

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



ITEM: 3.35
(ID # 26321)

MEETING DATE:

Tuesday, December 03, 2024

FROM : HOUSING AND WORKFORCE SOLUTIONS


SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the First Amendment to HOME Loan Agreement for the Use of HOME Investment Partnerships Act (HOME) Program Funds to Increase the Loan Amount for the Placita Dolores Huerta project, City of Coachella, and Authorize the Chair to Execute the First Amendment to HOME Loan Agreement, First Amendment to the Covenant Agreement, First Amendment to Deed of Trust and Amended and Restated Promissory Note; District 4. [\$300,000 - 100% HOME Funds]; No Further Actions Pursuant to CEQA

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize \$300,000 from HOME Investment Partnerships Act (HOME) Program Funds, to be obligated for the Placita Dolores Huerta Project;
2. Approve the attached First Amendment to HOME Loan Agreement for the Use of HOME Investment Partnerships Act (HOME) Program Funds, including all exhibits thereto (First Amendment to HOME Loan Agreement and Authorize Chair of the Board to execute First Amendment to HOME Loan Agreement on behalf of the County;

Continued on page 2

ACTION:Policy


Heidi Marshall, Director 11/18/2024

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: December 3, 2024
xc: HWS

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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

RECOMMENDED MOTION: That the Board of Supervisors:

3. Approve the attached First Amendment to Covenant Agreement, First Amendment to Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents (First Amendment to Deed of Trust), Amended and Restated Promissory Note, and Amended and Restated Subordination Agreement and Authorize Chair of the Board to execute said Agreements on behalf of the County;
4. Authorize the Director of the Housing and Workforce Solutions (HWS), or designee, to negotiate and execute the attached Form of Subordination Agreement (a) subordinating the HOME Loan Agreement and HOME Deed of Trust to a Deed of Trust and an Affordable Housing Regulatory Agreement for the benefit of Bonneville Mortgage Company, LLC (Bonneville) a senior lender securing a loan for the Project for a not to exceed amount of \$10,800,000 and (b) subordinating the Bonneville loan documents to HOME Covenant Agreement and ARPA Covenant Agreement (County Restrictions); and subject to approval as to form by County Counsel;
5. Authorize the Director of HWS, or designee, to negotiate and execute the attached Form of Subordination Agreement subordinating the HOME Deed of Trust for the benefit of CVDH LP, securing an easement for the Project, subject to approval as to form by County Counsel; and
6. Authorize the Director of the HWS, or designee, to take all necessary steps to implement the First Amendment to HOME Loan Agreement, First Amendment to Covenant Agreement, First Amendment to Deed of Trust, Amended and Restated Promissory Note, Amended and Restated Subordination Agreement, including but not limited to, signing subsequent necessary and relevant documents, subject to approval as to form by County Counsel.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$300,000	\$ 0	\$300,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: HOME Investment Partnerships Act (HOME) Funds (100%)			Budget Adjustment: No	
			For Fiscal Year: 24/25	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On December 7, 2021 (Minute Order 3.25), the Board of Supervisors approved a loan agreement for \$1,000,000 in HOME Investment Partnerships Act (HOME) Funds (HOME Loan Agreement) with the CVDH LP, a California limited partnership, to pay a portion of the costs to re-develop in two phases Placita Dolores Huerta formerly known as Coachella Valley Apartments, an existing multi-family affordable rental housing project currently consisting of forty nine (49) affordable rental housing units and one (1) residential manager's unit (Existing Project). In the first phase of the development, known as Placita Dolores Huerta, the Borrower replaced 20 existing units with fifty-five (55) affordable rental housing units and one (1)

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

residential manager's unit (Phase I) (Project). The second phase of the proposed project replaced the remaining 30 units with 54 units (Phase II). The Project is situated on approximately 2.97 acres of land located 84-908, 84-910, 84-912, and 84-914 Bagdad Avenue, in the City of Coachella in the County of Riverside, also identified as APN 768-210-040 and 768-210-042 (Project Site). Eleven of the units are restricted as HOME-assisted units for individuals whose incomes do not exceed 60% of the area median income for the County of Riverside, of which 3 units will be restricted to individuals whose incomes do not exceed 50% of the area median income for the County of Riverside adjusted by family size at the time of occupancy. The HOME-assisted units are restricted for a period of at least 55 years from the recordation of the Notice of Completion. The HOME Loan Agreement is evidenced by a Promissory Note in favor of the County (HOME Loan Note), and secured by a Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents for the benefit of the County (HOME Loan Deed of Trust).

The project was completed and received its Certificate of Occupancy on January 25, 2024. It is currently 100% leased and is in the permanent financing stage, working to address a funding gap caused by increased construction costs. The Borrower is requesting an additional \$300,000 in HOME funds to help cover the funding gap. The additional \$300,000 in HOME funds will be used for permanent financing and/or construction to cover the development costs of the Project.

Staff recommends approval of the attached First Amendment to HOME Loan Agreement for the Use of HOME Program Funds to increase HOME funding from \$1,000,000 to \$1,300,000; First Amendment to the Covenant Agreement; the Amended and Restated Promissory Note; and the First Amendment to Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rent.

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

County Counsel has reviewed and approved as to form of the attached First Amendment to HOME Loan Agreement for the Use of HOME Program Funds, First Amendment to Covenant Agreement, Amended and Restated Promissory Note; and the First Amendment to Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents, Form of Subordination agreement for the benefit of senior lender, Bonneville Mortgage Company, LLC, and Form of

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

Subordination Agreement for the benefit of CVDH, LP. Staff recommends that the Board approve the aforementioned documents.

Impact on Citizens and Businesses

The development of Placita Dolores Huerta in the City of Coachella will have a positive impact on the citizens and businesses within the County of Riverside. The completed Project generated construction, permanent maintenance and property management jobs, as well as provides affordable housing for residents of the County of Riverside.

SUPPLEMENTAL:

Additional Fiscal Information

No impact upon the County's General Fund; the County's contribution to the Project will be fully funded with HOME funds allocated from the U.S. Department of Housing and Urban Development.

Construction Sources	
County of Riverside HOME Loan	\$1,000,000
Limited Partner Tax Credit Equity	\$11,299,080
Construction Loan	\$16,601,245
HCD Joe Serna	\$5,000,000
USDA Loan	\$24,826
Reserves and Prepaid CFD	\$4,322,375
Deferred Costs	\$1,175,000
Total	\$39,422,526

Permanent Sources	
USDA 515 Assumed Loan	\$10,510
City of Coachella CFD Loan	\$3,794,000
GP Equity	\$100
USDA 538 Loan	\$10,800,000
County HOME Loan	\$1,000,000
County ARPA Loan with Accrued Interest	\$3,527,094
Additional County HOME Loan	\$300,000
Limited Partner Tax Credit Equity	\$22,824,052
Deferred Developer Fee	\$500,000
Sponsor Loan	\$1,443,166
Total	\$44,198,922

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

Attachments:

- First Amendment to HOME Loan Agreement for the Use of HOME Program Funds, including all exhibits
- First Amendment to Covenant Agreement
- Amended and Restated Promissory Note and the First Amendment to Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents
- Form of Subordination Agreement for benefit of Bonneville Mortgage Company, LLC
- Form of Subordination Agreement for benefit of CVDH, LP


Brianna Lontajo, Principal Management Analyst 11/26/2024


Aaron Gettis, Chief of Deputy County Counsel 11/25/2024

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 27383

Order No.
Escrow No.
Loan No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDERS USE

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

This FIRST AMENDMENT TO LOAN AGREEMENT FOR THE USE OF HOME INVESTMENT PARTNERSHIP ACT (HOME) PROGRAM FUNDS (“First Amendment”) is made and entered into this 13 day of December, 2024 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY” or “County”), and CVDH LP, a California limited partnership (“BORROWER”). The COUNTY and BORROWER may be individually referred to herein as a “Party” and collectively as the “Parties.”

RECITALS:

WHEREAS, COUNTY and BORROWER entered into that certain LOAN AGREEMENT FOR THE USE OF HOME PROGRAM FUNDS dated April 26, 2022 (“HOME Loan Agreement”) and recorded on April 28, 2022 as Instrument No. 2022-0200899 in the Official Records of County of Riverside’s County Recorder’s Office (“Official Records”); and

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

WHEREAS, pursuant to the HOME Loan Agreement, COUNTY agreed to lend up to One Million Dollars (\$1,000,000) in HOME Program funds to BORROWER (“HOME Loan”) to pay a portion of the development and construction costs related to the Project, as more fully described in the HOME Loan Agreement and in Exhibit “A” of the HOME Loan Agreement; and

WHEREAS, BORROWER has requested an additional \$300,000 for a total loan amount of \$1,300,000 to pay a portion of the development and construction costs of the Property, as more fully described in Exhibit "A" of this First Amendment; and

WHEREAS, BORROWER and COUNTY desire to amend the HOME Loan Agreement and increase the HOME Loan from \$1,000,000 to \$1,300,000 to pay a portion of the costs to develop and construct the Property to serve very low-income households (as defined in Section 1 of the HOME Loan Agreement); and

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

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

1. The amount of the HOME Loan shall be modified and increased from \$1,000,000 to \$1,300,000 in HOME Program funds. All references to the HOME Loan funds in the amount of \$1,000,000 in the HOME Loan Agreement, including all attachments and exhibits thereto, are hereby deleted in their entirety and replaced with reference to the HOME Loan in the amount of \$1,300,000.
2. Section 1, paragraph 1 of the HOME Loan Agreement is deleted and replaced in its entirety with the following:

PURPOSE. The aforementioned Recitals are true and correct and incorporated herein by this reference. COUNTY has agreed to lend no more than a maximum total amount of ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000) in HOME funds ("HOME Loan") to BORROWER upon the satisfaction of the terms and conditions set forth herein, including but not limited to the conditions precedent to distribution of HOME Loan funds set forth in Section 11 below. Subject to Sections 49 and 50 below, BORROWER shall undertake and complete the HOME activities required herein and as set forth in Exhibit A, and shall utilize the HOME Loan funds, as required herein and pursuant to the HOME Program regulations. A total of eleven (11) units shall be reserved as HOME-Assisted Units consisting of 5 one-bedroom units, 3 two-bedroom units and 3 three-bedrooms during the Affordability Period (as defined in Section 14 below). More particularly, eight (8) of the HOME-Assisted Units (4 one-bedroom unit, 2

two-bedroom units, and 2 three-bedroom units) shall be rented to and occupied by households whose incomes do not exceed 60% of the area median income for the County of Riverside, adjusted by family size at the time of occupancy, and three (3) of the HOME-Assisted Units (1 one-bedroom unit, 1 two-bedroom unit, and 1 three-bedroom unit) shall be restricted to households whose incomes do not exceed 50% of the area median income for the County of Riverside, adjusted by family size at the time of occupancy, such households shall occupy their respective unit within the Project as their principal residence ("Qualified Households").

3. An Amendment to Deed of Trust with Assignment of Rents is attached hereto and by this reference incorporated herein as Exhibit "B" to amend the HOME Loan amount from \$1,000,000 to \$1,300,000 in HOME Program funds.
4. An Amended and Restated Promissory Note is attached hereto and by this reference incorporated herein as Exhibit "C" to amend the HOME Loan amount from \$1,000,000 to \$1,300,000 in HOME Program funds.
5. An Amendment to the Covenant Agreement is attached hereto and by this reference incorporated herein as Exhibit "D" to amend the HOME Loan amount from \$1,000,000 to \$1,300,000 in HOME Program funds.
6. This First Amendment and the HOME Loan Agreement set forth and contain the entire understanding and agreement of the parties hereto. There are no oral or written representations, understandings, or ancillary covenants, undertakings or agreements, which are not contained or expressly referred to within this First Amendment and the HOME Loan Agreement.
7. Each of the attachments and exhibits attached hereto are incorporated herein by this reference.
8. Except as modified and amended by this First Amendment all other terms and conditions of the HOME Loan Agreement remain unmodified and in full force and effect.
9. This First Amendment may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.
10. The effective date of this First Amendment is the date the parties execute this First

Amendment. If the parties execute this First Amendment on more than one date, then the last date this First Amendment is executed by a party shall be the effective date.

11. This First Amendment is not binding until approved by the Board of Supervisors.

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[SIGNATURES ON FOLLOWING PAGE]

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

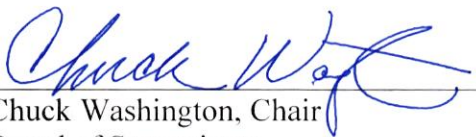
COUNTY:

BORROWER:

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

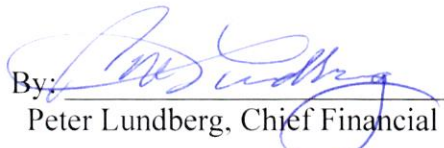
CVDH LP, a California limited partnership

By: SCHOC2 LLC, a California limited liability company
Its: General Partner

By: 
Chuck Washington, Chair
Board of Supervisors

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

Date: 12/03/2024

By: 
Peter Lundberg, Chief Financial Officer

ATTEST:
KIMBERLY A. RECTOR, Clerk

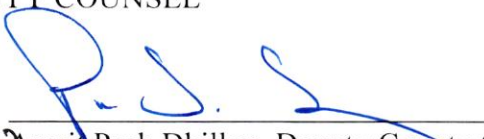
By: 
DEPUTY

Date: November 22, 2024

(COUNTY and BORROWER signatures need to be notarized)

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: 
Paula S. Salento, Deputy County Counsel

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

New Mexico
STATE OF CALIFORNIA)
)
COUNTY OF *Santa Fe*)

On *11/22/2024*, before me, *Sandra Velarde*, Notary Public, personally appeared *Peter M Luodberg*, 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.

Sandra Velarde

Name: *Sandra Velarde*

Notary Public

STATE OF NEW MEXICO
NOTARY PUBLIC
SANDRA VELARDE
COMMISSION # 1076925
COMMISSION EXPIRES 05/18/2027

EXHIBIT "A"

Borrower: CVDH LP
Address: 5030 Business Center Drive, Suite 260, Fairfield CA 94534
Project Title: Placita Dolores Huerta
Location: 84-908, 84-910, 84-912, and 84-914 Bagdad Ave., in the City of Coachella in the County of Riverside, also identified as APN 768-210-040 and 768-210-042

Project Description:

BORROWER utilized a total of \$1,000,000 in HOME funds to pay a portion of the costs to re-develop the first phase known as Placita Dolores Huerta, an existing multi-family affordable rental housing project formerly known as Coachella Valley Apartments (Proposed project) which consisted of forty nine (49) affordable rental housing units including one (1) residential manager's unit. In the redevelopment, known as Placita Dolores Huerta, the Borrower replaced the 20 existing units with fifty-five (55) affordable rental housing units and one (1) residential manager's unit (the "Project"). The Project is situated on an approximately 2.97 acres of land located at 84-908, 84-910, 84-912, and 84-914 Bagdad Ave., in the City of Coachella in the County of Riverside, as more particularly described in the legal description set forth below ("Property"). BORROWER proposes to utilize an additional \$300,000 in HOME funds for permanent financing and/or construction to cover the development costs of the Project.

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

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

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

The HOME-Assisted Units shall be a "floating" designation on the Property such that the requirements of this Agreement will be satisfied so long as the total number of HOME-Assisted Units and bedroom size remains the same throughout the Affordability Period. COUNTY shall review and approve proposed rents to the extent required under this section. BORROWER shall ensure the HOME-Assisted Units are rented to Qualified Households at the rent levels required Developer to herein. The maximum monthly allowances for utilities and services (excluding telephone) shall not exceed the utility allowance as described below. The HOME Assisted Units may overlap Project Based Vouchers units with the Housing Authority of the County of Riverside.

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

- i. HUD Utility Schedule Model (HUSM), UA based on HUD's model.
- ii. Utility Company Estimate, UA based on estimated obtained from a local utility company for each of the utilities used in the project.
- iii. LIHTC Agency Estimate, UA approved by the LIHTC agency based on its actual usage methodology.

- iv. Energy Consumption Model (Engineer Model), UA based upon on an energy and water and sewage consumption and analysis model prepared by a third-party licensed engineer or t qualified professional.

Legal Description of Property:

A.P.N.: 768-210-040 and 768-210-042

PARCEL A:

PARCEL 1 OF PARCEL MAP NO. 37833 AS SHOWN BY MAP RECORDED DECEMBER 30, 2020 IN BOOK 250, PAGES 52-54 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY.

PARCEL A1:

A RECIPROCAL ACCESS EASEMENT FOR INGRESS AND EGRESS PURPOSES AND INGRESS AND EGRESS OF SERVICE AND EMERGENCY VEHICLES, AND PUBLIC UTILITIES AS SHOWN BY PARCEL MAP NO. 37833 RECORDED DECEMBER 30, 2020 IN BOOK 250, PAGES 52-54 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY AND AS SET FORTH IN TEMPORARY ACCESS AND UTILITY EASEMENT RECORDED ON APRIL 19, 2022 AS INSTRUMENT NO. 2022-183739, RIVERSIDE COUNTY OFFICIAL RECORDS.

PARCEL A2:

A PRIVATE WATER SERVICES EASEMENT, AS SHOWN BY PARCEL MAP NO. 37833 RECORDED DECEMBER 30, 2020 IN BOOK 250, PAGES 52-54 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY.

EXHIBIT “B”

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

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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

This FIRST AMENDMENT TO DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING WITH ASSIGNMENT OF RENTS ("First Amendment to Deed of Trust") is made and entered into as of this ____ day of _____, 2024, by CVDH LP, a California limited partnership, (hereinafter referred to as "Trustor"), whose address is c/o CHOC, 5030 Business Center Drive, Suite 260, Fairfield, CA 94534 . The trustee is First American Title Company ("Trustee"). The beneficiary is the County of Riverside, a political subdivision of the State of California, (hereinafter called "Beneficiary"), whose address is 3403 Tenth Street, Suite 300, Riverside, CA 92501.

- A. Trustor executed that certain Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents (the "Deed of Trust"), dated as of April 26, 2022, securing Trustor's obligations pursuant to that certain "Promissory Note" in the original principal sum of One Million Dollars (\$1,000,000).
- B. The Deed of Trust was recorded in the official records of Riverside County on April 29, 2022, as Document No. 2022-0201994
- C. Capitalized terms not defined herein shall have the meaning ascribed to them in the Deed of Trust.
- D. The parties have executed a First Amendment to Loan Agreement for the Use of HOME Program Funds ("First Amendment") and an Amended and Restated Promissory Note ("Note Amendment"), each of even date herewith, which increases the HOME Loan amount from \$1,000,000 to \$1,300,000 in HOME Program funds.

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

- 1. Amendment to Secured Amount. The amount of the HOME Loan, as set forth in the first paragraph of the Note Amendment, is hereby amended from \$1,000,000 to \$1,300,000 in HOME Loan funds (the "Amended HOME Loan" or "Amended Note Amount").
- 2. All references to the HOME Loan funds in the amount of \$1,000,000 in the Deed of Trust are hereby deleted in their entirety and replaced with reference to the HOME Loan in the amount of \$1,300,000.

3. **Remaining Terms Unaffected.** Except as expressly provided herein, nothing in this First Amendment to Deed of Trust shall be deemed to waive or modify any of the other provisions of the Deed of Trust. In the event of any conflict between this First Amendment to Deed of Trust and the Deed of Trust, the terms of this First Amendment to Deed of Trust shall prevail.

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[SIGNATURES ON FOLLOWING PAGE]

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

TRUSTOR:

CVDH LP,
a California limited partnership

By: SCHOC2 LLC,
a California limited liability company
Its: General Partner

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

By: _____
Peter Lundberg, Chief Financial Officer

Date: _____

(TRUSTOR signature needs to be notarized)

(SIGNATURES CONTINUE ON NEXT PAGE)

AGREED AND ACCEPTED BY LENDER:

COUNTY OF RIVERSIDE

By: _____
Chuck Washington, Chair
Board of Supervisors

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: _____
Amrit Pash Dhillon
Deputy County Counsel

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

STATE OF CALIFORNIA)

)

COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____

Notary Public

EXHIBIT "B-1"

LEGAL DESCRIPTION OF PROPERTY

A.P.N.: 768-210-040 and 768-210-042

PARCEL A:

PARCEL 1 OF PARCEL MAP NO. 37833 AS SHOWN BY MAP RECORDED DECEMBER 30, 2020 IN BOOK 250, PAGES 52-54 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY.

PARCEL A1:

A RECIPROCAL ACCESS EASEMENT FOR INGRESS AND EGRESS PURPOSES AND INGRESS AND EGRESS OF SERVICE AND EMERGENCY VEHICLES, AND PUBLIC UTILITIES AS SHOWN BY PARCEL MAP NO. 37833 RECORDED DECEMBER 30, 2020 IN BOOK 250, PAGES 52-54 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY AND AS SET FORTH IN TEMPORARY ACCESS AND UTILITY EASEMENT RECORDED ON APRIL 19, 2022 AS INSTRUMENT NO. 2022-183739, RIVERSIDE COUNTY OFFICIAL RECORDS.

PARCEL A2:

A PRIVATE WATER SERVICES EASEMENT, AS SHOWN BY PARCEL MAP NO. 37833 RECORDED DECEMBER 30, 2020 IN BOOK 250, PAGES 52-54 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY.

EXHIBIT “C”

AMENDED AND RESTATED PROMISSORY NOTE SECURED BY DEED OF TRUST

HOME LOAN FUNDS

\$1,300,000 (“**Loan Amount**”) _____, 2024 (“**Note Date**”)

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

This Amended and Restated Promissory Note Secured by Deed of Trust – HOME Loan Funds (this “**Note**”) is given in accordance with that certain Loan Agreement for the Use of HOME Program Funds executed by COUNTY and BORROWER, dated as of April 26, 2022 and recorded in the Official Records of the County of Riverside (“**Official Records**”) on April 28, 2022, as Instrument No. 2022-0200899 (the “**HOME Loan Agreement**”), as amended by that certain First Amendment to Loan Agreement for the Use of HOME Funds (“**First Amendment**”), dated as of _____, 2024. Except to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings ascribed to such terms in the HOME Loan Agreement. The Note is secured by a Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents executed by BORROWER for the benefit of the COUNTY dated April 26, 2022, and recorded on April 29, 2022, as Document No. 2022-0201994 (the “**HOME Deed of Trust**” of “**Deed of Trust**”). This Note, the HOME Loan Agreement, the First Amendment, the Deed of Trust, the First Amendment to Deed of Trust, the Covenant (as hereinafter defined) and all agreements entered into in connection with the foregoing, and any amendments or modifications thereto, shall collectively be referred to herein as the “**HOME Loan Documents**.”

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

- (1) The HOME Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to the HOME Investment Partnerships Program and the regulations issued thereunder (Title II, the Cranston-Gonzales National Affordable Housing Act, Public Law No. 101-625, 104 Stat. 4079 (1990), (24 C.F.R. Part 92) (the “**HOME Program**”). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on rent and occupancy set forth in the HOME Program regulations, the HOME Loan Agreement and that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Borrower and County.
- (2) That the HOME Loan will accrue simple interest at a rate of percent (1%) per annum, except in the case of default as hereinafter provided, and shall be repaid on an annual

basis from the Project's Residual Receipts as defined herein. Interest will accrue 30 days from the date of recordation of the Notice of Completion in the Official Records.

- (3) This Note shall be repaid according to the following: Fifty percent (50%) of the Project's Residual Receipts shall be used towards the payment of the loans secured by the Project. Until this Note is repaid in full, the payment of 50% of the Residual Receipts shall be allocated as follows: 1.) Seventy-nine and fourteen hundredths percent (79.14%) of the Project's Residual Receipts shall be used towards the payment of the [City of Coachella's CFD loan]; 2.) [Twenty and eighty-six hundredths percent (20.86%)] of the Project's Residual Receipts shall be used towards the payment of the HOME Loan Agreement; and The remaining fifty percent (50%) of the Project's Residual Receipts will be paid to Borrower.
- (4) The Project's Residual Receipts shall be determined based on an annual review of certified financial statements for the Project. Annual audited financial statements shall be submitted by BORROWER within one hundred twenty (120) days following the close of the Project fiscal year commencing on April 1 of the first full calendar year following the recordation of the Notice of Completion. All outstanding principal along with accrued interest shall be due upon maturity of the HOME Loan Agreement, which shall be the later to occur of (i) July 1, 2078 or (ii) fifty-five (55) years from and after the recordation of the Notice of Completion (the "HOME Loan Term"). The first payment shall be due on July 1st in the first full calendar year following the date of the recordation of the Notice of Completion for the Project, to the extent of available Residual Receipts, as set forth herein. Subsequent payments shall be made on July 1st thereafter to the extent of available Residual Receipts until sooner of full repayment of the HOME Loan or the HOME Loan maturity date as set forth above.
- (5) The Project's Residual Receipts shall be determined based on an annual review of certified financial statements for the Project. Annual audited financial statements shall be submitted by BORROWER to COUNTY within one hundred twenty (120) days following the close of the Project fiscal year commencing on April 1st of the first full calendar year following the recordation of the Notice of Completion. All outstanding principal along with accrued interest shall be due upon the maturity date of the HOME Note and the expiration of the HOME Loan Term as set forth in Section 4(a). The first payment from BORROWER to COUNTY shall be due on July 1st in the first full calendar year following the date of the recordation of the Notice of Completion, to the extent of available Residual Receipts, as set forth herein. Subsequent payments shall be made on July 1st thereafter to the extent of available Residual Receipts until the earlier of full repayment of the HOME Loan or the HOME Loan maturity date as set forth above. The term "Project Residual Receipts" used herein shall mean the gross rental income from all residential and non-residential components of the Project, proceeds from loss of rent insurance, and any other income to the Developer derived from the ownership, operation and management of the Property, not including interest on required reserve accounts, including but not limited to the following operating expenses:
 - a) auditing and accounting fees;

- b) a reasonable property management fee not to exceed 7% the gross income, or (b) such amount approved by HUD or the United States Department of Agriculture ("USDA"), as applicable;
- c) Operating Expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which shall include administration, on-site management, utilities, on-site staff payroll, payroll taxes, and maintenance);
- d) replacement reserves, established in a separate account from operating reserves, limited to \$500 per unit per year for all units in the Project, as defined in Exhibit A;
- e) Operating Reserves replenishment;
- f) deferred developer's fee in the amount of approximately \$550,001;
- g) general partner asset management annual fees which shall be no more than \$32,000, increased by no more than 3% annually which fees may be accrued and paid in any year in which sufficient funds are available;
- h) an annual limited partner asset management fee not to exceed \$5,000 which fee shall be increased annually by 3% during each year of the tax credit compliance period for the Project, and thereafter any further increases shall not be permitted without the written approval of the County's Director of Department of Housing, Homelessness Prevention and Workforce Solutions in their discretion;
- i) payments of principal and interest on amortized loans and indebtedness senior to the HOME Loan, which have been approved by COUNTY (collectively, the "Senior Debt"); and
- j) COUNTY's Annual Monitoring Fee in the total annual amount of \$5,600 for the County HOME Loan.

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

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

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

Hazardous Substances pursuant to the HOME Loan Agreement and/or Deed of Trust, and (f) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

- (9) The occurrence of any of the following events shall constitute an "Event of Default" under this Note after notice and opportunity to cure pursuant to the terms set forth in the HOME Loan Agreement:

a. Monetary Default. (1) Borrower's failure to pay when due any sums payable under the HOME Note or any advances made by COUNTY under this Agreement, (2) Borrower's or any agent of Borrower's use of HOME funds for costs other than those costs permitted under the HOME Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, (3) Borrower's or any agent of Borrower's failure to make any other payment of any assessment or tax due under the HOME Loan Agreement, and /or (4) default past any applicable notice and cure period under the terms of (i) that certain Deed of Trust executed by Borrower for the benefit of Silicon Valley Bank, SVB securing a construction loan in the approximate principal amount of \$20,413,620, (ii) that certain Deed of Trust for the benefit of Bonneville Mortgage Company, LLC, securing the permanent Senior Loan in the approximate principal amount of \$10,800,000, (iii) that certain Deed of Trust for the benefit of the City in a principal amount of \$3,794,000 and (iv) any other instrument or document secured against the Property;

b. Non-Monetary Default - Operation. (1) Discrimination by Borrower or Borrower's agent on the basis of characteristics prohibited by this Agreement or applicable law, (2) the imposition of any encumbrances or liens on the Project without COUNTY's prior written approval that are prohibited under this agreement or that have the effect of reducing the priority or invalidating the lien of the HOME Deed of Trust, (3) Borrower's failure to obtain and maintain the insurance coverage required under the HOME Loan Agreement, (4) any material default under the HOME Loan Agreement, HOME Deed of Trust, Covenant Agreement, HOME Note, or any document executed by the County in connection with this Agreement, and/or (4) default past any applicable notice and cure period under the terms of the HOME Deed of Trust or any other instrument or document secured against the Property;

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

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

- (10) COUNTY shall give written notice of default to Borrower, specifying the default complained of by the COUNTY. Borrower shall have twenty (20) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be

taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

- (11) Any failures or delays by COUNTY in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by COUNTY in asserting any of its rights and remedies shall not deprive COUNTY of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.
- (12) If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations shall be completely performed and paid. In the event that any provision or clause of this Note conflicts with applicable law, such conflict will not affect other provisions of this Note which can be given effect without the conflicting provision, and to this end the provisions of the Note are declared to be severable.
- (13) Borrower hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this Note, and expressly agrees that, without in any way affecting the liability of Borrower hereunder, the COUNTY may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder and release any security now or hereafter securing this Note. Borrower further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this Note, or on any deed of trust, security agreement, guaranty or other agreement now or hereafter securing this Note.
- (14) Should default be made in payment of principal and interest when due and such default shall continue beyond the applicable notice and cure period provided in the HOME Loan Agreement, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as reasonable attorney's fees.
- (15) This Note has been negotiated and entered in the State of California, and shall be governed by, construed and enforced in accordance with the internal laws of the State of California, applied to contracts made in California by California domiciliaries to be wholly performed in California. Any action at law or in equity arising under this Note or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Note shall be filed in the Superior Court of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.
- (16) No modification, rescission, waiver, release or amendment of any provision of this Note shall be made except by a written agreement executed by Borrower and the duly authorized representative of the COUNTY.

- (17) The COUNTY may, in its sole and absolute discretion, assign its rights under this Note and its right to receive repayment of the Note Amount without obtaining the consent of Borrower.
- (18) In no event shall Borrower assign or transfer any portion of this Note or any rights herein without the prior express written consent of the COUNTY, which consent the COUNTY may give or withhold in its sole and absolute discretion. In the absence of specific written agreement by the COUNTY, no unauthorized assignment or transfer, or approval thereof by the COUNTY, shall be deemed to relieve Borrower or any other party from any obligations under the HOME Loan Agreement or this Note. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.
- (19) Except as to the permitted deeds of trust identified herein or in the HOME Loan Agreement, Borrower shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion.
- (20) The relationship of Borrower and the COUNTY pursuant to this Note is that of debtor and creditor and shall not be, or be construed to be, a joint venture, equity venture, partnership or other relationship.
- (21) (a) Formal notices, demands and communications between the County and Borrower shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the COUNTY and Borrower as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or "kick-out" sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.
- (b) The address of the COUNTY for purposes of receiving notices pursuant to this Note shall be 3403 Tenth Street, Suite 300, Riverside, CA 92501, Attention: Director HWS. The facsimile number for the COUNTY's receipt of notices is (951) 955-8126.
- (c) The address of Borrower for purposes of receiving notices pursuant to this Note is 5030 Business Center Drive, Suite 260, Fairfield, CA 94534, Attention: Asset Management, with a copy to Borrower's limited partner, NEF Assignment Corporation, as nominee, 10 South Riverside Plaza, Suite 1700, Chicago, IL 60606, Attention: General Counsel.
- (22) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.

- (23) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
- (24) This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURES ON FOLLOWING PAGE]

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

BORROWER:

CVDH LP,
a California limited partnership

By: SCHOC2 LLC,
a California limited liability company
Its: General Partner

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

By: _____
Peter Lundberg, Chief Financial Officer

Date: _____

(SIGNATURES CONTINUE ON NEXT PAGE)

AGREED AND ACCEPTED BY LENDER:

COUNTY OF RIVERSIDE

By: _____
Chuck Washington, Chair
Board of Supervisors

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: _____
Amrit Pash Dhillon
Deputy County Counsel

EXHIBIT “D”

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 27383

Order No.
Escrow No.
Loan No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDERS USE

FIRST AMENDMENT TO COVENANT AGREEMENT

This First Amendment to Covenant Agreement (Placita Dolores Huerta) (“Covenant”) is made and entered into as of the day of _____, 2024 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), and CVDH LP, a California limited partnership (“OWNER”).

WHEREAS, COUNTY and BORROWER entered into that certain COVENANT AGREEMENT dated April 26, 2022 (“Covenant Agreement”) and recorded on April 28, 2022 as Instrument No. 2022-0200238 in the Official Records of County of Riverside’s County Recorder’s Office (“Official Records”); and

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

WHEREAS, pursuant to the HOME Loan Agreement, COUNTY loaned to OWNER \$1,000,000 derived from HOME funds (“HOME Loan”), to pay a portion of the development and construction costs related to the Project, as more fully described in the HOME Loan Agreement. The HOME Loan is evidenced by a Promissory Note executed by OWNER, in favor of the COUNTY dated on or about the date hereof (“HOME Loan Note”) and secured by that certain Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) executed by OWNER, for the benefit of COUNTY and recorded in the

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

WHEREAS, OWNER has requested an additional \$300,000 for a total loan amount of \$1,300,000 to pay a portion of the development and construction costs related to the Project, as more fully described in Exhibit “A” of the First Amendment to the HOME Loan Agreement; and

WHEREAS, OWNER and COUNTY desire to amend the Covenant Agreement and increase the HOME Loan from \$1,000,000 to \$1,300,000 to pay a portion of the costs to develop and construct the Property to serve very low-income households (as defined in Section 1 of the HOME Loan Agreement); and

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

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

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

WHEREAS, pursuant to the HOME Loan Agreement, COUNTY loaned to OWNER \$1,300,000 derived from HOME funds (“HOME Loan”), to pay for a portion of the costs to develop and construct the Project, as more fully described in the HOME Loan Agreement. The HOME Loan is evidenced by a Promissory Note executed by OWNER, in favor of the COUNTY dated on or about the date hereof (“HOME Loan Note”) and secured by that certain Deed of Trust and Assignment of Rents executed by OWNER, for the benefit of COUNTY and recorded in the Official Records concurrently herewith (“HOME Loan Deed of Trust”); and

[Remainder of Page Intentionally Blank]

[SIGNATURES ON THE NEXT PAGE]

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

COUNTY:

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

BORROWER:

CVDH LP, a California limited
partnership

By: SCHOC2 LLC
A California limited liability company
Its: General Partner

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

By: _____ By: _____

Chuck Washington, Chair
Board of Supervisors
Peter Lundberg, Chief Financial Officer

Date: _____ Date: _____

(Above signatures need to be notarized)

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

By: _____
Amrit Pash Dhillon, Deputy County Counsel

(COUNTY and OWNER signatures need to be notarized)

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

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

State of California

County of _____

On _____, 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

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

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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

This FIRST AMENDMENT TO DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING WITH ASSIGNMENT OF RENTS ("First Amendment to Deed of Trust") is made and entered into as of this 03 day of December, 2024, by CVDH LP, a California limited partnership, (hereinafter referred to as "Trustor"), whose address is c/o CHOC, 5030 Business Center Drive, Suite 260, Fairfield, CA 94534 . The trustee is First American Title Company ("Trustee"). The beneficiary is the County of Riverside, a political subdivision of the State of California, (hereinafter called "Beneficiary"), whose address is 3403 Tenth Street, Suite 300, Riverside, CA 92501.

- A. Trustor executed that certain Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents (the "Deed of Trust"), dated as of April 26, 2022, securing Trustor's obligations pursuant to that certain "Promissory Note" in the original principal sum of One Million Dollars (\$1,000,000).
- B. The Deed of Trust was recorded in the official records of Riverside County on April 29, 2022, as Document No. 2022-0201994
- C. Capitalized terms not defined herein shall have the meaning ascribed to them in the Deed of Trust.
- D. The parties have executed a First Amendment to Loan Agreement for the Use of HOME Program Funds ("First Amendment") and an Amended and Restated Promissory Note ("Note Amendment"), each of even date herewith, which increases the HOME Loan amount from \$1,000,000 to \$1,300,000 in HOME Program funds.

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

1. Amendment to Secured Amount. The amount of the HOME Loan, as set forth in the first paragraph of the Note Amendment, is hereby amended from \$1,000,000 to \$1,300,000 in HOME Loan funds (the "Amended HOME Loan" or "Amended Note Amount").
2. All references to the HOME Loan funds in the amount of \$1,000,000 in the Deed of Trust are hereby deleted in their entirety and replaced with reference to the HOME Loan in the amount of \$1,300,000.

3. Remaining Terms Unaffected. Except as expressly provided herein, nothing in this First Amendment to Deed of Trust shall be deemed to waive or modify any of the other provisions of the Deed of Trust. In the event of any conflict between this First Amendment to Deed of Trust and the Deed of Trust, the terms of this First Amendment to Deed of Trust shall prevail.

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[SIGNATURES ON FOLLOWING PAGE]

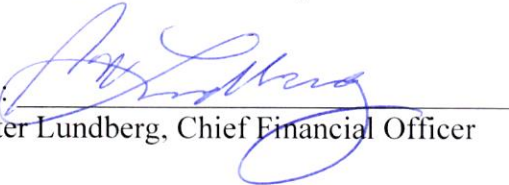
BY SIGNING BELOW, TRUSTOR accepts and agrees to the terms and covenants contained in this First Amendment to Deed of Trust.

TRUSTOR:

CVDH LP,
a California limited partnership

By: SCHOC2 LLC,
a California limited liability company
Its: General Partner

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

By: 
Peter Lundberg, Chief Financial Officer


Date: November 22, 2024

(TRUSTOR signature needs to be notarized)

(SIGNATURES CONTINUE ON NEXT PAGE)

AGREED AND ACCEPTED BY LENDER:

COUNTY OF RIVERSIDE


By: 
Chuck Washington, Chair
Board of Supervisors

ATTEST:
KIMBERLY A. RECTOR, Clerk

By: 
DEPUTY

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: 
~~P.O. Amrit Pash Dhillon~~, Paula S. Salud,
Deputy County Counsel

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


STATE OF CALIFORNIA }
COUNTY OF RIVERSIDE } §

On December 03, 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)

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

New Mexico
STATE OF CALIFORNIA)
)
COUNTY OF *Santa Fe*)

On *11/22/2024*, before me, *Sandra Velarde*, Notary Public, personally appeared *Peter M Lundberg*, 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.

Sandra Velarde
Name: *Sandra Velarde*

Notary Public

STATE OF NEW MEXICO
NOTARY PUBLIC
SANDRA VELARDE
COMMISSION # 1076925
COMMISSION EXPIRES 05/18/2027

EXHIBIT "B-1"

LEGAL DESCRIPTION OF PROPERTY

A.P.N.: 768-210-040 and 768-210-042

PARCEL A:

PARCEL 1 OF PARCEL MAP NO. 37833 AS SHOWN BY MAP RECORDED DECEMBER 30, 2020 IN BOOK 250, PAGES 52-54 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY.

PARCEL A1:

A RECIPROCAL ACCESS EASEMENT FOR INGRESS AND EGRESS PURPOSES AND INGRESS AND EGRESS OF SERVICE AND EMERGENCY VEHICLES, AND PUBLIC UTILITIES AS SHOWN BY PARCEL MAP NO. 37833 RECORDED DECEMBER 30, 2020 IN BOOK 250, PAGES 52-54 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY AND AS SET FORTH IN TEMPORARY ACCESS AND UTILITY EASEMENT RECORDED ON APRIL 19, 2022 AS INSTRUMENT NO. 2022-183739, RIVERSIDE COUNTY OFFICIAL RECORDS.

PARCEL A2:

A PRIVATE WATER SERVICES EASEMENT, AS SHOWN BY PARCEL MAP NO. 37833 RECORDED DECEMBER 30, 2020 IN BOOK 250, PAGES 52-54 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY.

AMENDED AND RESTATED PROMISSORY NOTE SECURED BY DEED OF TRUST

HOME LOAN FUNDS

\$1,300,000 (“Loan Amount”)

December 03, 2024 (“Note Date”)

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

This Amended and Restated Promissory Note Secured by Deed of Trust – HOME Loan Funds (this “Note”) is given in accordance with that certain Loan Agreement for the Use of HOME Program Funds executed by COUNTY and BORROWER, dated as of April 26, 2022 and recorded in the Official Records of the County of Riverside (“Official Records”) on April 28, 2022, as Instrument No. 2022-0200899 (the “HOME Loan Agreement”), as amended by that certain First Amendment to Loan Agreement for the Use of HOME Funds (“First Amendment”), dated as of December 03, 2024. Except to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings ascribed to such terms in the HOME Loan Agreement. The Note is secured by a Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents executed by BORROWER for the benefit of the COUNTY dated April 26, 2022, and recorded on April 29, 2022, as Document No. 2022-0201994 (the “HOME Deed of Trust” or “Deed of Trust”). This Note, the HOME Loan Agreement, the First Amendment, the Deed of Trust, the First Amendment to Deed of Trust, the Covenant (as hereinafter defined) and all agreements entered into in connection with the foregoing, and any amendments or modifications thereto, shall collectively be referred to herein as the “HOME Loan Documents.”

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

- (1) The HOME Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to the HOME Investment Partnerships Program and the regulations issued thereunder (Title II, the Cranston-Gonzales National Affordable Housing Act, Public Law No. 101-625, 104 Stat. 4079 (1990), (24 C.F.R. Part 92) (the “HOME Program”). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on rent and occupancy set forth in the HOME Program regulations, the HOME Loan Agreement and that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Borrower and County.
- (2) That the HOME Loan will accrue simple interest at a rate of percent (1%) per annum, except in the case of default as hereinafter provided, and shall be repaid on an annual

basis from the Project's Residual Receipts as defined herein. Interest will accrue 30 days from the date of recordation of the Notice of Completion in the Official Records.

- (3) This Note shall be repaid according to the following: Fifty percent (50%) of the Project's Residual Receipts shall be used towards the payment of the loans secured by the Project. Until this Note is repaid in full, the payment of 50% of the Residual Receipts shall be allocated as follows: 1.) Seventy-nine and fourteen hundredths percent (79.14%) of the Project's Residual Receipts shall be used towards the payment of the [City of Coachella's CFD loan]; 2.) [Twenty and eighty-six hundredths percent (20.86%)] of the Project's Residual Receipts shall be used towards the payment of the HOME Loan Agreement; and The remaining fifty percent (50%) of the Project's Residual Receipts will be paid to Borrower.
- (4) The Project's Residual Receipts shall be determined based on an annual review of certified financial statements for the Project. Annual audited financial statements shall be submitted by BORROWER within one hundred twenty (120) days following the close of the Project fiscal year commencing on April 1 of the first full calendar year following the recordation of the Notice of Completion. All outstanding principal along with accrued interest shall be due upon maturity of the HOME Loan Agreement, which shall be the later to occur of (i) July 1, 2078 or (ii) fifty-five (55) years from and after the recordation of the Notice of Completion (the "HOME Loan Term"). The first payment shall be due on July 1st in the first full calendar year following the date of the recordation of the Notice of Completion for the Project, to the extent of available Residual Receipts, as set forth herein. Subsequent payments shall be made on July 1st thereafter to the extent of available Residual Receipts until sooner of full repayment of the HOME Loan or the HOME Loan maturity date as set forth above.
- (5) The Project's Residual Receipts shall be determined based on an annual review of certified financial statements for the Project. Annual audited financial statements shall be submitted by BORROWER to COUNTY within one hundred twenty (120) days following the close of the Project fiscal year commencing on April 1st of the first full calendar year following the recordation of the Notice of Completion. All outstanding principal along with accrued interest shall be due upon the maturity date of the HOME Note and the expiration of the HOME Loan Term as set forth in Section 4(a). The first payment from BORROWER to COUNTY shall be due on July 1st in the first full calendar year following the date of the recordation of the Notice of Completion, to the extent of available Residual Receipts, as set forth herein. Subsequent payments shall be made on July 1st thereafter to the extent of available Residual Receipts until the earlier of full repayment of the HOME Loan or the HOME Loan maturity date as set forth above. The term "Project Residual Receipts" used herein shall mean the gross rental income from all residential and non-residential components of the Project, proceeds from loss of rent insurance, and any other income to the Developer derived from the ownership, operation and management of the Property, not including interest on required reserve accounts, including but not limited to the following operating expenses:
 - a) auditing and accounting fees;

- b) a reasonable property management fee not to exceed 7% the gross income, or (b) such amount approved by HUD or the United States Department of Agriculture ("USDA"), as applicable;
- c) Operating Expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which shall include administration, on-site management, utilities, on-site staff payroll, payroll taxes, and maintenance);
- d) replacement reserves, established in a separate account from operating reserves, limited to \$500 per unit per year for all units in the Project, as defined in Exhibit A;
- e) Operating Reserves replenishment;
- f) deferred developer's fee in the amount of approximately \$550,001;
- g) general partner asset management annual fees which shall be no more than \$32,000, increased by no more than 3% annually which fees may be accrued and paid in any year in which sufficient funds are available;
- h) an annual limited partner asset management fee not to exceed \$5,000 which fee shall be increased annually by 3% during each year of the tax credit compliance period for the Project, and thereafter any further increases shall not be permitted without the written approval of the County's Director of Department of Housing, Homelessness Prevention and Workforce Solutions in their discretion;
- i) payments of principal and interest on amortized loans and indebtedness senior to the HOME Loan, which have been approved by COUNTY (collectively, the "Senior Debt"); and
- j) COUNTY's Annual Monitoring Fee in the total annual amount of \$5,600 for the County HOME Loan.

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

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

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

Hazardous Substances pursuant to the HOME Loan Agreement and/or Deed of Trust, and (f) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

- (9) The occurrence of any of the following events shall constitute an "Event of Default" under this Note after notice and opportunity to cure pursuant to the terms set forth in the HOME Loan Agreement:

a. Monetary Default. (1) Borrower's failure to pay when due any sums payable under the HOME Note or any advances made by COUNTY under this Agreement, (2) Borrower's or any agent of Borrower's use of HOME funds for costs other than those costs permitted under the HOME Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, (3) Borrower's or any agent of Borrower's failure to make any other payment of any assessment or tax due under the HOME Loan Agreement, and /or (4) default past any applicable notice and cure period under the terms of (i) that certain Deed of Trust executed by Borrower for the benefit of Silicon Valley Bank, SVB securing a construction loan in the approximate principal amount of \$20,413,620, (ii) that certain Deed of Trust for the benefit of Bonneville Mortgage Company, LLC, securing the permanent Senior Loan in the approximate principal amount of \$10,800,000, (iii) that certain Deed of Trust for the benefit of the City in a principal amount of \$3,794,000 and (iv) any other instrument or document secured against the Property;

b. Non-Monetary Default - Operation. (1) Discrimination by Borrower or Borrower's agent on the basis of characteristics prohibited by this Agreement or applicable law, (2) the imposition of any encumbrances or liens on the Project without COUNTY's prior written approval that are prohibited under this agreement or that have the effect of reducing the priority or invalidating the lien of the HOME Deed of Trust, (3) Borrower's failure to obtain and maintain the insurance coverage required under the HOME Loan Agreement, (4) any material default under the HOME Loan Agreement, HOME Deed of Trust, Covenant Agreement, HOME Note, or any document executed by the County in connection with this Agreement, and/or (4) default past any applicable notice and cure period under the terms of the HOME Deed of Trust or any other instrument or document secured against the Property;

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

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

- (10) COUNTY shall give written notice of default to Borrower, specifying the default complained of by the COUNTY. Borrower shall have twenty (20) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be

taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.

- (11) Any failures or delays by COUNTY in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by COUNTY in asserting any of its rights and remedies shall not deprive COUNTY of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.
- (12) If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations shall be completely performed and paid. In the event that any provision or clause of this Note conflicts with applicable law, such conflict will not affect other provisions of this Note which can be given effect without the conflicting provision, and to this end the provisions of the Note are declared to be severable.
- (13) Borrower hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this Note, and expressly agrees that, without in any way affecting the liability of Borrower hereunder, the COUNTY may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder and release any security now or hereafter securing this Note. Borrower further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this Note, or on any deed of trust, security agreement, guaranty or other agreement now or hereafter securing this Note.
- (14) Should default be made in payment of principal and interest when due and such default shall continue beyond the applicable notice and cure period provided in the HOME Loan Agreement, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as reasonable attorney's fees.
- (15) This Note has been negotiated and entered in the State of California, and shall be governed by, construed and enforced in accordance with the internal laws of the State of California, applied to contracts made in California by California domiciliaries to be wholly performed in California. Any action at law or in equity arising under this Note or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Note shall be filed in the Superior Court of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.
- (16) No modification, rescission, waiver, release or amendment of any provision of this Note shall be made except by a written agreement executed by Borrower and the duly authorized representative of the COUNTY.

- (17) The COUNTY may, in its sole and absolute discretion, assign its rights under this Note and its right to receive repayment of the Note Amount without obtaining the consent of Borrower.
- (18) In no event shall Borrower assign or transfer any portion of this Note or any rights herein without the prior express written consent of the COUNTY, which consent the COUNTY may give or withhold in its sole and absolute discretion. In the absence of specific written agreement by the COUNTY, no unauthorized assignment or transfer, or approval thereof by the COUNTY, shall be deemed to relieve Borrower or any other party from any obligations under the HOME Loan Agreement or this Note. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.
- (19) Except as to the permitted deeds of trust identified herein or in the HOME Loan Agreement, Borrower shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion.
- (20) The relationship of Borrower and the COUNTY pursuant to this Note is that of debtor and creditor and shall not be, or be construed to be, a joint venture, equity venture, partnership or other relationship.
- (21) (a) Formal notices, demands and communications between the County and Borrower shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the COUNTY and Borrower as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or "kick-out" sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.
- (b) The address of the COUNTY for purposes of receiving notices pursuant to this Note shall be 3403 Tenth Street, Suite 300, Riverside, CA 92501, Attention: Director HWS. The facsimile number for the COUNTY's receipt of notices is (951) 955-8126.
- (c) The address of Borrower for purposes of receiving notices pursuant to this Note is 5030 Business Center Drive, Suite 260, Fairfield, CA 94534, Attention: Asset Management, with a copy to Borrower's limited partner, NEF Assignment Corporation, as nominee, 10 South Riverside Plaza, Suite 1700, Chicago, IL 60606, Attention: General Counsel.
- (22) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.

- (23) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
- (24) This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURES ON FOLLOWING PAGE]

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

BORROWER:

CVDH LP,
a California limited partnership

By: SCHOC2 LLC,
a California limited liability company
Its: General Partner

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


By: 
Peter Lundberg, Chief Financial Officer

Date: November 22, 2024

(SIGNATURES CONTINUE ON NEXT PAGE)

AGREED AND ACCEPTED BY LENDER:

COUNTY OF RIVERSIDE

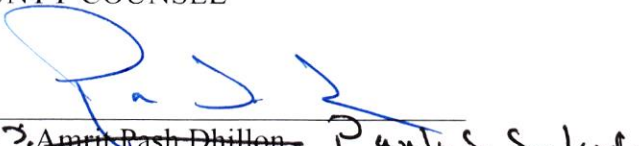
By: 
Chuck Washington, Chair
Board of Supervisors

ATTEST:
KIMBERLY A. RECTOR, Clerk

By: 
DEPUTY

APPROVED AS TO FORM:

MINH C. TRAN
COUNTY COUNSEL

By: 
~~P. S. Anni Pash Dhillon~~ Paula S. Salcido
Deputy County Counsel

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 27383

Order No.
Escrow No.
Loan No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDERS USE

FIRST AMENDMENT TO COVENANT AGREEMENT

This First Amendment to Covenant Agreement (Placita Dolores Huerta) (“Covenant”) is made and entered into as of the day of December 03, 2024 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), and CVDH LP, a California limited partnership (“OWNER”).

WHEREAS, COUNTY and BORROWER entered into that certain COVENANT AGREEMENT dated April 26, 2022 (“Covenant Agreement”) and recorded on April 28, 2022 as Instrument No. 2022-0200238 in the Official Records of County of Riverside’s County Recorder’s Office (“Official Records”); and

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

WHEREAS, pursuant to the HOME Loan Agreement, COUNTY loaned to OWNER \$1,000,000 derived from HOME funds (“HOME Loan”), to pay a portion of the development and construction costs related to the Project, as more fully described in the HOME Loan Agreement. The HOME Loan is evidenced by a Promissory Note executed by OWNER, in favor of the COUNTY dated on or about the date hereof (“HOME Loan Note”) and secured by that certain Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) executed by OWNER, for the benefit of COUNTY and recorded in the

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

WHEREAS, OWNER has requested an additional \$300,000 for a total loan amount of \$1,300,000 to pay a portion of the development and construction costs related to the Project, as more fully described in Exhibit “A” of the First Amendment to the HOME Loan Agreement; and

WHEREAS, OWNER and COUNTY desire to amend the Covenant Agreement and increase the HOME Loan from \$1,000,000 to \$1,300,000 to pay a portion of the costs to develop and construct the Property to serve very low-income households (as defined in Section 1 of the HOME Loan Agreement); and

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

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

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

WHEREAS, pursuant to the HOME Loan Agreement, COUNTY loaned to OWNER \$1,300,000 derived from HOME funds (“HOME Loan”), to pay for a portion of the costs to develop and construct the Project, as more fully described in the HOME Loan Agreement. The HOME Loan is evidenced by a Promissory Note executed by OWNER, in favor of the COUNTY dated on or about the date hereof (“HOME Loan Note”) and secured by that certain Deed of Trust and Assignment of Rents executed by OWNER, for the benefit of COUNTY and recorded in the Official Records concurrently herewith (“HOME Loan Deed of Trust”); and

[Remainder of Page Intentionally Blank]

[SIGNATURES ON THE NEXT PAGE]

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

COUNTY:

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

BORROWER:

CVDH LP, a California limited partnership

By: SCHOC2 LLC
A California limited liability company
Its: General Partner


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

By:  By: 
Chuck Washington, Chair
Board of Supervisors
Peter Lundberg, Chief Financial Officer

Date: 12/03/2024

Date: November 22, 2024

ATTEST:
KIMBERLY A. RECTOR, Clerk

By:  (Above signatures need to be notarized)
DEPUTY

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

By: 
P.D. Amrit Pash Dillon, Deputy County Counsel

(COUNTY and OWNER signatures need to be notarized)

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

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

State of California *New Mexico*

County of *Santa Fe*

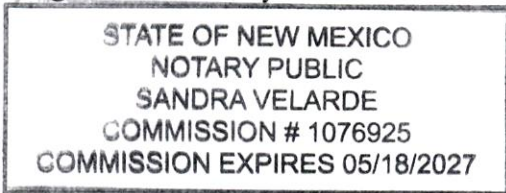
On *11/22/2024*, 2024, before me, *Sandra Velarde*, personally appeared *Peter M Lundberg*, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized 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.

Sandra Velarde

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

WHEN RECORDED, RETURN TO:

Kirton McConkie
50 East South Temple, Suite 400
Salt Lake City, Utah 84111
Attn: John B. Lindsay

(FORM OF) SUBORDINATION AND INTERCREDITOR AGREEMENT

(County Loans)

Notice: This subordination agreement results in your security interest in the property becoming subject to and of lower priority than the lien of some other or later security instrument.

This Subordination and Intercreditor Agreement (“Agreement”) is effective as of December ____, 2024 (the “Closing Date”), and is made by and between the County of Riverside, a political subdivision of the State of California (“Junior Lender”), and Bonneville Mortgage Company, LLC, a Utah limited liability company (“Senior Lender”).

RECITALS

A. CVDH LP, a California limited partnership (“Borrower”), has applied to Senior Lender for a loan in the original principal amount of Ten Million Eight Hundred Thousand and 00/100 Dollars (\$10,800,000.00) (the “Senior Loan”) for the acquisition, construction, rehabilitation, development, equipping and/or operation of the Property.

B. The Senior Loan will be evidenced by the Senior Note (as defined below), secured by, among other things, the Senior Security Instrument (as defined below), and advanced to Borrower pursuant to the Senior Loan Agreement (as defined below).

C. Junior Lender has made loans (collectively, the “Junior Loan”) to Borrower in the original principal amounts of Three Million Five Hundred Thousand and 00/100 Dollars (\$3,500,000.00) and One Million three hundred thousand and 00/100 Dollars (\$1,300,000.00), which Junior Loan is evidenced by the Junior Note (as defined below), secured by, among other things, the Junior Security Instrument (as defined below), and advanced to Borrower pursuant to the Junior Loan Agreement (as defined below).

D. As a condition to the making of the Senior Loan, Senior Lender requires that Junior Lender execute and deliver this Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce the making of the Senior Loan and to induce Senior

Lender to consent to the Junior Loan and the Junior Security Instrument, Junior Lender hereby agrees as follows:

1. **Definitions.** Capitalized terms used but not defined in this Agreement shall have the meanings ascribed thereto in the Senior Security Instrument. As used in this Agreement, the terms set forth below shall have the respective meanings indicated:

“*Bankruptcy Proceeding*” means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Borrower, any guarantor of any of the Senior Indebtedness, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.

“*Casualty*” means the occurrence of damage to or loss of any of the Property by fire or other casualty.

“*Condemnation*” means any proposed or actual condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Property, whether direct or indirect.

“*County Restrictions*” means that certain (HOME) First Amendment to Covenant Agreement dated _____ and recorded with the office of the County Recorder for Riverside County, State of California, on _____, as Document Number _____ and (ARPA) Covenant Agreement dated November 1, 2023 and recorded with the office of the County Recorder for Riverside County, State of California, on November 3, 2023, as Document Number 2023-0330750,

“*Enforcement Action*” means any exercise of any of Junior Lender’s remedies under the Junior Security Instrument or any of the other Junior Loan Documents, including, without limitation, any of the following: (i) the acceleration of all or any part of the Junior Indebtedness; (ii) the commencement of any judicial or non-judicial action or proceeding to enforce any obligation of Borrower under any of the Junior Loan Documents, collect any monies payable to Borrower or have a receiver appointed to collect any monies payable to Borrower, or foreclose the lien(s) created by the Junior Security Instrument; (iii) the filing or joining in the filing of any involuntary Bankruptcy Proceeding against Borrower or any person or entity which owns a direct or indirect interest in Borrower; (iv) the advertising of or commencement of any foreclosure or trustee’s sale proceedings; (v) the exercise of any power of sale; (vi) the acceptance of a deed or assignment in lieu of foreclosure or sale; (vii) the collecting of Rents; (viii) the obtaining of or seeking of the appointment of a receiver; (ix) the seeking of default interest; (x) the taking of possession or control of any of the Property; (xi) the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the Junior Note or any other of the Junior Loan Documents; (xii) the exercising of any banker’s lien or rights of set-off or recoupment; or (xiii) the taking of any other enforcement action against Borrower, any other party liable for any of the Junior Indebtedness or obligated under any of the Junior Loan Documents, or the Property.

“*Enforcement Action Notice*” means a written notice from Junior Lender to Senior Lender, given following a Junior Loan Default and the expiration of any notice or cure periods provided for such Junior Loan Default in the Junior Loan Documents, setting forth in reasonable detail the Enforcement Action proposed to be taken by Junior Lender.

“*Junior Indebtedness*” means all indebtedness of any kind at any time evidenced or secured by, or arising under, the Junior Loan Documents, whether incurred, arising or accruing before or after the filing of any Bankruptcy Proceeding.

“*Junior Loan Agreement*” means, collectively, (i) that certain First Amendment Loan Agreement for the Use of HOME Program Funds dated _____, entered into between Borrower and Junior Lender in connection with the Junior Loan, and recorded with the office of the County Recorder for Riverside County, State of California, on _____, as Document Number _____ and (ii) that certain Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds dated November 1, 2023, entered into between Borrower and Junior Lender in connection with the Junior Loan, and recorded with the office of the County Recorder for Riverside County, State of California, on November 3, 2023, as Document Number 2023-0330752.

“*Junior Loan Covenant Agreements*” means the Covenant Agreement (HOME LOAN) dated _____, entered into between Borrower and Junior Lender in connection with the Junior Loan, and recorded with the office of the County Recorder for Riverside County, State of California, on _____, as Document Number _____, and (ARPA) Covenant Agreement dated November 1, 2023 and recorded with the office of the County Recorder for Riverside County, State of California, on November 3, 2023, as Document Number 2023-0330750,

“*Junior Loan Default*” means any act, failure to act, event, condition, or occurrence which constitutes, or which with the giving of notice or the passage of time, or both, would constitute, an “Event of Default” as defined in the Junior Security Instrument or Junior Loan Agreement.

“*Junior Loan Documents*” means, collectively, the Junior Note, Junior Security Instrument, Junior Loan Agreement, Junior Loan Covenant Agreement, and all other documents evidencing, securing or delivered in connection with the Junior Loan, as the same may from time to time be extended, consolidated, substituted for, modified, amended or supplemented upon receipt of the consent of Senior Lender.

“*Junior Note*” means, collectively, (i) that certain Amended Promissory Note (HOME Loan) dated _____, in the original principal amount of One Million Three Hundred Thousand and 00/100 (\$1,300,000.00) executed by Borrower to the order of Junior Lender, in connection with the Junior Loan, and (ii) that certain Promissory Note dated November 1, 2023, in the original principal amount of Three Million Five Hundred Thousand and 00/100 Dollars (\$3,500,000.00), executed by Borrower to the order of Junior Lender, in connection with the Junior Loan.

“*Junior Security Instrument*” means, collectively, (i) that certain Amended Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) dated _____, made by Borrower as Trustor, to First American Title Company as Trustee, for the benefit of Junior Lender as Beneficiary, and recorded with the office of the County Recorder for Riverside County, State of California, on _____, as Document Number _____, and (ii) that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated November 1, 2023, made by Borrower as Trustor, to First American Title Company as Trustee, for the benefit of Junior Lender as Beneficiary, and recorded with the office of the County Recorder for Riverside County, State of California, on November 3, 2023, as Document Number 2023-0330753.

“*Loss Proceeds*” means all monies received or to be received under any insurance policy, from any condemning authority, or from any other source, as a result of any Condemnation or Casualty.

“*Property*” means (i) the land and improvements known as Coachella Valley Apartments, located in Coachella, Riverside County, State of California, which Property is more particularly described on Exhibit A attached hereto, and (ii) all furniture, fixtures and equipment located at such apartments and other property, accounts, deposits and rights and interests of Borrower encumbered by the Senior Security Instrument and/or the other Senior Loan Documents.

“*Senior Indebtedness*” means all indebtedness of any kind at any time evidenced or secured by, or arising under, the Senior Loan Documents, whether incurred, arising or accruing before or after the filing of any Bankruptcy Proceeding.

“*Senior Loan Agreement*” means that certain Term Loan Agreement effective as of the Closing Date and entered into between Borrower and Senior Lender in connection with the Senior Loan.

“*Senior Loan Default*” means any act, failure to act, event, condition, or occurrence which constitutes, or which with the giving of notice or the passage of time, or both, would constitute, an “Event of Default” as defined in the Senior Loan Documents.

“*Senior Loan Documents*” means, collectively, the Senior Security Instrument, Senior Note, Senior Loan Agreement and all of the other documents, instruments and agreements now or hereafter evidencing, securing or otherwise executed in connection with the Senior Loan, as the same may from time to time be extended, consolidated, substituted for, modified, increased, amended and supplemented.

“*Senior Note*” means, collectively, (i) that certain Multifamily Note effective as of the Closing Date, executed by Borrower in favor of Senior Lender, in the original principal amount of Seven Million Three Hundred Thousand and 00/100 Dollars (\$7,300,000.00), and (ii) that certain Multifamily Note effective as of the Closing Date, executed by Borrower in favor of Senior Lender, in the original principal amount of Three Million Five Hundred Thousand and 00/100 Dollars (\$3,500,000.00), in connection with the Senior Loan.

“*Senior Security Instrument*” means that certain Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing effective as of the Closing Date, entered into by Borrower in favor of Senior Lender in connection with the Senior Loan, and to be recorded with the office of the County Recorder for Riverside County, State of California, concurrently herewith.

2. Junior Loan and Junior Loan Documents are Subordinate; Acts by Senior Lender do not Affect Subordination.

(a) Junior Lender hereby covenants and agrees on behalf of itself and its successors and permitted assigns that the Junior Indebtedness is and shall at all times continue to be, subordinate, subject and inferior (in payment and priority) to the prior payment in full of the Senior Indebtedness, and that the liens, rights, payment interests, priority interests and security interests granted to Junior Lender in connection with the Junior Loan and under the Junior Loan Documents (excluding Junior Loan Covenant Agreements) are, and are hereby expressly acknowledged to be in all respects and at all times, subject, subordinate and inferior in all respects to the liens, rights, payment, priority and security interests granted to Senior Lender under the Senior Loan and the Senior Loan Documents and the terms, covenants, conditions, operations and effects thereof. For avoidance of doubt, nothing in this Agreement subordinates, or is intended to subordinate, the County Restrictions.

(b) Except as expressly set forth herein, repayment of the Junior Indebtedness, is and shall be postponed and subordinated to repayment in full of the Senior Loan. Prior to a Senior Loan Default (regardless of whether such Senior Loan Default occurs prior to or during the pendency of a Bankruptcy Proceeding), Junior Lender shall be entitled to receive and retain payments made pursuant to and in accordance with the terms of the Junior Loan Documents. Junior Lender agrees that from and after such time as it has received from either Senior Lender or Borrower written notice that a Senior Loan Default then exists (which has not been expressly waived in writing by Senior Lender) or otherwise has actual knowledge of such a Senior Loan Default, Junior Lender shall not receive or accept any payments under the Junior Loans. If (i) Junior Lender receives any payment, property, or asset of any kind or in any form on account of the Junior Indebtedness (including, without limitation, any proceeds from any Enforcement Action) after a Senior Loan Default of which Junior Lender has actual knowledge or has been given notice, or (ii) Junior Lender receives, voluntarily or involuntarily, by operation of law or otherwise, any payment, property, or asset in or in connection with any Bankruptcy Proceeding, such payment, property, or asset will be received and held in trust for Senior Lender. Junior Lender will promptly remit, in kind and properly endorsed as necessary, all such payments, properties, and assets to Senior Lender. Senior Lender shall apply any payment, asset, or property so received from Junior Lender to the Senior Indebtedness in such order, amount (with respect to any asset or property other than immediately available funds), and manner as Senior Lender shall determine in its sole and absolute discretion.

(c) Without limiting the complete subordination of the Junior Indebtedness to the payment in full of the Senior Indebtedness, in any Bankruptcy Proceeding, upon any payment or distribution (whether in cash, property, securities, or otherwise) to creditors (i) the Senior Indebtedness shall first be paid in full in cash before Junior Lender shall be entitled to receive any payment or other distribution on account of or in respect of the Junior Indebtedness, and (ii) until all of the Senior Indebtedness is paid in full in cash, any payment or distribution to which Junior Lender would be entitled but for this Agreement (whether in cash, property, or other assets) shall be made to Senior Lender.

(d) Junior Lender hereby acknowledges and agrees that Senior Lender may, without the consent or approval of Junior Lender, agree with Borrower to extend, consolidate, modify, or amend any or all the Senior Loan Documents and otherwise act or fail to act with respect to any matter set forth in any Senior Loan Document (including, without limitation, the exercise of any rights or remedies, waiver, forbearance or delay in enforcing any rights or remedies, the declaration of acceleration, the declaration of defaults or events of default, the release, in whole or in part, of any collateral or other property, and any consent, approval or waiver), and all such extensions, consolidations, modifications, amendments acts and omissions shall not release, impair or otherwise affect Junior Lender's obligations and agreements hereunder. Notwithstanding anything to the contrary herein, without the written consent of Junior Lender, which consent shall not be unreasonably withheld, conditioned or delayed, Senior Lender may not modify any provision of the Senior Loan Documents that would have the effect of (i) increasing the Senior Indebtedness, except for increases in the Senior Indebtedness that result from advances made by Senior Lender to protect the security or lien priority of Senior Lender under the Senior Loan Documents or to cure defaults under the Junior Loan Documents, (ii) increasing the interest rate on the Senior Loan (except as expressly provided therein); increasing principal, fees or other payment obligations (other than interest) thereunder; increasing the amount of interest that is to be paid in cash; (v) shortening the maturity or increasing the amortization of the obligations thereunder; or (vi) making the financial covenants thereof more burdensome in any material respect on the Borrower

(e) Senior Lender, in permitting disbursements of the proceeds of the Senior Loan pursuant to the Loan Agreement, is under no obligation or duty to ensure, nor has Senior Lender represented that it will ensure, the proper application of such proceeds, and any application or use of such proceeds for purposes other than as provided in any such agreement shall not defeat or render invalid, in whole or in part, the subordination provided for in this Agreement.

(f) Senior Lender has not made any warranty or representation of any kind or nature whatsoever to Junior Lender with respect to (i) the application of the proceeds of any disbursement made by Senior Lender for the account of Borrower, (ii) the value of the Property, or the improvements to be constructed thereon, or the marketability or value

thereof upon completion of such construction, or (iii) the ability of Borrower to honor its covenants and agreements with Senior Lender or Junior Lender.

(g) In addition, Junior Lender agrees to subordinate the lien of the Junior Security Instrument and the payment of the Junior Indebtedness to the lien and payment in full of any financing obtained by Borrower to refinance, in whole or in part, the Senior Indebtedness so long as the new loan ("Qualifying Loan") (i) is in a principal amount not greater than the original principal amount of the Senior Indebtedness, (ii) has an interest rate (or if a variable rate, has an initial rate) that is not greater than five percentage points in excess of the average "Prime Rate" announced by the three United States based banks with the greatest total assets and (iii) is from a lender not affiliated with Borrower. Promptly upon notice to Junior Lender that Borrower intends to enter into a Qualifying Loan, but not later than twenty (20) days thereafter, Junior Lender will execute a Subordination and Intercreditor Agreement in the form of this Agreement with the entity making the Qualifying Loan.

3. Junior Lender Agreements.

(a) Without the prior written consent of Senior Lender in each instance which consent shall not be unreasonable withheld, conditioned or delayed, Junior Lender shall not (i) increase the amount of the Junior Loan (except as provided in this paragraph below), increase the required payments due under the Junior Loan, decrease the term of the Junior Loan, increase the interest rate on the Junior Loan (except as expressly provided therein), or otherwise amend the Junior Loan terms in a manner that creates a material adverse effect upon Senior Lender under the Senior Loan Documents or (ii) pledge, assign, transfer, convey, or sell any interest in the Junior Indebtedness or any of the Junior Loan Documents; or (iii) accept any payment on account of the Junior Indebtedness other than a regularly scheduled payment of interest or principal and interest made not earlier than ten (10) days prior to the due date thereof; or (iv) take any action which has the effect of increasing the Junior Indebtedness; or (v) appear in, defend or bring any action in connection with the Property; or (vi) take any action concerning environmental matters affecting the Property. Regardless of any contrary provision in the Junior Loan Documents, Junior Lender shall not collect payments for the purpose of escrowing for any cost or expense related to the Property or for any portion of the Junior Indebtedness.

(b) In the event and to the extent that each of Senior Lender and Junior Lender have under their respective loan documents certain approval or consent rights over the same subject matters (regardless of whether the obligations or rights are identical or substantially identical), Junior Lender agrees that Senior Lender shall exercise such approval rights on behalf of both Senior Lender and Junior Lender, and Junior Lender shall have no right to object to any such action or approval taken by Senior Lender and shall consent thereto and be bound thereby. Without limiting the generality of the foregoing, Senior Lender shall have all approval, consent and oversight rights in connection with any insurance claims

relating to the Property, any decisions regarding the use of insurance proceeds after a casualty loss or condemnation awards, the hiring or firing of property managers, or otherwise related in any way to the Property, and Junior Lender shall have no right to object to any such action or approval taken by Senior Lender and shall consent thereto and be bound thereby. . In the event Senior Lender exercises such approval rights on behalf of both Senior Lender and Junior Lender, Senior Lender will endeavor to provide prompt notice to Junior Lender following the occurrence of any such action, but the failure or delay in providing any such notice shall not impair the validity of any such action.

(c) Junior Lender shall not commence or join with any other creditor in commencing any Bankruptcy Proceeding involving Borrower, and Junior Lender shall not initiate and shall not be a party to any action, motion or request, in a Bankruptcy Proceeding involving any other person or entity, which seeks the consolidation of some or all of the assets of Borrower into such Bankruptcy Proceeding. In the event of any Bankruptcy Proceeding relating to Borrower or the Property or, in the event of any Bankruptcy Proceeding relating to any other person or entity into which (notwithstanding the covenant in the first sentence of this clause) the assets or interests of Borrower are consolidated, then in either event, the Senior Loan shall first be paid in full before Junior Lender shall be entitled to receive and retain any payment or distribution in respect to the Junior Loan. Junior Lender agrees that (i) Senior Lender shall receive all payments and distributions of every kind or character in respect of the Junior Loan to which Junior Lender would otherwise be entitled, but for the subordination provisions of this Agreement (including without limitation, any payments or distributions during the pendency of a Bankruptcy Proceeding involving Borrower or the Property), and (ii) the subordination of the Junior Loan and the Junior Loan Documents shall not be affected in any way by Senior Lender electing, under Section 1111(b) of the federal bankruptcy code, to have its claim treated as being a fully secured claim. . For avoidance of doubt, nothing herein shall preclude Junior Lender from filing proofs of claim against Borrower in any voluntary or involuntary Bankruptcy Proceeding.

(d) Junior Lender covenants and agrees that the effectiveness of this Agreement and the rights of Senior Lender hereunder shall be in no way impaired, affected, diminished or released by any renewal or extension of the time of payment of the Senior Loan, by any delay, forbearance, failure, neglect or refusal of Senior Lender in enforcing payment thereof or in enforcing the lien of or attempting to realize upon the Senior Loan Documents or any other security which may have been given or may hereafter be given for the Senior Loan, by any waiver or failure to exercise any right or remedy under the Senior Loan Documents, or by any other act or failure to act by Senior Lender. Junior Lender acknowledges that Senior Lender, at its sole option, may release all or any portion of the Property from the lien of the Senior Security Instrument, and may release or waive any guaranty, surety or indemnity providing additional collateral to Senior Lender, and Junior Lender hereby waives any legal or equitable right in respect of marshaling it might have, in connection with any release of all or any portion of the Property by Senior Lender, to require the separate sales of any portion of the Property or to require Senior Lender to

exhaust its remedies against any portion of the Property or any other collateral before proceeding against any other portion of the Property or other collateral (including guarantees) for the Senior Loan. Senior Lender may pursue all rights and remedies available to it under the Senior Loan Documents, at law, or in equity, regardless of any Enforcement Action Notice or Enforcement Action by Junior Lender. At any time or from time to time and any number of times, without notice to Junior Lender and without affecting the liability of Junior Lender, (a) the time for payment of the Senior Indebtedness may be extended or the Senior Indebtedness may be renewed in whole or in part, (b) the time for Borrower's performance of or compliance with any covenant or agreement contained in the Senior Loan Documents, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived, (c) the maturity of the Senior Indebtedness may be accelerated as provided in the Senior Loan Documents, (d) except as otherwise expressly provided herein, any Senior Loan Document may be modified or amended by Senior Lender and Borrower in any respect and (e) any security for the Senior Indebtedness may be extended, consolidated, modified, exchanged, surrendered or otherwise dealt with or additional security may be pledged or mortgaged for the Senior Indebtedness. If, after the occurrence of a Senior Loan Default, Senior Lender acquires title to any of the Property pursuant to a mortgage foreclosure conducted in accordance with applicable law, the lien, operation, and effect of the Junior Security Instrument and other Junior Loan Documents automatically shall terminate with respect to such Property upon Senior Lender's acquisition of title. In the event Senior Lender takes any actions pursuant to this subsection, Senior Lender will endeavor to provide prompt notice to Junior Lender following the occurrence of any such action, but the failure or delay in providing any such notice shall not impair the validity of any such action.

4. Standstill Agreement; Right to Cure Senior Loan Default.

(a) In the event of a Junior Loan Default, Junior Lender will not commence any Enforcement Action, including without limitation, (i) accelerate the Junior Loan, (ii) exercise any of Junior Lender's remedies under the Junior Security Instrument or any of the other Junior Loan Documents (including, without limitation, the commencement of any judicial or non-judicial action of proceeding (a) to enforce any obligation of Borrower under any of the Junior Loan Documents, (b) to collect any monies payable to Borrower, (c) to have a receiver appointed to collect any monies payable to Borrower; or (d) to foreclose the lien(s) created by the Junior Security Instrument) or (iii) file or join in the filing of any involuntary Bankruptcy Proceeding against Borrower or any person or entity which owns a direct or indirect interest in Borrower; until 90 days after Junior Lender has delivered to Senior Lender an Enforcement Action Notice; provided, however, that such limitation on the remedies of Junior Lender shall not derogate or otherwise limit Junior Lender's rights, following an event of default under the Junior Loan Documents to (a) compute interest on all amounts due and payable under the Junior Loan at the default rate described in the Junior Loan Documents, (b) compute prepayment premiums and late charges, and (c) enforce against any person, other than Borrower and any guarantors or

indemnitors under the Senior Loan Documents, any guaranty of the obligations of Borrower under the Junior Loan.

(b) Senior Lender shall, simultaneously with the sending of any notice of a Senior Loan Default to Borrower, send to Junior Lender a copy of said notice under the Senior Loan Documents; provided, however, failure to do so shall not affect the validity of such notice or any obligation of Borrower to Senior Lender and shall not affect the relative priorities between the Senior Loan and the Junior Loan as set forth herein. Borrower covenants and agrees to forward to Junior Lender, within three (3) business days of Borrower's receipt thereof, a copy of any notice of a Senior Loan Default Borrower receives from Senior Lender.

(c) Junior Lender shall have the right, but shall have no obligation to cure any Senior Loan Default. Senior Lender agrees that it shall not complete a foreclosure sale of the Property or record a deed-in-lieu of foreclosure with respect to the Property (each, a "Foreclosure Remedy") unless Junior Lender has first been given thirty (30) days written notice of the event(s) of default giving Senior Lender the right to complete such Foreclosure Remedy, and unless Junior Lender has failed, within such thirty (30) day period (or any longer cure period as may be provided to the Borrower pursuant to the Senior Loan Documents), to cure such event(s) of default; provided, however, that Senior Lender shall be entitled during such period to continue to pursue all of its rights and remedies under the Senior Loan Documents, including, but not limited to, acceleration of the Senior Loan (subject to any de-acceleration provisions specifically set forth in the Senior Loan Documents), commencement and pursuit of a judicial or non-judicial foreclosure (but not completion of the foreclosure sale), appointment of a receiver, enforcement of any guaranty (subject to any notice and cure provisions contained therein), and/or enforcement of any other Senior Loan Document. In the event Senior Lender has accelerated the Senior Loan and Junior Lender cures all events of default giving rise to such acceleration within the cure period described above, such cure shall have the effect of de-accelerating the Senior Loan; provided, however, that such de-acceleration shall not waive or limit any of Senior Lender's rights to accelerate the Senior Loan or exercise any other remedies under the Senior Loan Documents as to any future or continuing events of default. It is the express intent of the parties hereunder that Senior Lender shall have the right to pursue all rights and remedies except completion of a Foreclosure Remedy without liability to Junior Lender for failure to provide timely notice to Junior Lender required hereunder, and that Senior Lender's liability hereunder shall be expressly limited to actual and consequential damages to Junior Lender directly caused by Senior Lender's completion of a Foreclosure Remedy without Junior Lender receiving the notice and opportunity to cure described above.

(d) Junior Lender shall not be subrogated to the rights of Senior Lender under the Senior Loan Documents by reason of Junior Lender having cured any Senior Loan Default. However, Senior Lender acknowledges that, to the extent so provided in the

Junior Loan Documents, amounts advanced or expended by Junior Lender to cure a Senior Loan Default may be added to and become a part of the Junior Indebtedness.

(e) Junior Lender acknowledges that any conveyance or other transfer of title to the Property pursuant to a foreclosure of the Junior Security Instrument (including a conveyance or other transfer of title pursuant to the exercise of a power of sale contained in the Junior Security Instrument), or any deed or assignment in lieu of foreclosure or similar arrangement, shall be subject to the transfer provisions of the Senior Loan Documents; and the person (including Junior Lender) who acquires title to the Property pursuant to the foreclosure proceeding (or pursuant to the exercise of a power of sale contained in the Junior Security Instrument) shall not be deemed to be automatically approved by Senior Lender.

5. **Insurance.** Junior Lender agrees that all original policies of insurance required pursuant to the Senior Security Instrument shall be held by Senior Lender. The preceding sentence shall not preclude Junior Lender from requiring that it be named as a loss payee, as its interest may appear, under all policies of property damage insurance maintained by Borrower with respect to the Property, provided such action does not affect the priority of payment of the proceeds of property damage insurance under the Senior Security Instrument, or that it be named as an additional insured under all policies of liability insurance maintained by Borrower with respect to the Property.

6. **Default.** Junior Lender and Borrower acknowledge and agree that a default by either such party under this Agreement shall, at the sole option of Senior Lender, constitute a default under the Senior Loan Documents. Each party hereto acknowledges that in the event any party fails to comply with its obligations hereunder, the other parties shall have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief. No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder.

7. **Enforcement Costs.** Borrower agrees to reimburse Senior Lender for any and all costs and expenses (including reasonable attorneys' fees) incurred by Senior Lender in connection with enforcing its rights against Junior Lender under this Agreement.

8. **Notices.** Any notice which any party hereto may be required or may desire to give hereunder shall be deemed to have been given and shall be effective only if it is in writing and (i) delivered personally, (ii) mailed, postage prepaid, by United State registered or certified mail, return receipts requested, (iii) delivered by overnight express courier or (iv) sent by telecopier, in each instance addressed as follows:

Junior Lender: County of Riverside
3403 Tenth Street, Suite 300
Riverside, California 92501

Senior Lender: Bonneville Mortgage Company, LLC
111 Main, Suite 1600
Salt Lake City, Utah 84111
Attn: Bryan M. Scott

With copies to: Kirton McConkie
50 East South Temple, Suite 400
Salt Lake City, Utah 84111
Attn: John B. Lindsay

or at such other addresses or to the attention of such other persons as may from time to time be designated by the party to be addressed by written notice to the other in the manner herein provided. Notices, demands and requests given in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder when received or when delivery is refused or when the same are returned to sender for failure to be called for.

9. JURY WAIVER, CLASS ACTION WAIVER, AND JUDICIAL REFERENCE.

(a) Jury Waiver and Class Action Waiver. **To the extent permitted by law each party to this Agreement waives its respective rights to a trial before a jury** in connection with any disputes related to this Agreement and any Loan Documents, and the loan evidenced hereby ("Dispute"). Disputes include matters based on or arising from an alleged tort or matters involving Lender's employees, or agents, affiliates, or assigns of a party. **If a third party is a party to a Dispute, each party to this Agreement will consent to including the third party in the reference proceeding for resolving the Dispute with the third party.** If permitted by applicable law, **each party also waives the right to litigate in court or a reference proceeding any Dispute as a class action, either as a member of a class or as a representative, or to act as a private attorney general.**

(b) Judicial Reference. If a jury trial waiver is not permitted by applicable law and a Dispute arises between the parties to this Agreement, either party may require that the Dispute be resolved by judicial reference in accordance with California Code of Civil Procedure, Sections 638, *et seq.*, including without limitation whether the Dispute is subject to a judicial reference proceeding. **By agreeing to resolve Disputes by judicial reference, each party is giving up any right that party may have to a jury trial.** The referee shall be a retired judge, agreed upon by the parties, from either the American Arbitration Association (AAA) or Judicial Arbitration and Mediation Service, Inc. (JAMS). If the parties cannot agree on the referee, the party who initially selected the reference procedure shall request a panel of ten retired judges from either AAA or JAMS, and the court shall select the referee from that panel. The referee shall be appointed to sit

with all of the powers provided by law, including the power to hear and determine any or all of the issues in the proceeding, whether of fact or of law, and to report a statement of decision. The parties agree that time is of the essence in conducting the judicial reference proceeding set forth herein. The costs of the judicial reference proceeding, including the fee for the court reporter, shall be borne equally by the parties as the costs are incurred, unless otherwise awarded by the referee. The referee shall hear all pre-trial and post-trial matters (including without limitation requests for equitable relief), prepare a statement of decision with written findings of fact and conclusions of law, and apportion costs as appropriate. The referee shall be empowered to enter equitable relief as well as legal relief, provide all temporary or provisional remedies, enter equitable orders that are binding on the parties and rule on any motion that would be authorized in a trial, including without limitation motions for summary adjudication. Judgment upon the award shall be entered in the court in which such proceeding was commenced and all parties shall have full rights of appeal. This provision will not be deemed to limit or constrain Lender's right of offset, to obtain provisional or ancillary remedies, to interplead funds in the event of a dispute, to exercise any security interest or lien Lender may hold in property or to comply with legal process involving accounts or other property held by Lender.

(c) Reliance. Each party (i) certifies that no one has represented to such party that the other party would not seek to enforce jury and class action waivers in the event of suit, and (ii) acknowledges that it and the other party have been induced to enter into this Agreement by, among other things, the mutual waivers, agreements, and certifications in this Section 9.

10. **Term**. The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (i) the payment of all of the principal of, interest on and other amounts payable under the Senior Loan Documents; (ii) the payment of all of the principal of, interest on and other amounts payable under the Junior Loan Documents, other than by reason of payments which Junior Lender is obligated to remit to Senior Lender pursuant to the terms hereof; (iii) the acquisition by Senior Lender of title to the Property pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale contained in) the Senior Security Instrument; or (iv) the acquisition by Junior Lender of title to the Property pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale contained in) the Junior Security Instrument, but only if such acquisition of title does not violate any of the terms of this Agreement.

11. **Miscellaneous**.

(a) Junior Lender shall, within ten (10) business days following a request from Senior Lender, provide Senior Lender with a written statement setting forth the then current outstanding principal balance of the Junior Loan, the aggregate accrued and unpaid interest under the Junior Loan, and stating whether, to the knowledge of Junior Lender, any default or event of default exists under the Junior Loan, and containing such other information with respect to the Junior Indebtedness as Senior Lender may require. Upon notice from

Senior Lender from time to time, Junior Lender shall execute and deliver such additional instruments and documents, and shall take such actions, as are required by Senior Lender in order to further evidence or effectuate the provisions and intent of this Agreement.

(b) Junior Lender shall give Senior Lender a concurrent copy of each notice of a Junior Loan Default or other material notice given by Junior Lender under the Junior Loan Documents.

(c) This Agreement shall bind and inure to the benefit of all successors and assigns of Junior Lender and Senior Lender. Senior Lender may assign its interest in the Senior Loan Documents without notice to or consent of Junior Lender. Junior Lender may assign interest in the Junior Loan Documents upon written notice to Senior Lender.

(d) Senior Lender hereby consents to the Junior Loan and the Junior Loan Documents; provided, however, that this Agreement does not constitute an approval by Senior Lender of the terms of the Junior Loan Documents. Junior Lender hereby consents to the Senior Loan and the Senior Loan Documents; provided, however, that this Agreement does not constitute an approval by Junior Lender of the terms of the Senior Loan Documents.

(e) This Agreement may be executed in counterpart originals, each of which shall constitute an original and all of which, when taken together, shall constitute one and the same instrument.

(f) IN ALL RESPECTS, INCLUDING, WITHOUT LIMITATION, MATTERS OF CONSTRUCTION AND PERFORMANCE OF THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER, THIS AGREEMENT HAS BEEN ENTERED INTO AND DELIVERED IN, AND SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY, THE LAWS OF THE STATE WHERE THE PROPERTY IS LOCATED, WITHOUT GIVING EFFECT TO ANY PRINCIPLES OF CONFLICTS OF LAW.

(g) Time is of the essence in the performance of every covenant and agreement contained in this Agreement.

(h) If any provision or remedy set forth in this Agreement for any reason shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or remedy of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or remedy had never been set forth herein, but only to the extent of such invalidity, illegality or unenforceability.

(i) Each party hereto hereby represents and warrants that this Agreement has been duly authorized, executed and delivered by it and constitutes a legal, valid and binding agreement enforceable in all material respects in accordance with its terms.

(j) No amendment, supplement, modification, waiver or termination of this Agreement shall be effective against any party unless such amendment, supplement, modification, waiver or termination is contained in a writing signed by such party.

(k) No party other than Senior Lender and Junior Lender shall have any rights under, or be deemed a beneficiary of any of the provisions of, this Agreement.

(l) Nothing herein or in any of the Senior Loan Documents or Junior Loan Documents shall be deemed to constitute Senior Lender as a joint venturer or partner of Junior Lender.

*[SIGNATURE PAGE(S) AND EXHIBIT(S),
IF ANY, FOLLOW THIS PAGE]*


IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Subordination and Intercreditor Agreement or caused this Subordination and Intercreditor Agreement to be duly executed and delivered by their respective authorized representatives as of the date first set forth above. The undersigned intend that this instrument shall be deemed to be signed and delivered as a sealed instrument.

JUNIOR LENDER

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

By: FORM COPY - DO NOT SIGN
Name: _____
Title: _____

APPROVED AS TO FORM:

By: 
Name: PAULA S. SALCIDO
Title: 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)
) ss.
County of _____)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct. WITNESS my hand and official seal.

Signature _____ (Seal)

ACKNOWLEDGED AND AGREED AS OF THE DATE FIRST SET FORTH ABOVE:

BORROWER

CVDH LP,

a California limited partnership

By: SCHOC2 LLC,
a California limited liability company

Its: General Partner

By: Community Housing Opportunities Corporation,
a California nonprofit public benefit corporation

Its: Sole Member and Manager

By: FORM COPY - DO NOT SIGN
Manuela Silva

Its: Chief Executive Officer

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)
) ss.
County of _____)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct. WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

REAL PROPERTY DESCRIPTION

The real property referred to herein below is situated in the City of Coachella, County of Riverside, State of California and is described as follows:

PARCEL A:

PARCEL 1 OF PARCEL MAP NO. 37833, AS SHOWN BY MAP RECORDED DECEMBER 30, 2020 IN BOOK 250, PAGES 52-54 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY.

PARCEL A1:

A RECIPROCAL ACCESS EASEMENT FOR INGRESS AND EGRESS PURPOSES AND INGRESS AND EGRESS OF SERVICE AND EMERGENCY VEHICLES, AND PUBLIC UTILITIES AS SHOWN BY PARCEL MAP NO. 37833 RECORDED DECEMBER 30, 2020 IN BOOK 250, PAGES 52-54 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY AND AS SET FORTH IN TEMPORARY ACCESS AND UTILITY EASEMENT RECORDED ON APRIL 19, 2022 AS INSTRUMENT NO. 2022-183739, RIVERSIDE COUNTY OFFICIAL RECORDS.

PARCEL A2:

A PRIVATE WATER SERVICES EASEMENT, AS SHOWN BY PARCEL MAP NO. 37833 RECORDED DECEMBER 30, 2020 IN BOOK 250, PAGES 52-54 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Goldfarb & Lipman LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attention: Jeffrey A. Streiffer

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

(FORM OF) SUBORDINATION AGREEMENT
(Placita Dolores Huerta – Easement/County)

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN AND RESTRICTIVE COVENANTS AFFECTING THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT AND RESTRICTIVE COVENANTS.

THIS SUBORDINATION AGREEMENT (the "Agreement") is made as of December ____, 2024, by CVDH LP, a California limited partnership (the "North Owner"), the County of Riverside (the "County"), and Coachella Housing Project, a California limited partnership (the "South Owner").

RECITALS

A. The South Owner owns a fee interest in that certain real property located in the City of Coachella, in the County of Riverside, in the State of California, as more particularly described in Exhibit A-1, incorporated herein (the "South Property").

B. The North Owner owns a fee interest in that certain real property located adjacent to the South Property as more particularly described in Exhibit A-2, incorporated herein (the "North Property").

C. The North Owner entered into that certain Loan Agreement for the Use of HOME Program Funds executed by County and the North Owner, dated as of April 26, 2022 and recorded in the Official Records of the County of Riverside ("Official Records") on April 28, 2022, as Instrument No. 2022-0200899, as amended by that certain First Amendment to Loan Agreement for the Use of HOME Funds, dated as of _____, 2024 (collectively, the "HOME Loan Agreement"). Pursuant to the Home Loan Agreement, the North Owner executed that certain Amended and Restated Promissory Note Secured by Deed of Trust – HOME Loan Funds (the "HOME Note"), dated _____, 2024 (the "Note"), which Note is secured by a Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents executed by the North Owner for the benefit of the County dated April 26, 2022, and

recorded on April 29,2022, as Document No. 2022-0201994, as amended by that certain First Amendment to Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents – HOME Loan Funds (collectively, the “HOME Deed of Trust”). The North Owner and the County entered into that certain Covenant Agreement dated April 26,2022 (the “HOME Covenant”) and recorded on April 28,2022 as Instrument No. 2022-0200238 in the Official Records, as amended by that certain First Amendment to Covenant Agreement (collectively, the "HOME Covenant"). The HOME Note, the HOME Loan Agreement, the HOME Deed of Trust, the HOME Covenant, and all agreements entered into in connection with the foregoing, and any amendments or modifications thereto, shall collectively be referred to herein as the “HOME Loan Documents.”

D. The North Owner entered into that certain Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds Program Funds executed by County and the North Owner, dated as of November 1,2023 and recorded in the Official Records on November 3, 2023, as Instrument No. 2023-0330752 (the “ARPA Loan Agreement”). Pursuant to the ARPA Loan Agreement, the North Owner executed that certain Promissory Note (the “ARPA Note”), dated November 1, 2023, which Note is secured by a Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents executed by the North Owner for the benefit of the County dated November 1, 2023, and recorded on November 3, 2023, as Document No. 2023-0330753 (the “ARPA Deed of Trust”). The North Owner and the County entered into that certain Covenant Agreement dated November 1, 2023, and recorded on November 3, 2023, as Instrument No. 2023-0330750 in the Official Records (the "ARPA Covenant"). The ARPA Note, the ARPA Loan Agreement, the ARPA Deed of Trust, the ARPA Covenant, and all agreements entered into in connection with the foregoing, and any amendments or modifications thereto, shall collectively be referred to herein as the “ARPA Loan Documents.”

E. The HOME Loan Documents and the ARPA Loan Documents are collectively referred to as the "County Loan Documents."

F. The North Owner and the South Owner entered into that certain Permanent Access and Utility Easement Agreement, dated _____, 2024, and recorded in the Official Records as Instrument No. 2024-_____ (the "Permanent Easement"), which supersedes that certain Temporary Access and Utility Easement Agreement dated as of April 14, 2022, and recorded on April 19, 2022, in the Official Records as Instrument No. 2022-183739.

G. In connection with the recordation of the Permanent Easement, the North Owner, the South Owner, and the County understand and agree that the Permanent Easement unconditionally is and shall remain at all times superior and prior to the County's liens under the County Loan Documents, as they may be amended from time to time.

NOW THEREFORE, for valuable consideration the parties agree as follows:

1. The Permanent Easement shall unconditionally be and at all times remain an encumbrance on the North Property prior and superior to the rights of the County under the County Loan Documents.
2. This Agreement shall be the whole agreement with regard to the subordination of the County Loan Documents.
3. This Agreement represents the entire agreement among the parties on the subject matter hereof, and except as expressly provided herein, shall not be affected by reference to any other documents. Neither this Agreement nor any provision hereof may be changed, waived, discharged, or terminated orally, but such may be accomplished only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought.
4. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute and be construed as one and the same instrument.

Exhibit A and Exhibit B are attached hereto and incorporated herein by this reference.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties to this Agreement have executed this Agreement as of the date set forth above.

NORTH OWNER:

CVDH LP,
a California limited partnership

By: SCHOC2 LLC,
a California limited liability company,
its managing general partner

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

By: FORM COPY - DO NOT SIGN
Manuela Silva,
Chief Executive Officer

SOUTH OWNER:

Coachella Housing Project,
a California limited partnership

By: CHOC Coachella LLC,
a California limited liability company,
its managing general partner

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

By: FORM COPY - DO NOT SIGN
Manuela Silva,
Chief Executive Officer

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

COUNTY:

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

By: FORM COPY - DO NOT SIGN
Name: _____
Title: _____

[SIGNATURES MUST BE NOTARIZED]

Approved as to form:
Minh C. Tran
County Counsel



By:
Paula S. Salcido
Deputy County Counsel

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____
Notary Public

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

STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____
Notary Public

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STATE OF CALIFORNIA)
)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Name: _____
Notary Public

EXHIBIT A-1

LEGAL DESCRIPTION OF SOUTH PROPERTY

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

PARCEL 2 OF PARCEL MAP NO. 37833 AS SHOWN BY MAP RECORDED DECEMBER 30, 2020 IN BOOK 250, PAGES 52-54 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY.

APNs: 768-210-041 and 768-210-043

EXHIBIT A-2

LEGAL DESCRIPTION OF NORTH PROPERTY

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

PARCEL A:

PARCEL 1 OF PARCEL MAP NO. 37833, AS SHOWN BY MAP RECORDED DECEMBER 30, 2020 IN BOOK 250 OF PARCEL MAPS AT PAGES 52-54, RECORDS OF RIVERSIDE COUNTY.

PARCEL A1:

A RECIPROCAL ACCESS EASEMENT FOR INGRESS AND EGRESS PURPOSES AND INGRESS AND EGRESS OF SERVICE AND EMERGENCY VEHICLES, AND PUBLIC UTILITIES AS SHOWN BY PARCEL MAP NO. 37833 RECORDED DECEMBER 30, 2020 IN BOOK 250, PAGES 52-54 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY AND AS SET FORTH IN TEMPORARY ACCESS AND UTILITY EASEMENT RECORDED ON APRIL 19, 2022 AS INSTRUMENT NO. 2022-183739, RIVERSIDE COUNTY OFFICIAL RECORDS.

PARCEL A2:

A PRIVATE WATER SERVICES EASEMENT, AS SHOWN BY PARCEL MAP NO. 37833 RECORDED DECEMBER 30, 2020 IN BOOK 250, PAGES 52-54 OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY.

APN: 768-210-040 AND 768-210-042