior written consent of  
14 COUNTY, which consent shall be conditioned upon (a) a COUNTY determination that transferee  
15 is a qualified and experienced operator of low-income housing and (b) solely upon receipt by the  
16 COUNTY of reasonable evidence satisfactory to the County in its sole discretion that the transferee  
17 has assumed in writing all of the OWNER'S duties and obligations under this Covenant, and is  
18 reasonably capable of performing and complying with OWNER's duties and obligations under the  
19 ARPA Loan Agreement and this Covenant, provided, however OWNER shall not be released of  
20 all obligations under the ARPA Loan Agreement and this Covenant unless agreed to in a writing  
21 signed by COUNTY. Notwithstanding anything to the contrary contained herein, upon written  
22 notice to COUNTY, BORROWER may (i) lease for occupancy all or any of the ARPA-Assisted  
23 Units in accordance with this Covenant, (ii) grant easements or permits to facilitate the  
24 development of the Property in accordance with this Covenant and the ARPA Loan Agreement;  
25 (iii) transfer the OWNER's limited partnership interest; (iv) remove and replace the OWNER'S  
26 general partner(s) for cause in accordance with OWNER'S limited partnership agreement; and (v)  
27 make transfers pursuant to that certain Purchase Option and Right of First Refusal Agreement  
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1 (collectively a “Permitted Transfer”).

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

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

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

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

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

25 22) PROJECT MONITORING AND EVALUATION.

26 a) Reserved.

27 b) Inspections. During the Affordability Period, COUNTY must perform on-

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

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

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

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

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

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[SIGNATURES ON THE NEXT PAGE]

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

COUNTY:

BORROWER:

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

NCRC MURRIETA SENIOR HOUSING LP, a California limited partnership

By:   
Chuck Washington, Chair  
Board of Supervisors

By: NCRC Murrieta Senior MGP LLC, a California limited liability company, its General Partner

By: National Community Renaissance of California, a California nonprofit public benefit Corporation, its Manager

Date: 11/05/2024

By:   
Michael Finn, Chief Financial Officer


ATTEST:  
KIMBERLY A. RECTOR, Clerk

By:   
DEPUTY

Date: 10/28/24

(Above signatures need to be notarized)

APPROVED AS TO FORM:  
MINH C. TRAN  
County Counsel

By:   
Amrit P. Dhillon  
Deputy County Counsel



# California All-Purpose Acknowledgment

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

State of California  
County of San Bernardino } s.s.

On October 28, 2024 before me, Monica Rodriguez, Notary Public  
Name of Notary Public, Title

personally appeared Michael Finn  
Name of Signer (1)  

---

Name of Signer (2)

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person 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

Seal

## OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

### Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of \_\_\_\_\_

containing \_\_\_\_\_ pages, and dated \_\_\_\_\_.

The signer(s) capacity or authority is/are as:

- Individual(s)
- Attorney-in-fact
- Corporate Officer(s) \_\_\_\_\_  
Title(s)

- Guardian/Conservator
- Partner - Limited/General
- Trustee(s)
- Other: \_\_\_\_\_

representing: \_\_\_\_\_  
Names of Person(s) Entry(ies) Signer is Representing

### Additional Information

#### Method of Signer Identification

Proved to me on the basis of satisfactory evidence:  
 form(s) of identification  credible witness(es)

Notarial event is detailed in notary journal on:

Page # \_\_\_\_\_ Entry # \_\_\_\_\_

Notary contact: \_\_\_\_\_

Other

Additional Signer  Signer(s) Thumbprints(s)

\_\_\_\_\_

WINDY RIDGE  
2nd Floor - 2nd Floor  
2nd Floor - 2nd Floor  
Commission # 12345  
My Comm. Expires May 31, 2025

**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 BELOW IS SITUATED IN THE CITY OF MURRIETA, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A:

PARCELS 3 OF PARCEL MAP NO. 38160, AS SHOWN BY MAP ON FILE IN BOOK 256, PAGES 47 THROUGH 50 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL B:

NON-EXCLUSIVE EASEMENTS FOR (I) INGRESS, EGRESS AND ACCESS AS DESCRIBED IN SECTION 1.1 OF THE DECLARATION OF RECIPROCAL EASEMENTS FOR ACCESS, UTILITIES AND USE FOR OAK VIEW RANCH, (II) UTILITIES AS DESCRIBED IN SECTION 1.3 OF THE DECLARATION, AND (III) DRAINAGE AS DESCRIBED IN SECTION 1.4 OF THE DECLARATION, SUBJECT TO THE TERMS AND PROVISIONS AS CONTAINED IN THE DECLARATION RECORDED MAY 17, 2023, AS INSTRUMENT NO. 2023-0141703 OF OFFICIAL RECORDS.

PORTION OF APN: 906-080-073

APN: 906-080-073

## ENVIRONMENTAL INDEMNITY

THIS ENVIRONMENTAL INDEMNITY (this "Indemnity"), dated as of \_\_\_\_\_, 2024, is made by NCRC MURRIETA SENIOR HOUSING, LP, a California Limited Partnership (referred to as "Indemnitor"), whose address for purposes of giving notices is 9692 Haven Avenue Suite 100, Rancho Cucamonga, CA 91730, in favor of the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY" or "County"), whose address for purposes of giving notices is 3403 Tenth Street, Suite #300, Riverside, CA 92501.

### WITNESSETH

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

WHEREAS, Indemnitor and COUNTY have entered into that certain Loan Agreement for the Use of ARPA Program Funds (Oakview Ranch Senior Apartments), dated as of \_\_\_\_\_, 2024 (the "Loan Agreement"), pursuant to which COUNTY agreed to loan to Indemnitor, or its assignee, Seven Million and 0/100 Dollars (\$7,000,000) in ARPA Program funds (the "ARPA Loan"). These funds will be utilized to develop Oak View Ranch Senior Apartments, which will consist of approximately eighty-one (81) units as a multifamily rental affordable housing development, featuring one (1) manager's unit, along with related improvements and amenities on the Property; and

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

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

#### Section 1. DEFINITIONS

For the purpose of this Indemnity, "Hazardous Materials" or "Hazardous Substances" shall include, but not be limited to, any substance or material (whether a raw material, building component or waste, a product or by-product of manufacturing or other activities, or any other substance or material) which is or becomes designated, classified or regulated as being "hazardous" or "toxic", or is or becomes otherwise similarly designated, classified or regulated, under any Federal, state or local law, regulation or ordinance, including without limitation (i) any substance defined as a "hazardous substance" or a "hazardous waste" for purposes of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 *et seq.*, or the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*, respectively, (ii) any substance defined as a "hazardous waste" or a "hazardous substance" for purposes of applicable state or local law and (iii) petroleum, flammable



explosives, urea formaldehyde insulation, asbestos and radioactive materials, substances defined as “extremely hazardous substances,” “hazardous substances,” “hazardous materials,” “hazardous waste” or “toxic substances” the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq.; and those substances defined as “hazardous waste” in Section 25117 of the California Health and Safety Code, as “infectious waste” in Section 25117.5 of the California Health and Safety Code, or as “hazardous substances” in Section 25316 of the California Health and Safety Code or “hazardous materials” as defined in Section 353 of the California Vehicle Code; and in the regulations adopted and publications promulgated pursuant to said laws. “Hazardous Materials” and “Hazardous Substances” shall expressly exclude substances typically used in the construction, development, operation and maintenance of an apartment complex provided such substances are used in accordance with all applicable laws.

For the purpose of this Indemnity, “ARPA Loan Documents” shall refer to the Loan Agreement, any agreement entered into in the form of an Attachment thereto or in connection therewith, and any extensions, modifications or amendments thereto.

## Section 2. COVENANTS AND INDEMNITY

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

### 2.1 Covenants.

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

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

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

(d) COUNTY shall have the right, upon reasonable notice and subject to rights of tenants, to conduct an environmental audit of the Property at COUNTY’s expense, unless Hazardous Materials are found in violation of this Indemnity, then at Indemnitor’s sole cost and expense, and Indemnitor shall cooperate in the conduct of any such environmental audit but in no

event shall such audit be conducted unless COUNTY reasonably believes that such audit is warranted. Other than in an emergency, such audit shall be conducted only after prior notice has been given to Indemnitor and only in the presence of a representative of Indemnitor. Indemnitor shall give COUNTY and its agents and employees access to the Property to remove, or otherwise to mitigate against the effects of, Hazardous Materials, provided, however, that COUNTY may exercise this right only if Indemnitor has failed to commence action to mitigate the effects of the Hazardous Materials within thirty (30) business days of receipt of notice from COUNTY.

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

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

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

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

Notwithstanding the foregoing, Indemnitor's liability under this Section 2.2 shall not extend to (i) any Hazardous Substance present or released in, on, or around any part of the Property, or in the soil, groundwater, or soil vapor or under the Property that first arise, commence or occur after the actual dispossession of the Property from Indemnitor and all entities which control, are controlled by, or are under common control with Indemnitor, following foreclosure or acquisition of the Property by a deed in lieu of foreclosure, or (ii) any Obligations arising from the gross negligence or intentional misconduct of COUNTY or any of its Indemnified Parties.

### Section 3. INDEMNITOR'S UNCONDITIONAL OBLIGATIONS

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

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

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

3.3 Termination. Notwithstanding the payment (and performance) in full of all of the Obligations and the payment (or performance) in full of all of Indemnitor's obligations under the

ARPA Loan Documents, this Indemnity shall not terminate if any of the following shall have occurred:

(a) COUNTY has at any time or in any manner participated in the management or control of, taken possession of (whether personally, by agent or by appointment of a receiver), or taken title to the Property or any portion thereof, whether by foreclosure, deed in lieu of foreclosure, sale under power of sale or otherwise; or

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

#### Section 4. WAIVER

Indemnitor hereby waives the following:

(a) Promptness and diligence;

(b) Notice of acceptance and notice of the incurrence of any obligation by Indemnitor;

(c) Notice of any action taken by COUNTY, or any other interested party under the Loan Agreement or under any other agreement or instrument relating thereto;

(d) All other notices, demands, and protests, and all other formalities of every kind, in connection with the enforcement of the Obligations, the omission of or delay in which, but for the provisions of this Section 4, might constitute grounds for relieving Indemnitor of its Obligations hereunder;

(e) Any requirement that COUNTY protect, secure, perfect, or insure any security interest or lien in or on any property subject thereto,

(f) Any requirement that COUNTY exhaust any right or take any action against Borrower or any other person or collateral;

(g) Any defense that may arise by reason of:

(1) The incapacity, lack of authority, death or disability of, or revocation hereof by, any person or persons;

(2) The failure of COUNTY to file or enforce any claim against the estate (in probate, bankruptcy, or any other proceedings) of any person or persons; or

(3) Any defense based upon an election of remedies by COUNTY, including, without limitation, an election to proceed by non-judicial foreclosure or which destroys or otherwise impairs the subrogation rights of COUNTY or any other right of COUNTY to proceed against Indemnitor.

Section 5. NOTICES

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

In the case of COUNTY:

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

In the case of Indemnitor:

NCRC MURRIETA SENIOR HOUSING, LP, a California Limited Partnership  
c/o National Community Renaissance of California  
9692 Haven Avenue Suite 100 Rancho Cucamonga, CA 91730  
Attn: CEO/CFO  
Email: [mruane@nationalcore.org](mailto:mruane@nationalcore.org)  
[mfinn@nationalcore.org](mailto:mfinn@nationalcore.org)

with copies to:

National Community Renaissance of California  
9692 Haven Avenue Suite 100  
Rancho Cucamonga, CA 91730  
Attention: General Counsel  
Email: [rdiaz@nationalcore.org](mailto:rdiaz@nationalcore.org)

and

Klein Hornig LLP  
1325 G Street NW  
Suite 770

Washington, DC 20005  
Attn: Jed D'Abravanel  
Email: [jdabravanel@kleinhornig.com](mailto:jdabravanel@kleinhornig.com)

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

## Section 6. MISCELLANEOUS

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

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

6.3 No failure on the part of COUNTY to exercise, and no delay in exercising, any right hereunder or under the ARPA Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of COUNTY provided herein and in the other loan documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law.

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

6.5 This Indemnity shall (a) be binding upon Indemnitor, and Indemnitor's successors and assigns; and (b) inure, together with all rights and remedies of COUNTY hereunder, to the benefit of COUNTY, its respective directors, officers, employees, and agents, any successors to COUNTY's interest in the Property, any other person who acquires any portion of the Property at a foreclosure sale or otherwise through the exercise of COUNTY's rights and remedies under the ARPA Loan Documents, any successors to any such person, and all directors, officers, employees, and agents of all of the aforementioned parties. Without limiting the generality of clause (b) of the immediately preceding sentence, COUNTY may, subject to, and in accordance

with, the provisions of the ARPA Loan Documents, assign or otherwise transfer all or any portion of its rights and obligations under the ARPA Loan Documents, to any other person, and such other person shall thereupon become vested with all of the rights and obligations in respect thereof that were granted to COUNTY herein or otherwise. None of the rights or obligations of Indemnitor hereunder may be assigned or otherwise transferred without the prior written consent of COUNTY, except as provided in the ARPA Loan Documents.

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

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

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

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

[Signatures on the Following Page]

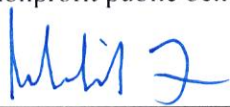
**SIGNATURE AND NOTICE BLOCKS**

**BORROWER/ OWNER**

**NCRC MURRIETA SENIOR HOUSING, L.P.,**  
a California limited partnership

By: NCRC Murrieta Senior MGP, LLC,  
a California limited liability company,  
its general partner


By: National Community Renaissance of California,  
a California nonprofit public benefit corporation,  
its manager

By:   
Name: Michael Finn  
Title: Chief Financial Officer

**MANAGING GENERAL PARTNER**

**NCRC MURRIETA SENIOR MGP, LLC,**  
a California limited liability company


By: National Community Renaissance of California,  
a California nonprofit public benefit corporation,  
its manager

By:   
Name: Michael Finn  
Title: Chief Financial Officer



DEVELOPER/GUARANTOR

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA,**  
a California nonprofit public benefit corporation

By:   
Name: Michael Finn  
Title: Chief Financial Officer

## **NOTICE ADDRESSES**

### Borrower/Owner

**NCRC MURRIETA SENIOR HOUSING L.P.**  
c/o National Community Renaissance of California  
9692 Haven Avenue Suite 100  
Rancho Cucamonga, CA 91730  
Attention: CFO  
Email: [mfinn@nationalcore.org](mailto:mfinn@nationalcore.org)

### With copies to:

National Community Renaissance of California  
9692 Haven Avenue Suite 100  
Rancho Cucamonga, CA 91730  
Attention: General Counsel  
Email: [rdiaz@nationalcore.org](mailto:rdiaz@nationalcore.org)

Klein Hornig LLP  
1325 G Street NW, Suite 770  
Washington, DC 20005  
Attention: Jed D'Abrevanel  
Email: [jdabrevanel@kleinhornig.com](mailto:jdabrevanel@kleinhornig.com)

### Developer/Guarantor

**NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA**  
9692 Haven Avenue Suite 100  
Rancho Cucamonga, CA 91730  
Attention: CFO  
Email: [mfinn@nationalcore.org](mailto:mfinn@nationalcore.org)

### With copies to:

National Community Renaissance of California  
9692 Haven Avenue Suite 100  
Rancho Cucamonga, CA 91730  
Attention: General Counsel  
Email: [rdiaz@nationalcore.org](mailto:rdiaz@nationalcore.org)

Klein Hornig LLP  
1325 G Street NW, Suite 770  
Washington, DC 20005  
Attention: Jed D'Abrevanel  
Email: [jdabrevanel@kleinhornig.com](mailto:jdabrevanel@kleinhornig.com)

Exhibit A  
**LEGAL DESCRIPTION**

The land referred to in this report is situated in the County of Riverside, State of California, described as follows:

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

PARCEL A:

PARCEL 3 OF PARCEL MAP NO. 38160, AS SHOWN BY MAP ON FILE IN BOOK 256, PAGES 47 THROUGH 50 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.PARCEL B:

NON-EXCLUSIVE EASEMENTS FOR (I) INGRESS, EGRESS AND ACCESS AS DESCRIBED IN SECTION 1.1 OF THE DECLARATION OF RECIPROCAL EASEMENTS FOR ACCESS, UTILITIES AND USE FOR OAK VIEW RANCH, (II) UTILITIES AS DESCRIBED IN SECTION 1.3 OF THE DECLARATION, AND (III ) DRAINAGE AS DESCRIBED IN SECTION 1.4 OF THE DECLARATION, SUBJECT TO THE TERMS AND PROVISIONS AS CONTAINED IN THE DECLARATION RECORDED MAY 17, 2023, AS INSTRUMENT NO. 2023-0141703 OF OFFICIAL RECORDS.PORION OF APN: 906-080-073APN: 906-080-073

SCHEDULE A  
Housing and Workforce Solutions  
Budget Adjustment  
Fiscal Year 2024/2025

Increase in Appropriations:

21735-5501000000-525500	Salary/Benefit Reimbursement	\$	50,000
21735-5501000000-536200	Contrib To Non-County Agency	\$	7,000,000

Increase in Estimated Revenues:

21735-5501000000-763520	Fed-American Rescue Plan Act	\$	7,050,000
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