

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



**ITEM: 3.18
(ID # 27105)**

MEETING DATE:
Tuesday, March 11, 2025

FROM : HOUSING AND WORKFORCE SOLUTIONS

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Form of the Loan Agreement for the Use of Permanent Local Housing Allocation (PLHA) Program Funds for Cambern Avenue Apartments, and All Attachments Thereto, in the City of Lake Elsinore and Authorize the Director of HWS to Execute a Form of the PLHA Loan Agreement, a Form of the Covenant Agreement and Forms of the Subsequent Subordination Agreements; District 2. [\$3,050,000 - 100% PLHA Funds] (Ministerial Project under CEQA) (Clerk of the Board to File the Notice of Exemption)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find, in its independent judgment and analysis as a Responsible Agency under the California Environmental Quality Act (CEQA) in issuing certain limited approvals, after it reviewed and considered the information in the previously approved Local Approvals and Environmental Review Verification by the City of Lake Elsinore, as lead agency, has determined that the Streamlined By-Right Project is Statutorily Exempt from CEQA as a ministerial project, specifically pursuant to California Government Code Sections 65913.4 and 65589.4, in which certain multifamily affordable housing projects are designated a permitted use and satisfies all objective planning standards;

Continued on page 2

ACTION:Policy

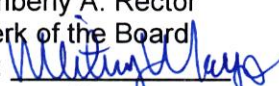

Heidi Marshall, Director 2/24/2025

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: Medina, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: March 11, 2025
xc: HWS, State Clearinghouse, Recorder

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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

RECOMMENDED MOTION: That the Board of Supervisors:

2. Approve the attached form of Loan Agreement for the Use of PLHA Program Funds, including all attachments thereto, (PLHA Loan Agreement), between the County and Cambern Avenue Housing Associates, L.P., a California limited partnership, providing a loan derived from the PLHA Program in the amount of \$3,000,000.00 (PLHA Loan), to be used to pay a portion of the development and construction costs for a multi-family affordable rental housing project in the City of Lake Elsinore;
3. Approve the attached forms of PLHA Deed of Trust, Security Instrument and Fixture Filing with Assignment of Rents (PLHA Deed of Trust), PLHA Promissory Note, Environmental Indemnity and PLHA Covenant Agreement;
4. Approve the allocation of \$50,000 in PLHA funds to Housing and Workforce Solutions (HWS) for direct staff costs associated with project management and compliance with PLHA for Cambern Avenue Apartments;
5. Authorize the Director of HWS, or designee, to execute the PLHA Loan Agreement and PLHA Covenant Agreement, substantially conforming in form and substance to the attached PLHA Loan Agreement and PLHA Covenant Agreement, subject to approval as to form by County Counsel;
6. Authorize the Director of HWS, or designee, to negotiate and execute a Subordination Agreement, substantially conforming in form and substance to the attached, subordinating the PLHA Loan and Agreement and PLHA Deed of Trust for the benefit of First Citizens Bank, a North Carolina state-chartered commercial bank, securing a construction and permanent loan for the Project for a not-to-exceed amount of \$30,000,000, subject to approval as to form by County Counsel;
7. Authorize the Director of HWS, or designee, to negotiate and execute a form of the Subordination Agreement, substantially conforming in form and substance to the attached, subordinating the PLHA Loan Deed of Trust for the benefit of the City of Lake Elsinore, a California municipal corporation, securing construction and permanent loan for the Project for a not to exceed amount of \$8,000,000, subject to approval as to form by County Counsel;
8. Authorize the Director of the HWS, or designee, to take all necessary steps to implement the PLHA Loan Agreement and Subordination Agreements, including but not limited to, signing amendments, additional subordination agreements and subsequent necessary and relevant documents, subject to approval as to form by County Counsel; and
9. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk and the State Clearinghouse within 5 business days of approval.

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$1,525,000	\$1,525,000	\$3,050,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Permanent Local Housing Allocation Funds (100%)			Budget Adjustment:	No
			For Fiscal Year:	24/25-25/26

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Community HousingWorks (CHW), a California nonprofit public benefit corporation and affordable housing developer, participates in the development, construction and operation of affordable apartment communities throughout California and in Texas.

CHW is proposing to utilize \$3,000,000 in Permanent Local Housing Allocation (PLHA) funds (PLHA Loan) allocated from the California Department of Housing and Community Development (HCD) PLHA Program for the development and new construction of Cambern Avenue Apartments, a proposed 76-unit multi-family affordable rental housing complex for low-income families located in the city of Lake Elsinore on two separate parcels of land, on approximately 4.02 acres of land located at 29366 and 29377 3rd Street in the City of Lake Elsinore, California, 92532, identified as Assessor's Parcel Numbers 377-100-003 and 377-380-003 (Proposed Project). The PLHA Loan will be used to pay a portion of the development and construction costs for the Project. The PLHA Loan will be evidenced by a promissory note (PLHA Loan Promissory Note) which will be secured by a deed of trust encumbering the Project (PLHA Loan Deed of Trust), each attached. If there are any realized cost savings to the project, then any remaining PLHA funds will not be disbursed.

The Proposed Project will provide a total of 76 units comprised of 26 one-bedroom units (661 sq.ft.), 30 two-bedroom units (809 sq.ft.), 20 three-bedroom units (1,019 sq.ft.) and 1 two-bedroom unit unrestricted for a property manager. The Property will consist of the amenities including 122 parking spaces, community kitchen, conference and meeting spaces, ADA-accessible and adaptable features, laundry room, rooms, computer lab, leasing office, interview room, social services space, children's play areas, recreational turf area, and outdoor dining area.

Under the County's PLHA program, a total of 37 units will be income restricted (PLHA Units). A total of 29 PLHA Units will be reserved for households whose incomes do not exceed 80% of the area median income and 8 units will be restricted to individual households whose incomes do not exceed 50% of the area median income for the County of Riverside (PLHA Affordable Units). The PLHA Affordable Units will be restricted for a period of at least 55 years from the recordation of the Notice of Completion.

On June 25, 2024 (Minute Order 3.32), the Board of Supervisors (Board) approved up to \$4,000,000 in PLHA funds for the Proposed Project. On December 3, 2024 (Minute Order 3.36),

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

the Board approved \$1,000,000 in American Rescue Plan Act (ARPA) Funds to increase the supply of affordable and permanent supportive housing critical to addressing homelessness in the County. The County has committed a total of \$4,000,000, of which \$3,000,000 will be derived from PLHA funds and \$1,000,000 from ARPA funds. Staff recommends approval of \$3,000,000 in PLHA funds to pay a portion of the development and construction costs for the Proposed Project and \$50,000 in PLHA funds for direct staff costs associated with project management and compliance with the PLHA Program as follows:

Cambern Avenue Apartments	\$3,000,000	PLHA Project Funding
Cambern Avenue <u>Ap</u> artments	\$ 50,000	PLHA Direct Staffing
Total	\$3,050,000	

Permanent Sources	
First Citizens Bank Loan	\$9,170,000
GP Certified Credit Sale Loan	\$2,624,718
City of Lake Elsinore	\$7,015,482
County of Riverside Funds PLHA	\$3,000,000
State of CA, Inland Regional Center	\$2,850,000
County of Riverside ARPA Funds	\$1,000,000
Deferred Developer Fee	\$528,635
GP Equity	\$100
LP Equity	\$22,997,700
Total	\$49,186,635

Any potential significant effects of the Proposed Project have been addressed by the City of Lake Elsinore, as Lead Agency in its approval of Local Approvals and Environmental Review Verification, which determined that the Streamlined By-Right Project is Statutorily Exempt from CEQA as a ministerial project, specifically pursuant to California Government Code Sections 65913.4 and 65589.4, in which certain multifamily affordable housing projects are designated a permitted use and satisfies all objective planning standards.

County Counsel has reviewed and approved as to form the attached Loan Agreement for the Use of PLHA Funds (PLHA Loan Agreement), the PLHA Deed of Trust, the PLHA Loan Promissory Note, the PLHA Covenant Agreement, and the Environmental Indemnity. Staff recommends that the Board approve the attached forms of the PLHA Loan Agreement, the PLHA Deed of Trust, the PLHA Loan Promissory Note, the PLHA Covenant Agreement, and the Environmental Indemnity.

Staff recommends that the Board authorize the Director of the Housing and Workforce Solutions (HWS), or designee, to execute the PLHA Loan Agreement and PLHA Covenant Agreement. Staff further recommends that the Board of Supervisors authorize the Director of the HWS, or designee, to negotiate and execute subordination agreements, as required conditions to the senior lenders' financing, subordinating the PLHA Loan and PLHA Deed of Trust to the deeds of

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

trust securing the senior lenders' loans as discussed herein, subject to approval as to form by County Counsel.

Impact on Residents and Businesses

The development of Cambern Avenue Apartments in the City of Lake Elsinore will have a positive impact on the citizens and businesses within the County of Riverside. The Proposed Project is expected to generate construction, permanent maintenance, and property management jobs, as well as provide affordable housing for residents of the County of Riverside.

SUPPLEMENTAL:

Additional Fiscal Information

No impact upon the County's General Fund; the County's contribution to the Project will be fully funded with PLHA funds allocated from the California Department of Housing and Community Development PLHA Program.

ATTACHMENTS:

- Form of Loan Agreement for the Use of PLHA Program Funds, including all exhibits
- Form of PLHA Loan Deed of Trust
- Form of PLHA Loan Promissory Note
- Form of Environmental Indemnity
- Form of PLHA Covenant Agreement
- Forms of the Subordination Agreements
- Notice of Exemption


Brianna Lontajo, Principal Management Analyst 3/4/2025


Aaron Gettis, Chief of Deputy County Counsel 2/27/2025



FILED / POSTED

County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder

E-202500216
03/13/2025 09:28 AM Fee: \$ 50.00
Page 1 of 1

Removed: By: Deputy

Notice of Exemption

To: ☒ Office of Planning and Research
For U.S Mail: Street Address: Agency: County of Riverside
P.O. Box 3044 1400 Tenth St. Address: 4080 Lemon Street, Suite 400
Sacramento, CA 95812-3044 Sacramento, CA 95814 Riverside, CA 92501
Contact: Alicia Jaimes
Phone: (951) 955-0783

☒ County Clerk
County of: Riverside
2724 Gateway Drive
P.O. Box 751
Address: Riverside, CA 92502-0751
Lead Agency (if different from above):
Address: _____
Contact: Juan Garcia
Phone: +19519558126

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

State Clearinghouse Number (if submitted to State Clearinghouse): _____

Project Title: Loan Agreement for the Use of Permanent Local Housing Allocation (PLHA) Funds for Cambern Avenue Apartments

Project Location (include county): 29366 and 29377 3rd Street in the City of Lake Elsinore, California, 92532, identified as Assessor's Parcel Numbers 377-100-003 and 377-380-003 (Property).

Project Description: The proposed project will consist of a total of 75 resident units, plus 1 two-bedroom unit unrestricted as a manager's unit, located on approximately 4.02 acres of land on two separate parcels of land located at 29366 and 29377 3rd Street in the City of Lake Elsinore, California, 92532, identified as Assessor's Parcel Numbers 377-100-003 and 377-380-003. The proposed project includes 26 one-bedroom units, 30 two-bedroom units, and 20 three-bedroom units. Under the County's PLHA program, 37 total PLHA units (unit mix 1- bedroom, 2- bedroom and 3- bedroom) shall be restricted to household whose incomes are at or below 80% are median income of which 8 of the PLHA units shall be restricted to households whose incomes are at or below 50% AMI. The use and occupancy restrictions will be set forth in a Covenant Agreement to be recorded in the Official Records of the County of Riverside.

Project Sponsor: County of Riverside

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

☐ Lead agency or ☒ Responsible Agency

March 11, 2025 and has made the following determinations regarding the above-described project:
(Tentative date)

Find that the Loan Agreement for the Use of Permanent Local Housing Allocation (PLHA) Funds is exempt pursuant to California Government Code Sections 65913.4 and 65589.4, in which certain multifamily affordable housing projects are designated a permitted use and satisfies all objective planning standards. The City of Lake Elsinore has determined that the Streamlined By-Right Project is Statutorily Exempt from the California Environmental Quality Act ("CEQA") as a ministerial project.

Signature: (Public Agency) Title: Deputy Director

Date: 2/25/25 Date received for filing at OPR: _____

Document Root (Read-Only)

Selected Document

2025030536 - NOE - Loan Agreement for the Use of Permanent Local Housing Allocation (PLHA) Funds for Cambern Avenue Apartments

Riverside County

Created - 3/12/2025 | Submitted - 3/13/2025 | Posted - 3/13/2025 | Received - 3/13/2025 | Published - 3/13/2025

Naomy Sicra

Document Details

Public Agency

Riverside County

Document Type

Notice of Exemption

Document Status

Published

Title

Loan Agreement for the Use of Permanent Local Housing Allocation (PLHA) Funds for Cambern Avenue Apartments

Document Description

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3.18

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 27383
Title and Escrow Order No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
3403 Tenth Street, Suite #300
Riverside, CA 92501
Attn: Mervyn Manalo

SPACE ABOVE THIS LINE FOR RECORDERS USE

LOAN AGREEMENT FOR THE USE OF PERMANENT LOCAL HOUSING ALLOCATION
(PLHA) PROGRAM FUNDS
(CAMBERN AVENUE APARTMENTS)

This LOAN AGREEMENT FOR THE USE OF PERMANENT LOCAL
HOUSING ALLOCATION (PLHA) PROGRAM FUNDS ("Agreement") is made and entered
into this ____ day of _____, 2025 by and between the COUNTY OF RIVERSIDE, a
political subdivision of the State of California ("COUNTY" or "County"), and CAMBERN
AVENUE HOUSING ASSOCIATES, L.P., 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 is the recipient of funds derived from the Permanent Local
Housing Allocation ("PLHA") Program which was enacted under the Building Homes and Jobs
Act, included as part of California Senate Bill (SB) 2 (Chapter 364, Statutes of 2017);

WHEREAS, the PLHA Program was designed to provide a permanent source of
funding to local governments in California to help cities and counties implement plans to
increase the affordable housing stock;

WHEREAS, the State of California (the "State"), Department of Housing and
Community Development ("HCD") issued a Notice of Funding Availability ("NOFA"), dated

1 February 26, 2020, to provide approximately \$195,000,000 under the PLHA Program through
2 its Entitlement and Non-entitlement Local Government Formula Component from the Fund for
3 assistance to local governments pursuant to HSC section 50470 et seq. and SB 2 (Chapter 364,
4 Statutes of 2017) (the “PLHA Statutes”);

5 WHEREAS, to implement the PLHA Program, HCD adopted and issued the HCD
6 2019 PLHA Final Guidelines (“Guidelines” or “PLHA Guidelines”);

7 WHEREAS, the County is an eligible local government for the program to
8 administer one or more eligible activities, including on behalf of other local governments that
9 have delegated County to submit an application and administer their PLHA formula allocations;

10 WHEREAS, HSC Section 50470 authorizes the HCD to allocate moneys collected
11 and deposited in the Fund for the PLHA Program, with 90 percent of PLHA funds to local
12 governments, and to adopt Guidelines to implement the PLHA Program;

13 WHEREAS, pursuant to the PLHA Program, the County and the California
14 Department of Housing and Community Development (“HCD”) entered into that certain
15 Standard Agreement dated June 17th, 2021, including Exhibits A, B, C, D and E (collectively,
16 the “PLHA Standard Agreement for County’s Allocation”), which allocates PLHA funding to
17 the County for use in the County in the estimated funding amount of \$23,977,026 for Allocation
18 Years 2019-2023;

19 WHEREAS, pursuant to Section 300(c) of the PLHA Final Guidelines (“HCD
20 Guidelines”), a local government may delegate to another local government to submit an
21 application and administer the formula component of PLHA funds on its behalf, provided the
22 local governments enter into an agreement and the funds are expended for eligible activities
23 consistent with program requirements;

24 WHEREAS, consistent with HCD Guidelines, the City of Lake Elsinore, a
25 California municipal corporation (“City”), delegated to County the responsibility for submitting
26 an application for administering its formula component for Allocation Years 2019-2023 (“City’s
27 Allocations”) in the estimated funding amount of \$1,491,162;

1 WHEREAS, pursuant to the PLHA Program, the County and HCD entered into
2 that certain Standard Agreement dated October 6, 2021, including Exhibits A, B, C, D and E
3 (collectively, the “PLHA Standard Agreement for City’s Allocation”), which allocates PLHA
4 funding to the County for use in the City;

5 WHEREAS, in connection therewith, City and County entered in that certain
6 Agreement for the PLHA Program under HCD for Allocation Years 2019-2023 dated June 30,
7 2020 (the “County and City PLHA Agreement”), which provides for the use of PLHA funds by
8 the County within the City to increase the affordable housing stock within the City;

9 WHEREAS, the PLHA Statutes, HCD Guidelines, the NOFA, PLHA Standard
10 Agreement for County’s Allocation, PLHA Standard Agreement for City’s Allocation, County
11 and City PLHA Agreement and all applicable rules and regulations imposed by HCD on PLHA
12 funding recipients shall collectively be referred to herein as the “PLHA Program”;

13 WHEREAS, BORROWER is a California limited partnership registered to do
14 business in the State of California and an affordable housing developer, is an experienced
15 developer of affordable housing that has among its purposes the provision of decent housing that
16 is affordable to low income persons;

17 WHEREAS, BORROWER desires to develop and construct a multi-family
18 affordable housing rental project for low-income family households consisting of 75 residential
19 units, plus 1 two-bedroom unit unrestricted as a manager’s unit, to be rented and occupied by
20 low-income households (“Project”). The Project will be located on approximately 4.02 acres of
21 land on two separate parcels of land located at 29366 and 29377 3rd Street in the City of Lake
22 Elsinore, California, 92532, identified as Assessor’s Parcel Numbers 377-100-003 and 377-380-
23 003, as more specifically described in the legal description attached hereto as **Exhibit A** and
24 incorporated herein by this reference (“Property”);

25 WHEREAS, the purpose of this Agreement is, among other things, for COUNTY
26 to provide a loan of PLHA funds (consisting of PLHA funds allocated for use in the City pursuant
27 to the PLHA Standard Agreement, as well as other PLHA funds available to the COUNTY for

1 the purposes set forth herein) to BORROWER in the maximum amount of \$3,000,000 to pay a
2 portion of the construction costs related to the Project, as more fully described herein;

3 WHEREAS, in consideration of the loan of PLHA funds, BORROWER has
4 agreed to restrict the "PLHA Units" (as defined in **Section 1** below) to rental to and occupancy
5 by qualified Low and Very Low Income Households consistent with the PLHA Program
6 requirements and as defined more specifically herein; and

7 WHEREAS, the development of the Project as described herein increases the
8 available affordable housing stock within the City and the County and complies with the
9 objectives set forth in the PLHA Program.

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

13 **1. PURPOSE.** The aforementioned Recitals are incorporated herein by this
14 reference. COUNTY has agreed to lend up to **Three Million Dollars (\$3,000,000)** in PLHA
15 funds ("PLHA Loan") to BORROWER upon the satisfaction of the conditions precedent to
16 distribution of PLHA Loan funds set forth in **Section 12** below. Subject to **Sections 49** and **50**
17 below, BORROWER shall undertake and complete the Project in accordance with all
18 entitlements and the Scope of Work and Project Description set forth in **Exhibit B**, and shall
19 utilize the PLHA Loan funds as required herein and in strict compliance with the PLHA Program.
20 Once the Project is completed, during the Affordability Period (as defined in **Section 15** below),
21 at most approximately forty nine percent (49%) of the Units not occupied by a manager or thirty-
22 seven (37) of the Units constructed on the Property shall be restricted to rental to and occupancy
23 by qualified Low and Very Low Income Households (collectively, "PLHA Units") at an
24 Affordable Rent (as hereinafter defined). At least twenty percent (20%) of the PLHA Units, or
25 eight (8) PLHA Units, shall be restricted to occupancy by Very Low Income Households at or
26 below 50% of the area median income.

27 For purposes hereof:

- a. a "Household" is one or more persons occupying an Affordable Unit.
- b. "Low Income" has the meaning set forth in HSC Section 50079.5, which is a Household whose income does not exceed 80% of the area median income, adjusted for actual family size.
- c. "Very Low Income" has the meaning set forth in HSC Section 50105, which is a Household whose income does not exceed 50% of the area median income, adjusted for actual family size.
- d. "area median income" shall refer to the most recent area median family income published by HCD for Riverside County, available at the following link: <https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits>.
- e. "Qualified Household" means a Low Income Household or a Very Low Income Household.

The PLHA Units shall be rented to and occupied by Very Low and Low Income Households at an "Affordable Rent" in compliance with the Multifamily Housing Program guidelines Section 7312 and the Section 7301 definition of "Affordable Rent" and the PLHA Program. COUNTY shall review and approve proposed rents prior to entry into leases for occupancy of the PLHA Units by BORROWER. BORROWER shall ensure the PLHA Units are rented to qualified applicants at the rent levels required herein during the Affordability Period. The maximum monthly allowances for utilities and services (excluding telephone) shall not exceed the utility allowance permitted by a Covenant Agreement entered into by COUNTY and BORROWER substantially in the form attached as **Exhibit H** hereto upon Closing (as defined in **Section 12**).

Income and Affordable Rent limitations for Very Low Income Households and Low Income Households must be calculated in accordance with the Multifamily Housing Program (MHP), as required by the PLHA Program. BORROWER shall utilize the most recently

1 available “MHP Income and Rent Calculator” published by HCD, available on the following web
2 page: <https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent->
3 [and-loan-value-limits](https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits).

4 This PLHA Loan Agreement, a Promissory Note for the benefit of
5 COUNTY and given by BORROWER upon Closing, substantially in the form attached as
6 **Exhibit F** hereto (the “PLHA Note”), a Deed of Trust for the benefit of COUNTY and given by
7 BORROWER upon Closing, substantially in the form attached as **Exhibit E** hereto (the “PLHA
8 Deed of Trust”), a Covenant Agreement for the benefit of COUNTY and given by BORROWER
9 upon Closing, substantially in the form attached as **Exhibit H** hereto (the “PLHA Covenant
10 Agreement”), an Environmental Indemnity for the benefit of COUNTY and given by
11 BORROWER upon Closing, substantially in the form attached as **Exhibit J** hereto (the
12 “Environmental Indemnity”) and any other agreement entered into by COUNTY and
13 BORROWER in connection with the PLHA Loan for the Project shall collectively be referred to
14 herein as the “PLHA Loan Documents.” BORROWER shall comply with the terms and
15 conditions of the PLHA Loan Documents, any other agreements entered into in connection with
16 the development and/or financing for the Project, and any instrument secured against the Property.
17 BORROWER shall strictly comply with all requirements of the PLHA Program.

18 2. BORROWER’S OBLIGATIONS. Upon the commencement of the
19 Effective Date (defined in **Section 55** below), BORROWER shall undertake and complete the
20 following activities within the time periods set forth herein and in **Exhibit D**:

- 21 a. Satisfy the conditions precedent to distribution of PLHA Loan funds
22 set forth in **Section 12** below.
- 23 b. Acquire fee title to the Property and assemble any necessary permanent
24 and construction financing no later than the date set forth in **Exhibit D**,
25 including any County approved extensions thereto.
- 26 c. Develop the Project in accordance with the timeline set forth in **Exhibit**
27 **D**.

- 1 d. Operate the Project in such a manner so that it will remain affordable
2 to Qualified Households for the Affordability Period as defined in
3 **Section 15** herein without regard to (i) the term of the PLHA Note, or
4 (ii) transfer of ownership.
- 5 e. Maintain the Project in compliance with applicable local, state, federal
6 laws, codes and regulations as further described in **Section 18** below
7 until the expiration of the Term of this Agreement set forth in **Section**
8 **7** below, and the Affordability Period set forth in **Section 15** below.

9 3. COUNTY'S OBLIGATIONS. COUNTY hereby agrees to undertake and
10 complete the following activities, subject to its receipt of PLHA funds from HCD and
11 BORROWER's satisfactory completion of the conditions precedent to disbursement of PLHA
12 funds set forth in this Agreement:

- 13 a. Provide the PLHA Loan to BORROWER in the amount identified in
14 **Section 1**, to be used to pay a portion of eligible construction costs for
15 the Project in accordance with the PLHA Program; and
- 16 b. Comply with all of its obligations under the PLHA Standard
17 Agreement, City Standard Agreement and all other applicable
18 requirements of the PLHA Program.

19 4. PLHA Loan. Subject to the satisfaction of the conditions precedent to
20 disbursement of the PLHA Loan set forth in **Section 12** below, COUNTY shall provide financing
21 to Borrower in the form of a loan in the amount of the PLHA Loan, pursuant to the following
22 terms and conditions:

- 23 a. Term of PLHA Loan. The maturity date of the PLHA Loan shall be the
24 later to occur of (i) July 1, 2080 or (ii) fifty-five (55) years from the
25 recordation of the Notice of Completion in the Official Records for the
26 building for which construction is completed for the Project (the
27 "PLHA Loan Term"). The term, "Official Records" used herein shall

mean the Official Records of the Recorder's Office of the County of Riverside.

b. Principal. The total amount of the PLHA Loan shall not exceed **\$3,000,000**, and shall be evidenced by the PLHA Note, which note shall be secured by the PLHA Deed of Trust.

c. Interest. The interest rate shall be three percent (3%) simple interest per annum.

d. Repayment. The terms of the PLHA Note shall be as follows:

(1) That the PLHA Loan will accrue simple interest at a rate of three percent (3%) per annum, except in the case of an event of default as hereinafter provided wherein a higher default interest rate shall apply as more specifically set forth in the PLHA Note, and shall be repaid on an annual basis from the Project's Residual Receipts (defined in **Section 4** below). Interest will begin to accrue 30 days from the recordation of the Notice of Completion in the Official Records.

(2) The PLHA Note shall be repaid by BORROWER to COUNTY as follows:

- i) Fifty percent (50%) of the Project's Residual Receipts shall be paid to COUNTY and the City of Lake Elsinore (the "City") (pro rata with respect to the amounts of their respective loans for the Project) annually in accordance with the terms set forth herein. The pro rata share split shall be sixty-three and 69/100 percent (63.69%) to the City and thirty-six and 31/100 percent (36.31%) to COUNTY (each, a "Pro Rata Share"). COUNTY agrees that its

1 pro rata share is calculated using the combined
2 original principal balances of the PLHA Note plus
3 the original principal balance of that certain
4 Promissory Note in the amount of One Million
5 Dollars (\$1,000,000) dated November, 2024 given
6 by BORROWER to COUNTY ("ARPA Note")
7 pursuant to that certain Loan Agreement for the Use
8 of American Rescue Plan Act Funds (Cambern
9 Avenue Apartments) dated December 3, 2024
10 between the COUNTY and BORROWER.
11 COUNTY agrees that the COUNTY's pro rata share
12 of thirty-six and 31/100 percent (36.31%) of fifty
13 percent (50%) of the Project's Residual Receipts
14 shall be the aggregate amount due to COUNTY
15 under both the PLHA Note and the ARPA Note.
16 Such payment of the Pro Rata Share of fifty percent
17 (50%) of the Project's Residual Receipts to City and
18 COUNTY shall continue annually until the City's
19 promissory note and COUNTY's PLHA Note and
20 ARPA Note are repaid in full, respectively; and

21 ii) Any remainder of the Project's Residual Receipts
22 will be paid in accordance with the cash flow
23 "waterfall" provisions of BORROWER's limited
24 partnership agreement.

25 (3) The Project's Residual Receipts shall be determined based on an
26 annual review of certified financial statements for the Project.
27 Annual audited financial statements shall be submitted by
28

1 BORROWER to COUNTY within one hundred twenty (120) days
2 following the close of the Project fiscal year commencing on April
3 1st of the first full calendar year following the recordation of the
4 Notice of Completion. All outstanding principal along with
5 accrued interest shall be due upon the maturity date of the PLHA
6 Note and the expiration of the PLHA Loan Term as set forth in
7 **Section 4(a)**. The first payment from BORROWER to COUNTY
8 shall be due on July 1st in the first full calendar year following the
9 date of the recordation of the Notice of Completion, to the extent
10 of available Residual Receipts, calculated in accordance with the
11 PLHA Note. Subsequent payments shall be made on each July 1st
12 thereafter to the extent of available Residual Receipts until the
13 earlier of full repayment of the PLHA Loan or the PLHA Loan
14 maturity date as set forth above.

15 (4) The term "Project Residual Receipts" used herein shall mean the
16 gross rental and other income from all residential and non-
17 residential components of the Project, including, without
18 limitation, proceeds from loss of rent insurance, and any other
19 income to the BORROWER derived from the ownership, operation
20 and management of the Project and the Property, but excluding
21 interest on required reserve accounts, less the following operating
22 expenses:

- 23 i) payments of principal and interest and other
24 mandatory payments on amortized loans and
25 indebtedness senior to the Loan, which have been
26 approved in writing by COUNTY (collectively, the
27 "Senior Debt");

- ii) utility fees and costs not paid by tenants;
- iii) insurance on the Project;
- iv) ad valorem taxes and assessment payments;
- v) management fees, expenses and costs, as well as the cost of social programs at the Project, which management fee shall be increased annually by an amount not to exceed the greater of (i) three and a half percent (3.5%) or (ii) the increase in the Consumer Price Index for Riverside-San Bernardino-Ontario, CA area ("CPI"), and any accrued and unpaid fees from prior years;
- vi) auditing and accounting fees;
- vii) operating expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which shall include administration, on-site management costs, utilities, on-site staff payroll, payroll taxes, and maintenance);
- viii) reserves for repair and replacement of the Project, in an annual amount of \$500 per rental unit per year;
- ix) required operating reserve replenishments;
- x) repayment of any operating deficit loans or development advances made by a partner to the BORROWER and payment of unpaid tax credit adjustment payments owed to a limited partner of BORROWER;
- xi) partnership management fees up to \$25,000

1 annually payable to a partner of BORROWER, and
2 asset management fees up to \$7,500 annually
3 (increasing annually by three (3%)) payable to a
4 partner of BORROWER, and any accrued and
5 unpaid fees from prior years; and

- 6 xii) payment of deferred developer fees pursuant to
7 BORROWER'S limited partnership agreement.

8 Operating expenses will be considered "normal and necessary" if
9 incurred generally for similarly structured, financed, and restricted rental
10 properties operated by similar entities. At such time, payment of thirty-six
11 and 31/100 percent (36.31%) of 50% of the Residual Receipts produced
12 from the Project (which shall be the same as, and not in addition to,
13 payment due under the ARPA Note) shall be made by the BORROWER
14 to the COUNTY annually on July 15th of each year. Payment shall be
15 allocated by COUNTY between the PLHA Note and the ARPA Note as it
16 deems appropriate and applied first to accrued interest and thereafter to
17 principal. BORROWER shall annually provide the COUNTY with an
18 accounting acceptable to the COUNTY, documenting the calculation of
19 Residual Receipts for the previous calendar year ending December 31.
20 This accounting shall be made on or before July 15, together with the
21 payment of Residual Receipts.

- 22 e. Security. The PLHA Note shall be secured by the PLHA Deed of Trust.
23 The PLHA Covenant Agreement, PLHA Deed of Trust and this Agreement
24 shall be recorded against the Property. The PLHA Covenant Agreement
25 shall be recorded prior to the liens of any deeds of trust recorded against
26 the Property. The PLHA Deed of Trust and this Agreement, respectively,
27 may be recorded in a subordinate lien position to the deeds of trust securing

one or more of the construction loan, permanent loans, and City of Lake Elsinore loan (each, a “Senior Loan,” and collectively the “Senior Loans”) pursuant to subordination agreements approved by COUNTY in the first and second priority lien position, in relation to themselves, each for the benefit of COUNTY. Their priority in relation to other encumbrances shall be as approved by the COUNTY in its reasonable discretion, such approval not to be unreasonably withheld, conditioned, or delayed, provided, however, that COUNTY’s affordability restrictions set forth in the Covenant Agreement are preserved for Qualified Households for the Affordability Period (defined below).

f. Prepayment. Prepayment of principal and/or interest under the PLHA Note may occur at any time without penalty; provided, however (i) the requirements of **Section 18**, Compliance with Laws and Regulations, shall remain in full force and effect for the term of this Agreement specified in **Section 7** below; and (ii) the affordability requirements set forth in the PLHA Covenant Agreement shall remain in effect until the expiration of the Affordability Period.

5. PRIOR COUNTY APPROVAL. Except as otherwise expressly provided in this Agreement, approvals required of the COUNTY shall be deemed granted by the written approval of the Director. Notwithstanding the foregoing, the Director may, in his or her sole discretion, refer to the governing body of the COUNTY any item requiring COUNTY approval; otherwise, “COUNTY approval” means and refers to approval by the Director or designee.

6. MODIFICATIONS. The Director or designee shall have the right to make non-substantive changes to the attachments to this Agreement in order to ensure that all such attachments are consistent with the terms and provisions of this Agreement.

7. TERM OF AGREEMENT. This Agreement shall become effective upon the Effective Date, as defined in **Section 55** below, and unless terminated earlier pursuant to the

1 terms hereof, shall continue in full force and effect until the later to occur of (i) July 1, 2080 or
2 (ii) fifty-five (55) years from the recordation of the Notice of Completion in the Official Records
3 for the last building for which rehabilitation is completed for the Project ("Term of Agreement").

4 8. BORROWER'S REPRESENTATIONS. BORROWER represents and
5 warrants to COUNTY as follows:

- 6 a. Authority. BORROWER is a duly organized limited partnership,
7 validly existing and in good standing under the laws of the State of
8 California. The copies of the documents evidencing the
9 organization of BORROWER, which have been delivered to
10 COUNTY, are true and complete copies of the originals, as
11 amended to the date of this Agreement. BORROWER, and the
12 persons executing and delivering the PLHA Loan Documents on
13 its behalf, have full right, power and lawful authority to enter into
14 this Agreement and accept the PLHA Loan funds and undertake
15 development of the Project and all obligations as provided in the
16 PLHA Loan Documents. The execution, performance and delivery
17 of this Agreement by BORROWER has been fully authorized by
18 all requisite actions on the part of BORROWER.
- 19 b. No Conflict. To the best of BORROWER's knowledge,
20 BORROWER's execution, delivery and performance of its
21 obligations under this Agreement will not constitute a default or a
22 breach under contract, agreement or order to which BORROWER
23 is a party or by which it is bound.
- 24 c. No Bankruptcy. BORROWER is not the subject of a bankruptcy
25 proceeding.
- 26 d. General. BORROWER has access to professional advice and
27 support to the extent necessary to enable BORROWER to fully
28

1 comply with the terms of this Agreement, and to otherwise carry
2 out the Project. Neither BORROWER nor any of its principals is
3 presently debarred, suspended, proposed for debarment, declared
4 ineligible, or voluntarily excluded from participation in connection
5 with the transaction contemplated by this Agreement.

6 e. Use of PLHA Funds. Borrower represents and warrants that it will
7 use all PLHA funds in a manner consistent and in compliance with
8 all applicable state and federal statutes, rules, regulations, and laws,
9 including without limitation, all rules and laws regarding the PLHA
10 Program, as well as any contracts for the PLHA funds entered into
11 between City and County and any contracts County may have with
12 HCD.

13 f. Prior to Closing. BORROWER shall, upon learning of any fact or
14 condition which would cause any of the warranties and
15 representations in this **Section 8** not to be true as of Closing,
16 immediately give written notice of such fact or condition to
17 COUNTY. Such exception(s) to a representation shall not be
18 deemed a breach by BORROWER hereunder, but shall constitute
19 an exception which COUNTY shall have the right to approve or
20 disapprove if such exception would have an effect on the value
21 and/or operation of the Project Site.

22 g. Applicable Requirements. BORROWER represents and warrants
23 that after Closing, the Property and all improvements located
24 thereon, including any portion thereof, shall comply with all
25 applicable Governmental Requirements (as defined in **Section**
26 **18.b**) and all covenants or restrictions of record (together, the
27 “**Applicable Requirements**”). If the Property and all
28

improvements located thereon do not comply with said Applicable Requirements, BORROWER shall promptly rectify the same at BORROWER's expense.

h. CEQA. BORROWER represents and warrants that the Project will be developed in full compliance with all applicable requirements of the California Environmental Quality Act ("CEQA"). concerning this Agreement, including without limitation any challenge to CEQA compliance.

i. Labor Laws. BORROWER represent and warrants that it shall comply with any applicable labor regulations and all other applicable State laws, including, without limitation, California prevailing wage law, as set forth in Labor Code Section 1720 et seq. ("State Prevailing Wage Law") and, to the extent applicable, shall pay prevailing wages in accordance with the State Prevailing Wage Law in connection with the construction of the improvements which compromise the Project.

9. COMPLETION SCHEDULE. From and after the Effective Date, BORROWER shall proceed consistent with the Schedule of Performance ("Schedule of Performance") set forth in **Exhibit D**, (as such schedule may be amended pursuant to **Section 11**), subject to Force Majeure Delays, as defined in **Section 10**.

10. FORCE MAJEURE DELAYS. "Force Majeure" means event(s) beyond the reasonable control of BORROWER, and which could not have been reasonably anticipated, which prevent(s) BORROWER from complying with any of its non-payment obligations under this Agreement, including, but not limited to: acts of God, acts of war, acts or threats of terrorism, civil disorders, strikes, labor disputes, flood, fire, explosion, earthquake or other similar acts.

"Force Majeure Delay" is delay due to Force Majeure event that, in each case, (i) materially adversely affects the performance by BORROWER of its obligations hereunder, (ii)

1 is not reasonably foreseeable and is beyond BORROWER's reasonable control, (iii) despite the
2 exercise of reasonable diligence, cannot be prevented, avoided or removed by BORROWER and
3 is not attributable to the negligence, willful misconduct or bad faith of BORROWER, and (iv) is
4 not the result of the failure of BORROWER to timely perform any of its obligations under this
5 Agreement. Notwithstanding the foregoing, a Force Majeure Delay shall not be deemed to have
6 occurred unless BORROWER has notified COUNTY in writing of such occurrence of a Force
7 Majeure event within fifteen (15) days after such occurrence and has provided COUNTY with
8 the details of such event and the length of the anticipated delay within an additional fifteen (15)
9 days thereafter. BORROWER shall diligently attempt to remove, resolve, or otherwise eliminate
10 such event, keep COUNTY advised with respect thereto, and shall commence performance of
11 its obligations hereunder immediately upon such removal, resolution or elimination. During the
12 occurrence and continuance of a Force Majeure Delay, BORROWER shall be excused from
13 performance of its obligations under this Agreement to the extent the Force Majeure event
14 prevents BORROWER from performing such obligations. A Force Majeure Delay shall not
15 excuse BORROWER from the timely performance of its payment obligations under the PLHA
16 Loan Documents.

17 11. EXTENSION OF TIME. COUNTY may grant an extension to the
18 Schedule of Performance set forth in **Exhibit D** for the purpose of completing BORROWER's
19 activities which cannot be completed as outlined in **Exhibit D** despite commercially reasonable
20 efforts to do so. BORROWER shall request said extension in writing, stating the reasons
21 therefore, which extension must be first approved in writing by the COUNTY in its reasonable
22 discretion. The Director or designee, on behalf of the COUNTY and without referring such
23 matter to the County's Board of Supervisors may extend all pending deadlines in the Schedule
24 of Performance on two (2) or fewer occasions, so long as the aggregate duration of such
25 administrative time extensions is no greater than one hundred twenty (120) days. Every term,
26 condition, covenant, and requirement of this Agreement shall continue in full force and effect
27 during the period of any such extension.

12. CONDITIONS PRECEDENT TO DISBURSEMENT OF PLHA LOAN

FUNDS. The date upon which the PLHA Deed of Trust is recorded in the official records of Riverside County shall be referred to herein as the "Closing." COUNTY shall disburse PLHA Loan funds in accordance with this Agreement to BORROWER subject to the Closing having occurred and Borrower's satisfaction of the conditions precedent set forth below. COUNTY shall not be obligated to effect the Closing until the following conditions precedent have been satisfied:

- a. BORROWER executes this Agreement and delivers to COUNTY for recordation in the Official Records;
- b. Borrower submits written evidence to COUNTY that Borrower has obtained sufficient financing commitments necessary to undertake the construction and operation of the Project as required herein;
- c. BORROWER provides COUNTY with evidence of insurance as required herein;
- d. BORROWER executes the PLHA Deed of Trust, in recordable form, and delivers such document to COUNTY for recordation in the Official Records;
- e. BORROWER executes the PLHA Note, and delivers it to COUNTY;
- f. BORROWER executes the PLHA Covenant Agreement, in recordable form, and delivers to the COUNTY for recordation in the Official Records;
- g. COUNTY executes and records a Request for Notice of Default for any Senior Loans conforming in form and substance to **Exhibit I** attached hereto;
- h. BORROWER executes the Environmental Indemnity, and delivers it to COUNTY;
- i. BORROWER has caused the Property to be divided or reconfigured at

1 BORROWER's cost in such a manner that the Project may be financed
2 and obtain title insurance;

3 j. BORROWER causes a title company, reasonably acceptable to
4 COUNTY, at BORROWER'S expense, to issue or be irrevocably
5 committed to issue an ALTA lender's policy in favor of COUNTY,
6 insuring the PLHA Deed of Trust as a subordinate priority monetary
7 lien against the Property junior to the deed of trust securing the Senior
8 Loans and such other financing as has been approved as senior by the
9 COUNTY for the development of the Project;

10 k. BORROWER provides satisfactory evidence that the construction
11 period Senior Loans and any other construction financing obtained for
12 the Project will close concurrently with the Closing;

13 l. BORROWER provides a financial pro forma or similar satisfactory
14 evidence that the Senior Loans, permanent financing and any other
15 financing obtained for the Project, when combined with the PLHA
16 Loan, will result in the development and operation of the Project being
17 financially feasible;

18 m. BORROWER is not in default under the terms of this Agreement or
19 any other agreement related to the financing of the Project;

20 n. BORROWER provides satisfactory evidence that it has secured any
21 and all necessary land use entitlements, permits, and approvals which
22 may be required for construction of the Project pursuant to the
23 applicable rules and regulations of City, COUNTY, and any other
24 governmental agency with jurisdiction over such construction work.
25 BORROWER shall have secured, without limitation, the following in
26 connection with the Project: all entitlements, changes of zoning, lot line
27 adjustments, any and all necessary studies required including but not
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limited to archaeological, cultural, and environmental, and traffic studies and lead-based paint surveys. BORROWER shall have paid all costs, charges and fees associated therewith;

o. BORROWER provides duly executed documents and instruments evidencing that BORROWER owns fee title to the Property;

p. BORROWER provides satisfactory evidence that it has satisfied all conditions precedent to the issuance of all permits necessary for the development of the Property and all such permits are available for issuance, other than payment of fees; and

q. BORROWER provides satisfactory evidence to COUNTY, if applicable, that it has hired a qualified professional firm to review and monitor prevailing wage compliance for all submission of contractors' certified payrolls to COUNTY.

13. OUTSIDE CLOSING DATE. If the Closing fails to occur by **July 31, 2025** (the "Outside Closing Date"), then this Agreement shall automatically terminate and be of no further force and effect and Borrower shall be released and discharged from any obligations under this Agreement, except as to those obligations which by their terms survive termination of this Agreement. The PLHA Loan funds allocated, reserved, or placed in a PLHA account pursuant to this Agreement may be reallocated by COUNTY.

Notwithstanding the foregoing, the Parties hereto acknowledge that many of the potential sources of financing for the Project are subject to competitive awards, and that it is difficult to identify with certainty the period of time needed to obtain financing and entitlements necessary for construction of a Phase. In light of the foregoing, the Outside Closing Date (i) if applicable, may be automatically extended to such closing date as required by the Tax Credit Allocation Committee pursuant to an award of Low Income Housing Tax Credits for the Project made prior to the Outside Closing Date, or (ii) shall be subject to written extension with the consent of the Director or his or her designee through **July 31, 2025**. The Director shall

1 reasonably consider any request for extensions to the Outside Closing Date based on
2 BORROWER's updates on progress toward obtaining financing and entitlements.

3 14. DISBURSEMENT OF FUNDS; RETENTION. Upon and after the Closing,
4 COUNTY shall disburse the PLHA Loan Funds in accordance herewith. Disbursement of PLHA
5 Loan funds shall occur upon the receipt of copies of invoices and conditional (upon receipt of
6 payment) lien releases for construction costs to be paid with the proceeds of the PLHA Loan.
7 Any disbursement of funds is expressly conditioned upon the satisfaction of conditions set forth
8 above. COUNTY shall disburse to BORROWER the PLHA Loan funds above on a "cost-as-
9 incurred" basis for construction hard costs, site work, structures, architecture design and survey
10 & engineering costs under itemized schedule shown in **Exhibit C** as follows:

- 11 a. Up to fifty percent (50%) of the PLHA Loan may be disbursed at
12 Closing.
- 13 b. Up to ninety percent (90%) of the PLHA Loan upon fifty-one
14 percent (51%) completion of Project, as certified and documented
15 by the project architect/engineer.
- 16 c. COUNTY shall release final draw down of ten percent (10%) of
17 the PLHA Loan following receipt of all of the items listed below,
18 in such form as is satisfactory to COUNTY:
 - 19 1) Conditional lien release from general contractor;
 - 20 2) recorded Notice of Completion;
 - 21 3) Permanent Certificate of Occupancy;
 - 22 4) architect certification identifying units that are accessible to
23 individuals with mobility impairments and units that are
24 accessible to individuals with sensory impairments in
25 compliance with Applicable California law;
 - 26 5) if applicable, submission of documentation that shows
27 compliance with the Uniform Relocation Assistance and Real
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Property Acquisition Policies Act of 1970 and 24 CFR Part 42;

- 6) submission of a Project completion report including Tenant Checklist which is attached hereto and by this reference incorporated herein;
- 7) Tenant Selection Policy;
- 8) Management Plan;
- 9) Certified statement of final development costs; and
- 10) Certified statement of final sources and uses of funds for the Project.

15. TERMS OF AFFORDABILITY. The PLHA Units in the Project shall remain occupied and rented by Qualified Households for an Affordable Rent as set forth herein and in the PLHA Covenant Agreement until the later of (i) fifty-five (55) years from the recordation of the Notice of Completion in the Official Records for the last building for which construction is completed for the Project, or (ii) July 1, 2080 (the "Affordability Period").

16. INSURANCE. Without limiting or diminishing the BORROWER'S obligation to indemnify or hold the COUNTY harmless, BORROWER shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

- a. Builder's All Risk (Course of Construction) Insurance. BORROWER shall provide a policy of Builder's All Risk (Course of Construction) insurance coverage including (if the work is located in an earthquake or flood zone or if required on financed or bond financing arrangements) coverage for earthquake and flood,

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

26 b. Worker's Compensation.

27 If the BORROWER has employees as defined by the State of
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California, the BORROWER shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside. Policy shall name the COUNTY as Additional Insureds.

c. Comprehensive General Liability Insurance.

Comprehensive General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of BORROWER'S performance of its obligations hereunder. Policy's limit of liability shall not be less than \$2,000,000 per occurrence and \$3,000,00,000 in the aggregate. Policy shall name the County of Riverside as Additional Insureds.

d. Vehicle Liability Insurance.

If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then BORROWER shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the COUNTY as Additional Insureds.

e. General Insurance Provisions – All Lines.

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

8 2) The BORROWER must declare its insurance self-
9 insured retention for each coverage required herein. If any such
10 self-insured retention exceed \$500,000 per occurrence each such
11 retention shall have the prior written consent of the County Risk
12 Manager before the commencement of operations under this
13 Agreement. Upon notification of self-insured retention
14 unacceptable to the COUNTY, and at the election of the County's
15 Risk Manager, BORROWER'S carriers shall either; 1) reduce or
16 eliminate such self-insured retention as respects this Agreement
17 with the COUNTY, or 2) procure a bond which guarantees payment
18 of losses and related investigations, claims administration, and
19 defense costs and expenses.

20 3) BORROWER shall cause BORROWER'S
21 insurance carrier(s) to furnish the County of Riverside with either
22 1) a properly executed original Certificate(s) of Insurance and
23 certified original copies of Endorsements effecting coverage as
24 required herein, and 2) if requested to do so orally or in writing by
25 the County Risk Manager, provide original Certified copies of
26 policies including all Endorsements and all attachments thereto,
27 showing such insurance is in full force and effect. Further, said
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1 Certificate(s) and policies of insurance shall contain the covenant
2 of the insurance carrier(s) that a minimum of thirty (30) days
3 written notice shall be given to the County of Riverside prior to any
4 material modification, cancellation, expiration or reduction in
5 coverage of such insurance. If BORROWER insurance carrier(s)
6 policies does not meet the minimum notice requirement found
7 herein, BORROWER shall cause BORROWER'S insurance
8 carrier(s) to furnish a 30 day Notice of Cancellation Endorsement.

9 4) In the event of a material modification, cancellation,
10 expiration, or reduction in coverage, this Agreement shall terminate
11 forthwith, unless the County of Riverside receives, prior to such
12 effective date, another properly executed original Certificate of
13 Insurance and original copies of endorsements or certified original
14 policies, including all endorsements and attachments thereto
15 evidencing coverage's set forth herein and the insurance required
16 herein is in full force and effect. BORROWER shall not commence
17 operations until the COUNTY has been furnished original
18 Certificate (s) of Insurance and certified original copies of
19 endorsements and if requested, certified original policies of
20 insurance including all endorsements and any and all other
21 attachments as required in this Section. An individual authorized
22 by the insurance carrier to do so on its behalf shall sign the original
23 endorsements for each policy and the Certificate of Insurance.

24 5) It is understood and agreed to by the parties hereto
25 that the BORROWER'S insurance shall be construed as primary
26 insurance, and the COUNTY'S insurance and/or deductibles and/or
27 self-insured retention's or self-insured programs shall not be
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1 construed as contributory.

2 6) If, during the term of this Agreement or any
3 extension thereof, there is a material change in the scope of
4 services; or, there is a material change in the equipment to be used
5 in the performance of the scope of work; or, the term of this
6 Agreement, including any extensions thereof, exceeds five (5)
7 years; the COUNTY reserves the right to adjust the types of
8 insurance and the monetary limits of liability required under this
9 Agreement, if in the County Risk Management's reasonable
10 judgment, the amount or type of insurance carried by the
11 BORROWER has become inadequate.

12 7) BORROWER shall pass down the insurance
13 obligations contained herein to all tiers of subcontractors working
14 under this Agreement.

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

18 9) BORROWER agrees to notify COUNTY of any
19 claim by a third party or any incident or event that may give rise to
20 a claim arising from the performance of this Agreement

21 17. FINANCIAL AND PROJECT RECORDS. BORROWER shall maintain
22 financial, programmatic, statistical, and other supporting records of its operations and financial
23 activities in accordance with the requirements of any financing secured by the Project and any
24 applicable Governmental Requirements, which records shall be open to inspection and audit by
25 authorized representatives of COUNTY and HCD during regular working hours. COUNTY and
26 HCD, or any of their representatives, have the right of access with at least forty-eight (48) hours
27 prior notice, to any pertinent books, documents, papers, or other records of BORROWER, in

order to make audits, examinations, excerpts, and transcripts. Said records shall be retained for such time as may be required by the regulations of the PLHA Program, but in no event no less than five (5) years after the Project completion date as evidenced by recordation of the Notice of Completion; except records of individual tenant income verifications, project rents, and project inspections must be retained for the most recent five (5) year period, until five (5) years after the Affordability Period terminates. If any litigation, claim, negotiation, audit, or other action has been started before the expiration of the regular period specified, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular period, whichever is later.

18. COMPLIANCE WITH LAWS AND REGULATIONS; INDEMNIFICATION. By executing this Agreement, BORROWER hereby certifies that it will adhere to and comply with all applicable federal, state and local laws, regulations and ordinances. BORROWER agrees to indemnify, defend, and hold the Indemnified Parties (as defined in Section 38) harmless from and against any and all liabilities, costs or fees (including, but not limited to, attorneys' costs and fees) arising out of, in connection with or related to BORROWER's failure to comply with any and all applicable federal, state and local laws, regulations and ordinances in connection with the development of the Project. Without limitation, BORROWER shall comply with the following as they may be applicable to BORROWER in connection with the use of PLHA Loan funds and/or development of the Project on the Property:

- a. PLHA Program. BORROWER shall comply with all requirements set forth in a Notice of Funding Availability ("NOFA"), dated February 26, 2020, issued by HCD to provide approximately \$195,000,000 under the Permanent Local Housing Allocation ("PLHA") Program through its Entitlement and Non-entitlement Local Government Formula Component from the Building Homes and Jobs Trust Fund for assistance to Local Governments pursuant

1 to Health and Safety Code section 50470 et seq. and Senate Bill
2 (SB) 2 (Chapter 364, Statutes of 2017), the HCD 2019 PLHA Final
3 Guidelines (“Guidelines” or “PLHA Guidelines”) adopted and
4 issued to implement the PLHA Program, any Standard Agreement
5 for the PLHA funds applicable to COUNTY or City, and all
6 applicable rules and regulations imposed by HCD on PLHA
7 funding recipients.

8 b. Governmental Requirements. BORROWER shall carry out
9 development, construction and operation of the Project in
10 conformity with all applicable Governmental Requirements. For
11 purposes of this Agreement, “Governmental Requirements” means
12 all laws, ordinances, statutes, codes, rules, resolutions, regulations,
13 policy statements, orders, and decrees (including, without
14 limitation, those relating to land use, subdivision, zoning,
15 environmental, labor relations, prevailing wage, and building and
16 fire codes) of the United States, the State of California, the County
17 or any other political subdivision in which the Property is located
18 or which exercises jurisdiction over BORROWER or the
19 construction, maintenance, management, use, or operation of the
20 Project

21 c. CEQA. Prior to Closing, BORROWER shall have performed all
22 necessary final actions and obtained the final approvals required by
23 CEQA for the development and construction of the Project within
24 the time frames set forth herein. Such final actions and approvals
25 may include, but are not limited to the following: (i) completing
26 requisite activities to comply with CEQA, (ii) all final action and
27 approvals for environmental and land use permits by any
28

1 governmental authorities having jurisdiction over the Property, and
2 (iii) resolution or final adjudication of any legal challenges,
3 including such challenges based on CEQA. This Agreement does
4 not restrict the lead agency from considering any feasible
5 mitigation measures and alternatives, including the “no project”
6 alternative and does not bind the lead agency to any definite course
7 of action prior to CEQA compliance.

8 The commencement of any development and construction
9 identified herein is contingent upon BORROWER obtaining all
10 required environmental and land use permits, including CEQA
11 compliance with any applicable public agencies. In the event any
12 action is brought challenging the legality of compliance with
13 CEQA or any other law applicable to the Project, including any
14 actions related to any of the proposed uses of the Property or this
15 Agreement, BORROWER shall indemnify, defend (with counsel
16 reasonably acceptable to COUNTY), and hold harmless the
17 Indemnified Parties (as defined in **Section 38**), at its sole cost and
18 expense for, from and against any and all claims, actions,
19 proceedings, demands, liabilities, costs, expenses, including
20 reasonable attorney’s fees and costs, damages and losses, cause or
21 causes or action and suit or suits (collectively, “Claims”) arising
22 from or in connection with the failure to comply with such
23 applicable law, or any action to attack, set aside, void, or annul any
24 approvals of the City, County, and any other Governmental
25 Authority with jurisdiction over the Project or the Property, or
26 COUNTY, its advisory agencies, or legislative body.

27 d. Displacement, relocation, and acquisition. The relocation
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1 requirements of the California Relocation Assistance Act,
2 California Government Code § 7260 et seq. and the implementing
3 regulations thereto in 25 California Code of Regulations § 6000 et
4 seq., the Uniform Relocation Assistance and Real Property
5 Acquisition Policies Act of 1970 (42 U.S.C. 4201-4655) and
6 implementing regulations at 49 CFR Part 24, and any other local,
7 state, or federal laws or regulations governing the Project and the
8 provision and administration of Relocation Payments and advisory
9 assistance. BORROWER must ensure that it has taken all
10 reasonable steps to comply with the foregoing and minimize the
11 displacement of persons as a result of this project assisted with
12 PLHA Funds.

13 BORROWER shall comply and stay current with all applicable
14 local, state and federal building codes and laws as from time to time
15 amended, including, but not limited to, the Americans with
16 Disabilities Act requirements. BORROWER shall cause all
17 improvements to be completed at BORROWER's cost in a
18 workmanlike manner and in compliance with all applicable law.

- 19 e. Permits and Entitlements. BORROWER shall be responsible for
20 obtaining all permits, entitlements and land use approvals required
21 by the County or City for the development, construction and
22 operation of the Project, ensuring that the use of the Property for
23 the purposes described in this Agreement complies with the zoning
24 and other City and County land use regulations (including any
25 applicable exemptions and/or exceptions) applicable to the
26 Project. Before commencement of demolition, construction or
27 development of any buildings, structures or other work of
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1 improvement upon any portion of the Property, BORROWER
2 shall, at its own expense, secure or cause to be secured, any and all
3 permits which may be required by the City, COUNTY or any other
4 Governmental Authority affected by such construction,
5 development or work.

- 6 f. Hazardous Materials. BORROWER shall develop, construct and
7 use the Project and the Property (i) in compliance with all
8 applicable environmental laws; and (ii) will not permit the presence
9 of any Hazardous Substance on the Property.

10 "Hazardous Materials" or "Hazardous Substances" shall include,
11 but not be limited to, oil, flammable explosives, asbestos, urea
12 formaldehyde insulation, radioactive materials, hazardous wastes,
13 toxic or contaminated substances or similar materials, including,
14 without limitation, any substances defined as "extremely hazardous
15 substances," "hazardous substances," "hazardous materials,"
16 "hazardous waste" or "toxic substances" in the Comprehensive
17 Environmental Response, Compensation and Liability Act of 1980,
18 as amended, including the Superfund Amendments and
19 Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.
20 ("CERCLA"); the Hazardous Materials Transportation Act, 49
21 U.S.C. §§ 1801, et seq.; the Resource Conservation and Recovery
22 Act of 1976, as amended, 42 U.S.C. §§ 6901, et seq.; the Toxic
23 Substances Control Act, as amended, 15 U.S.C. §§ 2601 et seq.; the
24 Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq.; the Federal
25 Water Pollution Control Act, as amended, 33 U.S.C. §§ 1251 et
26 seq.; the Occupational Safety and Health Act, as amended, 29
27 U.S.C. §§ 651; the Emergency Planning and Community Right-to-

Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. §§ 801 et seq.; the Safe Drinking Water Act, as amended, 42 U.S.C. §§ 300f et seq.; and those substances defined as “hazardous waste” in § 25117 of the California Health and Safety Code, as “infectious waste” in § 25117.5 of the California Health and Safety Code, or as “hazardous substances” in § 25316 of the California Health and Safety Code, or “hazardous materials” as defined in § 353 of the California Vehicle Code; waste that exhibits the characteristics set forth in § 25141 (b) of the California Health and Safety Code; and in the regulations adopted and orders and publications promulgated pursuant to said laws. Hazardous Materials shall expressly exclude substances typically used in the construction, development, operation and maintenance of an apartment complex provided such substances are used in accordance with all applicable laws.

19. INCOME TARGETING REQUIREMENTS. Pursuant to **Section 1** above, BORROWER hereby agrees to restrict the PLHA Units, which shall be at most approximately forty nine percent (49%) of the Units not occupied by a manager or thirty-seven (37) of the Units constructed on the Property shall be restricted to rental to and occupancy by qualified Low and Very Low Income Households (collectively, “PLHA Units”) at an Affordable Rent (as hereinafter defined). At least twenty percent (20%) of the PLHA Units or eight (8) PLHA Units shall be restricted to occupancy by Very Low Income Households at or below 50% of the area median income.

20. RENT LIMITATIONS. The PLHA Units shall be rented to and occupied by Very Low and Low Income Households at an Affordable Rent in compliance with the Multifamily Housing Program (“MHP”) guidelines Section 7312 and the Section 7301 definition of “Affordable Rent.” Maximum income and Affordable Rent shall be determined in accordance

1 with subsection d) below. COUNTY shall review and approve proposed rents prior to entry into
2 leases for occupancy of the PLHA Units by BORROWER. BORROWER shall ensure the PLHA
3 Units are rented to qualified applicants at the described rent levels herein during the Affordability
4 Period. The maximum monthly allowances for utilities and services (excluding telephone) shall
5 not exceed the utility allowance as described in c. below.

6 a. Initial Occupancy of Vacant Units: All PLHA Units shall be
7 occupied by and rented to Qualified Households for an Affordable Rent within the time period
8 set forth in the Schedule of Performance attached to this Agreement ("Lease Deadline") for the
9 newly constructed buildings of the Project. If an Affordable Unit remains unoccupied or not
10 leased to an eligible tenant for longer than ninety (90) consecutive days, BORROWER must
11 provide to COUNTY information about current marketing efforts and an enhanced plan for
12 marketing the unit so that it is leased promptly.

13 BORROWER may request from COUNTY an extension of the Lease Deadline if
14 BORROWER can provide to COUNTY written evidence showing efforts of commercially
15 reasonable marketing efforts and proof that the circumstances that led to the failure to lease the
16 Affordable Unit(s) by the Lease Deadline were beyond the BORROWER's control. The
17 extension and duration of such extension is subject to COUNTY's approval in its reasonable
18 discretion and not guaranteed. The Director, or designee, has the authority, at their discretion,
19 to consent to an extension of the Lease Deadline.

20 b. Rent Limitations: In order to calculate net rent to be charged, an
21 applicable utility allowance must be subtracted from the gross rents permitted by the PLHA
22 Program.

23 c. Utility Allowances: For Projects not receiving financing from tax
24 credits, BORROWER shall use the Utility Allowances published by the Housing Authority of
25 the County of Riverside to establish maximum monthly allowances for utilities and services to
26 be used by the BORROWER in calculating Affordable Rents. Projects assisted with tax credits
27 may use the Utility Allowances published by the Housing Authority of the County of Riverside

or the California Utility Allowance Calculator (CUAC) published annually by the Treasurer of the State of California. The CUAC and use instructions can be found at: <https://www.treasurer.ca.gov/ctcac/cuac/index.asp>.

d. Approval: The BORROWER shall submit to the COUNTY for review and written approval, proposed rents for all of the PLHA Units prior to lease-up.

21. TENANT PROTECTIONS. During the Affordability Period, BORROWER shall adhere to all applicable tenant protections and selection standards set forth in applicable Governmental Requirements, as may be amended from time to time, and the following requirements:

a. Lease Agreement. Provide a written lease agreement for not less than one year, unless by mutual agreement between the tenant and BORROWER. COUNTY shall review the initial form of the lease agreement prior to BORROWER executing any leases and, provided that BORROWER uses the approved lease form, BORROWER shall be permitted to enter into residential leases without COUNTY's prior written consent.

b. Prohibited Lease Terms. The rental agreement/lease may not contain any of the following provisions:

(1) Agreement to be sued. Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of BORROWER in a lawsuit brought in connection with the lease.

(2) Treatment of property. Agreements by tenant that BORROWER may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in

the housing unit after the tenant has moved out of the unit.
BORROWER may dispose of this personal property in
accordance with State law.

- (3) Excusing BORROWER from responsibility. Agreement by the tenant not to hold BORROWER or BORROWER's agents legally responsible for any action or failure to act, whether intentional or negligent.
- (4) Waiver of notice. Agreement of the tenant that BORROWER may institute a lawsuit without notice to the tenant.
- (5) Waiver of legal proceeding. Agreement by the tenant that the BORROWER may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.
- (6) Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury.
- (7) Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.
- (8) Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorneys' fees or other legal costs even if the tenant wins in a court proceeding by BORROWER against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- (9) Mandatory supportive services. Agreement by the tenant

(other than a tenant in transitional housing) to accept
supportive services that are offered.

- c. Violence Against Women Reauthorization Act of 2013. (Pub. L. 113–4, 127 Stat. 54) (“VAWA 2013”). VAWA 2013 reauthorizes and amends the Violence Against Women Act of 1994, as previously amended, (title IV, sec. 40001–40703 of Pub. L. 103–322, 42 U.S.C. 13925 et seq.) VAWA 2013, among other things, bars eviction and termination due to a tenant’s status as a victim of domestic violence, dating violence, or stalking, and requires landlords to maintain survivor-tenant confidentiality. VAWA 2013 prohibits a tenant who is a survivor of domestic violence, dating violence, sexual assault, and stalking from being denied assistance, tenancy, or occupancy rights based solely on criminal activity related to an act of violence committed against them. It extends housing protections to survivors of sexual assault, and adds “intimate partner” to the list of eligible relationships in the domestic violence definition. Protections also now cover an “affiliated individual,” which includes any lawful occupant living in the survivor’s household, or related to the survivor by blood or marriage including the survivor’s spouse, parent, brother, sister, child, or any person to whom the survivor stands in loco parentis. VAWA 2013 allows a lease bifurcation so a tenant or lawful occupant who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual, or others may be evicted or removed without evicting or removing or otherwise penalizing a victim who is a tenant or lawful occupant. If victim cannot establish eligibility, BORROWER must give a reasonable amount of time to

1 find new housing or establish eligibility under another covered
2 housing program. A Notice of Rights under VAWA 2013 for tenants
3 must be provided at the time a person applies for housing, when a
4 person is admitted as a tenant of a housing unit, and when a tenant is
5 threatened with eviction or termination of housing benefits. Tenants
6 must request an emergency transfer and reasonably believe that they
7 are threatened with imminent harm from further violence if the tenant
8 remains in the same unit. The provisions of VAWA 2013 that are
9 applicable to HCD programs are found in title VI of VAWA 2013,
10 which is entitled "Safe Homes for Victims of Domestic Violence,
11 Dating Violence, Sexual Assault, and Stalking." Section 601 of
12 VAWA 2013 amends subtitle N of VAWA (42 U.S.C. 14043e et seq.)
13 to add a new chapter entitled "Housing Rights."

14 22. FEDERAL REQUIREMENTS. BORROWER shall comply with all
15 applicable federal regulations and guidelines.

16 23. REPAYMENT INCOME. COUNTY must record the receipt and
17 expenditure of PLHA repayment income in accordance with the standards specified in the PLHA
18 Program.

19 24. SALE, ASSIGNMENT OR OTHER TRANSFER OF THE PROJECT.
20 BORROWER hereby covenants and agrees not to sell, assign, transfer or otherwise dispose of
21 the Project or any portion thereof, without obtaining the prior written consent of the COUNTY,
22 which consent shall be conditioned upon (a) a County determination that transferee is a qualified
23 and experienced operator of low income housing and (b) solely upon receipt by the COUNTY
24 of reasonable evidence satisfactory to the COUNTY in its sole discretion, that transferee has
25 assumed in writing all of BORROWER'S duties and obligations under this Agreement, and is
26 reasonably capable of performing and complying with the BORROWER's duties and obligations
27 under this Agreement. Notwithstanding anything to the contrary contained herein, upon written

notice to COUNTY, BORROWER may (i) lease for occupancy of all or any of the PLHA Units in accordance with this Agreement; (ii) grant easements or permits to facilitate the development of the Property in accordance with this Agreement; (iii) transfer the BORROWER'S limited partnership interest; (iv) remove and replace the BORROWER'S general partner(s) for cause in accordance with BORROWER'S amended and restated agreement of limited partnership; and (v) make transfers pursuant to that certain Purchase Option and Right of First Refusal Agreement (collectively a "Permitted Transfer").

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

26. NONDISCRIMINATION. BORROWER shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age or disability in the solicitation, selection, hiring or treatment of any contractors or consultants, to participate in subcontracting/subconsulting opportunities. BORROWER understands and agrees that violation of this clause shall be considered a material breach of this Agreement and may result in termination, debarment or other sanctions. This language shall be incorporated into all contracts between BORROWER and any contractor, consultant, subcontractor, subconsultants, vendors and suppliers. BORROWER shall comply with the provisions of the California Fair Employment and Housing Act (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended, and all applicable local, state and federal laws with respect to its use of the Property.

BORROWER herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that the PLHA Loan funds are made and accepted upon and subject to the following conditions: There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m)

1 and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government
2 Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property,
3 nor shall the transferee itself or any person claiming under or through him or her, establish or
4 permit any such practice or practices of discrimination or segregation with reference to the
5 selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or
6 vendees of the Property.

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

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

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

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

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

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

24 27. PROHIBITION AGAINST CONFLICTS OF INTEREST:

- 25 a. No member, official or employee of COUNTY shall have any personal
26 interest, direct or indirect, in this Agreement nor shall any such
27 member, official or employee participate in any decision relating to the

1 this Agreement which affects his or her personal interests or the
2 interests of any corporation, partnership or association in which he or
3 she is, directly or indirectly, interested.

4 b. BORROWER warrants that it has not paid or given, and will not pay
5 or give, any third party any money or other consideration for obtaining
6 the PLHA Loan.

7 28. INTENTIONALLY OMITTED.

8 29. PROJECT MONITORING AND EVALUATION.

9 a. Tenant Checklist. BORROWER shall submit a Tenant Checklist Form
10 to COUNTY, as shown in **Exhibit G** which is attached hereto and by this reference is
11 incorporated herein and may be revised by COUNTY, summarizing the racial/ethnic
12 composition, number and percentage of Very Low Income and Low Income Households who
13 are tenants of the COUNTY PLHA Units, including any tenant demographic information
14 requested by the California Department of Housing and Community Development. The Tenant
15 Checklist Form shall be submitted upon completion of the construction and thereafter, on an
16 annual basis on or before March 31st and September 30th. BORROWER shall maintain
17 financial, programmatic, statistical and other supporting records of its operations and financial
18 activities in accordance with the requirements of the PLHA Program, including the submission
19 of Tenant Checklist Form. Except as otherwise provided for in this Agreement, BORROWER
20 shall maintain and submit records to COUNTY within ten business days of COUNTY's request
21 which clearly documents BORROWER's performance under each requirement of the PLHA
22 Program. A list of document submissions and timeline are shown in **Exhibit D** and such list may
23 be amended from time to time subject to HCD and COUNTY reporting requirements.

24 b. Inspections. During the Affordability Period, COUNTY may perform
25 annual on-site inspections of COUNTY PLHA-assisted rental housing to determine compliance
26 with the property standards of the PLHA Program and to verify the information submitted by the
27 owners in accordance with the requirements of the PLHA Program. If there are observed

1 deficiencies for any of the inspectable items in the property standards established by COUNTY,
2 a follow-up on-site inspection to verify that deficiencies are corrected must occur within 12
3 months. COUNTY may establish a list of non-hazardous deficiencies for which correction can
4 be verified by third party documentation (e.g., paid invoice for work order) rather than re-
5 inspection. Health and safety deficiencies must be corrected immediately. COUNTY may adopt
6 a more frequent inspection schedule for properties that have been found to have health and safety
7 deficiencies. The property owner must annually certify to the COUNTY that each building and
8 all Units in the Project are suitable for occupancy, taking into account State and local health,
9 safety, and other applicable codes, ordinances, and requirements, and the ongoing property
10 standards. For projects with one-to-four COUNTY PLHA Units, COUNTY may inspect 100
11 percent of the COUNTY PLHA Units and the inspectable items (site, building exterior, building
12 systems, and common areas) for each building housing COUNTY PLHA Units.

13 c. Income Certification. The income of a tenant must be determined
14 initially in accordance with California Code of Regulations, Title 25, Section 6924. In addition,
15 annually thereafter BORROWER must re-examine each tenants annual income to determine that
16 they remain a Qualified Tenant.

17 30. RESERVED.

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

24 32. EVENTS OF DEFAULT. The occurrence of any of the following events
25 shall constitute an "Event of Default" under this Agreement:

26 a. Monetary Default. (1) BORROWER's failure to pay when due any
27 sums payable under this Agreement, the PLHA Covenant
28

1 Agreement, the PLHA Note or any advances made by COUNTY
2 under this Agreement; (2) BORROWER's or any agent of
3 BORROWER's use of PLHA funds for costs other than those costs
4 permitted under this Agreement or for uses inconsistent with terms
5 and restrictions set forth in this Agreement; (3) BORROWER's or
6 any agent of BORROWER's failure to make any other payment of
7 any assessment or tax due under this Agreement, and /or (4) default
8 under the terms of any Senior Loan documents or any other
9 instrument or document secured against the Property following
10 expiration of any applicable notice and cure periods;

- 11 b. Non-Monetary Default. (1) Discrimination by BORROWER or
12 BORROWER's agent(s) on the basis of characteristics prohibited
13 by this Agreement or applicable law; (2) the imposition of any
14 encumbrances or liens on the Project without COUNTY's prior
15 written approval that are prohibited under this Agreement or that
16 have the effect of reducing the priority or invalidating the lien of
17 the PLHA Deed of Trust; (3) BORROWER's failure to obtain and
18 maintain the insurance coverage required under this Agreement; (4)
19 any material default under this Agreement, the PLHA Deed of
20 Trust, PLHA Covenant Agreement, PLHA Note or any document
21 executed by BORROWER in connection with this Agreement,
22 and/or (5) a default under the terms of any Senior Loan documents
23 or any other instrument or document secured against the Property
24 or the Project following expiration of any applicable notice and
25 cure periods;

- 26 c. General Performance of Loan Obligations. Any substantial or
27 continuous or repeated breach by BORROWER or BORROWER's
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agents of any material obligations of BORROWER under this Agreement;

d. General Performance of Other Obligations. Any substantial or continuous or repeated breach by BORROWER or BORROWER's agents of any material obligations of BORROWER related to 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; but only following any applicable notice and cure periods with respect to any such obligation;

e. Representations and Warranties. A determination by COUNTY that any of BORROWER's representations or warranties made in this Agreement, any statements made to COUNTY by BORROWER, or any certificates, documents, or schedules supplied to COUNTY by BORROWER were false in any material respect when made, or that BORROWER concealed or intentionally failed to disclose a material fact to COUNTY.

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

g. Bankruptcy, Dissolution and Insolvency. BORROWER's or general partner and co-general partner of BORROWER's (1) filing for bankruptcy, dissolution, or reorganization, or failure to obtain a full dismissal of any such involuntary filing brought by another party before the earlier of final relief or ninety (90) days after such

1 filing; (2) making a general assignment for the benefit of creditors;
2 (3) applying for the appointment of a receiver, trustee, custodian,
3 or liquidator, or failure to obtain a full dismissal of any such
4 involuntary application brought by another party before the earlier
5 of final relief or ninety (90) days after such filing; (4) insolvency;
6 or (5) failure, inability or admission in writing of its inability to pay
7 its debts as they become due.

8 33. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. Formal
9 notices, demands and communications between the COUNTY and the BORROWER shall be
10 sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt
11 requested, or as set forth below, to the principal offices of the COUNTY and the BORROWER,
12 as designated below. Such written notices, demands and communications may be sent in the
13 same manner to such other addresses as either party may from time to time designate by mail
14 as provided in this **Section 33**. Any notice that is transmitted by electronic facsimile
15 transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its
16 transmission; any notice that is personally delivered (including by means of professional
17 messenger service, courier service such as United Parcel Service or Federal Express, or by U.S.
18 Postal Service), shall be deemed received on the documented date of receipt by the recipient;
19 and any notice that is sent by registered or certified mail, postage prepaid, return receipt required
20 shall be deemed received on the date of delivery thereof.

21 a. Subject to the Force Majeure Delay, failure or delay by BORROWER to
22 perform any term or provision of this Agreement constitutes a default under this Agreement.
23 BORROWER must immediately commence to cure, correct or remedy such failure or delay and
24 shall complete such cure, correction or remedy with reasonable diligence.

25 b. COUNTY shall give written notice of default to BORROWER, specifying
26 the default complained of by COUNTY. Failure or delay in giving such notice shall not
27 constitute a waiver of any default, nor shall it change the time of default. Except as otherwise
28

1 expressly provided in this Agreement, any failures or delays by COUNTY in asserting any of
2 its rights and remedies as to any default shall not operate as a waiver of any default or of any
3 such rights or remedies. Delays by COUNTY in asserting any of its rights and remedies shall
4 not deprive COUNTY of its right to institute and maintain any actions or proceedings which it
5 may deem necessary to protect, assert or enforce any such rights or remedies.

6 c. If a monetary event of default occurs, prior to exercising any remedies
7 hereunder, COUNTY shall give BORROWER written notice of such default. BORROWER
8 shall have a period of ten (10) days after such notice is given within which to cure the default
9 prior to exercise of remedies by COUNTY.

10 d. If a non-monetary event of default occurs, prior to exercising any remedies
11 hereunder, COUNTY shall give BORROWER written notice of such default. If the default is
12 reasonably capable of being cured within thirty (30) days, BORROWER shall have such period
13 to effect a cure prior to exercise of remedies by COUNTY. If the default is such that it is not
14 reasonably capable of being cured within thirty (30) days, and BORROWER (i) initiates
15 corrective action within said period, and (ii) diligently, continually, and in good faith works to
16 effect a cure as soon as possible, then BORROWER shall have such additional time as is
17 reasonably necessary to cure the default prior to exercise of any remedies by the injured party,
18 but in no event no more than one hundred twenty (120) days from the date of the notice of
19 default. In no event shall COUNTY be precluded from exercising remedies following the initial
20 thirty (30) day cure period if its security becomes or is about to become materially jeopardized
21 by any failure to cure a default or the default is not cured within one hundred twenty (120) days
22 after the first notice of default is given.

23 e. Notwithstanding anything to the contrary contained in the PLHA Loan
24 Documents, COUNTY hereby agrees that BORROWER'S limited partner shall have the right,
25 but not obligation, to cure any defaults of the BORROWER hereunder and under any of the
26 PLHA Loan Documents, and the COUNTY agrees to accept cures tendered by the
27 BORROWER'S limited partner on behalf of the BORROWER within the applicable cure
28

1 periods set forth therein. Copies of all notices which are sent to BORROWER under the terms
2 of the PLHA Loan Documents shall also be sent to the BORROWER'S limited partner at the
3 addresses set forth in **Section 53**.

4 34. COUNTY REMEDIES. Upon the occurrence of an Event of Default, after
5 notice and opportunity to cure, COUNTY's obligation to disburse PLHA funds shall terminate,
6 and COUNTY shall also have the right, but not the obligation to, in addition to other rights and
7 remedies permitted by this Agreement or applicable law, proceed with any or all of the
8 following remedies in any order or combination COUNTY may choose in its sole discretion:

- 9 a. Terminate this Agreement, in which event the entire PLHA Loan
10 amount as well as any other monies advanced to BORROWER by
11 COUNTY under this Agreement including administrative costs,
12 shall immediately become due and payable to COUNTY at the
13 option of COUNTY.
- 14 b. Bring an action in equitable relief (1) seeking the specific
15 performance by BORROWER of the terms and conditions of this
16 Agreement, and/or (2) enjoining, abating, or preventing any
17 violation of said terms and conditions, and/or (3) seeking
18 declaratory relief.
- 19 c. Accelerate the PLHA Loan, and demand immediate full payment of
20 the principal payment outstanding and all accrued interest under the
21 PLHA Note, as well as any other monies advanced to BORROWER
22 by COUNTY under this Agreement.
- 23 d. Enter the Project and take any remedial actions necessary in its
24 judgment with respect to hazardous materials that COUNTY deems
25 necessary to comply with hazardous materials laws or to render the
26 Project suitable for occupancy, which costs shall be due and payable
27 by BORROWER to COUNTY.

1 e. Enter upon, take possession of, and manage the Project, either in
2 person, by agent, or by a receiver appointed by a court, and collect
3 rents and other amounts specified in the assignment of rents in the
4 Deed of Trust and apply them to operate the Project or to pay off the
5 PLHA Loan or any advances made under this Agreement, as
6 provided for by the PLHA Deed of Trust.

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

8 35. LIMITATION ON LIABILITY. Notwithstanding anything to the contrary
9 contained herein, neither BORROWER nor COUNTY shall in any event be entitled to, and each
10 hereby waives, any right to seek loss of profits, or any special, incidental or consequential
11 damages of any kind or nature, however caused, from the other Party arising out of or in
12 connection with the PLHA Loan Documents, even if the other Party has been advised of the
13 possibility of the damages, and in connection with such waiver each Party is familiar with and
14 hereby waives the provision of § 1542 of the California Civil Code which provides as follows:

15 "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT
16 THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR
17 SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
18 EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR
19 HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
20 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

21 36. HOLD HARMLESS AND INDEMNIFICATION. BORROWER shall
22 indemnify and hold harmless the County of Riverside, its Agencies, Boards, Districts, Special
23 Districts and Departments, and their respective directors, officers, members, elected and
24 appointed officials, employees, agents and representatives (individually and collectively, the
25 "Indemnified Parties") from any claim or liability, costs or fees (including, but not limited to,
26 attorneys' costs and fees), resulting from any act or failure to act of BORROWER, its officers,
27 employees, subcontractors, agents or representatives, in connection with, arising out of, or in any

1 way relating to this Agreement, the PLHA Loan Documents, the Property or the Project, including
2 but not limited to property damage, bodily injury, or death or any other element of any kind or
3 nature whatsoever except to the extent arising from the gross negligence or willful misconduct of
4 any Indemnified Party. BORROWER shall defend the Indemnified Parties, at its sole expense, in
5 any claim or action based upon such alleged acts or omissions. The indemnification obligations
6 of BORROWER set forth in this Agreement shall survive the repayment of the PLHA Loan and
7 the expiration or earlier termination of this Agreement.

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

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

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

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

23 BORROWER's obligations set forth in this **Section 36** shall survive the expiration or
24 earlier termination of this Agreement.

25 37. TERMINATION.

26 a. BORROWER. BORROWER may terminate this Agreement upon written
27 notice of such termination prior to disbursement of any PLHA Loan funds by COUNTY.

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

4 (1) In the event BORROWER fails to perform the covenants
5 herein contained at such times and in such manner as
6 provided in this Agreement after the expiration of any
7 extensions granted and the applicable notice and cure
8 provision hereof; or

9 (2) In the event there is a conflict with any federal, state or local
10 law, ordinance, regulation or rule rendering any material
11 provision, in the reasonable judgment of COUNTY of this
12 Agreement invalid or untenable; or

13 (3) In the event the PLHA funding from HCD identified in
14 **Section 1** above is terminated or otherwise becomes
15 unavailable.

16 c. Upon expiration or earlier termination of this Agreement, BORROWER
17 shall transfer to COUNTY any unexpended PLHA funds in its possession at the time of expiration
18 of the Agreement.

19 38. AFFORDABILITY RESTRICTIONS. COUNTY and BORROWER, on
20 behalf of its successors and assigns, hereby declare their express intent that the restrictions set
21 forth in this Agreement shall continue in full force and effect for the duration of the Affordability
22 Period (as defined in **Section 15** above). Each and every contract, deed or other instrument
23 hereafter executed covering and conveying the Property or any portion thereof shall be held
24 conclusively to have been executed, delivered and accepted subject to such restrictions,
25 regardless of whether such restrictions are set forth in such contract, deed or other instrument.
26 Borrower shall execute and record as a lien against the Property, the PLHA Covenant Agreement
27 setting forth the affordability use and income restriction required in this Agreement. The PLHA

Covenant Agreement shall be in a lien position senior to this PLHA Loan Agreement.

39. RESERVED.

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

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

42. AUTHORITY TO EXECUTE. The persons executing this Agreement or exhibits attached hereto on behalf of the parties to this Agreement hereby warrant and represent that they have the authority to execute this Agreement and warrant and represent that they have the authority to bind the respective parties to this Agreement to the performance of its obligations hereunder.

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

44. INTERPRETATION AND GOVERNING LAW. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and

1 the rule of construction to the effect that ambiguities are to be resolved against the drafting party
2 shall not be employed in interpreting this Agreement, all parties having been represented by
3 counsel in the negotiation and preparation hereof.

4 45. JURISDICTION AND VENUE. Any action at law or in equity arising
5 under this Agreement or brought by a party hereto for the purpose of enforcing, construing or
6 determining the validity of any provision of this Agreement shall be filed in the Superior Courts
7 of Riverside County, State of California, and the parties hereto waive all provisions of law
8 providing for the filing, removal or change of venue to any other court or jurisdiction.

9 46. SEVERABILITY. Each paragraph and provision of this Agreement is
10 severable from each other provision, and if any provision or part thereof is declared invalid by a
11 competent court of law, the remaining provisions shall nevertheless remain in full force and effect.

12 47. MINISTERIAL ACTS. COUNTY's Director of HWS, or designee(s), are
13 authorized to take such ministerial actions as may be necessary or appropriate to implement the
14 terms, provisions, and conditions of this Agreement as it may be amended from time to time by
15 both parties.

16 48. MODIFICATION OF AGREEMENT. COUNTY or BORROWER may
17 consider it in its best interest to change, modify or extend a term or condition of this Agreement,
18 provided such change, modification or extension is agreed to in writing by the other party. Any
19 such change, extension or modification, which is mutually agreed upon by COUNTY and
20 BORROWER shall be incorporated in written amendments to this Agreement. Such
21 amendments shall not invalidate this Agreement, nor relieve or release COUNTY or
22 BORROWER from any obligations under this Agreement, except for those parts thereby
23 amended. No amendment to this Agreement shall be effective and binding upon the parties,
24 unless it expressly makes reference to this Agreement, is in writing, is signed and acknowledged
25 by duly authorized representatives of all parties, and approved by the County.

26 49. SCHEDULE OF PERFORMANCE. BORROWER shall use
27 commercially reasonable efforts to satisfy the obligations set forth herein and in the Schedule of
28

Performance in a timely manner and by the dates set forth herein and therein. The Project shall be completed and a Notice of Completion shall have been recorded in the Official Records no later than the date set forth in the Schedule of Performance (the "Completion Deadline"). Provided that all construction and permanent financing remains committed to the Project, BORROWER may request an extension of the Completion Deadline from COUNTY ("Extension"), which may be granted if the BORROWER can provide proof that all construction and permanent financing remains committed to the Project and that the circumstances that led to the failure to complete the Project by the Completion Deadline were beyond the BORROWER's control. Extension is subject to COUNTY's reasonable approval, and not guaranteed. The Director of the COUNTY Department of Housing and Workforce Solutions, or designee, has the authority, at his or her discretion, to consent to such Extension.

50. PROJECT FINANCING CONTINGENCY. This Agreement is expressly conditioned upon BORROWER's delivery to COUNTY, on or prior to the date set forth in the Schedule of Performance of written documentation of such binding loan commitments required to fully finance the development, construction and operation of the Project (less the PLHA Loan), on terms and conditions acceptable to BORROWER and COUNTY, including, but not limited any conventional construction and/or permanent financing. Either COUNTY or BORROWER may elect to terminate this Agreement with ten (10) days prior written notice to the other party if BORROWER fails to acquire the project financing as required by this **Section 50**. Upon such termination, this Agreement shall be null and void, and:

- a. If BORROWER elects to terminate this Agreement, BORROWER shall be released and discharged by COUNTY from its obligations under this Agreement; or
- b. If COUNTY elects to terminate this Agreement, COUNTY shall be released and discharged by BORROWER from its obligations under this Agreement.

At that time all costs incurred by each party on the Project will be borne by the

1 Party incurring such costs, and each party shall be released from all liability under this
2 Agreement, except those obligations which by their terms survive termination.

3 51. EXHIBITS AND ATTACHMENTS. Each of the attachments and exhibits
4 attached hereto is incorporated herein by this reference. To the extent BORROWER is required
5 to execute and deliver to COUNTY an agreement substantially in the form attached hereto,
6 execution and delivery of such agreement constitutes consideration given to COUNTY for the
7 PLHA Loan funds and other obligations of COUNTY hereunder.

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

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

20 COUNTY

21 County of Riverside
22 Department of Housing and Workforce Solutions
23 3403 Tenth Street, Suite #300
24 Riverside, CA 92501
25 Attn: Director

26 BORROWER

27 Cambern Avenue Housing Associates, L.P.
28 3111 Camino del Rio N, Suite 800
San Diego, CA 92108
Attention: Senior Vice President, Housing and Real Estate Development

With Copy to Guarantor:

Community Housing Works

3111 Camino del Rio N, Suite 800

San Diego, CA 92108

Attention: Senior Vice President, Housing and Real Estate Development

54. COUNTERPARTS. This Agreement 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.

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

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

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

58. CONSTRUCTION AND INTERPRETATION OF AGREEMENT. The language in all parts of this Agreement shall in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any party. The parties hereto acknowledge and agree that this Agreement has been prepared jointly by the parties and has been the subject of arm's length and careful negotiation over a considerable period of time, that each party has been given the opportunity to independently review this Agreement with legal counsel, and that each party has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. Accordingly, in the event of an

ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement shall not be interpreted or construed against the party preparing it, and instead other rules of interpretation and construction shall be utilized.

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

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

c. References in this instrument to this Agreement mean, refer to and include this instrument as well as any riders, exhibits, addenda and attachments hereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in this instrument. Any references to any covenant, condition, obligation, and/or undertaking “herein,” “hereunder,” or “pursuant hereto” (or language of like import) means, refer to, and include the covenants, obligations, and undertakings existing pursuant to this instrument and any riders, exhibits, addenda, and attachments or other documents affixed to or expressly incorporated by reference in this instrument.

d. As used in this Agreement, and as the context may require, the singular includes the plural and vice versa, and the masculine gender includes the feminine and vice versa.

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

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

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

8 62. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.

9 a. This Agreement shall be executed in three duplicate originals each
10 of which is deemed to be an original. This Agreement, including all attachments hereto and
11 exhibits appended to such attachments shall constitute the entire understanding and agreement of
12 the parties.

13 b. This Agreement integrates all of the terms and conditions
14 mentioned herein or incidental hereto and supersedes all negotiations or previous agreements
15 between the parties with respect to all or any part of the Property.

16 c. All waivers of the provisions of this Agreement must be in writing
17 and signed by the appropriate authorities of the COUNTY or the BORROWER, and all
18 amendments hereto must be in writing and signed by the appropriate authorities of the COUNTY
19 and the BORROWER. This Agreement and any provisions hereof may be amended by mutual
20 written agreement by the BORROWER and the COUNTY.

21 ///

22 (SIGNATURES ON THE NEXT PAGE)

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

COUNTY:


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

By: form - do not sign
Heidi Marshall, Director

Date: _____

(COUNTY Signature needs to be acknowledged)

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

By: 
Amrit P. Dhillon, Deputy County Counsel

BORROWER:

CAMBERN AVENUE HOUSING ASSOCIATES, L.P.,
a California limited partnership

By: CHW Cambern Avenue, LLC,
a California limited liability company,
its general partner

By: Community HousingWorks,
a California nonprofit public benefit corporation,
its sole member and manager

By: form - do not sign
Kevin Leichner
Senior Vice President, Housing and Real Estate Development

GUARANTOR:

COMMUNITY HOUSINGWORKS,
a California nonprofit public benefit corporation

By: form - do not sign
Kevin Leichner
Senior Vice President, Housing and Real Estate Development

(BORROWER signature must be notarized)

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT HERE>

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

All that real property situated in the City of LAKE ELSINORE, County of Riverside, State of California, described as:

LOT 2, BLOCK 13, NORTH ELSINORE TRACT IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS SHOWN BY MAP ON FILE IN BOOK 5, PAGE 105 OF MAPS, RECORDS OF RIVERSIDE COUNTY CALIFORNIA.

EXCEPTING THEREFROM THE NORTHEASTERLY 264 FEET THEREOF.

Commonly Known As: 29366 3RD STREET, LAKE ELSINORE, CA 92530

APN: 377-100-003

That portion of Lot 8 in block 14 of North Elsinore Tract, as shown by Map on file in Book 5. Page 105, of Maps, in the Office of the County Recorder of said County, described as follows:

Beginning at a point on the Southwesterly line of said Lot 8, 420 feet Southeasterly from the most Westerly corner of Lot 7 in said Block 14, said point being the most Southerly corner of that certain parcel conveyed to Dewey Elam and Marcella Elam by Deed Filed for record November 18, 1953 as Instrument No. 55220; thence Northeasterly, parallel with the Northwesterly line of said Lot 7, 210 feet; thence Southeasterly, parallel with the Southwesterly line of said Lot 8, 235 feet, more or less, to the center line of Third Avenue; thence Southwesterly, on the center line of Third Avenue, 21 0 feet to the most Southerly corner of Lot 8 in said Block 14; thence Northwesterly on the Southwesterly line of said Lot 8, 235 feet, more or less to the point of beginning.

Excepting therefrom an easement for road purposes over those portions, Third Avenue and Cambern Avenue.

APN: 377-380-003

EXHIBIT "B"

Scope of Work and Project Description

Borrower: Cambern Avenue Housing Associates, L.P.

Address: 3111 Camino Del Rio North, Suite 800, San Diego, CA 92108

Project Title: Cambern Avenue Apartments

Location: Approximately 4.02 acres of land on two separate parcels of land located on 29366 and 29377 3rd Street in the City of Lake Elsinore, California, 92532, identified as Assessor's Parcel Numbers 377-100-003 and 377-380-003.

Project Description:

Cambern Avenue Housing Associates, L.P., will utilize \$3,000,000 to pay a portion of the costs to develop and construct Cambern Avenue Apartments, an affordable multi-family rental housing project consisting of a total of 75 resident units, plus 1 two-bedroom unit unrestricted as a manager's unit, ("Project"). The Project includes Building A; twenty-four (24) one-bedroom units (654 sq.ft), twenty-four (24) two-bedroom units (809 sq.ft), and twelve (12) three-bedroom units (1019 sq.ft) and Building B; four (4) one-bedroom units (654 sq.ft), four (2) two-bedroom units (806 sq.ft), and eight (3) three-bedroom units (1019-1021 sq.ft).

At most approximately forty nine percent (49%) of the Units not occupied by a manager or thirty-seven (37) of the Units constructed on the Property shall be restricted to rental to and occupancy by qualified Low and Very Low Income Households (collectively, "PLHA Units" or "Restricted Units") at an Affordable Rent (as hereinafter defined). At least twenty percent (20%) of the PLHA Units or eight (8) PLHA Units shall be restricted to occupancy by Very Low Income Households at or below 50% of the area median income.

The **Scope of Work** shall comply with all entitlements for the Project and include construction of a multi-family apartment complex and related amenities consisting of a total of 75 resident units, plus 1 two-bedroom unit unrestricted as a manager's unit. The Property will consist of the amenities including 122 parking spaces, 91 (61 carports) on the large site and 31 (16 carports) on the smaller site, common amenities, laundry room, community rooms, computer lab, tot lot, and parking areas, including carports, leasing office, an interview room, and social services space.

Exhibit C

Cambern Avenue Apartments

Financial Pro Forma

Sources and Uses of Funds; Development Budget; Operating & Loan Details

Exhibit "C"

EXHIBIT D

SCHEDULE OF PERFORMANCE

1.	<u>Financing.</u> Borrower shall timely submit applications for financing for the Project.	Completed.
2.	<u>Additional Financing.</u> If necessary, Borrower shall re-apply for financing for the Project or apply for additional financing.	Following COUNTY approval and execution of the Agreement, but in no event later than December 31, 2025 .
3.	<u>Project Budget and Plans.</u> Borrower shall submit to COUNTY the Project Budget and Plans.	A draft Project Budget and Plans shall be submitted not later than 120 days prior to the date proposed for Closing, with a final Project Budget delivered prior to Closing.
4.	<u>Financing Commitments and Documents.</u> Borrower shall submit to COUNTY financing commitments and draft legal agreements for all construction and permanent financing for the Project.	As soon as reasonably practical, but in no event later than 90 days prior to the Outside Closing Date.
5.	<u>Escrow – Purchase of the Property.</u> If applicable, BORROWER shall open Escrow for the purchase of the Property.	At least 90 days prior to the date proposed for Closing but in no event later than 90 days prior to the Outside Closing Date.
6.	<u>Conditions Precedent to the Closing.</u> BORROWER shall satisfy all conditions precedent to Closing.	Not later than the later to occur of (i) the Outside Closing Date, or (ii) such date as required by TCAC pursuant to an award of LIHTCs made prior to the Outside Closing Date.
7.	<u>Closing Date.</u> The Deed of Trust and all liens required for construction financing for the Project shall be recorded in the Official Records of Riverside County provided all conditions precedent in Section 12 of Agreement remain satisfied.	Not later than the later to occur of (i) the Outside Closing Date, or (ii) such date as required by TCAC pursuant to an award of LIHTCs for the Project made prior to the Outside Closing Date.
8.	<u>Construction Commencement.</u> Borrower shall commence construction of the Project.	Within 90 days of the Closing Date.
9.	<u>Construction Completion.</u> Borrower shall complete construction of the Improvements for the Project (as shown on the Final Construction	Within 30 months of the Closing Date.

Exhibit "D"

	Drawings upon which Borrower's building permit is based).	
10.	<u>Leasing.</u> Borrower shall have entered into leases with Qualified Tenants for the PLHA Units.	Within four (4) months of Notice of Completion.
11.	<u>Submission of Final actual project costs and Sources and Uses of Funds</u>	Within eleven (11) months from Notice of Completion.
12.	<u>Submission of Initial Tenant Checklist report (Exhibit G)</u>	Within 3 months from Notice of Completion.

DOCUMENT SUBMISSION SCHEDULE

Documents	Due Date
1. Construction Activities Reporting	Monthly, due by the 5 th of each month
2. Liability and Certificate of Workers' Compensation Insurance for Borrower and General Contractor (GC)	BORROWER – At Closing. GC –At Closing, but in no event later than the start of construction. Copies of Certificates must be filed and up-to-date throughout the course of the Project with COUNTY additionally insured.
3. Project Site Photos	Bimonthly, due by the 5 th of each month
4. The filing of the Notice of Completion	End of Construction
5. Certificate of Occupancy	End of Construction
6. Tenant Checklist Reporting	Completion of Project; and Semi-Annually– Sept 30th & March 31st
7. Conditional/Unconditional Release for Final from GC, and if applicable, Sub-contractors	Completion of Project
8. Project Completion Report	Completion of Project
9. Final Development Cost - Sources and Uses	Completion of Project
10. Final Cost Certification by CPA	Completion of Project and Audits
11. Final 15/30 Year Cash Flow Projection	Completion of Project
12. Affirmative Fair Housing Marketing Plan, HCD form 935.2A	Marketing Stage
13. Management Plan	Marketing Stage
14. Tenant Selection Policy	Marketing Stage
15. Copy of Lease Agreement	Marketing Stage
16. Flyers, Community Contacts, Outreach, Press Releases, Grand Opening info	Marketing Stage
17. Project Operating Budget	Annual submission
18. Audited Yearly Income Expense Report for the Project	Annual submission

Exhibit "D"

Exhibit E

PLHA DEED OF TRUST

[attached]

Exhibit F

PLHA NOTE

[attached]

[insert street address], [insert city]

Project Name:
Address:

Insert a check mark for each item that is relevant to the family below

[illegible]

If you would like this form prepared on Microsoft Excel e-mailed to you, please contact mmanalo@rivco.org

Exhibit H

COVENANT AGREEMENT

[attached]

Exhibit I

REQUEST FOR NOTICE OF DEFAULT

[attached]

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT HERE>

Exhibit J

ENVIRONMENTAL INDEMNITY

[attached]

EXEMPT RECORDING FEE
Government Code Section 27383

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
3403 Tenth Street, Suite #300
Riverside, CA 92501
Attn. Alicia Jaimes

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING
(WITH ASSIGNMENT OF RENTS)
PLHA Loan Funds**

This DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING WITH ASSIGNMENT OF RENTS ("Deed of Trust") is made this _____ day of _____, 2025 by Cambern Avenue Housing Associates, L.P., a California limited partnership, (hereinafter referred to as "Trustor"), whose address is 3111 Camino Del Rio N, Suite 800, San Diego, CA 92108. The trustee is HOUSING AND WORKFORCE SOLUTIONS ("Trustee"). The beneficiary is the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (hereinafter called "Beneficiary"), whose address is 3403 Tenth Street, Suite #300, Riverside, CA 92501.

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

(A) That certain fee interest in the real property located at the 29366 and 29377 3rd Street, in the City of Lake Elsinore, in the County of Riverside, State of California, identified with Assessor's Parcel Numbers 377-380-003 and 377-100-003, described in the legal description here to as **Exhibit A** attached hereto and incorporated herein by this reference (such interest in real property is hereafter referred to as the "Subject Property");

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

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

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

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

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

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

covenants and agrees that this Deed of Trust constitutes a fixture filing under Section 9334 and 9502(b) of the UCC.

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

- (i) due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:
 - (a) that certain Promissory Note Secured by Deed of Trust (PLHA Loan Funds) in favor of the Beneficiary ("County" therein) executed by Trustor ("Borrower" therein) of even date herewith (the "Note") in the principal amount of **\$3,000,000**;
 - (b) that certain Loan Agreement for the Use of PLHA Program Funds dated _____, 2025 and recorded in the Official Records of the County of Riverside ("Official Records") on or about the date hereof, between Trustor ("Borrower" therein) and Beneficiary ("County" therein) (the "PLHA Loan Agreement"); and
 - (c) that certain Covenant Agreement (PLHA Loan Funds) dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Trustor ("Borrower" therein) and Beneficiary ("County" therein) ("PLHA Covenant Agreement").
- (ii) payment of indebtedness of the Trustor to the Beneficiary in the original principal amount of **Three Million Dollars (\$3,000,000)** (the "PLHA Loan"), together with any interest or other amounts due according to the terms of the Note and/or the PLHA Loan Agreement.

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

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

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

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

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

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

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

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

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

6. **Taxes and Insurance.** Trustor shall pay before delinquency all taxes and assessments affecting said Real Property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Deed of Trust.

a. Should Trustor fail to make any payment or to do any act herein provided, then Beneficiary or Trustee, but without obligation so to do and upon written notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

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

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

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

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

10. **Hazard or Property Insurance.** Trustor shall keep the improvements now existing or hereafter erected on the Property insured against loss of fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Beneficiary requires insurance. This insurance shall be maintained in the amounts and for the periods as required in the PLHA Loan Agreement. The insurance carrier providing the insurance shall be chosen by Trustor subject to Beneficiary's approval which shall not be unreasonably withheld. If Trustor fails to maintain coverage described above, Beneficiary may, at Beneficiary's option, obtain coverage to protect Beneficiary's rights in the Property in accordance with **Section 12**.

a. All insurance policies and renewals shall be acceptable to Beneficiary and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Trustor complies with the insurance requirements under this Deed of Trust and the PLHA Loan Agreement. Trustor shall promptly give to Beneficiary certificates of

insurance showing the coverage is in full force and effect and that Beneficiary is named as additional insured. In the event of loss, Trustor shall give prompt notice to the insurance carrier, the Senior Lien Holder, if any, and Beneficiary. Beneficiary may make proof of loss if not made promptly by the Senior Lien Holder, if any, or the Trustor.

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

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

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

11. Preservation, Maintenance and Protection of the Property; Trustor's Loan Application; Leaseholds. Trustor shall not destroy, damage or impair the Real Property, allow the Real Property to deteriorate, or commit waste on the Real Property; normal wear and tear excepted. Trustor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Beneficiary's good faith judgment could result in forfeiture of the Real Property or otherwise materially impair the lien created by this Deed of Trust or Beneficiary's security interest. Trustor may cure such a default and reinstate, as provided in **Section 23**, by causing the action or proceeding to be dismissed with a ruling that, in Beneficiary's good faith determination, precludes forfeiture of the Trustor's interest in the Real Property or other material impairment of the lien created by this Deed of Trust or Beneficiary's security interest. Trustor shall also be in default if Trustor, during the loan application process, gave materially false or inaccurate information or statements to Beneficiary (or failed to provide Beneficiary with any material information) in connection with the loan evidenced by the Note, including, but not limited to representations concerning Trustor's use of the Real Property for affordable housing. If this Deed of Trust is on a leasehold, Trustor shall comply with all provisions of the lease. If Trustor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

The Trustor acknowledges that the Real Property is subject to certain use and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records

where the Property is located), limiting the Property's use to activities that comply with the PLHA Program (as defined in the PLHA Loan Agreement). The use and occupancy restrictions may limit the Trustor's ability to rent the Property. The violation of any use and occupancy restrictions may, if not prohibited by applicable law, entitle the Beneficiary to the remedies provided in **Section 27** hereof.

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

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

13. **Reserved.**

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

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

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

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

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

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

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

18. **Loan Charges.** If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Trustor which exceeded permitted limits will be promptly refunded to Trustor. Beneficiary may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Trustor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

19. **Notices.** Any notice to Trustor provided for in this Deed of Trust shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Trustor's mailing address stated herein or any other address Trustor designates by notice to Beneficiary. All such notices to Trustor shall also be provided to any party requested by Trustor in writing, including any investment limited partner at the address set forth in the PLHA Loan Agreement. Any notice to Beneficiary shall be given by first class mail to Beneficiary's address stated herein or any other address Beneficiary designates by notice to Trustor. Any notice required to be given to a Senior Lien Holder shall be given by first class mail to such other address the Senior Lien Holder designates by notice to the Trustor.

Any notice provided for in this Deed of Trust shall be deemed to have been given to Trustor or Beneficiary when given as provided in this Section.

20. **Governing Law; Severability.** This Deed of Trust and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California. Each paragraph and provision of this Deed of Trust is severable from each other provision, and if any provision or part thereof is declared invalid, the remaining provisions shall nevertheless remain in full force and effect. To this end the provisions of this Deed of Trust and the Note are declared to be severable. Any action at law or in equity arising under this Deed of Trust or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

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

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

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

b. Reserved.

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

by this Deed of Trust shall continue unchanged. Upon reinstatement by Trustor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under **Section 22**.

24. **Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Deed of Trust) may be sold one or more times without prior notice to Trustor. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Deed of Trust. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Trustor will be given written notice of the change in accordance with **Section 19** above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

25. **No Assignment.** The Note and this Deed of Trust shall not be assigned by Trustor without the Beneficiary's prior written consent and the consent of any senior lenders, including First-Citizens Bank & Trust Company (the "Senior Lender" or "Senior Lien Holder").

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

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

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

27. **Acceleration; Remedies.** Beneficiary shall give notice to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this Deed of Trust. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, which shall not be more than ten (10) calendar days from the date of the mailing of the notice for a monetary default, or a date, which shall not be more than sixty (60) calendar days from the mailing of the notice for a non-monetary default, by which the default must be cured; and (d) that failure

to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Trustor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Trustor to acceleration and sale. If the default is not cured by the Trustor on or before the date specified in the notice, and the Senior Lien Holder has not cured the default within that same period, subject to any non-recourse provisions then in effect, Beneficiary at its option may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Section 27**, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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

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

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

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

30. **Modification of Senior Loan Documents.** Any agreement or arrangement, in which a Senior Lender waives, postpones, extends, reduces, or modifies any provisions of any deed of trust or mortgage held by a Senior Lien Holder (a "Senior Lien Holder Deed of Trust") or any other Senior Lenders loan documents, including any provisions requiring the payment of money, shall require the prior written approval of Beneficiary.

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

32. **Severability.** Each paragraph and provision of this Deed of Trust is severable from each other provision, and if any provision or part thereof is declared invalid by a competent court of law, the remaining provisions shall nevertheless remain in full force and effect.

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

[Remainder of Page Blank]

[Signatures on Following Page]

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

TRUSTOR:

CAMBERN AVENUE HOUSING ASSOCIATES, L.P.,
a California limited partnership

By: CHW Cambern Avenue, LLC, a California limited liability company, its managing general partner

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

By: form - do not sign
Name: Kevin Leichner
Title: Senior Vice President

By: CHW Cambern Avenue, LLC, a California limited liability company, its administrative general partner

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

By: form - do not sign
Name: Kevin Leichner
Title: Senior Vice President

Date: _____, 2025

(TRUSTOR signatures must be notarized)

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT HERE>

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

All that real property situated in the City of LAKE ELSINORE, County of Riverside, State of California, described as:

LOT 2, BLOCK 13, NORTH ELSINORE TRACT IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS SHOWN BY MAP ON FILE IN BOOK 5, PAGE 105 OF MAPS, RECORDS OF RIVERSIDE COUNTY CALIFORNIA.

EXCEPTING THEREFROM THE NORTHEASTERLY 264 FEET THEREOF.

Commonly Known As: 29366 3RD STREET, LAKE ELSINORE, CA 92530

APN: 377-100-003

That portion of Lot 8 in block 14 of North Elsinore Tract, as shown by Map on file in Book 5. Page 105, of Maps, in the Office of the County Recorder of said County, described as follows:

Beginning at a point on the Southwesterly line of said Lot 8, 420 feet Southeasterly from the most Westerly corner of Lot 7 in said Block 14, said point being the most Southerly corner of that certain parcel conveyed to Dewey Elam and Marcella Elam by Deed Filed for record November 18, 1953 as Instrument No. 55220; thence Northeasterly, parallel with the Northwesterly line of said Lot 7, 210 feet; thence Southeasterly, parallel with the Southwesterly line of said Lot 8, 235 feet, more or less, to the center line of Third Avenue; thence Southwesterly, on the center line of Third Avenue, 21 0 feet to the most Southerly corner of Lot 8 in said Block 14; thence Northwesterly on the Southwesterly line of said Lot 8, 235 feet, more or less to the point of beginning.

Excepting therefrom an easement for road purposes over those portions, Third Avenue and Cambern Avenue.

APN: 377-380-003

PROMISSORY NOTE SECURED BY DEED OF TRUST

PLHA LOAN FUNDS

\$3,000,000 (“Loan Amount”) _____, 2025 (“Note Date”)

FOR VALUE RECEIVED, CAMBERN AVENUE HOUSING ASSOCIATES, L.P., a California limited partnership (“BORROWER”), promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), at 3403 Tenth Street, Suite #300, Riverside, CA 92501, or order, the sum of **Three Million Dollars (\$3,000,000 USD)** (the “PLHA Loan” or “Note Amount”) which at the time of payment is due in funds lawful for the payment of public and private debts.

This Promissory Note Secured by Deed of Trust – PLHA Loan Funds (this “Note”) is given in accordance with that certain Loan Agreement for the Use of PLHA Program Funds executed by COUNTY and BORROWER, dated as of _____, 2025 and recorded in the Official Records of the County of Riverside (“Official Records”) on or about the date hereof (the “PLHA Loan Agreement”). Except to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings ascribed to such terms in the PLHA 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 _____, 2025 and recorded on or about the date hereof in the Official Records (the “PLHA Deed of Trust” or “Deed of Trust”). This Note, the PLHA Loan Agreement, the 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 “PLHA Loan Documents.”

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

1. The PLHA Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to the Permanent Local Housing Allocation (“PLHA”) Program Statutes, Final Guidelines, Notice Of Funding Availability, a Standard Agreement and applicable rules and regulations imposed by the Department of Housing and Community Development (“HCD”) on PLHA funding recipients (collectively, the “PLHA 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 PLHA Program regulations, the PLHA Loan Documents and that certain Covenant Agreement dated on or about the date hereof and recorded on or about the date hereof in the Official Records between BORROWER and COUNTY (“Covenant”).
2. That the PLHA Loan will accrue simple interest at a rate of three percent (3%) per annum, except in the case of default, as hereinafter provided, and shall be repaid on an annual basis from the Project’s Residual Receipts as defined herein. Interest will accrue 30 days from the date of recordation of the Notice of Completion in the Official Records.

3. This Note shall be repaid according to the following: i) fifty percent (50%) of the Project's Residual Receipts shall be paid to COUNTY and the City of Lake Elsinore (the "City") (pro rata with respect to the amounts of their respective loans for the Project) annually in accordance with the terms set forth herein. The pro rata share split shall be sixty-three and 69/100 percent (63.69%) to the City and thirty-six and 31/100 percent (36.31%) to COUNTY (each, a "Pro Rata Share"). Such payment of the Pro Rata Share of fifty percent (50%) of the Project's Residual Receipts to City and COUNTY shall continue annually until the City's promissory note and COUNTY's PLHA Note are repaid in full, respectively.
4. The Project's Residual Receipts shall be determined based on an annual review of audited 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 for the Project. All outstanding principal along with accrued interest shall be due upon the later to occur of (i) July 1, 2080 or (ii) fifty-five (55) years from and after the recordation of the Notice of Completion (the "Maturity Date"). 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 the sooner of full repayment of the PLHA Loan or the Maturity Date as set forth above.
5. The term "Project Residual Receipts" as 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 BORROWER derived from the ownership, operation and management of the Project, not including interest on required reserve accounts, less the following operating expenses:
 - i) payments of principal and interest and other mandatory payments on amortized loans and indebtedness senior to the Loan, which have been approved in writing by COUNTY (collectively, the "Senior Debt");
 - ii) utility fees and costs not paid by tenants;
 - iii) insurance on the Project;
 - iv) ad valorem taxes and assessment payments;
 - v) management fees, expenses and costs, as well as the cost of social programs at the Project and compliance monitoring/reporting, which shall total initially \$100 per Unit per month, which management fee shall be increased annually by an amount not to exceed the greater of (i) three and a half percent (3.5%) or (ii) the increase in the Consumer Price Index for Riverside-San Bernardino-Ontario, CA area ("CPI"), and any accrued and unpaid fees from prior years;
 - vi) auditing and accounting fees;
 - vii) operating expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which shall include administration, on-site management costs, utilities, on-site staff payroll, payroll taxes, and maintenance);

- viii) reserves for repair and replacement of the Project, in an annual amount of \$500 per rental unit per year;
 - ix) [County's monitoring fee with respect to the ARPA Loan in the total amount of \$7,400, increased annually by an amount equal to the increase of CPI, as more;]
required operating reserve replenishments;
 - i) repayment of any operating deficit loans or development advances made by a partner to the BORROWER and payment of unpaid tax credit adjustment payments owed to a limited partner of BORROWER;
 - ii) partnership management fees up to \$25,000 annually payable to a partner of BORROWER, and asset management fees up to \$7,500 annually (increasingly annually by three (3%)) payable to a partner of BORROWER, and any accrued and unpaid fees from prior years;
 - iii) payment of deferred developer fees pursuant to BORROWER'S limited partnership agreement; and
 - iv) all other fees and expenses which may be permitted by the annual budget approved by the COUNTY.
6. The PLHA Loan evidenced by this Note is secured by that certain PLHA Deed of Trust executed by BORROWER for the benefit of COUNTY, dated on or about the date hereof and recorded in the Official Records.
 7. This Note may be prepaid in whole or in part by the undersigned at any time without prepayment penalty or premium, provided however notwithstanding such prepayment, BORROWER shall be required to adhere to the affordability restrictions contained in the Covenants until the expiration of the Term contained therein.
 8. Subject to the provisions and limitations of this **Section 8**, the obligation to repay the Note Amount is a nonrecourse obligation of BORROWER and its partners. Neither BORROWER nor its shareholders, members or partners shall have any personal liability for repayment of the Note Amount, except as provided in this **Section 8**. The sole recourse of the COUNTY shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the PLHA 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 actual damages, costs and expenses incurred by the COUNTY as a result of fraud, misrepresentation or any criminal act or acts of BORROWER or any general partner, member, shareholder, officer, director or employee 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 PLHA 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 PLHA Loan Agreement and/or Deed of Trust or the indemnification regarding Hazardous Substances pursuant to the PLHA 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 PLHA Loan Agreement:

a. Monetary Default. (1) BORROWER's failure to pay when due any sums payable under this Note or any advances made by COUNTY under the PLHA Loan Agreement, (2) BORROWER'S or any agent of BORROWER'S use of PLHA funds for costs other than those costs permitted under the PLHA Loan Agreement or for uses inconsistent with terms and restrictions set forth therein, (3) BORROWER'S or any agent of BORROWER'S failure to make any other payment of any assessment or tax due under the PLHA Loan Agreement, and /or (4) default past any applicable notice and cure period under the terms of (i) any Deed of Trust executed by BORROWER and any other Senior Debt, and (ii) 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 the PLHA Loan Documents 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 PLHA Deed of Trust, (3) BORROWER's failure to obtain and maintain the insurance coverage required under the PLHA Loan Agreement, (4) any material default under the PLHA Loan Documents, or any document executed by the COUNTY in connection with the PLHA Program, and/or (5) default past any applicable notice and cure period under the terms of any Deed of Trust executed by BORROWER in connection with any other Senior Debt and any other instrument or document secured against the Property;

c. General Performance of Loan Obligations. Any substantial or

continuous or repeated breach by BORROWER or BORROWER'S agents of any material obligations on BORROWER imposed by the PLHA Loan Documents; and

d. General Performance of Other Obligations. Any substantial or continuous or repeated breach by BORROWER or BORROWER'S agents of any material obligations imposed on the Project 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 ten (10) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default. Notwithstanding anything to the contrary contained in the PLHA Loan Documents, COUNTY hereby agrees that BORROWER'S limited partner shall have the right, but not the obligation, to cure any defaults of the BORROWER hereunder and under any of the PLHA Loan Documents, and the COUNTY agrees to accept cures tendered by BORROWER'S limited partner on behalf of the BORROWER within the applicable cure periods set forth therein. Copies of all notices which are sent to the BORROWER under the terms of the PLHA Loan Documents shall also be sent to the BORROWER'S limited partner.
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 this 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 PLHA Loan Agreement, the whole sum of principal and interest shall become immediately due at the

option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.

15. This Note has been negotiated and entered in the State of California, and shall be governed by, construed and enforced in accordance with the internal laws of the State of California, applied to contracts made in California by California domiciliaries to be wholly performed in California. Any action at law or in equity arising under this Note or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Note shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.
16. No modification, rescission, waiver, release or amendment of any provision of this Note shall be made except by a written agreement executed by BORROWER and the duly authorized representative of the COUNTY.
17. The COUNTY may, in its sole and absolute discretion, assign its rights under this Note and its right to receive repayment of the Note Amount without obtaining the consent of BORROWER.
18. Except as otherwise permitted in the PLHA Loan Documents, in no event shall BORROWER assign or transfer any portion of this Note or any rights herein without the prior express written consent of the COUNTY, which consent the COUNTY may give or withhold in its reasonable 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 PLHA Loan Agreement or this Note. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.
19. Except as to any permitted deeds of trust, BORROWER shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion, provided, however, that the permitted deeds of trust may be refinanced provided that neither the position of the COUNTY's loan nor the BORROWER's ability to make payments as required by this Note shall be impaired; the terms of any refinancing shall be commercially reasonable, and no cash proceeds from any such refinancing shall be used for purposes other than repaying the senior debt.
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) COUNTY address for purposes of receiving notices pursuant to this Note is:

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

(c) BORROWER address for purposes of receiving notices pursuant to this Note is:

Cambern Avenue Housing Associates, L.P.
3111 Camino del Rio N, Suite 800
San Diego, CA 92108
Attention: Senior Vice President, Housing and Real Estate Development

With copies to Borrower's Guarantor:

Community HousingWorks
3111 Camino del Rio N, Suite 800
San Diego, CA 92108
Attention: Senior Vice President, Housing and Real Estate Development

With copies to Borrower's limited partner at:

NEF Support Corporation
10 South Riverside Plaza
Suite 1700
Chicago, Illinois 60606
Attn: General Counsel
Email: projectnotices@nefinc.org with subject line of SMT#83304

And:

NEF Assignment Corporation
10 South Riverside Plaza
Suite 1700
Chicago, Illinois 60606

Attention: SVP Asset Management

And:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, CA 90071
Attention: Rachel Rosner

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.
25. Counterparts. This Note 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.

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[SIGNATURES ON FOLLOWING PAGE]

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

BORROWER:

CAMBERN AVENUE HOUSING ASSOCIATES, L.P.,
a California limited partnership

By: CHW Cambern Avenue, LLC,
a California limited liability company,
its general partner

By: Community HousingWorks,
a California nonprofit public benefit corporation,
its sole member and manager

By: form - do not sign
Kevin Leichner
Senior Vice President, Housing and Real Estate Development

GUARANTOR:

COMMUNITY HOUSINGWORKS,
a California nonprofit public benefit corporation

By: form - do not sign
Kevin Leichner
Senior Vice President, Housing and Real Estate Development

PROMISSORY NOTE SECURED BY DEED OF TRUST

PLHA LOAN FUNDS

\$3,000,000 (“Loan Amount”) _____, 2025 (“Note Date”)

FOR VALUE RECEIVED, CAMBERN AVENUE HOUSING ASSOCIATES, L.P., a California limited partnership (“BORROWER”), promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), at 3403 Tenth Street, Suite #300, Riverside, CA 92501, or order, the sum of **Three Million Dollars (\$3,000,000 USD)** (the “PLHA Loan” or “Note Amount”) which at the time of payment is due in funds lawful for the payment of public and private debts.

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1. The PLHA Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to the Permanent Local Housing Allocation (“PLHA”) Program Statutes, Final Guidelines, Notice Of Funding Availability, a Standard Agreement and applicable rules and regulations imposed by the Department of Housing and Community Development (“HCD”) on PLHA funding recipients (collectively, the “PLHA 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 PLHA Program regulations, the PLHA Loan Documents and that certain Covenant Agreement dated on or about the date hereof and recorded on or about the date hereof in the Official Records between BORROWER and COUNTY (“Covenant”).
2. That the PLHA Loan will accrue simple interest at a rate of three percent (3%) per annum, except in the case of default, as hereinafter provided, and shall be repaid on an annual basis from the Project’s Residual Receipts as defined herein. Interest will accrue 30 days from the date of recordation of the Notice of Completion in the Official Records.

3. This Note shall be repaid according to the following: i) fifty percent (50%) of the Project's Residual Receipts shall be paid to COUNTY and the City of Lake Elsinore (the "City") (pro rata with respect to the amounts of their respective loans for the Project) annually in accordance with the terms set forth herein. The pro rata share split shall be sixty-three and 69/100 percent (63.69%) to the City and thirty-six and 31/100 percent (36.31%) to COUNTY (each, a "Pro Rata Share"). Such payment of the Pro Rata Share of fifty percent (50%) of the Project's Residual Receipts to City and COUNTY shall continue annually until the City's promissory note and COUNTY's PLHA Note are repaid in full, respectively.
4. The Project's Residual Receipts shall be determined based on an annual review of audited 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 for the Project. All outstanding principal along with accrued interest shall be due upon the later to occur of (i) July 1, 2080 or (ii) fifty-five (55) years from and after the recordation of the Notice of Completion (the "Maturity Date"). 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 the sooner of full repayment of the PLHA Loan or the Maturity Date as set forth above.
5. The term "Project Residual Receipts" as 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 BORROWER derived from the ownership, operation and management of the Project, not including interest on required reserve accounts, less the following operating expenses:
 - i) payments of principal and interest and other mandatory payments on amortized loans and indebtedness senior to the Loan, which have been approved in writing by COUNTY (collectively, the "Senior Debt");
 - ii) utility fees and costs not paid by tenants;
 - iii) insurance on the Project;
 - iv) ad valorem taxes and assessment payments;
 - v) management fees, expenses and costs, as well as the cost of social programs at the Project and compliance monitoring/reporting, which shall total initially \$100 per Unit per month, which management fee shall be increased annually by an amount not to exceed the greater of (i) three and a half percent (3.5%) or (ii) the increase in the Consumer Price Index for Riverside-San Bernardino-Ontario, CA area ("CPI"), and any accrued and unpaid fees from prior years;
 - vi) auditing and accounting fees;
 - vii) operating expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which shall include administration, on-site management costs, utilities, on-site staff payroll, payroll taxes, and maintenance);

- viii) reserves for repair and replacement of the Project, in an annual amount of \$500 per rental unit per year;
 - ix) [County's monitoring fee with respect to the ARPA Loan in the total amount of \$7,400, increased annually by an amount equal to the increase of CPI, as more;]
required operating reserve replenishments;
 - i) repayment of any operating deficit loans or development advances made by a partner to the BORROWER and payment of unpaid tax credit adjustment payments owed to a limited partner of BORROWER;
 - ii) partnership management fees up to \$25,000 annually payable to a partner of BORROWER, and asset management fees up to \$7,500 annually (increasingly annually by three (3%)) payable to a partner of BORROWER, and any accrued and unpaid fees from prior years;
 - iii) payment of deferred developer fees pursuant to BORROWER'S limited partnership agreement; and
 - iv) all other fees and expenses which may be permitted by the annual budget approved by the COUNTY.
6. The PLHA Loan evidenced by this Note is secured by that certain PLHA Deed of Trust executed by BORROWER for the benefit of COUNTY, dated on or about the date hereof and recorded in the Official Records.
 7. This Note may be prepaid in whole or in part by the undersigned at any time without prepayment penalty or premium, provided however notwithstanding such prepayment, BORROWER shall be required to adhere to the affordability restrictions contained in the Covenants until the expiration of the Term contained therein.
 8. Subject to the provisions and limitations of this **Section 8**, the obligation to repay the Note Amount is a nonrecourse obligation of BORROWER and its partners. Neither BORROWER nor its shareholders, members or partners shall have any personal liability for repayment of the Note Amount, except as provided in this **Section 8**. The sole recourse of the COUNTY shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the PLHA 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 actual damages, costs and expenses incurred by the COUNTY as a result of fraud, misrepresentation or any criminal act or acts of BORROWER or any general partner, member, shareholder, officer, director or employee 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 PLHA 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 PLHA Loan Agreement and/or Deed of Trust or the indemnification regarding Hazardous Substances pursuant to the PLHA 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 PLHA Loan Agreement:

a. Monetary Default. (1) BORROWER's failure to pay when due any sums payable under this Note or any advances made by COUNTY under the PLHA Loan Agreement, (2) BORROWER'S or any agent of BORROWER'S use of PLHA funds for costs other than those costs permitted under the PLHA Loan Agreement or for uses inconsistent with terms and restrictions set forth therein, (3) BORROWER'S or any agent of BORROWER'S failure to make any other payment of any assessment or tax due under the PLHA Loan Agreement, and /or (4) default past any applicable notice and cure period under the terms of (i) any Deed of Trust executed by BORROWER and any other Senior Debt, and (ii) 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 the PLHA Loan Documents 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 PLHA Deed of Trust, (3) BORROWER's failure to obtain and maintain the insurance coverage required under the PLHA Loan Agreement, (4) any material default under the PLHA Loan Documents, or any document executed by the COUNTY in connection with the PLHA Program, and/or (5) default past any applicable notice and cure period under the terms of any Deed of Trust executed by BORROWER in connection with any other Senior Debt and any other instrument or document secured against the Property;

c. General Performance of Loan Obligations. Any substantial or

continuous or repeated breach by BORROWER or BORROWER'S agents of any material obligations on BORROWER imposed by the PLHA Loan Documents; and

d. General Performance of Other Obligations. Any substantial or continuous or repeated breach by BORROWER or BORROWER'S agents of any material obligations imposed on the Project 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 ten (10) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default. Notwithstanding anything to the contrary contained in the PLHA Loan Documents, COUNTY hereby agrees that BORROWER'S limited partner shall have the right, but not the obligation, to cure any defaults of the BORROWER hereunder and under any of the PLHA Loan Documents, and the COUNTY agrees to accept cures tendered by BORROWER'S limited partner on behalf of the BORROWER within the applicable cure periods set forth therein. Copies of all notices which are sent to the BORROWER under the terms of the PLHA Loan Documents shall also be sent to the BORROWER'S limited partner.
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 this 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 PLHA Loan Agreement, the whole sum of principal and interest shall become immediately due at the

option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as attorney's fees.

15. This Note has been negotiated and entered in the State of California, and shall be governed by, construed and enforced in accordance with the internal laws of the State of California, applied to contracts made in California by California domiciliaries to be wholly performed in California. Any action at law or in equity arising under this Note or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Note shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.
16. No modification, rescission, waiver, release or amendment of any provision of this Note shall be made except by a written agreement executed by BORROWER and the duly authorized representative of the COUNTY.
17. The COUNTY may, in its sole and absolute discretion, assign its rights under this Note and its right to receive repayment of the Note Amount without obtaining the consent of BORROWER.
18. Except as otherwise permitted in the PLHA Loan Documents, in no event shall BORROWER assign or transfer any portion of this Note or any rights herein without the prior express written consent of the COUNTY, which consent the COUNTY may give or withhold in its reasonable 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 PLHA Loan Agreement or this Note. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.
19. Except as to any permitted deeds of trust, BORROWER shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion, provided, however, that the permitted deeds of trust may be refinanced provided that neither the position of the COUNTY's loan nor the BORROWER's ability to make payments as required by this Note shall be impaired; the terms of any refinancing shall be commercially reasonable, and no cash proceeds from any such refinancing shall be used for purposes other than repaying the senior debt.
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) COUNTY address for purposes of receiving notices pursuant to this Note is:

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

(c) BORROWER address for purposes of receiving notices pursuant to this Note is:

Cambern Avenue Housing Associates, L.P.
3111 Camino del Rio N, Suite 800
San Diego, CA 92108
Attention: Senior Vice President, Housing and Real Estate Development

With copies to Borrower's Guarantor:

Community Housing Works
3111 Camino del Rio N, Suite 800
San Diego, CA 92108
Attention: Senior Vice President, Housing and Real Estate Development

With copies to Borrower's limited partner at:

NEF Support Corporation
10 South Riverside Plaza
Suite 1700
Chicago, Illinois 60606
Attn: General Counsel
Email: projectnotices@nefinc.org with subject line of SMT#83304

And:

NEF Assignment Corporation
10 South Riverside Plaza
Suite 1700
Chicago, Illinois 60606

Attention: SVP Asset Management

And:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, Suite 5880
Los Angeles, CA 90071
Attention: Rachel Rosner

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.
25. Counterparts. This Note 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.

[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:

CAMBERN AVENUE HOUSING ASSOCIATES, L.P.,
a California limited partnership

By: CHW Cambern Avenue, LLC,
a California limited liability company,
its general partner

By: Community HousingWorks,
a California nonprofit public benefit corporation,
its sole member and manager

By: form - do not sign
Kevin Leichner
Senior Vice President, Housing and Real Estate Development

GUARANTOR:

COMMUNITY HOUSINGWORKS,
a California nonprofit public benefit corporation

By: form - do not sign
Kevin Leichner
Senior Vice President, Housing and Real Estate Development

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103
Title and Escrow Order 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. Alicia Jaimes

SPACE ABOVE THIS LINE FOR RECORDERS USE

**Permanent Local Housing Allocation (PLHA) PROGRAM
COVENANT AGREEMENT
(CAMBERN AVENUE APARTMENTS)**

This PLHA Program Covenant Agreement (Cambern Avenue Apartments) (this
“Covenant” or “Agreement”) is made and entered into as of the ____ day of _____, 2025
by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California
(“COUNTY”), and CAMBERN AVENUE HOUSING ASSOCIATES, L.P., a California limited
partnership (“BORROWER”).

RECITALS

WHEREAS, BORROWER owns that certain real property including any improvements
located thereon, located at the 29366 and 29377 3rd Street, in the City of Lake Elsinore, in the
County of Riverside, State of California, identified with Assessor’s Parcel Numbers 377-380-003
and 377-100-003, described in the legal description attached hereto as **Exhibit A** and incorporated
herein by this reference (the “Property”);

WHEREAS, COUNTY and BORROWER entered into that certain Loan Agreement for
the Use of PLHA Program Funds (Cambern Avenue Apartments) dated _____, 2025
and recorded in the Official Records of the County of Riverside (“Official Records”) concurrently
herewith (the “PLHA Loan Agreement” or “Agreement”) which provides for, among other things,

1 new construction on the Property of an approximately 4.02 acres multi-family apartment complex
2 and related amenities consisting of a total of seventy-five (75) apartment units (each, a "Unit,"
3 collectively, the "Units"), plus 1 on-site manager unit. The construction on the Property of the
4 Units and such other improvements as specified in the PLHA Loan Agreement shall be referred to
5 herein as the "Project." Capitalized terms not defined herein shall have the meaning ascribed to
6 them in the PLHA Loan Agreement;

7 WHEREAS, the State of California (the "State"), Department of Housing and Community
8 Development ("HCD") issued a Notice of Funding Availability ("NOFA"), dated February 26,
9 2020, to provide approximately \$195,000,000 under the Permanent Local Housing Allocation
10 ("PLHA") Program through its Entitlement and Non-entitlement Local Government Formula
11 Component from the Building Homes and Jobs Trust Fund for assistance to Local Governments
12 pursuant to Health and Safety Code section 50470 et seq. and Senate Bill (SB) 2 (Chapter 364,
13 Statutes of 2017) (the "PLHA Statutes");

14 WHEREAS, to implement the PLHA Program, HCD adopted and issued the HCD 2019
15 PLHA Final Guidelines ("Guidelines" or "PLHA Guidelines");

16 WHEREAS, the County is an eligible local government for the program to administer one
17 or more eligible activities, including on behalf of other local governments that have delegated
18 County to submit an application and administer their PLHA formula allocations;

19 WHEREAS, HSC Section 50470 authorizes the HCD to allocate moneys collected and
20 deposited in the Fund for the PLHA Program, with 90 percent of PLHA funds to local
21 governments, and to adopt Guidelines to implement the PLHA Program;

22 WHEREAS, pursuant to the PLHA Program, the County and the California Department of
23 Housing and Community Development ("HCD") entered into that certain Standard Agreement
24 dated June 17th, 2021, including Exhibits A, B, C, D and E (collectively, the "PLHA Standard
25 Agreement for County's Allocation"), which allocates PLHA funding to the County for use in the
26 County in the estimated funding amount of \$23,977,026 for Allocation Years 2019-2023;

27 WHEREAS, pursuant to Section 300(c) of the PLHA Final Guidelines ("HCD
28 Guidelines"), a local government may delegate to another local government to submit an

1 application and administer the formula component of PLHA funds on its behalf, provided the local
2 governments enter into an agreement and the funds are expended for eligible activities consistent
3 with program requirements;

4 WHEREAS, consistent with HCD Guidelines, the City of Lake Elsinore, a California
5 municipal corporation ("City"), delegated to County the responsibility for submitting an
6 application for administering its formula component for Allocation Years 2019-2023 ("City's
7 Allocations") in the estimated funding amount of \$1,491,162;

8 WHEREAS, pursuant to the PLHA Program, the County and HCD entered into that certain
9 Standard Agreement dated October 6, 2021, including Exhibits A, B, C, D and E (collectively, the
10 "PLHA Standard Agreement for City's Allocation"), which allocates PLHA funding to the County
11 for use in the City;

12 WHEREAS, in connection therewith, City and County entered in that certain Agreement
13 for the PLHA Program under HCD for Allocation Years 2019-2023 dated June 30, 2020 (the
14 "County and City PLHA Agreement"), which provides for the use of PLHA funds by the County
15 within the City to increase the affordable housing stock within the City;

16 WHEREAS, the PLHA Statutes, HCD Guidelines, the NOFA, PLHA Standard Agreement
17 for County's Allocation, PLHA Standard Agreement for City's Allocation, County and City PLHA
18 Agreement and all applicable rules and regulations imposed by HCD on PLHA funding recipients
19 shall collectively be referred to herein as the "PLHA Program";

20 WHEREAS, BORROWER, a California limited partnership registered to do business in
21 the State of California and an affordable housing developer, is an experienced developer of
22 affordable housing that has among its purposes the provision of decent housing that is affordable
23 to low income persons; and

24 WHEREAS, in consideration of a loan of PLHA funds, BORROWER has agreed to restrict
25 up to but not more than forty nine percent (49%) of the Units in the Project not occupied by a
26 manager or thirty-seven (37) PLHA Units to rental to and occupancy by qualified low- and very
27 low-income households consistent with the PLHA Program requirements and as set forth more
28 specifically below.

1 NOW, THEREFORE, in consideration of the PLHA Loan funds and the mutual covenants
2 and agreements set forth herein and in the PLHA Loan Agreement, and for other good and valuable
3 consideration, the receipt and sufficiency of which are hereby acknowledged, BORROWER, on
4 behalf of itself and its successors, assigns, and each successor in interest to the Property or any
5 part thereof, hereby declares as follows:

6 1) RESTRICTIONS. The recitals set forth above are true and correct and
7 incorporated herein. This Covenant shall continue in full force and effect for the later of (i)
8 fifty-five (55) years from the recordation of the Notice of Completion for the last building for
9 which construction is completed for the Project on the Property, or (ii) July 1, 2080 ("Term"
10 or "Affordability Period"). For the duration of the Term, the Property shall be held, sold and
11 conveyed, subject to the following covenants, conditions, and restrictions:

12 a) BORROWER hereby covenants and agrees to restrict at most approximately forty
13 nine percent (49%) of the Units not occupied by a manager or thirty-seven (37) of
14 the Units constructed on the Property shall be restricted to rental to and occupancy
15 by qualified Low and Very Low Income Households (collectively, "PLHA Units")
16 at an Affordable Rent (as hereinafter defined). At least twenty percent (20%) of the
17 PLHA Units or eight (8) PLHA Units shall be restricted to occupancy by Very Low
18 Income Households at or below 50% of the area median income. For purposes
19 hereof:

20 (i) "Household" is one or more persons occupying an Affordable Unit.

21 (ii) "Low Income" has the meaning set forth in HSC Section 50079.5, which is
22 a household whose incomes does not exceed 80% of the area median
23 income, adjusted for actual family size.

24 (iii) "Very Low Income" has the meaning set forth in HSC Section 50105,
25 which is a household whose incomes does not exceed 50% of the area
26 median income, adjusted for actual family size.

27 (iv) "area median income" shall refer to the most recent area median family
28 income published by HCD for Riverside County, available at the following

link: <https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits>.

- b) The PLHA Units shall be rented to and occupied by Very Low and Low Income Households at an Affordable Rent in compliance with the Multifamily Housing Program (“MHP”) guidelines Section 7312 and the Section 7301 definition of “Affordable Rent” and the PLHA Program. Maximum income and Affordable Rent shall be determined in accordance with subsection d) below. COUNTY shall review and approve proposed rents prior to entry into leases for occupancy of the PLHA Units by BORROWER. BORROWER shall ensure the PLHA Units are rented to qualified applicants at the described rent levels herein during the Affordability Period. The maximum monthly allowances for utilities and services (excluding telephone) shall not exceed the utility allowance as described in c) below.
- c) Utility Allowance: For Projects not receiving financing from tax credits, BORROWER shall use the most currently available Utility Allowances published by the Housing Authority of the County of Riverside to establish maximum monthly allowances for utilities and services in calculating Affordable Rents. Projects assisted with tax credits may use the Utility Allowances published by the Housing Authority of the County of Riverside or the California Utility Allowance Calculator (CUAC) published annually by the Treasurer of the State of California. The CUAC and use instructions can be found at: <https://www.treasurer.ca.gov/ctcac/cuac/index.asp>.
- d) Income and Affordable Rent limitations for Very Low Income Households and Low Income Households must be calculated in accordance with the Multifamily Housing Program (MHP) as required by the PLHA Program. BORROWER shall utilize the most recently available “MHP Income and Rent Calculator” published by HCD, available on the following web page: <https://www.hcd.ca.gov/grants-and-funding/income-limits/state-and-federal-income-rent-and-loan-value-limits>.

1 e) PLHA Loan Documents. The PLHA Loan Agreement, PLHA Note, PLHA Deed
2 of Trust, the Environmental Indemnity and any other agreement entered into by
3 COUNTY and BORROWER in connection with the Project shall collectively be
4 referred to herein as the "PLHA Loan Documents". BORROWER shall comply
5 with the terms and conditions of the PLHA Loan Documents, any other agreements
6 evidencing financing for the Project, and any instrument secured against the
7 Property. BORROWER shall strictly comply with all requirements of the PLHA
8 Program.

9 f) CTCAC. Notwithstanding anything contained herein to the contrary, if the Project has
10 received low income housing tax credits, then California Tax Credit Allocation
11 Committee ("CTCAC") rent- and income-setting requirements shall control for the
12 term of the CTCAC extended use agreement.

13 2) SENIOR PRIORITY. Notwithstanding anything to the contrary contained in the
14 Loan Agreement, including any of its attachments, this Covenant shall be recorded against the
15 Property prior to the liens of any deeds of trust recorded against the Property. The PLHA Deed
16 of Trust and the Loan Agreement, respectively, may be recorded in a subordinate lien position
17 to the deeds of trust securing one or more of the construction loan, permanent loans, and City
18 of Lake Elsinore loan pursuant to subordination agreements approved by COUNTY. The
19 PLHA Deed of Trust and the PLHA Loan Agreement shall be recorded, respectively, in the
20 first and second priority lien position, in relation to themselves, each for the benefit of
21 COUNTY. Their priority in relation to other encumbrances shall be as approved by the
22 COUNTY in its reasonable discretion, such approval not to be unreasonably withheld,
23 conditioned, or delayed, provided, however, that COUNTY's affordability restrictions set forth
24 in the Covenant Agreement are preserved for the Qualified Low Income Households for the
25 Affordability Period.

26 3) COMPLIANCE WITH LAWS AND REGULATIONS. During the Term of this
27 Covenant, BORROWER, for itself and on behalf of its successors and assigns, shall insure that
28 the Project is constructed in accordance with and operated in compliance with the PLHA

1 Program and all applicable federal, state and local laws, regulations and ordinances, including,
2 but not limited to the following: all laws, ordinances, statutes, codes, rules, resolutions,
3 regulations, policy statements, orders, and decrees (including, without limitation, those relating
4 to land use, subdivision, zoning, environmental, labor relations and building and fire codes) of
5 the United States, the State of California, the County or any other political subdivision in which
6 the Property is located or which exercises jurisdiction over the BORROWER or the
7 construction, maintenance, management, use, or operation of the Project.

8 4) TENANT PROTECTIONS. BORROWER shall provide protection to the tenants
9 of the PLHA Units as follows:

10 a) Provide written lease agreement for not less than one year, unless
11 by mutual agreement between the tenant and BORROWER. COUNTY shall review
12 the initial form of the lease agreement prior to BORROWER executing any leases and,
13 provided that BORROWER uses the approved lease form, BORROWER shall be
14 permitted to enter into residential leases without COUNTY's prior written consent.

15 b) Prohibited Lease Terms. The rental agreement/lease may not
16 contain any of the following provisions:

17 (1) *Agreement to be sued*. Agreement by the tenant to be sued, to admit
18 guilt or to a judgment in favor of BORROWER in a lawsuit brought in
19 connection with the lease.

20 (2) *Treatment of property*. Agreements by tenant that BORROWER may
21 take, hold, or sell personal property of household members without
22 notice to the tenant and a court decision on the rights of the parties.
23 This prohibition, however, does not apply to an agreement by the tenant
24 concerning disposition of personal property remaining in the housing
25 unit after the tenant has moved out of the unit. BORROWER may
26 dispose of this personal property in accordance with State law.

27 (3) *Excusing BORROWER from responsibility*. Agreement by the tenant
28 not to hold BORROWER or BORROWER's agents legally responsible

1 for any action or failure to act, whether intentional or negligent.

2 (4) *Waiver of notice.* Agreement of the tenant that BORROWER may
3 institute a lawsuit without notice to the tenant.

4 (5) *Waiver of legal proceeding.* Agreement by the tenant that the
5 BORROWER may evict the tenant or household members without
6 instituting a civil court proceeding in which the tenant has the
7 opportunity to present a defense, or before a court decision on the rights
8 of the parties.

9 (6) *Waiver of a jury trial.* Agreement by the tenant to waive any right to a
10 trial by jury.

11 (7) *Waiver of right to appeal court decision.* Agreement by the tenant to
12 waive the tenant's right to appeal, or to otherwise challenge in court, a
13 court decision in connection with the lease.

14 (8) *Tenant chargeable with cost of legal actions regardless of outcome.*
15 Agreement by the tenant to pay attorneys' fees or other legal costs even
16 if the tenant wins in a court proceeding by BORROWER against the
17 tenant. The tenant, however, may be obligated to pay costs if the tenant
18 loses.

19 (9) *Mandatory supportive services.* Agreement by the tenant (other than a
20 tenant in transitional housing) to accept supportive services that are
21 offered.

22 c) Violence Against Women Reauthorization Act of 2013. (Pub. L.
23 113-4, 127 Stat. 54) ("VAWA 2013"). VAWA 2013 reauthorizes and amends the
24 Violence Against Women Act of 1994, as previously amended, (title IV, sec. 40001-
25 40703 of Pub. L. 103-322, 42 U.S.C. 13925 et seq.) VAWA 2013, among other things,
26 bars eviction and termination due to a tenant's status as a victim of domestic violence,
27 dating violence, or stalking, and requires landlords to maintain survivor-tenant
28 confidentiality. VAWA 2013 prohibits a tenant who is a survivor of domestic

1 violence, dating violence, sexual assault, and stalking from being denied assistance,
2 tenancy, or occupancy rights based solely on criminal activity related to an act of
3 violence committed against them. It extends housing protections to survivors of sexual
4 assault, and adds "intimate partner" to the list of eligible relationships in the domestic
5 violence definition. Protections also now cover an "affiliated individual," which
6 includes any lawful occupant living in the survivor's household, or related to the
7 survivor by blood or marriage including the survivor's spouse, parent, brother, sister,
8 child, or any person to whom the survivor stands in loco parentis. VAWA 2013 allows
9 a lease bifurcation so a tenant or lawful occupant who engages in criminal activity
10 directly relating to domestic violence, dating violence, sexual assault, or stalking
11 against an affiliated individual or other individual, or others may be evicted or
12 removed without evicting or removing or otherwise penalizing a victim who is a tenant
13 or lawful occupant. If victim cannot establish eligibility, BORROWER must give a
14 reasonable amount of time to find new housing or establish eligibility under another
15 covered housing program. A Notice of Rights under VAWA 2013 for tenants must be
16 provided at the time a person applies for housing, when a person is admitted as a tenant
17 of a housing unit, and when a tenant is threatened with eviction or termination of
18 housing benefits. Tenants must request an emergency transfer and reasonably believe
19 that they are threatened with imminent harm from further violence if the tenant
20 remains in the same unit. The provisions of VAWA 2013 that are applicable to HCD
21 programs are found in title VI of VAWA 2013, which is entitled "Safe Homes for
22 Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking."
23 Section 601 of VAWA 2013 amends subtitle N of VAWA (42 U.S.C. 14043e et seq.)
24 to add a new chapter entitled "Housing Rights."

25 5) USE OF PROPERTY; CONSTRUCTION OF IMPROVEMENTS. During the
26 Affordability Period, BORROWER covenants and agrees to use the Property solely for the
27 construction and operation of the Project in accordance with the PLHA Loan Documents, and
28 to construct the Project in a timely manner and in accordance with the Schedule of Performance

1 attached to the PLHA Loan Agreement. The proceeds of the PLHA Loan shall be used solely
2 for construction of the Units, and not in connection with any non-residential facilities, services
3 or activities.

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

28 7) STRUCTURAL MODIFICATIONS. In order to protect and maintain the

1 architectural and structural integrity of the Project, no structural modification will be made to
2 the Project without a validly issued building permit in accordance with the requirements of the
3 County of Riverside Ordinances. Any application for a building permit pursuant to this section
4 and in connection with a proposed exterior modification to the Project shall be accompanied
5 by elevations and plans depicting the proposed modifications.

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

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

27 BORROWER, its successors and assigns, shall refrain from restricting the rental, sale, or
28 lease of the Property or any portion thereof, on the basis of race, color, creed, religion, sex, sexual

1 orientation, marital status, national origin, or ancestry of any person. Every deed, lease, and
2 contract entered into with respect to the Property, or any portion thereof, after the date of this
3 Agreement shall contain or be subject to substantially the following nondiscrimination or
4 nonsegregation clauses:

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

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

1 herein leased.”

2 c) In contracts: “There shall be no discrimination against or segregation of any
3 person or group of persons, on account of any basis listed in subdivision (a) or (d) of
4 Section 12955 of the Government Code, as those bases are defined in Sections 12926,
5 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and
6 Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use,
7 occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person
8 claiming under or through him or her, establish or permit any such practice or practices of
9 discrimination or segregation with reference to the selection, location, number, use, or
10 occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land.”

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

16 9) INSURANCE. Without limiting or diminishing the BORROWER’S obligation
17 to indemnify or hold the COUNTY harmless, BORROWER shall procure and maintain or
18 cause to be maintained, at its sole cost and expense, the following insurance coverages during
19 the term of this Agreement. As respects to the insurance section only, the COUNTY herein
20 refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments,
21 their respective directors, officers, Board of Supervisors, employees, elected or appointed
22 officials, agents or representatives as Additional Insureds.

23 a) Builder’s All Risk (Course of Construction) Insurance. BORROWER shall
24 provide a policy of Builder’s All Risk (Course of Construction) insurance coverage
25 including (if the work is located in an earthquake or flood zone or if required on financed
26 or bond financing arrangements) coverage for earthquake and flood, covering the
27 COUNTY, BORROWER and every subcontractor, of every tier, for the entire Project,
28 including property to be used in the construction of the work while such property is at off-

1 site storage locations or while in transit or temporary off-site storage. Such policy shall
2 include, but not be limited to, coverage for fire, collapse, faulty workmanship, debris
3 removal, expediting expense, fire department service charges, valuable papers and records,
4 trees, grass, shrubbery and plants. If scaffolding, false work and temporary buildings are
5 insured separately by the BORROWER or others, evidence of such separate coverage shall
6 be provided to County prior to the start of the work. Such policy shall be written on an all
7 risk basis and a completed value form. Such policy shall cover the full insurable
8 value. Such policy shall also provide coverage for temporary structures (on-site offices,
9 etc.), fixtures, machinery and equipment being installed as part of the work. BORROWER
10 shall be responsible for any and all deductibles under such policy. Upon request by
11 COUNTY, BORROWER shall declare all terms, conditions, coverages and limits of such
12 policy. Such policy shall name the COUNTY as a loss payee as their interest may
13 appear. If the County so provides, in its sole discretion, the All Risk (Course of
14 Construction) insurance for the Project, then BORROWER shall assume the cost of any
15 and all applicable policy deductibles (currently, \$50,000 per occurrence) and shall insure
16 its own machinery, equipment, tools, etc. from any loss of any nature whatsoever.

17 b) Worker's Compensation Insurance. If the BORROWER has employees as
18 defined by the State of California, the BORROWER shall maintain statutory Workers'
19 Compensation Insurance (Coverage A) as prescribed by the laws of the State of California.
20 Policy shall include Employers' Liability (Coverage B) including Occupational Disease
21 with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed
22 to waive subrogation in favor of The County of Riverside. Policy shall name the COUNTY
23 as Additional Insureds.

24 c) Comprehensive General Liability Insurance. Comprehensive General
25 Liability insurance coverage, including but not limited to, premises liability, unmodified
26 contractual liability, products and completed operations liability, personal and advertising
27 injury, and cross liability coverage, covering claims which may arise from or out of
28 BORROWER'S performance of its obligations hereunder. Policy shall name the COUNTY

1 as Additional Insured. Policy's limit of liability shall not be less than \$2,000,000 per
2 occurrence and \$4,000,000 in the aggregate. Policy shall name the COUNTY as Additional
3 Insureds.

4 d) Vehicle Liability Insurance. If vehicles or mobile equipment are used in the
5 performance of the obligations under this Agreement, then BORROWER shall maintain
6 liability insurance for all owned, non-owned or hired vehicles so used in an amount not
7 less than \$1,000,000 per occurrence combined single limit. If such insurance contains a
8 general aggregate limit, it shall apply separately to this agreement or be no less than two
9 (2) times the occurrence limit. Policy shall name the COUNTY as Additional Insureds.

10 e) General Insurance Provisions – All Lines.

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

16 2) The BORROWER must declare its insurance self-insured retention
17 for each coverage required herein. If any such self-insured retention exceed \$500,000 per
18 occurrence each such retention shall have the prior written consent of the County Risk
19 Manager before the commencement of operations under this Agreement. Upon notification
20 of self-insured retention unacceptable to the COUNTY, and at the election of the County's
21 Risk Manager, BORROWER'S carriers shall either; 1) reduce or eliminate such self-
22 insured retention as respects this Agreement with the COUNTY, or 2) procure a bond
23 which guarantees payment of losses and related investigations, claims administration, and
24 defense costs and expenses.

25 3) BORROWER shall cause BORROWER'S insurance carrier(s) to
26 furnish the County of Riverside with either 1) a properly executed original Certificate(s)
27 of Insurance and certified original copies of Endorsements effecting coverage as required
28 herein, and 2) if requested to do so orally or in writing by the County Risk Manager,

1 provide original Certified copies of policies including all Endorsements and all attachments
2 thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and
3 policies of insurance shall contain the covenant of the insurance carrier(s) that a minimum
4 of thirty (30) days written notice shall be given to the County of Riverside prior to any
5 material modification, cancellation, expiration or reduction in coverage of such insurance.
6 If BORROWER insurance carrier(s) policies do/does not meet the minimum notice
7 requirement found herein, BORROWER shall cause BORROWER'S insurance carrier(s)
8 to furnish a 30 day Notice of Cancellation Endorsement.

9 4) In the event of a material modification, cancellation, expiration, or
10 reduction in coverage, this Agreement shall terminate forthwith, unless the County of
11 Riverside receives, prior to such effective date, another properly executed original
12 Certificate of Insurance and original copies of endorsements or certified original policies,
13 including all endorsements and attachments thereto evidencing coverages set forth herein
14 and the insurance required herein is in full force and effect. BORROWER shall not
15 commence operations until the COUNTY has been furnished original Certificate (s) of
16 Insurance and certified original copies of endorsements and if requested, certified original
17 policies of insurance including all endorsements and any and all other attachments as
18 required in this Section. An individual authorized by the insurance carrier to do so on its
19 behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

20 5) It is understood and agreed to by the parties hereto that the
21 BORROWER'S insurance shall be construed as primary insurance, and the COUNTY'S
22 insurance and/or deductibles and/or self-insured retention's or self-insured programs shall
23 not be construed as contributory.

24 6) If, during the term of this Agreement or any extension thereof, there
25 is a material change in the scope of services; or, there is a material change in the equipment
26 to be used in the performance of the scope of work; or, the term of this Agreement,
27 including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right
28 to adjust the types of insurance and the monetary limits of liability required under this

1 Agreement, if in the County Risk Management's reasonable judgment, the amount or type
2 of insurance carried by the BORROWER has become inadequate.

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

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

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

10 10) HOLD HARMLESS/INDEMNIFICATION. BORROWER shall indemnify and
11 hold harmless the County of Riverside, its Agencies, Districts, Boards, Special Districts and
12 Departments, their respective directors, officers, elected and appointed officials, employees,
13 agents and representatives (individually and collectively hereinafter referred to as
14 "Indemnitees") from any claim, liability, costs or fees (including, but not limited to, attorneys'
15 fees and costs, costs of investigation, defense and settlements or awards), resulting from any
16 act or failure to act of BORROWER, its officers, employees, subcontractors, agents or
17 representatives, in connection with, arising out of or in any way relating to this Agreement, the
18 PLHA Loan Documents or the Project, including, but not limited to, property damage, bodily
19 injury, death or any other claim or liability of any kind or nature whatsoever. BORROWER
20 shall defend the Indemnitees, at BORROWER's sole expense, in any claim or action based
21 upon such alleged acts or omissions, except to the extent arising from the gross negligence or
22 wmisconduct of any Indemnatee. With respect to any action or claim subject to indemnification
23 herein, BORROWER shall, at its sole cost, have the right to use counsel of its own choice and
24 shall have the right to adjust, settle, or compromise any such action or claim without the prior
25 consent of COUNTY; provided, however, that any such adjustment, settlement or compromise
26 in no manner whatsoever limits or circumscribes BORROWER's indemnification obligation
27 to Indemnitees as set forth herein. BORROWER's obligation hereunder shall be satisfied
28 when BORROWER has provided to COUNTY the appropriate form of dismissal relieving the

1 Indemnitees from any liability for the action or claim involved. The specified insurance limits
2 required in this Agreement shall in no way limit or circumscribe BORROWER's obligations
3 to indemnify and hold harmless the Indemnitees herein from third party claims. In the event
4 there is conflict between this clause and California Civil Code Section 2782, this clause shall
5 be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve
6 BORROWER from indemnifying the Indemnitees to the fullest extent allowed by law. The
7 indemnification set forth in this paragraph shall survive the expiration or earlier termination of
8 this Covenant.

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

14 COUNTY:

15 County of Riverside
16 Department of Housing and Workforce Solutions
17 3403 Tenth Street, Suite #300
18 Riverside, CA 92501
19 Attention: Director

20 BORROWER:

21 Cambern Avenue Housing Associates, L.P.
22 3111 Camino del Rio N, Suite 800
23 San Diego, CA 92108
24 Attention: Senior Vice President, Housing and Real Estate Development

25 With Copy to Guarantor:

26 Community HousingWorks
27 3111 Camino del Rio N, Suite 800
28 San Diego, CA 92108
Attention: Senior Vice President, Housing and Real Estate Development

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

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

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

8 14) NOTICE AND CURE. Prior to exercising any remedies hereunder, the COUNTY
9 shall give BORROWER notice of such default pursuant to the Notice section above. Any
10 monetary default shall be cured within ten (10) days of delivery of written notice. Except as
11 otherwise set forth herein, if a non-monetary default is reasonably capable of being cured
12 within thirty (30) days of delivery of such notice of default, BORROWER shall have such
13 period to effect a cure prior to exercise of remedies by COUNTY. If the non-monetary default
14 is such that it is not reasonably capable of being cured within thirty (30) days of delivery of
15 such notice of default, and BORROWER (a) initiates corrective action within said period, and
16 (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then
17 BORROWER shall have such additional time as is reasonably necessary to cure the default
18 prior to exercise of any remedies by the COUNTY; but in no event no later than one hundred
19 twenty (120) days from delivery of such notice of default. COUNTY, upon providing
20 BORROWER with any notice of default under this Covenant, shall, within a reasonable time,
21 provide a copy of such default notice to a Permitted Lender (as defined in Section 19 below)
22 or limited partner, if any, who has given written notice to COUNTY of its interest in the
23 Property and Project. From and after such notice has been delivered to a Permitted Lender and
24 BORROWER's limited partner, if any, such Permitted Lender or limited partner shall have the
25 same period for remedying the default complained of as the cure period provided to
26 BORROWER pursuant to this Section 14. COUNTY shall accept performance by a Permitted
27 Lender or limited partner as if the same had been done by BORROWER.

28 If a violation of any of the covenants or provisions of this Covenant remains uncured

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

10 15) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY.

11 BORROWER hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of
12 the Project, the Property or any portion thereof, without obtaining the prior written consent of
13 COUNTY, except as otherwise permitted pursuant to the PLHA Loan Documents, which such
14 consent may be granted or withheld in its discretion. Upon application for and such, sale
15 transfer or assignment, BORROWER shall demonstrate that the proposed transferee is
16 reasonably capable of performing and complying with BORROWER's duties and obligations
17 under the PLHA Loan Documents, including this Covenant. Any sale, assignment, or transfer
18 of the Project or Property shall be memorialized in an assignment and assumption agreement,
19 the form and substance of which shall have been first approved in writing by the COUNTY, in
20 its discretion. Such assignment and assumption agreement shall, among other things, provide
21 that the transferee has assumed in writing and in full, BORROWER's duties and obligations
22 under the PLHA Loan Documents, including this Covenant.

23 16) AMENDMENTS OR MODIFICATIONS. This Covenant may be changed or
24 modified only by a written amendment signed by authorized representatives of both parties.

25 17) GOVERNING LAW; VENUE; SEVERABILITY. This Covenant shall be
26 governed by the laws of the State of California. Any legal action related to the performance
27 or interpretation of this Covenant shall be filed only in the Superior Court of the State of
28 California located in Riverside, California, and the parties waive any provision of law

1 providing for a change of venue to another location. In the event any provision in this
2 Covenant is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the
3 remaining provisions will nevertheless continue in full force without being impaired or
4 invalidated in any way

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

7 19) PERMITTED MORTGAGES. No violation or breach of the covenants,
8 conditions, restrictions, provisions or limitations contained in this Covenant shall defeat or
9 render invalid or in any way impair the lien or charge of any deed of trust or mortgage permitted
10 by the PLHA Loan Agreement or the lien or charge of a deed of trust made by BORROWER
11 for the benefit of any lender first approved in writing by the COUNTY, which such approval
12 by COUNTY may be evidenced by the entry by COUNTY into a subordination agreement
13 with such lender (each, a "Permitted Lender") and nothing herein or in the PLHA Loan
14 Agreement shall prohibit or otherwise limit the exercise of a Permitted Lender's rights and
15 remedies thereunder, including a foreclosure or deed-in-lieu of foreclosure and subsequent
16 transfer thereafter.

17 20) COVENANT RUNS WITH PROPERTY. In accordance with California Civil
18 Code Section 1461 et seq., all conditions, covenants and restrictions contained in this Covenant
19 shall be covenants running with the land. The COUNTY shall be deemed the beneficiary of
20 the covenants, conditions and restrictions of this Covenant both for and in its own right and for
21 the purposes of protecting the interests of the community. The covenants, conditions, and
22 restrictions shall run in favor of the COUNTY, without regard to whether COUNTY has been,
23 remains, or is an owner of any land or interest therein in the Property.

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

28 22) MANAGEMENT. BORROWER shall be responsible for the operation of the

1 Project either by direct management or by contracting its managerial functions to a third-party
2 property manager reasonably acceptable to COUNTY ("Property Manager"). The Property
3 Manager will be charged with managing the Project on behalf of the BORROWER. COUNTY
4 shall have the right to review and approve, which approval shall not be unreasonably withheld,
5 conditioned or delayed, any such entity and agreement therefor prior to its selection by the
6 BORROWER. BORROWER shall include in any such property management agreement a
7 provision providing for the termination of the agreement in the event that the Property Manager
8 violates any federal, state or local health and safety laws and regulations which are not cured
9 within thirty (30) days following the giving of notice of such violations by COUNTY or any
10 other governmental entity; provided, however, that in the case of a violation that cannot be
11 cured within such thirty (30) day period, that such cure shall be commenced within thirty (30)
12 days of notification and shall be diligently prosecuted to completion not later than sixty (60)
13 days after notification. BORROWER, its successors and assigns, upon notice from COUNTY,
14 shall indemnify, hold harmless and pay any costs and fees (including administrative and
15 attorneys' fees) incurred by COUNTY or the Indemnitees in connection with responding to or
16 defending any discrimination claim brought by any third party and/or local, state or federal
17 government entity, arising out of or in connection with the Project and/or this Agreement.

18 23) COMPLIANCE WITH APPLICABLE LAWS. BORROWER shall carry out the
19 design, construction and operation of the Project in conformity with all applicable federal, state
20 and local laws, ordinances, statutes, codes, rules, resolutions, regulations, policy statements,
21 orders, and decrees including without limitation, all applicable labor and employment laws and
22 standards, laws regarding hazardous substances, laws regarding the acceptance or rejection of
23 tenants and/or the termination of any tenancy, zoning and development standards, building,
24 plumbing, mechanical and electrical codes, and all other provisions of the Code of Ordinances
25 of Riverside County, and all applicable disabled and handicapped access requirements,
26 including without limitation the Americans With Disabilities Act, 42 U.S.C. § 12101, et seq.,
27 as currently exists or as may be amended from time to time, Government Code § 4450, et seq.,
28 as currently exists or as may be amended from time to time, Government Code § 11135, et

1 seq., as currently exists or as may be amended from time to time, and the California Building
2 Standards Code, Health and Safety Code § 18900, et seq. as currently exists or as may be
3 amended from time to time.

4 24) PROJECT MONITORING AND EVALUATION.

5 a) Tenant Checklist. BORROWER shall submit a "Tenant Checklist Form"
6 to COUNTY, in such form as may be required by COUNTY, and may from time to time
7 be revised by COUNTY, summarizing the racial/ethnic composition, number and
8 percentage of Very Low and Low Income Households who are tenants of the PLHA Units.
9 The Tenant Checklist Form shall be submitted upon completion of the construction and
10 thereafter, on a semi-annual basis on or before March 31 and September 30. BORROWER
11 shall maintain financial, programmatic, statistical and other supporting records of its
12 operations and financial activities in accordance with the requirements of the COUNTY
13 and the PLHA Program, and shall provide such records to COUNTY at least annually.
14 Except as otherwise provided for in this Covenant and in the PLHA Loan Agreement,
15 BORROWER shall maintain and submit records to COUNTY within ten (10) business
16 days of COUNTY's request which clearly documents BORROWER's performance under
17 each requirement of the PLHA Program.

18 b) Inspections. During the period of affordability, COUNTY may perform
19 annual on-site inspections of the rental housing included in the Project to determine
20 compliance with applicable State and local health, safety, and other applicable codes,
21 ordinances, and requirements, and the ongoing property standards established by the
22 participating jurisdiction and to verify the information submitted by the BORROWER.

23 c) Written Selection Policies. BORROWER shall adopt written selection
24 policies and criteria that are approved in writing by COUNTY prior to entering into any
25 lease for an Affordable Unit in the Project, which selection policies shall be subject to all
26 applicable laws, including, if applicable, Section 42 of the Internal Revenue Code:

- 27 1) Are consistent with the purpose of providing housing for Very Low
28 Income Households and Low Income Households.

2) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease.

3) Provide for:

(A) The selection of tenants from a written waiting list in the chronological order of their satisfaction of all eligibility requirements, insofar as is practicable; and

(B) The prompt written notification to any rejected applicant of the grounds for any rejection;

4) To the extent permitted by law, provide first priority in the selection of otherwise eligible tenants to persons displaced by COUNTY (if any); and

5) Carry out the affirmative marketing procedures of COUNTY, to provide information and otherwise attract eligible persons from all racial, ethnic and gender groups in the housing market area. BORROWER and COUNTY shall cooperate to effectuate this provision during the BORROWER's initial lease-up of the PLHA Units and as vacancies occur.

d) Income Requirements and Certification. Prior to leasing an Affordable Unit and annually thereafter, BORROWER, at its sole expense, shall or shall cause the Property Manager, if any, engaged to manage the Project to certify the eligibility of each tenant applicant as a Very Low Income Household or Low Income Household in accordance with the PLHA Program. The BORROWER shall complete such certification on forms as may be reasonably required by COUNTY (which may include provision to COUNTY of any reporting forms required by California Tax Credit Allocation Committee (CTCAC)). Gross income calculations for prospective (and continuing) tenants shall be determined in accordance with CTCAC requirements and applicable California law. BORROWER shall cause the Property Manager to submit such income certification, verification and such additional information as may reasonably be required by COUNTY, HCD or, if applicable, CTCAC. Such supporting documentation shall include, for each member of the household eighteen (18) years old or older, copies of documentation and

1 verification procedures as required by California law or Section IV of CTCAC's
2 Compliance Online Reference Manual, as may be amended from time to time by CTCAC
3 and currently located at -
4 <https://www.treasurer.ca.gov/ctcac/compliance/manual/manual.pdf>. BORROWER and
5 COUNTY agree and acknowledge that COUNTY may require such additional
6 information, if any, required to comply with the PLHA Program and/or applicable
7 California law regarding affordable housing.

8 e) Submission of Audited Financial Statements. BORROWER shall prepare
9 and obtain an audited annual financial statement for the Project for each calendar year (the
10 "Annual Audited Financial Statements") ending after completion of the development of
11 the Project. By no later than the April 1st following the year in which final certificate of
12 occupancy for the Project is issued, BORROWER shall submit such Annual Audited
13 Financial Statements to COUNTY for the immediately preceding calendar year.
14 Thereafter, by no later than each April 1st, BORROWER shall submit Annual Audited
15 Financial Statements to COUNTY for the immediately preceding year.

16 f) Reserved.

17 25) ACCESS TO PROJECT SITE. Representatives of the COUNTY shall have the
18 right of access to the Property, upon 24 hours' written notice to BORROWER (except in the
19 case of an emergency, in which case COUNTY or HCD shall provide such notice as may be
20 practical under the circumstances), without charges or fees, during normal business hours to
21 review the operation of the Project in accordance with this Covenant and the PLHA Loan
22 Agreement, subject to the rights of tenants.

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

26 27) RECITALS. The Recitals set forth above are true and correct and incorporated
27 herein by this reference.

28 28) ENTIRE UNDERSTANDING. This Covenant and the PLHA Loan Documents

1 contain the entire understanding and agreement of the parties hereto. There are no oral or
2 written representations, understandings, or ancillary covenants, undertakings or agreements,
3 which are not contained or expressly referred to within this Covenant, and the PLHA Loan
4 Documents, including all amendments and modifications thereto.

5 ///

6 ///

7 ///

8 [remainder of page intentionally blank]

9
10 (SIGNATURES ON THE NEXT PAGE)

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

COUNTY:

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

By: form - do not sign
Heidi Marshall, Director

Date: _____

(COUNTY Signature needs to be acknowledged)

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

By: 
Amrit P. Dhillon, Deputy County Counsel

BORROWER:

CAMBERN AVENUE HOUSING ASSOCIATES, L.P.,
a California limited partnership

By: CHW Cambern Avenue, LLC,
a California limited liability company,
its general partner

By: Community HousingWorks,
a California nonprofit public benefit corporation,
its sole member and manager

By: _____
Kevin Leichner
Senior Vice President, Housing and Real Estate Development

GUARANTOR:

COMMUNITY HOUSINGWORKS,
a California nonprofit public benefit corporation

By: _____
Kevin Leichner
Senior Vice President, Housing and Real Estate Development

Date: _____, 2025

(BORROWER signature must be notarized)

<CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT HERE>

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

All that real property situated in the City of LAKE ELSINORE, County of Riverside, State of California, described as:

LOT 2, BLOCK 13, NORTH ELSINORE TRACT IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS SHOWN BY MAP ON FILE IN BOOK 5, PAGE 105 OF MAPS, RECORDS OF RIVERSIDE COUNTY CALIFORNIA.

EXCEPTING THEREFROM THE NORTHEASTERLY 264 FEET THEREOF.

Commonly Known As: 29366 3RD STREET, LAKE ELSINORE, CA 92530

APN: 377-100-003

That portion of Lot 8 in block 14 of North Elsinore Tract, as shown by Map on file in Book 5. Page 105, of Maps, in the Office of the County Recorder of said County, described as follows:

Beginning at a point on the Southwesterly line of said Lot 8, 420 feet Southeasterly from the most Westerly corner of Lot 7 in said Block 14, said point being the most Southerly corner of that certain parcel conveyed to Dewey Elam and Marcella Elam by Deed Filed for record November 18, 1953 as Instrument No. 55220; thence Northeasterly, parallel with the Northwesterly line of said Lot 7, 210 feet; thence Southeasterly, parallel with the Southwesterly line of said Lot 8, 235 feet, more or less, to the center line of Third Avenue; thence Southwesterly, on the center line of Third Avenue, 21 0 feet to the most Southerly corner of Lot 8 in said Block 14; thence Northwesterly on the Southwesterly line of said Lot 8, 235 feet, more or less to the point of beginning.

Excepting therefrom an easement for road purposes over those portions, Third Avenue and Cambern Avenue.

APN: 377-380-003

ENVIRONMENTAL INDEMNITY

THIS ENVIRONMENTAL INDEMNITY (this "Indemnity"), dated as of _____, 2025, is made by CAMBERN AVENUE HOUSING ASSOCIATES, L.P., a California limited partnership (referred to as "Indemnitor"), whose address for purposes of giving notices is 3111 Camino Del Rio North, Suite 800, San Diego, CA 92108, in favor of the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY" or "County"), whose address for purposes of giving notices is 3403 Tenth Street, Suite #300, Riverside, CA 92501.

WITNESSETH

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

WHEREAS, Indemnitor and COUNTY have entered into that certain Loan Agreement for the Use of PLHA Program Funds Cambern Avenue Apartments, dated as of _____, 2025 (the "Loan Agreement"), pursuant to which COUNTY agreed to loan to Indemnitor, or its assignee, Three Million Dollars (\$3,000,000) in PLHA Program funds (the "PLHA Loan") for the purpose of developing an approximately seventy-five (75) resident units, plus 1 two-bedroom unit unrestricted as a manager's unit, multifamily rental affordable housing development on the Property; and

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

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

Section 1. DEFINITIONS

For the purpose of this Indemnity, "Hazardous Materials" or "Hazardous Substances" shall include, but not be limited to, any substance or material (whether a raw material, building component or waste, a product or by-product of manufacturing or other activities, or any other substance or material) which is or becomes designated, classified or regulated as being "hazardous" or "toxic", or is or becomes otherwise similarly designated, classified or regulated, under any Federal, state or local law, regulation or ordinance, including without limitation (i) any substance defined as a "hazardous substance" or a "hazardous waste" for purposes of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., or the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., respectively, (ii) any substance defined as a "hazardous waste" or a "hazardous substance" for purposes of applicable state or local law and (iii) petroleum, flammable explosives, urea formaldehyde insulation, asbestos and radioactive materials, substances defined as "extremely hazardous substances," "hazardous substances," "hazardous materials," "hazardous waste" or "toxic substances" the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq.; and those substances defined as "hazardous waste" in Section 25117 of the California Health and

Safety Code, as "infectious waste" in Section 25117.5 of the California Health and Safety Code, or as "hazardous substances" in Section 25316 of the California Health and Safety Code or "hazardous materials" as defined in Section 353 of the California Vehicle Code; and in the regulations adopted and publications promulgated pursuant to said laws. "Hazardous Materials" and "Hazardous Substances" shall expressly exclude substances typically used in the construction, development, operation and maintenance of an apartment complex provided such substances are used in accordance with all applicable laws.

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

Section 2. COVENANTS AND INDEMNITY

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

2.1 Covenants.

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

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

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

(d) COUNTY shall have the right, upon reasonable notice and subject to rights of tenants, to conduct an environmental audit of the Property at COUNTY's expense, unless Hazardous Materials are found in violation of this Indemnity, then at Indemnitor's sole cost and expense, and Indemnitor shall cooperate in the conduct of any such environmental audit but in no event shall such audit be conducted unless COUNTY reasonably believes that such audit is warranted. Other than in an emergency, such audit shall be conducted only after prior notice has been given to Indemnitor and only in the presence of a representative of Indemnitor. Indemnitor shall give COUNTY and its agents and employees access to the Property to remove, or otherwise to mitigate against the effects of, Hazardous Materials, provided, however, that COUNTY may exercise this right only if Indemnitor has failed to commence action to mitigate the effects of the Hazardous Materials within thirty (30) days of receipt of notice from COUNTY.

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

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

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

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

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

Section 3. INDEMNITOR'S UNCONDITIONAL OBLIGATIONS

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

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

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

3.3 Termination. Notwithstanding the payment (and performance) in full of all of the Obligations and the payment (or performance) in full of all of Indemnitor's obligations under the PLHA Loan Documents, this Indemnity shall not terminate if any of the following shall have occurred:

- (a) COUNTY has at any time or in any manner participated in the management or control of, taken possession of (whether personally, by agent or by appointment of a receiver), or taken title to the Property or any portion thereof, whether by foreclosure, deed in lieu of foreclosure, sale under power of sale or otherwise; or
- (b) There has been a change, between the date hereof and the date on which all of the Obligations are paid and performed in full, in any Hazardous Materials laws, the effect of which may be to make a lender or mortgagee liable in respect of any

of the Obligations, notwithstanding the fact that no event, circumstance, or condition of the nature described in paragraph (a) above ever occurred.

Section 4. WAIVER

Indemnitor hereby waives the following:

- (a) Promptness and diligence;
- (b) Notice of acceptance and notice of the incurrence of any obligation by Indemnitor;
- (c) Notice of any action taken by COUNTY, or any other interested party under the Loan Agreement or under any other agreement or instrument relating thereto;
- (d) All other notices, demands, and protests, and all other formalities of every kind, in connection with the enforcement of the Obligations, the omission of or delay in which, but for the provisions of this Section 4, might constitute grounds for relieving Indemnitor of its Obligations hereunder;
- (e) Any requirement that COUNTY protect, secure, perfect, or insure any security interest or lien in or on any property subject thereto,
- (f) Any requirement that COUNTY exhaust any right or take any action against Borrower or any other person or collateral;
- (g) Any defense that may arise by reason of:
 - (1) The incapacity, lack of authority, death or disability of, or revocation hereof by, any person or persons;
 - (2) The failure of COUNTY to file or enforce any claim against the estate (in probate, bankruptcy, or any other proceedings) of any person or persons; or
 - (3) Any defense based upon an election of remedies by COUNTY, including, without limitation, an election to proceed by non-judicial foreclosure or which destroys or otherwise impairs the subrogation rights of COUNTY or any other right of COUNTY to proceed against Indemnitor.

Section 5. NOTICES

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

In the case of COUNTY:

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

In the case of Indemnitor:

Borrower: Cambern Avenue Housing Associates, L.P.
3111 Camino del Rio N, Suite 800
San Diego, CA 92108
Attention: Senior Vice President, Housing and Real Estate
Development

Guarantor: Community HousingWorks
3111 Camino del Rio N, Suite 800
San Diego, CA 92108
Attention: Senior Vice President, Housing and Real Estate
Development

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

Section 6. MISCELLANEOUS

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

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

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

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

6.5 This Indemnity shall (a) be binding upon Indemnitor, and Indemnitor's successors and assigns; and (b) inure, together with all rights and remedies of COUNTY hereunder, to the benefit of COUNTY, its respective directors, officers, employees, and agents, any successors to COUNTY's interest in the Property, any other person who acquires any portion of the Property at a foreclosure sale or otherwise through the exercise of COUNTY's rights and remedies under the PLHA Loan Documents, any successors to any such person, and all directors, officers, employees, and agents of all of the aforementioned parties. Without limiting the generality of clause (b) of the immediately preceding sentence, COUNTY may, subject to, and in accordance with, the provisions of the PLHA Loan Documents, assign or otherwise transfer all or any portion of its rights and obligations under the PLHA Loan Documents, to any other person, and such other person shall thereupon become vested with all of the rights and obligations in respect thereof that were granted to COUNTY herein or otherwise. None of the rights or obligations of Indemnitor hereunder may be assigned or otherwise transferred without the prior written consent of COUNTY, except as provided in the PLHA Loan Documents.

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

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

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

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

[Signatures on the Following Page]

IN WITNESS WHEREOF, Indemnitor has duly executed this Indemnity as of the date first set forth above.

INDEMNITOR:

CAMBERN AVENUE HOUSING ASSOCIATES, L.P.,
a California limited partnership

By: CHW Cambern Avenue, LLC,
a California limited liability company,
its general partner

By: Community HousingWorks,
a California nonprofit public benefit corporation,
its sole member and manager

By: form - do not sign
Kevin Leichner
Senior Vice President, Housing and Real Estate Development

GUARANTOR:

COMMUNITY HOUSINGWORKS,
a California nonprofit public benefit corporation

By: form - do not sign
Kevin Leichner
Senior Vice President, Housing and Real Estate Development

Exhibit A
LEGAL DESCRIPTION OF PROPERTY

All that real property situated in the City of LAKE ELSINORE, County of Riverside, State of California, described as:

LOT 2, BLOCK 13, NORTH ELSINORE TRACT IN THE CITY OF LAKE ELSINORE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AS SHOWN BY MAP ON FILE IN BOOK 5, PAGE 105 OF MAPS, RECORDS OF RIVERSIDE COUNTY CALIFORNIA.

EXCEPTING THEREFROM THE NORTHEASTERLY 264 FEET THEREOF.

Commonly Known As: 29366 3RD STREET, LAKE ELSINORE, CA 92530

APN: 377-100-003

That portion of Lot 8 in block 14 of North Elsinore Tract, as shown by Map on file in Book 5. Page 105, of Maps, in the Office of the County Recorder of said County, described as follows:

Beginning at a point on the Southwesterly line of said Lot 8, 420 feet Southeasterly from the most Westerly corner of Lot 7 in said Block 14, said point being the most Southerly corner of that certain parcel conveyed to Dewey Elam and Marcella Elam by Deed Filed for record November 18, 1953 as Instrument No. 55220; thence Northeasterly, parallel with the Northwesterly line of said Lot 7, 210 feet; thence Southeasterly, parallel with the Southwesterly line of said Lot 8, 235 feet, more or less, to the center line of Third Avenue; thence Southwesterly, on the center line of Third Avenue, 21 0 feet to the most Southerly corner of Lot 8 in said Block 14; thence Northwesterly on the Southwesterly line of said Lot 8, 235 feet, more or less to the point of beginning.

Excepting therefrom an easement for road purposes over those portions, Third Avenue and Cambern Avenue.

APN: 377-380-003

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

First-Citizens Bank & Trust Company
Attention: Community Development Finance
222 2nd Street, 17th Floor
San Francisco, CA 94105

(SPACE ABOVE THIS LINE FOR RECORDER'S
USE)

**SUBORDINATION AGREEMENT
(COUNTY LOANS)**

THIS SUBORDINATION AGREEMENT (this "**Agreement**") is dated as of March [], 2025 by and among (i) CAMBERN AVENUE HOUSING ASSOCIATES, L.P., a California limited partnership (the "**Borrower**"), (ii) COUNTY OF RIVERSIDE, a political subdivision of the State of California (the "**Subordinate Lender**"); and (iii) FIRST-CITIZENS BANK & TRUST COMPANY, its successors, transferees and assigns (the "**Senior Lender**").

Recitals

A. Borrower is the owner of the real property located in the City of Lake Elsinore, County of Riverside, California and described in **Exhibit A** attached to this Agreement (the "**Property**").

B. Pursuant to that certain Loan Agreement (Construction Loan Converting to Term Loan) (the "**First Mortgage Loan Agreement**") executed as of March [], 2025 between Borrower and Senior Lender, Senior Lender is making a construction loan to Borrower in the principal amount of [] and No/100 Dollars (\$[]) (the "**First Mortgage Loan**"). The First Mortgage Loan is or will be secured by a first mortgage lien (the "**First Mortgage**") on Borrower's fee interest in the Property and to be recorded in the Official Records of Riverside County, California (the "**Official Records**") substantially concurrently herewith on the Property. The Borrower's obligation to repay the First Mortgage Loan is evidenced by a Promissory Note Secured by Deed of Trust (Construction Loan Converting to Term Loan) in the aggregate principal amount of \$[] (the "**First Mortgage Note**"). The First Mortgage Loan Agreement, First Mortgage Note, First Mortgage and the other "Loan Documents" (as defined in the First Mortgage Loan Agreement) as hereinafter sometimes collectively referred to as the "**First Mortgage Loan Documents**").

C. Upon the timely satisfaction of the Conversion Conditions set forth in the First Mortgage Loan Agreement, the construction loan will convert to a term loan in the maximum amount of \$[].

D. Subordinate Lender has made a loan to Borrower in the aggregate principal amount of \$1,000,000 (the "**County ARPA Loan**") pursuant to that certain Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds dated as of December 3, 2024 (the "**ARPA Subordinate Loan Agreement**"), which County ARPA Loan is evidenced by, among other documents, that certain Promissory Note in the original principal amount of One Million and No/100 Dollars (\$1,000,000) made by Borrower to the order of Subordinate Lender (the "**ARPA Subordinate Note**"). The County ARPA Loan evidenced by the ARPA Subordinate Note is secured by that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of November [], 2024, made by Borrower for the benefit of Subordinate Lender (the "**ARPA Subordinate Mortgage**") and to be recorded in the Official Records substantially concurrently herewith. In connection with the County ARPA Loan, Borrower has also executed that certain Covenant Agreement dated as of November [], 2024 (the "**County**

ARPA Regulatory Agreement"), which will be recorded concurrently herewith on the Property. The ARPA Subordinate Loan Agreement, the ARPA Subordinate Note, and the ARPA Subordinate Mortgage, and the County ARPA Regulatory Agreement, and all documents which evidence, guaranty, secure or otherwise pertain to the County Loan collectively constitute the **"ARPA Subordinate Loan Documents."**

E. Subordinate Lender has made a loan to Borrower in the aggregate principal amount of \$3,000,000 (the **"County PLHA Loan"**, and together with the County ARPA Loan, collectively, the **"Subordinate Loan"**) pursuant to that certain Loan Agreement for the Use of Permanent Local Housing Allocation (PLHA) Program Funds dated as of March [], 2025 (the **"PLHA Subordinate Loan Agreement"**, and together with the ARPA Subordinate Loan Agreement, collectively, the **"Subordinate Loan Agreement"**), which County PLHA Loan is evidenced by, among other documents, that certain Promissory Note Secured by Deed of Trust in the original principal amount of Three Million and No/100 Dollars (\$3,000,000) made by Borrower to the order of Subordinate Lender (the **"PLHA Subordinate Note"**, and together with the ARPA Subordinate Note, collectively, the **"Subordinate Note"**). The County PLHA Loan evidenced by the PLHA Subordinate Note is secured by that certain Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) dated as of March [], 2025, made by Borrower for the benefit of Subordinate Lender (the **"PLHA Subordinate Mortgage"**, and together with the ARPA Subordinate Mortgage, collectively, the **"Subordinate Mortgage"**) and to be recorded in the Official Records substantially concurrently herewith. In connection with the County PLHA Loan, Borrower has also executed that certain Permanent Local Housing Allocation (PLHA) Program Covenant Agreement dated as of March [], 2025 (the **"County PLHA Regulatory Agreement"**, and together with the County ARPA Regulatory Agreement, collectively, the **"County Restrictions"**), which will be recorded concurrently herewith on the Property. The PLHA Subordinate Loan Agreement, the PLHA Subordinate Note, the PLHA Subordinate Mortgage, and the County PLHA Regulatory Agreement, and all documents which evidence, guaranty, secure or otherwise pertain to the County Loan collectively constitute the **"PLHA Subordinate Loan Documents."** The ARPA Subordinate Loan Documents and the PLHA Subordinate Loan Documents shall be collectively referred to herein as the **"Subordinate Loan Documents"**. [Notwithstanding anything to the contrary contained herein, the County Restrictions (defined below) shall be senior in priority to the First Mortgage Loan Documents.]¹

F. The Senior Lender has agreed to permit the Subordinate Lender to make the Subordinate Loan and to place subordinate mortgage liens against the Property subject to all of the conditions contained in this Agreement.

NOW, THEREFORE, in order to induce the Senior Lender to permit the Subordinate Lender to make the Subordinate Loan to the Borrower and to place a subordinate mortgage lien against the Property, and in consideration thereof, the Senior Lender, the Subordinate Lender and the Borrower agree as follows:

1. Definitions.

In addition to the terms defined in the Recitals to this Agreement, for purposes of this Agreement the following terms have the respective meanings set forth below:

"Affiliate" means, when used with respect to a Person, any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or individual controlled by, under common control with, or which controls such Person (the term "control" for these purposes shall mean the ability, whether by the ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to make management decisions on behalf of, or independently to select the managing partner of, a partnership, or otherwise to have the power independently to remove and then select a majority

¹ [Note: Senior Lender confirmation that recording of PLHA Regulatory Agreement senior to the First Mortgage is acceptable is subject to (i) the County adding a float-up provisions to the PLHA Subordinate Loan Documents and (ii) Senior Lender's final confirmation.]

of those individuals exercising managerial authority over an entity, and control shall be conclusively presumed in the case of the ownership of 50% or more of the equity interests).

"Borrower" means the Person named as such in the first paragraph of this Agreement and any other Person (other than the Senior Lender) who acquires title to the Property after the date of this Agreement.

"Business Day" means any day other than Saturday, Sunday or a day on which the Senior Lender is not open for business.

"County Restrictions" has the meaning set forth in Recital E of this Agreement.

"Default Notice" means: (a) a copy of the written notice from the Senior Lender to the Borrower stating that a First Mortgage Loan Default has occurred under the First Mortgage Loan; or (b) a copy of the written notice from the Subordinate Lender to the Borrower stating that a Subordinate Loan Default has occurred under the Subordinate Loan. Each Default Notice shall specify the default upon which such Default Notice is based.

"First Mortgage Loan Default" means the occurrence of an "Event of Default" as that term is defined in the First Mortgage Loan Documents.

"First Mortgage Loan Documents" means the First Mortgage Loan Agreement, the First Mortgage Note, the First Mortgage, and all other documents evidencing, securing or otherwise executed and delivered in connection with the First Mortgage Loan.

"Person" means an individual, estate, trust, partnership, corporation, limited liability company, limited liability partnership, governmental department or agency or any other entity which has the legal capacity to own property.

"Senior Lender" means the Person named as such in the first paragraph of this Agreement. When any other Person becomes the legal holder of the First Mortgage Note, such other Person shall automatically become the Senior Lender.

"Subordinate Lender" has the meaning set forth in the first paragraph of this Agreement.

"Subordinate Loan" has the meaning set forth in Recital E of this Agreement.

"Subordinate Loan Default" means a default by the Borrower in performing or observing any of the terms, covenants or conditions in the Subordinate Loan Documents to be performed or observed by it, which continues beyond any applicable period provided in the Subordinate Loan Documents for curing the default.

"Subordinate Loan Documents" means the Subordinate Loan Agreement, the Subordinate Note, the Subordinate Mortgage, the County Restrictions, and all other documents evidencing, securing or otherwise executed and delivered in connection with the Subordinate Loan.

"Subordinate Mortgage" has the meaning set forth in Recital E of this Agreement.

"Subordinate Note" has the meaning set forth in Recital E of this Agreement.

2. Permission to Place Mortgage Lien Against Property.

The Senior Lender agrees, notwithstanding the prohibition against inferior liens on the Property contained in the First Mortgage Loan Documents and subject to the provisions of this Agreement, to permit the Subordinate Lender to record the Subordinate Mortgage and other recordable Subordinate Loan Documents against the Property (which are subordinate in all respects to the lien of the First Mortgage

[except for the County Restrictions which are senior in priority]²⁾ to secure the Borrower's obligation to repay the Subordinate Note and all other obligations, indebtedness and liabilities of the Borrower to the Subordinate Lender under and in connection with the Subordinate Loan. Such permission is subject to the condition that each of the representations and warranties made by the Borrower and the Subordinate Lender in Section 4 is true and correct on the date of this Agreement and on the date on which the proceeds of the Subordinate Loan are disbursed to the Borrower. If any of the representations and warranties made by the Borrower and the Subordinate Lender in Section 4 is not true and correct on both of those dates, the provisions of the First Mortgage Loan Documents applicable to unpermitted liens on the Property shall apply.

3. Lien Priority.

Each of Senior Lender and the Subordinate Lender agree that the Subordinate Loan Documents are unconditionally and will remain at all times, liens, claims, or charges on the Property in the following priority order:

- (a) The County PLHA Regulatory Agreement;
- (b) The County ARPA Regulatory Agreement;
- (c) The First Mortgage and First Mortgage Loan Documents;
- (d) The PLHA Subordinate Mortgage and the other PLHA Subordinate Loan Documents; and
- (e) The ARPA Subordinate Mortgage and the other ARPA Subordinate Loan Documents.]³

4. Borrower's and Subordinate Lender's Representations and Warranties.

The Borrower and the Subordinate Lender each makes the following representations and warranties to the Senior Lender:

- (a) **Reserved.**
- (b) **Relationship of Borrower to Subordinate Lender and Senior Lender.** The Subordinate Lender is not an Affiliate of the Borrower. The Subordinate Lender is not in possession of any facts which would lead it to believe that the Senior Lender is an Affiliate of the Borrower.
- (c) **Term.** The term of the Subordinate Note does not end before the stated term of the First Mortgage Note.
- (d) **Subordinate Loan Documents.** The executed Subordinate Loan Documents are substantially in the same forms as those submitted to, and approved by, Senior Lender prior to the date of this Agreement. Upon execution and delivery of the Subordinate Loan Documents, Borrower shall deliver to Senior Lender an executed copy of each of the Subordinate Loan Documents, certified to be true, correct and complete.

² [Note: Senior Lender confirmation that recording of PLHA Regulatory Agreement senior to the First Mortgage is acceptable is subject to (i) the County adding a float-up provisions to the PLHA Subordinate Loan Documents and (ii) Senior Lender's final confirmation.]

³ [Note: Senior Lender confirmation that recording of PLHA Regulatory Agreement senior to the First Mortgage is acceptable is subject to (i) the County adding a float-up provisions to the PLHA Subordinate Loan Documents and (ii) Senior Lender's final confirmation.]

The Borrower makes the following representations and warranties to the Subordinate Lender:

(e) **First Mortgage Loan Documents.** The executed First Mortgage Loan Documents are substantially in the same form as, when applicable, those submitted to, and approved by, Senior Lender and submitted to Subordinate Lender prior to the date of this Agreement. Upon execution and delivery of the First Mortgage Loan Documents, Borrower shall deliver to Subordinate Lender an executed copy of each of the First Mortgage Documents, certified to be true, correct and complete.

5. Terms of Subordination.

(a) **Agreement to Subordinate.** The Senior Lender and the Subordinate Lender agree that: (i) the indebtedness evidenced by the Subordinate Loan Documents is and shall be subordinated in right of payment, to the extent and in the manner provided in this Agreement to the prior payment in full of the indebtedness evidenced by the First Mortgage Loan Documents, and (ii) the Subordinate Mortgage and the other Subordinate Loan Documents [(except for the County Restrictions)]⁴ are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Mortgage and the other First Mortgage Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the First Mortgage and the other First Mortgage Loan Documents (including but not limited to, all sums advanced for the purposes of (1) protecting or further securing the lien of the First Mortgage, curing defaults by the Borrower under the First Mortgage Loan Documents or for any other purpose expressly permitted by the First Mortgage, or (2) constructing, renovating, repairing, furnishing, fixturing or equipping the Property).

(b) **Subordination of Subrogation Rights.** The Subordinate Lender agrees that if, by reason of its payment of real estate taxes or other monetary obligations of the Borrower, or by reason of its exercise of any other right or remedy under the Subordinate Loan Documents, it acquires by right of subrogation or otherwise a lien on the Property which (but for this subsection) would be senior to the lien of the First Mortgage, then, in that event, such lien shall be subject and subordinate to the lien of the First Mortgage.

(c) **Payments Before First Mortgage Loan Default.** Until the Subordinate Lender receives a Default Notice of a First Mortgage Loan Default from the Senior Lender, the Subordinate Lender shall be entitled to retain for its own account all payments made under or pursuant to the Subordinate Loan Documents.

(d) **Payments After First Mortgage Loan Default.** The Borrower agrees that, after it receives notice (or otherwise acquires actual knowledge) of a First Mortgage Loan Default, it will not make any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Mortgage) without the Senior Lender's prior written consent. The Subordinate Lender agrees that, after it receives a Default Notice from the Senior Lender with written instructions directing the Subordinate Lender not to accept payments from the Borrower on account of the Subordinate Loan, it will not accept any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Mortgage) without the Senior Lender's prior written consent. If the Subordinate Lender receives written notice from the Senior Lender that the First Mortgage Loan Default which gave rise to the Subordinate Lender's obligation not to accept payments has been cured, waived, or otherwise suspended by the Senior Lender, the restrictions on payment to the Subordinate Lender in this

⁴ [Note: Senior Lender confirmation that recording of PLHA Regulatory Agreement senior to the First Mortgage is acceptable is subject to (i) the County adding a float-up provisions to the PLHA Subordinate Loan Documents and (ii) Senior Lender's final confirmation.]

Section 5 shall terminate, and the Senior Lender shall have no right to any subsequent payments made to the Subordinate Lender by the Borrower prior to the Subordinate Lender's receipt of a new Default Notice from the Senior Lender in accordance with the provisions of this Section 5(d).

(e) **Remitting Subordinate Loan Payments to Senior Lender.** If, after the Subordinate Lender receives a Default Notice from the Senior Lender in accordance with subsection (d) above, the Subordinate Lender receives any payments under the Subordinate Loan Documents, the Subordinate Lender agrees that such payment or other distribution will be received and held in trust for the Senior Lender and unless the Senior Lender otherwise notifies the Subordinate Lender in writing, will be promptly remitted, in kind to the Senior Lender, properly endorsed to the Senior Lender, to be applied to the principal of, interest on and other amounts due under the First Mortgage Loan Documents in accordance with the provisions of the First Mortgage Loan Documents. By executing this Agreement, the Borrower specifically authorizes the Subordinate Lender to endorse and remit any such payments to the Senior Lender, and specifically waives any and all rights to have such payments returned to the Borrower or credited against the Subordinate Loan. Borrower and Senior Lender acknowledge and agree that payments received by the Subordinate Lender, and remitted to the Senior Lender under this Section 5, shall not be applied or otherwise credited against the Subordinate Loan, nor shall the tender of such payment to the Senior Lender waive any Subordinate Loan Default which may arise from the inability of the Subordinate Lender to retain such payment or apply such payment to the Subordinate Loan.

(f) **Agreement Not to Commence Bankruptcy Proceeding.** The Subordinate Lender agrees that during the term of this Agreement it will not commence, or join with any other creditor in commencing any bankruptcy reorganization, arrangement, insolvency or liquidation proceedings with respect to the Borrower, without the Senior Lender's prior written consent.

6. Default Under Subordinate Loan Documents.⁵

(a) **Notice of Default and Cure Rights.** The Subordinate Lender shall deliver to the Senior Lender a Default Notice within five (5) Business Days in each case where the Subordinate Lender has given a Default Notice to the Borrower. The Senior Lender shall have the right, but not the obligation, to cure any such Subordinate Loan Default as provided below. Senior Lender may have up to thirty (30) days from the date of the Default Notice to cure any monetary default under the Subordinate Loan Documents. Senior Lender may have up to sixty (60) days from the date of the Default Notice to cure any non-monetary default under the Subordinate Loan Documents provided that if Senior Lender commences a cure of such non-monetary default within the prescribed period, and thereafter diligently pursues such cure to completion, the cure period shall be extended to provide Senior Lender sufficient time to complete such cure. All amounts paid by the Senior Lender in accordance with the First Mortgage Loan Documents to cure a Subordinate Loan Default shall be deemed to have been advanced by the Senior Lender pursuant to, and shall be secured by the lien of, the First Mortgage.

(b) **Subordinate Lender's Agreement to Standstill.** If a Subordinate Loan Default occurs and is continuing, Subordinate Lender agrees that, without the Senior Lender's prior written consent, it will not accelerate the Subordinate Loan, commence foreclosure proceedings with respect to the Property, collect rents, appoint (or seek the appointment of) a receiver or institute any other collection or enforcement action without first giving Senior Lender ninety (90) days prior written notice and an opportunity to cure, which ninety (90) day period shall commence by delivery of a Default

⁵ [Note: The Implementation Schedule attached to the ARPA Loan Agreement contains a completion date and conversion date which are not consistent with the First Mortgage Loan Documents. County has advised that the ARPA Loan Documents cannot be amended or updated, and Senior Lender will confirm if the Implementation Schedule should be addressed in a separate estoppel or herein.]

Notice to the Senior Lender as described in Section 6(a); provided, however, that such limitation on the remedies of Subordinate Lender shall not derogate or otherwise limit Subordinate Lender's rights, following an event of default under the Subordinate Loan Documents to (a) compute interest on all amounts due and payable under the Subordinate Loan at the default rate described in the Subordinate 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 First Mortgage Loan Documents, any guaranty of the obligations of Borrower under the Subordinate Loan.

(c) **Cross Default.** The Borrower and the Subordinate Lender agree that a Subordinate Loan Default shall constitute a First Mortgage Loan Default under the First Mortgage Loan Documents and the Senior Lender shall have the right to exercise all rights or remedies under the First Mortgage Loan Documents in the same manner as in the case of any other First Mortgage Loan Default. If any Subordinate Lender notifies the Senior Lender in writing that any Subordinate Loan Default of which the Senior Lender has received a Default Notice has been cured or waived, as determined by the Subordinate Lender in its sole discretion, then provided that Senior Lender has not conducted a sale of the Property pursuant to its rights under the First Mortgage Loan Documents, any First Mortgage Loan Default under the First Mortgage Loan Documents arising solely from such Subordinate Loan Default shall be deemed cured, and the First Mortgage Loan shall be reinstated, provided, however, that the Senior Lender shall not be required to return or otherwise credit for the benefit of the Borrower any default rate interest or other default related charges or payments received by the Senior Lender during such First Mortgage Loan Default.

7. Default Under First Mortgage Loan Documents.

(a) **Notice of Default and Cure Rights.** The Senior Lender shall deliver to the Subordinate Lender a Default Notice within five (5) Business Days of sending such Default Notice to the Borrower. The Subordinate Lender shall have the right, but not the obligation, to cure any such First Mortgage Loan Default as provided below. Subordinate Lender may have up to thirty (30) days from the date of delivery of the Default Notice to cure any monetary default under the First Mortgage Loan Documents; provided, however, that the Senior Lender shall be entitled during such 30-day period to continue to pursue its remedies with respect to the Property. Subordinate Lender may have up to sixty (60) days from the date of the Default Notice to cure a non-monetary default. In the event that such a non-monetary default creates an unacceptable level of risk relative to the Property, or Senior Lender's secured position relative to the Property, as determined by Senior Lender in its sole discretion, then Senior Lender may exercise during such 60-day period all available rights and remedies to protect and preserve the Property and the rents, revenues and other proceeds from the Property. All amounts paid by the Subordinate Lender to the Senior Lender to cure a First Mortgage Loan Default shall be deemed to have been advanced by the Subordinate Lender pursuant to, and shall be secured by the lien of, the Subordinate Mortgage.

(b) **Cross Default.** The Subordinate Lender agrees that, notwithstanding any contrary provision contained in the Subordinate Loan Documents, a First Mortgage Loan Default shall not constitute a default under the Subordinate Loan Documents if no other default occurred under the Subordinate Loan Documents until either (i) the Senior Lender has accelerated the maturity of the First Mortgage Loan, (ii) the Senior Lender has taken affirmative action to exercise its rights under the First Mortgage to collect rent, to appoint (or seek the appointment of) a receiver or to foreclose on (or to exercise a power of sale contained in) the First Mortgage, or (iii) the Senior Lender has delivered a Default Notice to the Borrower. At any time after a First Mortgage Loan Default is determined to constitute a default under the Subordinate Loan Documents, the Subordinate Lender shall be permitted to pursue its remedies for default under the Subordinate Loan Documents, subject to the restrictions and limitations of this Agreement. If at any time the Borrower cures any First Mortgage Loan Default to the satisfaction of the Senior Lender, as evidenced by written notice from the Senior Lender to the Subordinate Lender, any default under the Subordinate Loan Documents arising from such First Mortgage Loan Default shall be deemed cured and the Subordinate Loan shall be retroactively reinstated as if such First Mortgage Loan Default had never occurred.

8. Conflict.

The Borrower, the Senior Lender and the Subordinate Lender each agrees that, in the event of any conflict or inconsistency between the terms of the First Mortgage Loan Documents, any of the Subordinate Loan Documents and the terms of this Agreement, the terms of this Agreement shall govern and control solely as to the following: (a) the relative priority of the security interests of the Senior Lender and the Subordinate Lender in the Property; (b) the timing of the exercise of remedies by the Senior Lender and the Subordinate Lender under the First Mortgage and the Subordinate Mortgage, respectively; and (c) solely as between the Senior Lender and the Subordinate Lender, the notice requirements, cure rights, and the other rights and obligations which the Senior Lender and the Subordinate Lender have agreed to as expressly provided in this Agreement. Borrower acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to: extend Borrower's time to cure any First Mortgage Loan Default or Subordinate Loan Default, as the case may be; give the Borrower the right to notice of any First Mortgage Loan Default or Subordinate Loan Default, as the case may be other than that, if any, provided, respectively under the First Mortgage Loan Documents or the Subordinate Loan Documents; or create any other right or benefit for Borrower as against Senior Lender or Subordinate Lender.

9. Rights and Obligations of the Subordinate Lender Under the Subordinate Loan Documents and of the Senior Lender under the First Mortgage Loan Documents.

Subject to each of the other terms of this Agreement, all of the following provisions shall supersede any provisions of the Subordinate Loan Documents covering the same subject matter:

(a) **Protection of Security Interest.** The Subordinate Lender shall not, without the prior written consent of the Senior Lender in each instance, which shall not be unreasonably withheld, delayed or conditioned, take any action which has the effect of increasing the indebtedness outstanding under, or secured by, the Subordinate Loan Documents, except that the Subordinate Lender shall have the right to advance funds to cure First Mortgage Loan Defaults pursuant to Section 7(a) above and advance funds pursuant to the Subordinate Loan Documents for the purpose of paying real estate taxes and insurance premiums, making necessary repairs to the Property and curing other defaults by the Borrower under the Subordinate Loan Documents.

(b) **Condemnation or Casualty.** In the event of: a taking or threatened taking by condemnation or other exercise of eminent domain of all or a portion of the Property (collectively, a "**Taking**"); or the occurrence of a fire or other casualty resulting in damage to all or a portion of the Property (collectively, a "**Casualty**"), at any time or times when the First Mortgage remains a lien on the Property the following provisions shall apply:

(1) The Subordinate Lender hereby agrees that its rights (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a Taking and/or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Taking or a Casualty shall be and remain subordinate in all respects to the Senior Lender's rights under the First Mortgage Loan Documents with respect thereto, and the Subordinate Lender shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by the Senior Lender; provided, however, this subsection and/or anything contained in this Agreement shall not limit the rights of the Subordinate Lender to file any pleadings, documents, claims or notices with the appropriate court with jurisdiction over the proposed Taking and/or Casualty; and

(2) all proceeds received or to be received on account of a Taking or a Casualty, or both, shall be applied (either to payment of the costs and expenses of repair and restoration or to payment of the First Mortgage Loan) in the manner determined by the Senior Lender in its sole discretion; provided, however, that if the Senior Lender elects to apply such proceeds to payment of the principal of, interest on and other amounts payable

under the First Mortgage Loan, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the First Mortgage Loan shall be paid to, and may be applied by, the Subordinate Lender in accordance with the applicable provisions of the Subordinate Loan Documents, provided however, the Senior Lender agrees to consult with the Subordinate Lender in determining the application of Casualty proceeds, provided further however that in the event of any disagreement between the Senior Lender and the Subordinate Lender over the application of Casualty proceeds, the decision of the Senior Lender, in its sole discretion, shall prevail.

(c) **No Modification of Subordinate Loan Documents.** The Borrower and the Subordinate Lender each agrees that, until the principal of, interest on and all other amounts payable under the First Mortgage Loan Documents have been paid in full, it will not, without the prior written consent of the Senior Lender in each instance, which shall not be unreasonably withheld, delayed or conditioned, increase the amount of the Subordinate Loan, increase the required payments due under the Subordinate Loan, decrease the term of the Subordinate Loan, increase the interest rate on the Subordinate Loan (except as permitted under the Subordinate Loan Documents), or otherwise amend the Subordinate Loan's repayment terms in a manner that creates an adverse effect upon the Senior Lender under the First Mortgage Loan Documents. Any unauthorized amendment of the Subordinate Loan Documents or assignment of the Subordinate Lender's interest in the Subordinate Loan without the Senior Lender's consent shall be void ab initio and of no effect whatsoever.

(d) **Senior Lender Rights and Remedies.** Notwithstanding anything to the contrary contained in any of the Subordinate Loan Documents, the Senior Lender may exercise any and all of its rights and remedies available to it under the First Mortgage Loan Documents without the prior written consent of the Subordinate Lender (including without limitation to the completion of a foreclosure of the First Mortgage), at law, or in equity, subject to the provisions of this Agreement and noticing requirements under applicable law, which exercise shall not constitute an event of default under the Subordinate Loan Documents.

(e) **Approval of First Mortgage Loan.** Subordinate Lender acknowledges and agrees that (i) Senior Lender constitutes a "Senior Lender" and "Senior Lienholder" as set forth in the Subordinate Loan Documents and Senior Lender shall be entitled to all of the rights and benefits appurtenant thereto, (ii) the First Mortgage is and shall be a "Senior Lienholder Deed of Trust" as set forth in the Subordinate Loan Documents and shall be entitled to all of the rights and benefits appurtenant thereto; and (iii) the First Mortgage Loan shall be a loan approved in writing by Subordinate Lender as set forth in the Subordinate Loan Documents.

10. Modification or Refinancing of First Mortgage Loan.

(a) **Modification of First Mortgage Loan.** Notwithstanding anything to the contrary contained in the Subordinate Loan Documents, the Subordinate Lender consents to any agreement or arrangement in which the Senior Lender waives, postpones, extends, reduces or modifies any provisions of the First Mortgage Loan Documents, including any provision requiring the payment of money provided, however, that such consent does not extend to any provision that imposes an obligation on Borrower that expressly prevents Borrower from complying with the terms and conditions of the County Restrictions, increases the amount of the First Mortgage Loan (other than pursuant to a protective advance permitted by the First Mortgage Loan Documents or applicable law); increases the interest rate, except as set forth in the First Mortgage Loan Documents as in effect on the date hereof; or decreases the term of the First Mortgage Loan; all of which shall require advance written consent of Subordinate Lender. However, Subordinate Lender agrees that it shall not unreasonably withhold its consent to any such modification.

(b) **Refinancing of First Mortgage Loan.** Notwithstanding anything to the contrary contained in the Subordinate Loan Documents, Subordinate Lender further agrees that its agreement to subordinate hereunder shall extend to any new mortgage debt, in an amount not

greater than the existing balance of the First Mortgage Loan which is for the purpose of refinancing all or any part of the First Mortgage Loan (including reasonable and necessary costs associated with the closing and/or the refinancing) provided, however, that such consent shall not extend to any refinancing provision that increases the amount of the debt service payment or interest rate (including the stated default rate) or decreases the term of the First Mortgage Loan. Notwithstanding anything to the contrary contained herein, Subordinate Lender acknowledges and agrees that it shall not have any right to consent to the conversion of the Senior Loan to permanent financing pursuant to the terms of the First Mortgage Loan Documents. However, Subordinate Lender agrees that it shall not unreasonably withhold consent to any such modification. In the event of new mortgage debt for the purposes of refinancing meeting the requirements of this Section 10(b), Subordinate Lender shall execute and deliver to Senior Lender a new subordination agreement on the same terms and conditions as this Agreement, provided such new mortgage debt is on the same terms as the First Mortgage Loan.

11. Default by the Subordinate Lender or Senior Lender.

If the Subordinate Lender or Senior Lender defaults in performing or observing any of the terms, covenants or conditions to be performed or observed by it under this Agreement, the other, non-defaulting lender shall have the right to all available legal and equitable relief.

12. Notices.

Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which the Senior Lender or the Subordinate Lender are required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating early morning delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two days after mailing in the United States), addressed to the respective parties as follows:

SENIOR LENDER: First-Citizens Bank & Trust Company
222 2nd Street, 17th Floor
San Francisco, CA 94105
Attention: Community Development Finance

BORROWER: Cambern Avenue Housing Associates
3111 Camino del Rio N., Suite 800
San Diego, CA 92108
Attention: Senior Vice President, Housing and Real Estate
Development

SUBORDINATE LENDER: County of Riverside
Housing and Workforce Solutions
3403 Tenth Street, Suite #300
Riverside, CA 92501
Attn. Alicia Jaimes

Any party may, by notice given pursuant to this Section, change the person or persons and/or address or

addresses, or designate an additional person or persons or an additional address or addresses for its notices, but notice of a change of address shall only be effective upon receipt.

13. General.

(a) **Assignment/Successors.** This Agreement shall be binding upon the Borrower, the Senior Lender and the Subordinate Lender and shall inure to the benefit of the respective legal successors and assigns of the Senior Lender and the Subordinate Lender.

(b) **No Partnership or Joint Venture.** The Senior Lender's permission for the placement of the Subordinate Loan Documents does not constitute the Senior Lender as a joint venturer or partner of the Subordinate Lender. Neither party hereto shall hold itself out as a partner, agent or Affiliate of the other party hereto.

(c) **Senior Lender's and Subordinate Lender's Consent.** Wherever the Senior Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by the Senior Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement. Wherever the Subordinate Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by the Subordinate Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement.

(d) **Further Assurances.** The Subordinate Lender, the Senior Lender and the Borrower each agree, at the Borrower's expense, to execute and deliver all additional instruments and/or documents reasonably required by any other party to this Agreement in order to evidence that the Subordinate Mortgage is subordinate to the lien, covenants and conditions of the First Mortgage, or to further evidence the intent of this Agreement.

(e) **Amendment.** This Agreement shall not be amended except by written instrument signed by all parties hereto.

(f) **Governing Law.** This Agreement shall be governed by the laws of the State in which the Property is located.

(g) **Severable Provisions.** If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement, shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(h) **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 First Mortgage Loan Documents; (ii) the payment of all of the principal of, interest on and other amounts payable under the Subordinate Loan Documents, other than by reason of payments which the Subordinate Lender is obligated to remit to the Senior Lender pursuant to Section 5 hereof; (iii) the acquisition by the 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 First Mortgage; or (iv) the acquisition by the Subordinate 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 Subordinate Mortgage, but only if such acquisition of title does not violate any of the terms of this Agreement.

(i) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

SENIOR LENDER:

FIRST-CITIZENS BANK & TRUST COMPANY

By: form - do not sign

Name:

Title:

SUBORDINATE LENDER:

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

By: form - do not sign
Heidi Marshall, Director

Date: _____

(COUNTY Signature needs to be acknowledged)

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

By: 
Amrit P. Dhillon, Deputy County Counsel

BORROWER:

CAMBERN AVENUE HOUSING ASSOCIATES, L.P.,
a California limited partnership

By: CHW Cambern Avenue, LLC, a California limited liability company, its managing general partner

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

By: _____ form - do not sign
Name: Kevin Lechner
Title: Senior Vice President

By: CHW Cambern Avenue, LLC, a California limited liability company, its administrative general partner

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

By: _____ form - do not sign
Name: Kevin Lechner
Title: Senior Vice President

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, _____, a 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 _____

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, _____, a 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.

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Signature _____

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State of California)
County of _____)

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WITNESS my hand and official seal.

Signature _____

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State of California)
County of _____)

On _____, before me, _____, a 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 _____

Exhibit A
Legal Description

[TITLE TO PROVIDE]

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

City of Lake Elsinore
130 S. Main Street
Lake Elsinore, CA 92530
Attn: City Clerk
Re: Cambern Apartments

(Space Above For Recorder's Use Only)
(Exempt from Recording Fees
Per Government Code Section 27383.)

SUBORDINATION AGREEMENT

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 AGREEMENT ("AGREEMENT"), dated as of March __, 2025, is made by **CAMBERN AVENUE HOUSING ASSOCIATES, L.P.**, a California limited partnership ("**Owner**"), and the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("**Subordinate Lender**"), in favor of the **CITY OF LAKE ELSINORE**, a municipal corporation ("**Senior Lender**").

RECITALS:

- A. Owner is the owner of that certain real property located at 29366 and 29377 Third Street, in the City of Lake Elsinore, as legally described in Exhibit A hereto (the "**Property**").
- B. Concurrently herewith, Senior Lender is making a loan to Owner of Seven Million Fifteen Thousand Four Hundred Eighty-Two Dollars (\$7,015,482) (the "**Senior Loan**"). The proceeds of the Senior Loan will be loaned to Owner for the development of the Property. The Senior Loan is evidenced by, among other things, an Affordable Housing Loan Agreement and Promissory Note, and is secured by, among other things, a Deed of Trust, Assignment of Rents and Security Agreement, as applicable (the "**Senior Deed of Trust**"), executed by Owner in favor of Senior Lender. The Loan Agreement, Promissory Note, Senior Deed of Trust, Regulatory Agreement, and other documents evidencing, securing, or otherwise relating to the Senior Loan, are collectively referred to herein as the "**Senior Lender Documents**."
- C. Subordinate Lender is the beneficiary of (i) a deed of trust secured by the Property in the original principal amount of amount of One Million Dollars (\$1,000,000) (the "**ARPA Deed of Trust**"), and (ii) a deed of trust secured by the Property in the original principal amount of Three Million Dollars (\$3,000,000) (the "**PLHA Deed of Trust**") (collectively, the "**Subordinate Loans**") recorded in the official records of Los Angeles County ("**Official Records**") concurrently therewith (collectively, the "**Subordinate Deeds of**

Trust)). The loans are evidenced by promissory notes in favor of the Subordinate Lender secured by the Subordinate Deeds of Trust. The Subordinate Deeds of Trust secure Owner's performance under the promissory notes referred to therein ("**Subordinate Notes**"), which Subordinate Notes evidences the Subordinate Loans. The loan agreements entered into in connection with the Subordinate Loans, the Subordinate Notes, and the Subordinate Deeds of Trust, each as may be modified or amended from time to time, together with any and all other agreements, documents, and instruments that evidence, secure, or related to the Subordinate Loans, except any regulatory agreements given by Owner in favor of Subordinate Lender, are collectively referred to herein as the "**Subordinate Lender Documents**."

- D. In connection with the Senior Loan, Owner has executed an Affordable Housing Regulatory Agreement (LMIHAF Funds) to be recorded in the Official Records ("**Regulatory Agreement**") in favor of Senior Lender. The Regulatory Agreement provides for certain terms, conditions, covenants and restrictions to be imposed upon Owner and the Property.
- E. It is a condition of the Senior Loan that the Senior Lender Documents and Senior Lender's right to payments under the Senior Lender Documents shall unconditionally be and remain at all times a lien or charge upon the Property, prior and superior to the Subordinate Lender Documents and any and all rights, restrictions, agreements, liens and charges in favor of Subordinate Lender and the Subordinate Lender's respective right to payments under the Subordinate Lender Documents.
- F. Senior Lender is willing to permit the Subordinate Loans, provided the condition described above is satisfied and that Subordinate Lender will specifically and unconditionally subordinate the Subordinate Lender Documents and the Subordinate Lender's right to payments under the Subordinate Lender Documents and any and all other rights, restrictions, agreements, liens and charges in favor of Subordinate Lender to the liens and charges of the Senior Lender Documents and Senior Lender's right to payments under the Senior Lender Documents.
- G. It is a condition of the Senior Loan that Owner, Senior Lender and Subordinate Lender enter into this Subordination Agreement.
- H. It is to the mutual benefit of the parties hereto that Subordinate Lender makes the Subordinate Loan, and Subordinate Lender and Owner are willing to provide the subordination required by the condition precedent described above.

NOW, THEREFORE, in consideration of mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Senior Lender to make the Senior Loan, it is hereby declared, understood and agreed as follows:

- (a) The Senior Lender Documents and any modification, extension or renewal thereof together with Senior Lender's right to payments under the Senior Lender Documents shall unconditionally be and remain at all times a lien or charge on the Property, prior and superior to the Subordinate Lender Documents and the Subordinate Lender's right to

payments under the Subordinate Lender Documents and any and all other rights, restrictions, agreements, liens and charges in favor of the Subordinate Lender; provided; however, that the Senior Lender Documents will not be modified: (i) to increase the maximum principal amount of the Senior Loan (other than advances made pursuant to the Senior Lender Documents to protect the liens on the Property, including advances for unpaid taxes, insurance premiums or emergency repairs), (ii) to increase the interest rate from the rate included in the Senior Lender Documents, or (iii) to decrease the term of the Senior Loan. All advances made by Senior Lender and any permitted modification, extension or renewal agreed to by Senior Lender with respect to the Senior Loan, the Senior Lender Documents or any other documents and instruments governing, evidencing or securing the Senior Loan shall be secured by the lien or charge of the Senior Lender Documents, which lien shall at all times be prior and superior to the Subordinate Lender Documents and the Subordinate Lender's right to payments under the Subordinate Lender Documents and any and all other rights, restrictions, agreements, liens or charges in favor of the Subordinate Lender;

- (b) The Senior Lender would not make the Senior Loan nor permit the Subordinate Loans without this Agreement, nor would the Subordinate Lender continue to make the Subordinate Loans without this Agreement; and
- (c) This Agreement shall be the whole and only agreement with regard to the subordination of the Subordinate Lender Documents and the Subordinate Lender's right to payments under the Subordinate Lender Documents and any and all other rights, restrictions, agreements, liens or charges in favor of the Subordinate Lender to the liens or charges of the Senior Lender Documents and the Senior Lender's right to payments under the Senior Lender Documents and shall supersede and cancel, but only insofar as would affect such priority, any prior agreements as to such subordination, including, but not limited to, those provisions, if any, contained in the Subordinate Deeds of Trust, which provide for the subordination of the rights, restrictions, agreements, lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

Subordinate Lender declares, agrees and acknowledges that:

- (d) Subordinate Lender consents to and acknowledges (i) all provisions of the Senior Lender Documents in favor of Senior Lender and (ii) all agreements, including but not limited to any loan or escrow agreements between Owner and Senior Lender for the disbursement, if any, of the proceeds of Senior Lender's loans;
- (e) Senior Lender, in making disbursements pursuant to any such agreement, is under no obligation or duty to, nor has Senior Lender represented that it will see to the application of such proceeds by the person or persons to whom Senior Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;
- (f) Subordinate Lender intentionally and unconditionally subordinates the Subordinate Lender Documents and the Subordinate Lender's right to payments under the Subordinate Lender Documents and intentionally and unconditionally subordinates any and all other rights,

restrictions, agreements, liens or charges in favor of Subordinate Lender in favor of the lien or charge upon the Property of the Senior Lender Documents. Subordinate Lender understands that in reliance upon, and in consideration of, this Agreement, specific concessions are being and will be made by Senior Lender, and as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this Agreement. Subordinate Lender shall not modify or amend in any way any of the Subordinate Lender Documents without first obtaining the written consent of Senior Lender, which consent shall not be unreasonably conditioned, withheld or delayed;

- (g) Subordinate Lender hereby acknowledges and agrees that its agreement with Owner, and any terms and conditions thereof, whether express or implied, are solely between it and Owner and are of no concern to Senior Lender. Senior Lender is and will be, throughout the terms of its loans and modification, extension or renewal thereof, under no duty or obligation to assure compliance with the terms and conditions of any agreement between Owner and the Subordinate Lender; nor will Senior Lender be under any obligation or duty to take any action because of any knowledge it has or may have regarding any breach by Owner. The Subordinate Lender further agrees, notwithstanding anything to the contrary in the law, equity or its agreement with Owner, that the subordination of its interest is not subject to compliance, substantial or otherwise, with any provision of such agreement with Owner, whether express or implied. The Subordinate Lender acknowledges that Senior Lender considers this acknowledgment and agreement to be a material condition for making its loan with Owner;
- (h) Notwithstanding anything to the contrary herein or in the Subordinate Lender Documents, Subordinate Lender acknowledges and agrees that pursuant to its Promissory Notes, it shall be entitled to one payment each year in an amount equal to thirty-six and 31/100 percent (36.31%) of fifty percent (50%) of Residual Receipts (as defined below), and such payment shall be the total Residual Receipts due for payment on both Subordinate Lender Promissory Notes. Subordinate Lender shall be entitled to allocate such annual payment between the ARPA Note (as defined in the Subordinate Lender Promissory Notes), and the PLHA Note (as defined in the Subordinate Lender Promissory Notes) as it deems appropriate in its discretion.
- (i) Notwithstanding anything to the contrary contained in the Subordinate Lender Documents or the Senior Lender Documents, Subordinate Lender and Senior Lender agree that the term "Residual Receipts" shall mean the gross rental income from all residential and non-residential components of the Project (as defined in the Subordinate Lender Documents), proceeds from loss of rent insurance, and any other income to the Owner derived from the ownership, operation and management of the Project, not including interest on required reserve accounts, less the following operating expenses:
 - (1) payments of principal and interest and other mandatory payments on amortized loans and indebtedness senior to the Senior Loan and the Subordinate Loans, which have been approved in writing by the Subordinate Lender and Senior Lender (collectively, the "Senior Debt");

- (2) utility fees and costs not paid by tenants;
- (3) insurance on the Project;
- (4) ad valorem taxes and assessment payments;
- (5) management fees, expenses and costs, as well as the cost of social programs at the Project and compliance monitoring/reporting, which shall total initially \$100 per unit per month, which management fee shall be increased annually by an amount not to exceed the greater of (i) three and a half percent (3.5%) or (ii) the increase in the Consumer Price Index for Riverside-San Bernardino-Ontario, CA area ("CPI"), and any accrued and unpaid fees from prior years;
- (6) auditing and accounting fees;
- (7) operating expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which shall include administration, on-site management costs, utilities, on-site staff payroll, payroll taxes, and maintenance);
- (8) reserves for repair and replacement of the Project, in an annual amount of \$500 per rental unit per year, increased annually by an amount not to exceed the greater of (i) three percent (3%) or (ii) the increase in CPI;
- (9) County's monitoring fee with respect to the ARPA Loan in the total amount of \$7,400, increased annually by an amount equal to the increase of CPI;
- (10) City's monitoring fee with respect to the Senior Loan in the total amount of \$5,600, increased annually by 3.5% per annum;
- (11) required operating reserve replenishments in an amount up to \$[348,643] per year;
- (12) repayment of any operating deficit loans made by a partner to the Owner and payment of unpaid tax credit adjustment payments owed to a limited partner of Owner;
- (13) partnership management fees up to \$25,000 annually payable to a partner of Owner, and asset management fees up to \$7,500 annually (increasingly annually by three (3%)) payable to a partner of Owner, and any accrued and unpaid fees from prior years;
- (14) payment of deferred developer fees pursuant to Owner's limited partnership agreement; and
- (15) all other fees and expenses which may be permitted by the annual budget approved by the Senior Lender and Subordinate Lender.

Agreements of Subordinate Lender and Senior Lender:

- (j) Senior Lender agrees that it shall not complete a foreclosure sale of the Property unless and until Subordinate Lender has first been given sixty (60) days' prior written notice of the default(s) or Event(s) of Default giving rise to Senior Lender's right to complete such foreclosure, and Subordinate Lender has failed, within such sixty (60) day period to cure such default(s) or Event(s) of Default. Following a notice from Senior Lender to the Subordinate Lender that a default or breach exists under the terms of any of the Senior Lender Documents, Subordinate Lender shall have the right, but not the obligation, to cure the subject defaults within sixty (60) days after such notice from Senior Lender to the Owner ("**Cure Period**"); provided that Senior Lender shall have the right to cause to be recorded a notice of default under the Senior Lender Documents and obtain a court appointed receiver and such recorded notice of default shall constitute the notice referred to above, so long as Senior Lender does not complete a foreclosure sale prior to sixty (60) days after such notice of default is recorded. If a cure is completed within the cure period, Senior Lender will rescind such notice of default after reimbursement by Subordinate Lender of all costs of filing said notice including, without limitation, trustee fees and filing fees, or costs of obtaining a receiver including, without limitation, and court costs. In addition, if requested by Subordinate Lender, Senior Lender agrees to provide to Subordinate Lender a copy of any notice sent to Owner that a default or breach exists under the terms of any of the Senior Lender Documents; provided, however, Senior Lender's failure to deliver such a notice to Subordinate Lender shall not in any manner prevent Senior Lender from exercising any rights or remedies under the Senior Encumbrances or any of the other Senior Lender Documents, including, but not limited to, pursuing a judicial or nonjudicial foreclosure upon the Property. Nothing in this paragraph is intended to modify any covenant, term or condition contained in any of the Senior Lender Documents, including, without limitation, any covenant against creating liens or encumbrances against the Property without the prior approval of Senior Lender. Prior to any cure by Subordinate Lender, Senior Lender shall be notified by a written statement of all considerations given by the Owner in exchange for such cure. Senior Lender agrees that following the timely cure by Subordinate Lender of any default or breach under the terms of any of Senior Lender Documents, Senior Lender will not cause an acceleration (or will cause a de-acceleration) of the indebtedness or other obligations of the Owner under the Senior Lender Documents by reason of the default or breach which has been cured by Subordinate Lender; provided, however, nothing herein shall be construed to waive or limit any of Senior Lender's rights or remedies as to any uncured default or breach under the terms of any of the Senior Lender Documents or any other subsequent default or breach by the Owner thereunder.
- (k) The provisions of the foregoing paragraph is intended to supplement, and not to limit, waive, modify or replace, those provisions of law pertaining to notice and cure rights of junior lenders including, without limitation, those set forth in California Civil Code §§ 2924b and 2924c.
- (l) Subject to the terms and conditions of this Agreement, Subordinate Lender shall also have the right, but not the obligation, by written notice (the "**Purchase Notice**") delivered to Senior Lender by Subordinate Lender at any time during, but prior to the expiration of, the Cure Period, to purchase from Senior Lender the Senior Loan. If Subordinate Lender

timely exercises the option granted pursuant to the immediately preceding sentence, then, on the date which is sixty (60) days after the delivery of the Purchase Notice ("**Closing Date**"), Senior Lender shall sell to Subordinate Lender, without recourse or warranty of any kind, express or implied, and Subordinate Lender shall purchase, all of Senior Lender's right, title and interest in, to and under the Senior Lender Documents except the Regulatory Agreement, for an amount equal to the Purchase Price, payable by Subordinate Lender to Senior Lender on the Closing Date by wire transfer of immediately available funds and lawful monies of the United States of America. Any such purchase of the Senior Loan shall not terminate the Regulatory Agreement which shall remain in full force and effect throughout its term. The "**Purchase Price**" payable by Subordinate Lender to Senior Lender shall be an amount equal to (a) the principal amount and all sums outstanding under the Senior Lender Documents, plus (b) all accrued and unpaid interest under the Senior Lender Documents, plus (c) all accrued and unpaid letter of credit fees and other fees payable to Senior Lender under the Senior Lender Documents, plus (d) all real estate taxes and assessments, utility charges, operating costs and all other amounts advanced by Senior Lender under the Senior Lender Documents to protect the security afforded by the Senior Lender Documents and/or secured by the Senior Deed of Trust, plus (e) all out-of-pocket fees, costs and expenses owing by Owner to Senior Lender under the Senior Lender Documents and/or secured by the Senior Deed of Trust, plus (f) all out-of-pocket fees, costs and expenses reasonably incurred by Senior Lender in effectuating the sale of the Senior Lender Documents to the Subordinate Lender pursuant to this Agreement.

- (m) This Agreement may be executed in multiple counterparts and the signature page(s) and acknowledgment(s) assembled into one original document for recordation, and the validity hereof shall not be impaired by reason of such execution in multiple counterparts. This Agreement is to be governed according to the laws of California.
- (n) All notices and demands given pursuant to the terms hereof shall be given in writing delivered in person, by commercial courier, or by registered or certified mail, return receipt requested, with all postage and fees fully prepaid. Notices shall be considered delivered upon receipt, as indicated by the return receipt if mailed; except that, upon an attempt to effectuate service of notice as provided herein, if the party being given notice either (a) refuses to accept delivery, or (b) has moved and the most recent address given to receive notice has no current registered forwarding address or a registered forwarding address only to a post office or other box, that party shall be deemed to have received the notice. Notices shall be addressed as appears below for the respective parties:

If to CITY:

City of Lake Elsinore
130 S. Main Street
Lake Elsinore, CA 92530
Attn: City Manager

Copy to:

Barbara Leibold
City Attorney
Leibold McClendon & Mann
9841 Irvine Center Drive, Suite 230
Irvine, CA 92618

If to OWNER: Cambern Avenue Housing Associates, L.P.
3111 Camino del Rio North, Suite 800
San Diego, CA 92108
Attn: Kevin Lechner

With copies to: Gubb & Barshay LLP
235 Montgomery Street, Suite 1110
San Francisco, CA 94104
Attn: Nicole Kline

And: NEF Assignment Corporation
10 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606
Attention: General Counsel
Email: projectnotices@nefinc.org with subject line
of SMT#83304

And: NEF Assignment Corporation
10 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606
Attention: SVP Asset Management

And: Bocarsly Emden Cowan Esmail & Arndt LLP
633 W. Fifth Street, Suite 5880
Los Angeles, CA 90071
Attention: Rachel Rosner

The address(es) for service of notice on either party may be changed by that party serving a notice upon the other of the new address, except that any change of address to a post office box shall not be effective unless a street address is also specified for use in effectuating personal service.

- (o) Each of the parties hereto will, whenever and as often as they shall be requested to do so by the other, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all such further instruments and documents as may be reasonably necessary to carry out the intent and purpose of this Agreement, and to do any and all further acts reasonably necessary to carry out the intent and purpose of this Agreement.
- (p) In the event any legal action is commenced by any party hereto concerning this Agreement or the rights and duties hereunder of any party hereto, whether such action be an action for damages, or for equitable or declaratory relief, the prevailing party in such litigation shall be entitled to, in addition to all other relief as may be granted by the court, reasonable sums as and for attorneys' fees in an amount to be set by the court.
- (q) Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party with full

right and authority to execute this Agreement and to bind such party with respect to all of its obligations hereunder.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION, WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENTS OF THE LAND. IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

[Signatures on next pages]

IN WITNESS WHEREOF, Senior Lender, Subordinate Lender and Owner have executed this Agreement as of the date set forth above..

“SENIOR LENDER”

CITY OF LAKE ELSINORE, a California
municipal corporation

By: form - do not sign
Jason Simpson
City Manager

ATTEST:

By: form - do not sign
Candice Alvarez, MMC
City Clerk

APPROVED AS TO FORM:

By: form - do not sign
Barbara Leibold
City Attorney

[SIGNATURE PAGE TO CITY/COUNTY SUBORDINATION AGREEMENT]

[PAGE 1 OF 3]

“SUBORDINATE LENDER”


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

By: form - do not sign
Heidi Marshall, Director

Date: _____

APPROVED AS TO FORM:

MINH C. TRAN, County Counsel

By: 
Amrit P. Dhillon
Deputy County Counsel

[SIGNATURE PAGE TO CITY/ COUNTY SUBORDINATION AGREEMENT]

[PAGE 2 OF 3]

“OWNER”

CAMBERN AVENUE HOUSING ASSOCIATES,
L.P., a California limited partnership

By: CHW Cambern Avenue, LLC,
a California limited liability company,
its general partner

By: Community Housing Works,
a California nonprofit public benefit
corporation, its sole
member/manager

By: form - do not sign
Kevin Leichner
Senior Vice President

[SIGNATURE PAGE TO CITY/ COUNTY SUBORDINATION AGREEMENT]

[PAGE 3 OF 3]

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, _____ a
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 of Notary

(Affix seal here)

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, _____ a
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 of Notary

(Affix seal here)

EXHIBIT "A"
LEGAL DESCRIPTION

The land referred to is situated in the County of Riverside, City of Lake Elsinore, State of California, and is described as follows:

29366 3rd Street, Lake Elsinore, CA 92532:

Lot 2, Block 13, North Elsinore Tract, as shown by Map on file in Book 5, Page 105 of Maps, Records of Riverside County, California.

Excepting therefrom the Northeasterly 264 feet thereof.

APN: 377-100-003

29377 3rd Street, Lake Elsinore, CA 92532:

That portion of Lot 8 in Block 14 of North Elsinore Tract, as shown by Map on file in [Book 5, Page 105, of Maps](#), in the Office of the County Recorder of said county, described as follows:

BEGINNING at a point on the Southwesterly line of said Lot 8, 420 feet Southeasterly from the most Westerly corner of Lot 7 in said Block 14, said point being the most Southerly corner of that certain parcel conveyed to Dewey Elam and Marcella Elam by Deed filed for record November 18, 1953 as Instrument No. 55220; THENCE Northeasterly, parallel with the Northwesterly line of said Lot 7, 210 feet; THENCE Southeasterly, parallel with the Southwesterly line of said Lot 8, 235 feet, more or less, to the center line of Third Avenue; THENCE Southwesterly, on the center line of Third Avenue, 210 feet to the most Southerly corner of Lot 8 in said Block 14; THENCE Northwesterly on the Southwesterly line of said Lot 8, 235 feet, more or less to the POINT OF BEGINNING.

Excepting therefrom an easement for road purposes over those portions in Third Avenue and Cambern Avenue.

Excepting therefrom the mobilehome(s) located thereon.

APN: 377-380-003