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

ITEM: 3.17
(ID # 27265)
MEETING DATE:
Tuesday, April 15, 2025

FROM : HOUSING AND WORKFORCE SOLUTIONS

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Form of Loan Agreement, and all Attachments Thereto, for the Use of the 2021 Homeless Housing, Assistance, and Prevention (HHAP) Program Round 2 (HHAP-2) and Round 3 (HHAP-3) Grant Funds from the State of California Business, Consumer Services and Housing Agency (BCSH) for Sunrise at Bogart Apartments, Authorize the Director of HWS to Execute Forms of the HHAP Loan Agreement, Covenant Agreement, and Authorize the Director of HWS to Negotiate and Execute Subordination Agreements with Senior Lenders, Project Located in the City of Riverside; District 1. [$2,119,356 Total Cost; 100% State Funding]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached forms of the Loan Agreement between the County and Sunrise at Bogart, LP, a California limited partnership (Partnership), providing a loan totaling $2,018,434.30, derived from $1,018,434.40 in HHAP Round 2 and $1,000,000 in HHAP Round 3 funding (HHAP Loan). The loan will be used as permanent indebtedness for a multi-family affordable rental housing project,(Sunrise at Bogart Apartments) in the City of Riverside;

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ACTION:Policy

Heidi Marshall, Director 3/17/2025

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Gutierrez 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:	April 15, 2025
xc:	HWS

Kimberly A. Rector
Clerk of the Board
By: _____ Deputy

RECOMMENDED MOTION: That the Board of Supervisors:

2. Approve the attached forms of HHAP Loan Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents (HOME-ARP Deed of Trust), HHAP Promissory Note, and HHAP Covenant Agreement, attached as exhibits to the HHAP Loan Agreement;

3. Approve the allocation of $100,921.72, consisting of $50,921.72 in HHAP Round 2 and $50,000.00 in HHAP Round 3 funding, to Housing and Workforce Solutions (HWS) for direct staff costs related to project management and compliance with HHAP Program for Sunrise at Bogart Apartments;

4. Authorize the Director of the Housing and Workforce Solutions (HWS), or designee, to execute the HHAP Loan Agreement and a HHAP Covenant Agreement, each conforming in form and substance to the attached HHAP Loan Agreement and HHAP Covenant Agreement, subject to approval as to form by County Counsel;

5. Authorize the Director of the HWS, or designee, to negotiate and execute a Subordination Agreement, subordinating the HHAP Loan Agreement, HHAP Deed of Trust and Assignment of Rents to a Deed of Trust for the benefit of the City of Riverside, senior lender, securing four construction loans for the Project for a not to exceed amount of $5,000,000 subject to approval as to form by County Counsel;

6. Authorize the Director of the HWS, or designee, to negotiate and execute a Subordination Agreement, subordinating the HOME-ARP Loan Agreement, HOME Deed of Trust and Assignment of Rents to a Deed of Trust for the benefit of the State of California Housing and Community Development No Place Like Home, senior lender, securing a permanent loan for the Project for a not to exceed amount of $1,148,527 subject to approval as to form by County Counsel;

7. Authorize the Director of the HWS, or designee, to negotiate and execute a Subordination Agreement, subordinating the HOME-ARP Loan Agreement, HOME Deed of Trust and Assignment of Rents to a Deed of Trust for the benefit of the Banner Bank, N.A, senior lender, securing a construction loan for the Project for a not to exceed amount of $11,000,000 subject to approval as to form by County Counsel; and

8. Authorize the Director of the HWS, or designee, to take all necessary steps to implement the HHAP Loan Agreement, HHAP Covenant Agreement, and Subordination Agreement, including but not limited to, signing subsequent necessary and relevant documents, subject to approval as to form by County Counsel.

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	$1,569,356	$550,000	$2,119,356	$ 0
NET COUNTY COST	$ 0	$ 0	$ 0	$ 0
SOURCE OF FUNDS: State Funding 100%			**Budget Adjustment:** No	
			For Fiscal Year: 24/25 – 25/26	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside Department of Housing and Workforce Solutions (HWS) receives Homeless Housing Assistance Program (HHAP) funding from the State of California Business, Consumer Services and Housing Agency (BCSH) which are intended to support local jurisdictions in their unified regional response to reduce and end homelessness. As the Administrative Entity (AE) for the Riverside City & County Continuum of Care, HWS works with the CoC's Board of Governance (BoG) to review and approve funding recommendations before they are presented to the County Board of Supervisors.

Funds from two consecutive rounds of HHAP totaling $2,018,434.30 (i.e., $1,018,434.40 in HHAP Round 2 and $1,000,000 in HHAP Round 3) have been designated by the Board of Governance to develop additional affordable housing units for persons who are experiencing homelessness. This investment is critical and necessary given the persistent challenges in addressing homelessness which center around one's inability to afford housing and continues to be the number one reason people fall out of housing as captured during the 2023 Homeless Point-in-Time Count. Affordable housing allows households to pay a reasonable portion of their income towards housing to better facilitate stability.

Funds from HHAP Round 2 and HHAP Round 3 allocations were made available through a competitive bid application process through RFP # COARC-0015 on April 24, 2023, in accordance with county procurement guidelines, and ultimately presented to the Board of Governance during its regular February 15, 2024, meeting. During this meeting, the Board of Governance approved the allocation of HHAP funds to Sunrise at Bogart, a gated multi-family community which will consists of 23 apartment units in the City of Riverside. The property includes 22 one-bedroom units and one two-bedroom unit for the onsite manager located at 11049 Bogart Ave., Riverside, CA 92505 (APN 146-182-080). Ten of these units are designated for individuals who are chronically homeless or at risk of homelessness, while one unit is reserved for the property manager. Each unit will be fully furnished with appliances, furniture, and bedding. The property will feature a Resource Center offering vital supportive services for residents and will also implement "Whole Person Wellness" objectives, integrating services through a network provided by the Riverside University Health System (RUHS).

On September 20, 2022 (Minute Order Item 3.13), the County of Riverside Board of Supervisors accepted an allocation of $4,207,199.87 in Homeless Housing, Assistance and Prevention Program Round 3 (HHAP-3) Grant Allocation from the State of California Business, Consumer

Services and Housing Agency (BCSH) to the Riverside City & County Continuum of Care for the period ending June 30, 2026, with the purpose of providing housing, services, and shelter to individuals experiencing homelessness and other vulnerable populations.

On February 28, 2023 (Minute Order Item 3.19), the County of Riverside Board of Supervisors ratified acceptance of the Homeless Housing, Assistance and Prevention Round 2 (HHAP-2) grant from the State of California Business, Consumer Services, and Housing Agency (BCSH) in the amount of $1,566,822, as the Administrative Entity for the Continuum of Care for the Riverside County service area, to be 100% encumbered by May 31, 2023 and spent no later than June 30, 2026 to support regional coordination and to expand or develop local capacity to address immediate homelessness challenges.

On May 21, 2024 (Minute Order 3.26), the Riverside County Board of Supervisors approved the Subrecipient Agreement (HWSCoC-0004659-01) and Covenant Agreement with Neighborhood Partnership Housing Services, Inc. (NPHS), a California non-profit developer, which received $2,018,000 in HHAP Round 2 and Round 3 Grant Funding. To secure additional financing for the project, NPHS submitted applications for low-income housing tax credits and a bond allocation to the State on April 23, 2024. NPHS was successful in securing low-income housing tax credits and bonds and is ready to close construction financing to begin construction. Construction is expected to start by May 2025 and be completed by August 2026. To facilitate the tax credit process, the Subrecipient Grant Agreement was converted into a Loan Agreement.

Impact on Residents and Businesses

Residents and businesses will benefit as the funds will be used to address critical gaps in services and housing for homeless seniors, families, and individuals in Riverside County. Currently, 25% of the unsheltered population (or 605 unsheltered individuals) across the county are in the City of Riverside, underscoring the urgent need for additional housing resources. The units located at Sunrise at Bogart will be integrated into a broader system of coordinated services facilitated by the Riverside City & County Continuum of Care, which ensures individuals are referred through the County's Coordinated Entry System (CES) known as "HomeConnect" and receive housing navigation, case management, and other supportive services to successfully move-into and maintain housing. This, in turn, contributes to a safer and more stable community for all residents.

Additional Fiscal Information

The activities recommended from the HHAP Grant Allocations for the Sunrise at Bogart Apartment Project are included below:

Subrecipient	Project Type	HHAP Grant Allocation	Project Name	Funding Amount	Supervisorial District
Neighborhood Partnership Housing Services, Inc	Permanent Supportive	HHAP-2 CoC	Sunrise at Bogart	$1,018,434.30	1

Sunrise at Bogart	Housing/Capital				
Neighborhood Partnership Housing Services, Inc (NPHS) Sunrise at Bogart	Permanent Supportive Housing/Capital	HHAP-3 CoC	Sunrise at Bogart	$1,000,000.00	1
Total HHAP-2 CoC and HHAP-3 CoC Award				**$2,018,434.30**	

Staff recommends approval of HHAP grant funds for the Project to pay a portion of the development and construction costs for the Project.

Other construction sources of funding are as follows:

Funding Source	**Amount**
City of Riverside HOME Loan	$1,119,437
City of Riverside ARPA Loan	$388,797
City of Riverside PLHA Loan	$380,562
County HOME-ARP Loan	$1,800,000
NPHS Sponsor Loan	$990,000
HCD No Place Like Home	$1,148,527
Community Project Funding (CPF)	$3,000,000
County of Riverside HHAP Round 2-3 Loan	$2,018,000
California Debt Limit Allocation Committee (CDLAC) 4% Tax Credits	$8,245,486
City of Riverside Prohousing Incentive Program Loan	$1,440,000
Total	**$20,530,809**

Contract History and Price Reasonableness

The Homeless Housing, Assistance, and Prevention Program Round 2 (HHAP-2) Subrecipient Agreement HWSCoC-0004659 with NPHS was initially executed on May 30, 2023. This agreement was later canceled and reinstated as Subrecipient Agreement HWSCoC-0004659-01 to increase the HHAP-2 Continuum of Care (CoC) allocation by $218,434.30, from $800,000 to $1,018,434.30. Additionally, $1,000,000 in HHAP-3 CoC funding was awarded to NPHS, bringing the total funding allocation to a maximum of $2,018,434.30. This agreement was subsequently canceled and converted into a Loan Agreement at the request of NPHS to improve the tie breaker score of the application for bonds and low-income housing tax credits to the California Debt Allocation Committee.

Staff recommends that the Board of Supervisors approve the attached HHAP Loan Agreement with Sunrise at Bogart LP, including all exhibits (e.g., HHAP Loan Deed of Trust, HHAP Loan Promissory Note, and HHAP Covenant Agreement), subject to approval as to form by County Counsel. In addition, staff recommends that the Board authorize the Director of Housing and Workforce Solutions (HWS), or designee, to negotiate and execute subordination agreements,

as required by the senior lenders' financing conditions, which will subordinate the HHAP Loan Deed of Trust to the senior lenders' Deeds of Trust, subject to approval as to form by County Counsel.

ATTACHMENTS:

- Form of Loan Agreement for the Use of HHAP funds, including all exhibits

Prev. Agn. Ref: 09/20/2022, Item 3.13
Prev. Agn. Ref: 02/28/2023, Item 3.19
Prev. Agn. Ref: 05/21/2024, Item 3.26

Brianna Lontajo, Principal Management Analyst 4/7/2025

Aaron Gettis, Chief of Deputy County Counsel 4/7/2025

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103
Order No.
Escrow No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

LOAN AGREEMENT FOR THE USE OF THE 2021 HOMELESS HOUSING, ASSISTANCE, and PREVENTION (HHAP) PROGRAM - ROUND 2 (HHAP-2) and ROUND 3 (HHAP-3) PROGRAM FUNDS (Sunrise at Bogart Apartments)

This LOAN AGREEMENT FOR THE USE OF THE 2021 HOMELESS HOUSING, ASSISTANCE, and PREVENTION (HHAP) PROGRAM CAPITAL IMPROVEMENT PROJECTS (Sunrise at Bogart Apartments) ("Agreement") is made and entered into this [MONTH] _____ day of [DAY]_____, 2025 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), and Sunrise at Bogart, LP, a California limited partnership ("BORROWER"). The COUNTY and BORROWER may be individually referred to herein as a "Party" and collectively as the "Parties." This Agreement is for the use of funding under the 2021 Homeless Housing, Assistance, and Prevention Program Round 2 and HHAP Round 3 (amended by Stats. 2021) ("HHAP-2" and "HHAP-3" or "Program"), administered by the California Homeless Coordinating and Financing Council (HCFC) in the Business, Consumer Services and Housing Agency (BCSH), hereinafter "HHAP" or "Program", is made and entered into as of the Effective Date (defined herein).

RECITALS:

WHEREAS, pursuant to Chapter 6 (commencing with Section 50216) of Part 1 of Division 31 of the Health and Safety Code, and all other relevant provisions established under AB 83 (Chapter 15, Statutes of 2020), the State of California has established the Homeless Housing, Assistance, and Prevention Program Round 2 and HHAP Round 3, amended by Stats. 2021 ("HHAP-2" and "HHAP-3" or "Program"), administered by the California Homeless Coordinating and Financing Council (HCFC) in the Business, Consumer Services and Housing Agency (BCSH);

WHEREAS, HHAP provides one-time block grant funds to Administrative Entities of Continuums of Care, cities with populations of 300,000 or more, and Counties to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges;

WHEREAS, the COUNTY has been designated as the Administrative Entity for the Riverside City & County Continuum of Care ("CoC");

WHEREAS, as the Administrative Entity for the CoC, the COUNTY entered into Standard Agreement No. 21-HHAP-00079 with the State of California BCSH, effective September 11, 2021 through June 30, 2026, to receive $1,566,822.00 in HHAP-2 funds allocated to the CoC;

WHEREAS, on December 23, 2021, the COUNTY received notice from BCSH that the COUNTY was awarded $841,439.97 in HHAP-3 funds allocated to the CoC (Initial Disbursement);

WHEREAS, on November 21, 2022, the COUNTY received notice from BCSH that the COUNTY was awarded $3,365,759.90 in HHAP-3 funds allocated to the CoC (Final Disbursement);

WHEREAS, the COUNTY entered into Standard Agreement No. 22-HHAP-10013 with the State of California BCSH, effective April 22, 2022 through October 31, 2026, to receive $841,439.97 of HHAP-3 funds;

WHEREAS, the COUNTY entered into Standard Agreement No. 22-HHAP-20013 with the State of California BCSH, effective January 31, 2023 through December 31, 2026, to receive $3,365,759.90 of HHAP-3 funds;

WHEREAS, as the Administrative Entity for the CoC, the COUNTY desires to contract with BORROWER for eligible uses of HHAP-2 and HHAP-3 funds that are consistent with Chapter 6 (commencing with Section 50216) of Part 1 of Division 31 of the Health and Safety Code, and all other relevant provisions including, but not limited to, Section 50220.5 subdivision (d)(1)-(8) of the Health and Safety Code, for one or more of the following eligible expenditures: (1) Rental assistance and rapid rehousing; (2) Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers. Operating subsidies may include operating reserves; (3) Incentives to landlords, including, but not limited to, security deposits and holding fees); (4) Outreach and coordination, which may include access to job programs, to assist vulnerable populations in accessing permanent housing and to promote housing stability in supportive housing; (5) Systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system particularly for vulnerable populations including families and homeless youth; (6) Delivery of permanent housing and innovative housing solutions such as hotel and motel conversions; (7) Prevention and shelter diversion to permanent housing; and (8) New navigation centers and emergency shelters based on demonstrated need;

WHEREAS, on May 21, 2024, via Minute Order 3.26, the Board of Supervisors of the County of Riverside approved allocating $2,018,434.30 in 2021 Homeless Housing, Assistance, and Prevention Program Round 2 (HHAP-2) and Round 3 (HHAP-3) Grant Funds to increase shelter capacity, permanent supportive housing units and affordable housing to help address homelessness;

WHEREAS, BORROWER is proposing to utilize HHAP funds as permanent indebtedness for a multi-family affordable rental housing project consisting of twenty three (23) rental housing

units including one (1) residential manager's units, to be rented to and occupied by homeless, at risk of homelessness (the "Project"), situated on Bogart Avenue in Riverside, also identified as Assessor's Parcel Numbers ("APN") 146-182-080, as more specifically described in the legal description attached hereto as **Exhibit A** and incorporated herein by this reference ("Property");

WHEREAS, a total of ten (10) of the units will be reserved as HHAP assisted units which shall be rented to and occupied by Qualified HHAP Households (as defined below) (the "HHAP Assisted Units");

WHERAS, fifty percent (50%) of the individuals assisted must meet the County of Riverside Continuum of Care ("CoC") program definition of homeless at 24 CFR 578.3 which includes the following four "homeless" categories. Categories 1 through 3 are based on section 103(a) of the McKinney-Vento Homeless Assistance Act, whereas Category 4 is based on section 103(b) of that Act, and as more specifically described in the U.S Department of Housing and Urban Development guidance on housing individuals and families experiencing homelessness through the Public Housing and Housing Choice Voucher Programs attached hereto and incorporated "homeless definition" herein as **Exhibit B** to Covenant Agreement;

WHEREAS, the purpose of this Agreement is, among other things, for COUNTY to provide financial assistance to BORROWER in the maximum amount of Two Million Eighteen Thousand Four Hundred Thirty-Four Dollars and Thirty Cents ($2,018,434.30) (the "Loan Amount") of HHAP funds as construction and permanent financing for the Project, as more fully described herein; and

WHEREAS, the HHAP assisted activities described herein are intended to accomplish the objectives required under the Standard Agreements.

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

1. PURPOSE. The aforementioned Recitals are true and correct and incorporated herein by this reference. COUNTY has agreed to lend no more than a maximum total amount of

Two Million Eighteen Thousand Four Hundred and Thirty-Four Dollars and Thirty Cents ($2,018,434.30) of HHAP funds (collectively, the "Loan") to BORROWER upon the satisfaction of the terms and conditions set forth herein, including but not limited to the conditions precedent to distribution of Loan funds set forth in **Section 12** below. BORROWER shall undertake and complete the HHAP activities required herein and as set forth in **Exhibit A**, and shall utilize the HHAP Funds as required herein and pursuant to the Standard Agreements, rules and regulations. The Project will serve people that are facing housing insecurity, homelessness or the risk of homelessness ("Qualified Population"), with a total of ten (10) units reserved as HHAP Assisted Units. During the Compliance Period (as defined in **Section 15** below), the twenty two (22) HHAP Assisted Units shall be rented to and occupied by households that qualify as homeless, at risk of homelessness, or another qualifying population pursuant to the HHAP rules and regulations, as further specified on **Exhibit J** ("Qualified HHAP Households"), for an affordable rent pursuant to 24 CFR Section 92.252, **Sections 19 and 20** below, **Exhibit A,** and the Covenant Agreement attached hereto as **Exhibit G** and incorporated herein by this reference. To remain a Qualified HHAP Household, such household shall occupy their respective unit within the Project as their principal residence.

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

a. Satisfy the conditions precedent to distribution of the Loan funds set forth in **Section 12** below.

b. Operate the Project in such a manner so that the HHAP Assisted Units will remain affordable to Qualified HHAP Households for the Compliance Period as defined in **Section 15** below without regard to (i) the term of the promissory note or (ii) any transfer of ownership.

c. Maintain the Project in compliance with applicable local, state, federal laws, codes and regulations as further described in **Section 18** below until the

expiration of the Term of this Agreement set forth in **Section 7** below and the Compliance Period set forth in **Section 15** below.

d. The HHAP funds must be obligated by BORROWER by December 31, 2025, and must be requisitioned by BORROWER and disbursed by COUNTY by December 31, 2026 (the "HHAP Loan Funds Deadline"). BORROWER shall demonstrate to the COUNTY, in the COUNTY'S sole and absolute discretion, that the HHAP funds is deemed fully expended in compliance with the HHAP Rules that relate to loans.

3. RESERVED.

4. LOAN. Subject to BORROWER's satisfaction of the conditions precedent to disbursement of the Loan set forth in **Section 12** below, COUNTY shall provide financing to BORROWER in the form of a loan in the amount of $2,018,434.30, pursuant to the following terms and conditions:

a. Term of Loan. The maturity date of the Loan shall be the later to occur of (i) December 31, 2080 or (ii) fifty-five (55) years from the recordation of the Covenant Agreement (as defined below) in the Official Records (the "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 Loan shall not exceed $2,018,434.30, (the Loan Amount), and shall be evidenced by a Promissory Note, substantially conforming in form and substance to the Promissory Note attached hereto as **Exhibit C** and incorporated herein by this reference ("Note"), which note shall be secured by a Deed of Trust and Assignment of Rents, substantially conforming in form and substance to the Deed of Trust and Assignment of Rents attached hereto as **Exhibit B** and incorporated herein by this reference ("Deed of Trust").

c. Interest. The interest rate shall be zero percent (0%) simple interest per annum.

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

1. Fifty percent (50%) of the Project's Residual Receipts (as defined in **Section 4(d)(3)** below) shall be used towards the payment of certain loans secured by the Project, which shall include the HHAP Loan, loans from the City of Riverside of HOME, ARPA, PLHA, and PIP funds, a loan from the County of HOME-ARP funds, loans from Neighborhood Partnership Housing Services, Inc., and the NPLH Home Loan (as defined below) (collectively "Residual Receipts Loans"). The payment of 50% of the Residual Receipts shall be allocated to the Residual Receipts Loans on a pro rata basis (i.e. allocated in proportion to the share of each Residual Receipts Loan in the total amount of Residual Receipts Loans), the pro rata share split shall be 6.76% to the COUNTY for HOME ARP Loan, 7.58% to the COUNTY for HHAP loan, 8.92% to the City for HOME Loan, 3.10% to City for ARPA loan, 3.03% to City for City PLHA loan, 11.47% to City for PIP loan, and 9.15% to HCD for NPLH loan until the Note is repaid in full; and the remaining fifty percent (50%) of the Project's Residual Receipts will be retained for distribution by BORROWER.
2. Any remainder of the Project's Residual Receipts will be paid in accordance with the cash flow "waterfall" provisions of Section 11.03 of Borrower's limited partnership agreement.
3. The term "Residual Receipts" used herein shall mean all money and income from the Project remaining annually after the payment of all normal and necessary expenses of operation of the Project, including but not limited to the following:

(1) Payment 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");

(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 total initially $70 per Unit per month, which management fee shall be increase annually by an amount not to exceed the greater of (i) zero (0%) or the increase in the Consumer Price Index for Riverside-San Bernadino-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) deposits to replacement reserves, limited to $500.00 per unit per year for all units in the Project;

(9) asset management fees and/or tax credit adjuster payments payable to BORROWER's limited partner and partnership management fees payable to BORROWER's general partner(s) in the amounts set forth in BORROWER's amended and restated limited partnership agreement dated substantially concurrently herewith;

(10) payment of deferred development fee;

(11) payments for supportive services to Project residents, including without limitation the salary of on-site service coordinators and supervision of such service staff and any other costs related to any services required by any regulatory agreement or similar document recorded against the Project;

(12) deposits to operating, replacement reserve, or any other reserve accounts which are either (i) commercially reasonable, or (ii) required by the lenders of the Residual Receipts Loans or as required under the Partnership Agreement;

(13) costs of restoring the Project after damage, destruction or condemnation;

(14) current and accrued general partner partnership management fee in the annual amount of $25,000, increasing 3% annually;

(15) current and accrued limited partner asset management fee in the annual amount of $5,000, increasing 3% annually;

(16) All other fees and expenses which may be permitted by the annual budget approved by COUNTY.

4. Operating expenses will be considered "normal and necessary" if incurred generally for similarly structured, financed and restricted rental properties operated by similar entities. Payment shall be applied first to accrued interest and thereafter to principal. BORROWER shall annually provide COUNTY with an accounting acceptable to COUNTY, documenting the calculation of Residual Receipts for the previous calendar year ending December 31. This accounting shall be made within one hundred twenty (120) days after the end of each calendar

year of the term of this Agreement together with the payment of Residual Receipts.

e. Prepayment. Prepayment of principal and/or interest under the 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 the Agreement specified in **Section 7** below; and (ii) the affordability requirements set forth in the Covenant Agreement, attached hereto as **Exhibit G** (the "Covenant Agreement"), shall remain in effect until the expiration of the Compliance Period as set forth in **Section 15** below.

f. Compliance and Affordability Period. The requirements of **Section 18**, Compliance with Laws and Regulations, shall remain in full force and effect for the term of the Agreement specified in **Section 7** below; and (ii) the affordability requirements set forth in the Covenant Agreement, shall remain in effect until the expiration of the Compliance Period as set forth in **Section 15** below.

g. Security. The full and timely payment and performance of the obligations of BORROWER in connection with the Loan, including its obligations under this Agreement and the Covenant Agreement, shall be secured by, among other things, a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing substantially conforming in form and substance to the Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing attached hereto as **Exhibit B** and incorporated herein by this reference ("Deed of Trust") to be recorded in the Official Records.

5. SECURITY. At Closing, as defined in Section 8 below, the Deed of Trust shall be in an eleventh priority lien position. Priority of the liens recorded against the Property senior to the Deed of Trust (as set forth as a-f below, the "Senior Liens"), including applicable regulatory agreements, shall be as follows:

a. First - California Municipal Finance Authority Regulatory Agreement and

Declaration of Restrictive Covenants;

b. Second – COUNTY HOME ARP Covenant Agreement;

c. Third – City of Riverside HOME Regulatory Agreement and Declaration of Restrictive Covenants;

d. Fourth – COUNTY HHAP Covenant Agreement;

e. Fifth - City of Riverside Regulatory Agreement (LAHTF (ARPA funds via local affordable housing trust fund))

f. Sixth - City of Riverside PIP Regulatory Agreement

g. Seventh- City PLHA Regulatory Agreement

h. Eighth – Banner Bank Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing; and

i. Ninth - COUNTY Deed of Trust HOME ARP

j. Tenth- City HOME Deed of Trust

k. Eleventh- County HHAP Deed of Trust

l. Twelfth – City LAHTF(ARPA Funds) Deed of Trust

m. Thirteenth- City PIP Deed of Trust

n. Fourteenth- City PLHA Deed of Trust

o. Fifteenth- NPHS Deed of Trust (Capitalized Rent)

p. Sixteenth- NPHS Deed of Trust (HUD CPF)

q. Seventeenth- County HOME ARP Loan Agreement

r. Eighteenth- County HHAP Loan Agreement

6. BORROWER shall cause the holders of the Senior Liens or any other COUNTY approved senior lien holder to execute and record in the Official Records, a Subordination Agreement, substantially in a form and of substance as approved by the COUNTY's Board of Supervisors, which, among other things, grants the COUNTY notice and opportunity to cure events of default under the Senior Lien documents. Except as otherwise expressly provided in this Agreement, approvals required of the COUNTY shall be deemed granted by the written approval of the Director for the Department of Housing and Workforce

Solutions or designee ("Director"). Notwithstanding the foregoing, the Director may, in their 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. 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 56** below, and unless terminated earlier pursuant to the terms hereof, shall continue in full force and effect until the later to occur of (i) December 31, 2080 or (ii) fifty-five (55) years from the recordation of the Covenant Agreement in the Official Records ("Term of Agreement").

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

s. Authority. BORROWER is a duly organized limited partnership in good standing under the laws of the State of California. The copies of the documents evidencing the organization of BORROWER, which have been delivered to COUNTY, are true and complete copies of the originals, amended to the date of this Agreement. BORROWER has full right, power and lawful authority to enter into this Agreement and accept the Loan and undertake all obligations as provided herein. The execution, performance, and delivery of this Agreement by BORROWER have been fully authorized by all requisite actions on the part of BORROWER.

t. No Conflict. To the best of BORROWER's knowledge, BORROWER's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under contract, agreement or order to which BORROWER is a party or by which it is bound.

u. No Bankruptcy. BORROWER is not the subject of a bankruptcy proceeding.

v. Prior to Closing. BORROWER shall, upon learning of any fact or condition

which would cause any of the warranties and representations in this **Section 8** not to be true as of the date that BORROWER and COUNTY have executed this Agreement and released the Deed of Trust and Covenant Agreement for recording ("Closing"), immediately give written notice of such fact or condition to COUNTY. Such exception(s) to a representation shall not be deemed a breach by BORROWER hereunder, but shall constitute an exception which COUNTY shall have the right to approve or disapprove if such exception would have an effect on the value and/or operation of the Project.

9. RESERVED.

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 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, pandemics such as COVID-19, flood, fire, explosion, earthquake, acts of the Federal Government, acts of the other party, epidemics, quarantine restrictions, freight embargoes or other similar acts.

"Force Majeure Delay" is delay due to Force Majeure that, in each case, (i) materially adversely affects the performance by BORROWER of its obligations hereunder, (ii) is not reasonably foreseeable and is beyond BORROWER reasonable control, (iii) despite the exercise of reasonable diligence, cannot be prevented, avoided or removed by BORROWER and is not attributable to the negligence, willful misconduct or bad faith of BORROWER, and (iv) is not the result of the failure of BORROWER to perform any of its obligations under this Agreement. Notwithstanding the foregoing, a Force Majeure Delay shall not be deemed to have occurred unless BORROWER has notified COUNTY in writing of such occurrence of Force Majeure within fifteen (15) days after such occurrence and has provided COUNTY with the details of such event and the length of the anticipated delay within an additional fifteen (15) days thereafter. BORROWER shall diligently attempt to remove, resolve, or otherwise eliminate such event, keep COUNTY advised with respect thereto, and shall commence performance of its

obligations hereunder immediately upon such removal, resolution or elimination. During the occurrence and continuance of a Force Majeure Delay, BORROWER shall be excused from performance of its obligations under this Agreement to the extent the Force Majeure prevents BORROWER from performing such obligations.

11. RESERVED.

12. CONDITIONS PRECEDENT TO DISTRIBUTION OF LOAN FUNDS. COUNTY, through its Housing & Workforce Solutions Agency ("HWS"), shall: (1) make disbursements of the Loan to BORROWER subject to BORROWER's satisfaction of the conditions precedent set forth below, and (2) monitor the Project to ensure compliance with applicable federal regulations and the terms of this Agreement. COUNTY shall not disburse any Loan funds pursuant to this Agreement 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 executes the Note, substantially conforming in form and substance to the Promissory Note attached hereto as **Exhibit C** and delivers to COUNTY;

c. BORROWER submits written evidence to COUNTY that BORROWER has obtained sufficient financing commitments necessary for permanent financing of the Project;

d. BORROWER provides COUNTY with evidence of insurance as required herein;

e. BORROWER executes the Deed of Trust, substantially conforming in form and substance to the Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing attached hereto as **Exhibit B**, in recordable form, and delivers such document to the County of Riverside for recordation in the Official Records;

f. BORROWER executes the Covenant Agreement, substantially conforming in form and substance to the Covenant Agreement attached hereto as **Exhibit G** and incorporated herein by this reference, in recordable form, and delivers it to the County of Riverside for recordation in the Official Records;

g. COUNTY executes and records the Requests for Notice of Default conforming in form and substance to **Exhibit H** attached hereto;

h. BORROWER provides, at its expense, an American Land Title Association (ALTA) lender's policy in favor of COUNTY, insuring the Deed of Trust as an eleventh priority lien against the Property junior only to the Senior Liens identified in **Section 5**;

i. Reserved;

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

k. Pursuant to 24 CFR, Part 5, BORROWER agrees to verify that BORROWER, and its principals, or any/all persons, contractors, consultants, businesses, etc. ("Developer Associates"), with whom BORROWER is conducting business with respect to the Project, are not presently debarred, proposed for debarment, suspended, declared ineligible, or voluntarily excluded from participation or from receiving federal contracts or federally approved subcontracts or from certain types of federal financial and nonfinancial assistance and benefits with the Excluded Parties Listing System ("EPLS"). EPLS records are located at www.sam.gov; and

l. BORROWER shall search and provide a single comprehensive list of Developer Associates (individuals and firms) and print and maintain evidence of the search results of each Developer Associate as verification of compliance with this requirement as provided in **Exhibit I**, Contractor Debarment

Certification Form, which is attached hereto and incorporated herein by this reference.

13. RESERVED

14. DISTRIBUTION OF FUNDS; RETENTION. Upon and after the Closing, COUNTY shall disburse the HHAP Loan Funds in accordance herewith. Disbursement of HHAP Loan funds shall occur upon the receipt of copies of invoices and conditional (upon receipt of payment) lien releases for construction costs to be paid with the proceeds of the HHAP Loan. Any disbursement of funds is expressly conditioned upon the satisfaction of conditions set forth above. COUNTY shall disburse to BORROWER the HHAP Loan funds above on a "cost-as-incurred" basis for all eligible approved costs under itemized schedule shown in **Exhibit C** as follows:

i. Up to ninety percent (90%) of the HHAP Loan may be disbursed after Closing.

ii. COUNTY shall release final draw down of ten percent (10%) of the HHAP Loan following receipt of all of the items listed below, in such form as is satisfactory to COUNTY:

1) Conditional lien release from general contractor;

2) recorded Notice of Completion;

3) Permanent Certificate of Occupancy;

4) architect certification identifying units that are accessible to individuals with mobility impairments and units that are accessible to individuals with sensory impairments in compliance with Applicable California law;

5) if applicable, submission of documentation that shows compliance with the Uniform Relocation Assistance and Real 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 HHAP Assisted Units shall remain occupied and rented to Qualified HHAP Households for an affordable rent pursuant to **Sections 19 and 20** below, **Exhibit A**, and the Covenant Agreement attached hereto as **Exhibit G** until the later of (i) December 31, 2080 or (ii) fifty-five (55) years from the recordation of the Covenant Agreement in the Official Records ("Compliance Period").

16. INSURANCE. Without limiting or diminishing BORROWER's obligation to indemnify or hold COUNTY harmless, BORROWER shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the Term of this Agreement.

a. Worker's Compensation Insurance.

If BORROWER has employees as defined by the State of California, 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, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

b. Commercial General Liability Insurance.

Commercial General Liability insurance coverage, including but

not limited to, premises liability, 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 shall name the County of Riverside, its Agencies, Boards, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured. Policy's limit of liability shall not be less than $2,000,000 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.

c. 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 of Riverside, its Agencies, Boards, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured or provide similar evidence of coverage approved by COUNTY's Risk Manager.

d. General Insurance Provisions – All Lines.

1) Any insurance carrier providing insurance coverage

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

2) BORROWER's insurance carrier(s) must declare its insurance self-insured retentions. If such self-insured retentions exceed $500,000 per occurrence such retentions shall have the prior written consent of COUNTY's Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to COUNTY, and at the election of COUNTY's Risk Manager, BORROWER's carriers shall either: (a) reduce or eliminate such self-insured retention as respects this Agreement with COUNTY, or (b) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) BORROWER shall cause BORROWER's insurance carrier(s) to furnish the County of Riverside with copies of the Certificate(s) of Insurance and Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by COUNTY's Risk Manager, provide copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation,

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

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

5) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or, the term of this Agreement, including any extensions thereof, exceeds five (5) years COUNTY reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in

COUNTY's Risk Manager's reasonable judgment, the amount or type of insurance carried by BORROWER has become inadequate.

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

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

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

17. FINANCIAL AND PROJECT RECORDS. BORROWER shall maintain financial, programmatic, statistical, and other supporting records of its operations and financial activities in accordance with the requirements of HHAP, and the regulations as amended and promulgated thereunder. These records shall be open to inspection and audit by authorized representatives of COUNTY, HUD and the Comptroller General of the United States, during regular working hours. COUNTY, HUD, and the Comptroller General of the United States and any of their representatives have the right of access, with at least forty-eight (48) hours 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 BCSH, the HHAP Program, , applicable and the state or federal laws, 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 that 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 Compliance 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. By executing this Agreement, BORROWER hereby certifies that it will adhere to and comply with all federal, state and local laws, regulations and ordinances. In particular, BORROWER shall comply with the following as they may be applicable to BORROWER in connection with the Loan:

a. HHAP and its implementing regulations set forth pursuant to the Standard Agreements and the HHAP Notice, as amended, including the Homeless Housing, Assistance, and Prevention (HHAP) Program, the regulatory structure created for HHAP is the platform used to implement the Loan. The regulations that pertain to the HHAP Program are contained within the applicable state and federal laws, as well as any regulations issued by the California Homeless Coordinating and Financing Council (HCFC), except where specifically waived or modified in this Agreement.

b. Section 92.350 Other Federal requirements and nondiscrimination. As set forth in 24 CFR part 5, sub part A, BORROWER is required to include the following requirements: nondiscrimination and equal opportunity under Section 282 of NAHA; disclosure; debarred, suspended, or ineligible contractors; and drug-free workplace.

c. Section 92.351 Affirmative marketing and minority outreach program. BORROWER must adopt affirmative marketing procedures and requirements. These must include:

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

(2) Requirements and practices that BORROWER must adhere

to in order to carry out the affirmative marketing procedures and requirements (e.g., use of commercial media, use of community contacts, use of the Equal Housing Opportunity logotype or slogan, and display of fair housing poster).

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

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

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

(6) BORROWER must prescribe procedures to establish and oversee a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by BORROWER with such persons or entities, public and private, in order to facilitate the activities of COUNTY to provide affordable housing authorized under this Act or any other Federal housing law. Section 24 CFR

85.36(e) provided affirmative steps to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services. The steps include:

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

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

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

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

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

(vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in (i) through (v) above of this section.

d. Section 92.352 Environmental review. The environmental effects of each activity carried out with HHAP funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321) and the related

authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58.

e. Section 92.353 Displacement, relocation, and acquisition. The relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 24 CFR Part 42. BORROWER must ensure that it has taken all reasonable steps to minimize the displacement of persons as a result of this project assisted with HHAP Funds.

f. Section 92.355 Lead-based paint. Housing assisted with HHAP funds is subject to the lead-based paint requirements of 24 CFR Part 35 issued pursuant to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, et seq.). The lead-based paint provisions of 24 CFR 982.401 (j), except 24 CFR 982.401 (j)(1)(i), also apply, irrespective of the applicable property standard under §92.251.

g. Section 92.354 Labor. Every contract for the construction of housing that includes twelve (12) or more units assisted with HHAP funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-276a-5), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332). BORROWER must apply most current wage rate determination at the date of execution of this Agreement.

h. Section 92.356 Conflict of Interest. In the procurement of property

and services by BORROWER, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 85.42, respectively shall apply. Section 92.356 shall cover all cases not governed by 24 CFR 85.36 and 24 CFR 84.42.

i. Section 504 of the Rehabilitation Act of 1973; Housing accessibility requirement at 24 CFR Part 8, implementing Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794). The design and construction of multi-family dwellings as defined at 24 CFR 100.201 must comply with the requirements set forth in 24 CFR 100.205 implementing the Fair Housing Act. Dwelling units must be designed and constructed in accordance with the Uniform Federal Accessibility Standards (UFAS) will be deemed to comply with the Section 504 regulation.

(1) 24 CFR Part 8.22 New construction—housing facilities. For new construction of multi-family projects, 5 percent (5%) of the units (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent (2%) of the units (but not less than one unit) must be accessible to individuals with sensory impairments.

(2) 24 CFR Part 8.23 Alterations of existing housing facilities. If alterations are undertaken to a project that has 15 or more units and the cost of the alterations is 75 percent or more of the replacement cost of the completed facility, then the provisions of §8.22 shall apply. Alterations to dwelling units in a multifamily housing project shall, to the maximum

extent feasible, be made to be readily accessible to and usable by individuals with handicaps. If alterations of single elements or spaces of a dwelling unit, when considered together, amount to an alteration of a dwelling unit, the entire dwelling unit shall be made accessible. Once 5 percent (5%) of the dwelling units in a project are readily accessible to and usable by individuals with mobility impairments, then no additional elements of dwelling units, or entire dwelling units, are required to be accessible under this paragraph. Alterations to common areas or parts of facilities that affect accessibility of existing housing facilities shall, to the maximum extent feasible, be made to be accessible to and usable by individuals with handicaps. For purposes of this paragraph, the phrase to the maximum extent feasible shall not be interpreted as requiring that a recipient make a dwelling unit, common area, facility or element thereof accessible if doing so would impose undue financial and administrative burdens on the operation of the multifamily housing project.

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

k. Section 3 of the Housing and Urban Development Act of 1968. To the greatest extent feasible, opportunities for training and employment arising from HHAP funds will be provided to low-income persons residing in the program service area. To the

greatest extent feasible, contracts for work to be performed in connection with HHAP funds will be awarded to business concerns that are located in or owned by persons residing in the program service area as outlined in the Riverside County HWS Section 3 Contract Requirements attached hereto as **Exhibit D**. Contracts funded from Section 3 covered funding sources must abide by the Section 3 Clause prescribed at 24 CFR 135.38. All contracts subject to the requirements of Section 3 must include the Section 3 Clause verbatim that is contained at 24 CFR 135.38 attached hereto as **Exhibit D-2**, which is attached hereto and by this reference incorporated herein.

l. Section 106 of the National Historic Preservation Act of 1966 (NHPA). Consultation with concerned Native American tribes must continue under HUD regulation 24 CFR Part 50 and 58, and Section 106 of the National Historic Preservation Act and its implementing regulations 36 CFR Part 800 for possible impacts on historic properties. Historic properties include archeological sites, burial grounds, sacred landscapes or features, ceremonial areas, traditional cultural places and landscapes, plant and animal communities, and buildings and structures with significant tribal association.

m. Section 92.358 Consultant Activities. No person providing consultant services in an employer-employee type relationship shall receive more than a reasonable rate of compensation for personal services paid with HHAP funds.

n. BORROWER shall carry out its activity pursuant to this Agreement in compliance with all federal laws and regulations described in Subpart E of Part 92 of the Code of Federal

Regulations, except that:

1. BORROWER does not assume COUNTY'S environmental responsibilities described at 24 CFR Part 92.352; and
2. BORROWER does not assume COUNTY's responsibility for initiating the review process under the provisions of 24 CFR Part 92.352

o. Uniform Administrative Requirements of 24 CFR 92.505 and 24 CFR Part 200 as now in effect and as may be amended from time to time. Federal awards expended as a recipient or a subrecipient, as defined by HUD, would be subject to single audit. The payments received for goods or services provided as a vendor would not be considered Federal awards.

p. BORROWER shall include written agreements that include all provisions of **Section 18** if BORROWER provides HHAP funds to for-profit owners or developers, non-profit owners or developers, sub-recipients, homeowners, homebuyers, tenants receiving tenant-based rental assistance, or contractors.

q. Immigration requirements of Federal Register, Vol. 62, No. 221, Department of Justice Interim Guidance on Verification of Citizenship, Qualified Alien Status and Eligibility Under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ("PRWORA"). Final Attorney General's Order issued pursuant to PRWORA is specified under Federal Register Vol. 66, No. 10, Department of Justice Final Specification of Community Programs Necessary for Protection of Life or Safety Under Welfare Reform Legislation.

r. Buy America, Buy America Act (BABAA) To the extent applicable, contractors and their subcontractors who apply or bid

for an award for an infrastructure project subject to the domestic preference requirement in the Build America, Buy America Act (BABAA) shall file the required certification to the non-federal entity with each bid or offer for an infrastructure project, unless a domestic preference requirement is waived by HUD. Contractors and subcontractors certify that no federal financial assistance funding for infrastructure projects will be provided unless all the iron, steel, manufactured projects, and construction materials used in the project are produced in the United States. BABAA, Pub. L. No. 117-58, §§ 70901-52. Contractors and subcontractors shall also disclose any use of federal financial assistance for infrastructure projects that do not ensure compliance with BABAA domestic preference requirement. Such disclosures shall be forwarded to the grant recipient who in turn will forward the disclosures to HUD, the federal awarding agency; subrecipients will forward disclosures to the pass-through entity, who will in turn forward the disclosures to HUD.

s. BORROWER shall comply with all applicable local, state and federal laws in addition to the above mentioned laws.

19. INCOME TARGETING REQUIREMENTS. BORROWER shall set aside ten (10) one-bedroom units to be designated as HHAP Assisted Units which shall be rented to and occupied by Qualified HHAP Households.

20. RENT LIMITATIONS. BORROWER shall comply with the rent limitations set forth under the HHAP Notice and 24 CFR 92.252 of the HHAP Program. The units reserved for Qualified HHAP Households shall be rented at Low rent levels as published by HUD. The HHAP Assisted Units shall be a "floating" designation on the Property such that the requirements of this Agreement will be satisfied so long as the total number of HHAP Assisted Units and bedroom size remains the same throughout the Compliance Period. The

maximum monthly allowances for utilities and services (excluding telephone) shall not exceed the utility allowance as described below. The HHAP Assisted Units may overlap with the units subject to the NPLH Regulatory Agreement. Rent limitations hereunder shall apply to the portion of rent paid by a tenant, and nothing herein shall limit BORROWER from accepting rental assistance in excess of such tenant-paid rent, to the extent permitted by the applicable rental assistance program and federal law. Notwithstanding the foregoing, if a unit occupied by a Qualified HHAP Household receives a federal or state project-based rental subsidy and the Qualified HHAP Household pays as a contribution to rent no more than 30% of the Qualified HHAP Household's adjusted income, such unit my by rented at the rent permissible under the federal or state project-based rental subsidy program (i.e., the tenant rental contribution plus the rental subsidy allowable under that program), and (ii) if a Qualified HHAP Household receives tenant-based rental assistance, the unit occupied by such Qualified HHAP Household may be rented at the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rental subsidy allowable under that rental assistance program).

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

(a) HUD Utility Schedule Model (HUSM), UA based on HUD's model.

(b) Utility Company Estimate, UA based on estimated obtained from a local utility company for each of the utilities used in the project.

(c) LIHTC Agency Estimate, UA approved by the LIHTC agency based on its actual usage methodology.

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

b. Reserved.

c. Rent Limitations: Effective June 1, 2024, HUD published HOME Rent

Limits for the County of Riverside. In order to calculate net rent to be charged, an applicable utility allowance must be subtracted from the gross rents listed. The BORROWER shall use the HUD Utility Schedule Model ("HUSM") to establish maximum monthly allowances for utilities and services to be used by the BORROWER in calculating Rents. The HUSM and use instructions can be found at:

https://www.huduser.gov/portal/resources/utilallowance.htm1.

d. Approval: The BORROWER shall have submitted to the COUNTY for review and written approval, all proposed rents for the HHAP Assisted Units prior to the Effective Date. Low HOME rent limitations for HHAP Assisted Units reserved for Qualified HHAP Households shall be as set forth under 24 CFR 92.252, subject to the provisions of Section 20 hereof, and such units shall be rented and occupied by Qualified HHAP Household applicants at the Low rent levels for the County of Riverside, which are published periodically by HUD, subject to the provisions of Section 20 hereof. If during the re-certification process a Qualified HHAP Household's income falls between 51% and 80% Area Median Income then the High rent limit shall apply pursuant to 24 CFR 92.252(a). If during the recertification process a household income falls above 80% of the Area Median Income then household shall pay the lesser of 30% of the adjusted income or Market rent pursuant to 24 CFR 92.252(i)(2).

e. Float-up: Notwithstanding any other covenant or the Covenant Agreement to the contrary the Parties agree that the following shall apply to the HHAP Assisted Units:

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

(b) In the case of increases due to a foreclosure of any approved financing or deed in

lieu thereof, the above increases may continue until such time, if any, that the rental assistance or equivalent operating subsidy is restored. Notwithstanding anything to the contrary in this section, the BORROWER may not displace tenant households and must use good faith efforts to reduce the effect of rent increases permitted to be imposed on existing tenant households by (a) the use of operating and transition reserves to the extent such funds exist and are available, and (b) the use of other subsidy sources available that would mitigate the rent increases.

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

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

1. An explanation of the efforts the BORROWER has made to secure other rental subsidies to sustain overall project operations;
2. An explanation of the fiscal necessity of adjusting the maximum household income and the rents charged for the HHAP Assisted Units;
3. A process for increasing the Project rent for all affected units (both HHAP Assisted Units and non-restricted units) and make

reasonable efforts to continue to market and rent Project units to members of the target population originally contemplated, as well as ensuring that any increases to the household income limit are applied, as much as possible, only to vacant units as they become available. This portion of the plan shall discuss changes in both maximum household incomes and rents and;

4. The plan for continuing, throughout the Compliance Period, to apply for other subsides that will allow a return to all Project Units to members of the target population and Rents originally contemplated.

21. TENANT PROTECTIONS. During the Compliance Period, BORROWER shall adhere to the tenant protections and selection standard set forth in 24 CFR 92.253, as may be amended from time to time, and the following requirements:

a. Provide 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

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

22. FEDERAL REQUIREMENTS. BORROWER shall comply with the provisions of HHAP, and any amendments thereto and all applicable federal regulations and guidelines now or hereafter enacted pursuant to the Act or NAHA.

23. SALE, ASSIGNMENT OR OTHER TRANSFER OF THE PROJECT. BORROWER hereby covenants and agrees not to sell, assign, transfer or otherwise dispose of the Project or any portion thereof without obtaining the prior written consent of the COUNTY, which consent shall be conditioned solely upon receipt by the COUNTY of reasonable evidence satisfactory to the COUNTY in its reasonable discretion, that transferee has assumed in writing and in full, and is reasonably capable of performing and complying with the BORROWER's duties and obligations under this Agreement, provided, however BORROWER shall not be released of all obligations hereunder which accrue from and after the date of such sale. Notwithstanding anything to the contrary contained herein, upon written notice to COUNTY, BORROWER may (i) lease for occupancy of all or any of the HHAP Assisted Units in accordance with this Agreement; (ii) grant easements or permits to facilitate the development and operation 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 for cause in accordance with BORROWER'S amended and restated limited partnership agreement (v) make transfers pursuant to that certain Right of First Refusal and Option Agreement (collectively a "Permitted Transfer"). All Permitted Transfers shall be subject to reasonable review of documentation by the COUNTY. The parties hereto acknowledge that "Affiliate" for purposes of this section means, as to any Person (as defined below), any general partnership, limited partnership, corporation, joint venture, trust, business trust, cooperative, association, limited liability company or individual (collectively, a "Person") that (A) directly or indirectly controls or is controlled by (such as any partnership or limited liability company in which the Person, directly or indirectly, serves as a general partner or managing member, respectively) or is under common control with the specified Person; (B) is an officer or director of, commissioner of, partner in, member of or trustee of, or serves in a similar capacity with respect to, the specified Person or of which the Specified Person is an officer, director, member, partner or trustee, or with respect to which the specified Person serves in a similar capacity; or (C) is the beneficial owner, directly or indirectly, of 10% or more of any class of equity securities of the specified Person or of which the specified Person is directly or indirectly the owner of 10% or more of any class of equity securities. The term "control" (including the term "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

24. 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.

25. NONDISCRIMINATION. BORROWER shall abide by 24 CFR 570.602 which requires that no person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial made available

pursuant to the Act. The prohibitions against discrimination of the basis of disability under Section 504 shall apply to programs or activities receiving Federal financial assistance under Title I programs. The policies and procedures necessary to ensure enforcement of Section 109 are codified in 24 CFR Part 6. In addition, 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 Administrative Rules and Regulations issued pursuant to said Acts and Orders 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 this Agreement is 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) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the Property.

BORROWER, its successors and assigns, shall refrain from restricting the rental, sale, or lease of the Property or any portion thereof, on the basis of race, color, creed, religion, sex, sexual orientation, marital status, national origin, or ancestry of any person. Every deed, lease, and contract entered into with respect to the Property, or any portion thereof, after the date of this

Agreement shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

a) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that 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) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

b) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That 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) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

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

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

26. PROHIBITION AGAINST CONFLICTS OF INTEREST:

a. BORROWER and its assigns, employees, agents, consultants, officers and elected and appointed officials shall become familiar with and shall comply with the conflict of interest provisions in OMB Circular A-110, 24 CFR 85.36, 24 CFR 84.42, 24 CFR 92.356 and Policy Manual #A-11, attached hereto as **Exhibit E** and by this reference incorporated herein.

b. BORROWER understands and agrees that no waiver or exception can be granted to the prohibition against conflict of interest except upon written approval of HUD pursuant to 24 CFR 92.356(d). Any request by BORROWER for an exception shall first be reviewed by COUNTY to determine whether such request is appropriate for submission to HUD. In determining whether such request is appropriate for submission to HUD, COUNTY will consider the factors listed in 24 CFR 92.356(e).

c. Prior to any funding under this Agreement, BORROWER shall provide COUNTY with a list of all employees, agents, consultants, officers and elected and appointed officials who are in a position to participate in a decision-making process, exercise any functions or responsibilities, or gain inside information with respect to the HHAP activities funded under

this Agreement. BORROWER shall also promptly disclose to COUNTY any potential conflict, including even the appearance of conflict that may arise with respect to the HHAP activities funded under this Agreement.

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

27. RESERVED.

28. PROJECT MONITORING AND EVALUATION.

a. Tenant Checklist. BORROWER shall submit a Tenant Checklist Form to COUNTY, as shown in **Exhibit F** which is attached hereto and by this reference is incorporated herein and may be revised by COUNTY, summarizing the racial/ethnic composition, number and percentage of very low-income and low-income households who are tenants of the COUNTY HHAP Assisted Units. The Tenant Checklist Form shall be submitted prior to the Effective Date and thereafter, on a semi-annual basis on or before March 31st and September 30th. BORROWER shall maintain financial, programmatic, statistical and other supporting records of its operations and financial activities in accordance with the requirements of the HHAP Program under 24 CFR 92.508, including the submission of Tenant Checklist Form. Except as otherwise provided for in this Agreement, BORROWER shall maintain and submit records to COUNTY within ten business days of COUNTY's request which clearly documents BORROWER's performance under each requirement of the HHAP Program. A list of document submissions and timeline are shown in Exhibit A and such list may be amended from time to time subject to HUD and COUNTY reporting requirements.

b. Inspections. Pursuant to 24 CFR 92.501(d)(ii), during the Compliance Period, COUNTY must perform on-site inspections of HHAP Assisted Units, upon 72 hours advance written notice to BORROWER, to determine compliance with the property standards of 24 CFR 92.251 and to verify the information submitted by the owners in accordance with such requirements. The on-site inspections must occur within 12 months after the Covenant Agreement and at least once every 3 years thereafter during the Compliance Period. If there are observed deficiencies for any of the inspectable items in the property standards established by

COUNTY, in accordance with the inspection requirements of 24 CFR 92.252, a follow-up on-site inspection to verify that deficiencies are corrected must occur within 12 months. COUNTY may establish a list of non-hazardous deficiencies for which correction can be verified by third party documentation (e.g., paid invoice for work order) rather than re-inspection. Health and safety deficiencies must be corrected immediately, in accordance with the inspection requirements of 24 CFR 92.252. COUNTY must adopt a more frequent inspection schedule for properties that have been found to have health and safety deficiencies.

c. Income Certification. The income of a tenant must be determined initially and each sixth year of affordability in accordance with 24 CFR 92.203 (a)(1)(i). In addition, annually between each sixth year of affordability BORROWER must re-examine each tenant's annual income under 24 CFR 92.203 (a) (1) (ii).

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

30. ACCESS TO PROJECT SITE. COUNTY and/or HUD shall have the right to access the Project site and the Property during normal business hours, and upon completion of the Project upon 48 hours written notice to BORROWER, to review the operation of the Project in accordance with this Agreement subject to the rights of tenants.

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

a. Monetary Default. (1) BORROWER's failure to pay when due any sums payable under this Agreement or the Covenant Agreement; (2) BORROWER's or any agent of BORROWER's use of HHAP funds for uses other than those uses permitted under this Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement; (3) BORROWER's or any agent of BORROWER's failure to make any other payment of any assessment or tax due under this Agreement, and /or (4) default under the terms of any Senior Lien documents or any other instrument or document

secured against the Property;

b. Non-Monetary Default. (1) Discrimination by BORROWER or BORROWER's agent(s) on the basis of characteristics prohibited by this Agreement or applicable law; (2) the imposition of any encumbrances or liens on the Project without COUNTY's prior written approval that are prohibited under this Agreement or that have the effect of reducing the priority or invalidating the lien of the Deed of Trust; (3) BORROWER's failure to obtain and maintain the insurance coverage required under this Agreement; (4) any material default under this Agreement, the Deed of Trust, Covenant Agreement, or any document executed by the County in connection with this Agreement, and /or (5) a default under the terms of any Senior Lien documents or any other instrument or document secured against the Property or the Project following the expiration of any applicable notice and cure period;

c. General Performance of Loan Obligations. Any substantial or continuous or repeated breach by BORROWER or BORROWER's 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 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 or general partner, co-general partner or manager 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 filing; (2) making a general assignment for the benefit of creditors; (3) applying for the appointment of a receiver, trustee, custodian, or liquidator, or failure to obtain a full dismissal of any such involuntary application brought by another party before the earlier of final relief or ninety (90) days after such filing; (4) insolvency; or (5) failure, inability or admission in writing of its inability to pay its debts as they become due.

32. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. Formal notices, demands and communications between the COUNTY and the BORROWER shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the COUNTY and the BORROWER, as designated in **Section 53** below. 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 as provided in this **Section 32**. 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 by the recipient; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of delivery thereof.

a. Subject to the Force Majeure Delay, as provided in **Section 10**, failure or delay by BORROWER to perform any term or provision of this Agreement constitutes a default under this Agreement. BORROWER must immediately commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence.

b. COUNTY shall give written notice of default to BORROWER, specifying the default complained of by COUNTY. 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.

c. If a monetary event of default occurs, prior to exercising any remedies hereunder, COUNTY shall give BORROWER written notice of such default. BORROWER shall have a period of thirty (30) days after such notice is given within which to cure the default prior to exercise of remedies by COUNTY.

d. If a non-monetary event of default occurs, prior to exercising any remedies hereunder, COUNTY shall give BORROWER written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, BORROWER shall have such period to effect a cure prior to exercise of remedies by COUNTY. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and BORROWER (i) initiates corrective action within said period, and (ii) diligently, continually, and in good faith works to

effect a cure as soon as possible, then BORROWER shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the injured party, but in no event no more than sixty (60) days from the date of the notice of default. In no event shall COUNTY be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within sixty (60) days after the first notice of default is given.

e. Any cure tendered by BORROWER's limited partner, Banner Bank, the City of Riverside, or any affiliate thereof shall be accepted or rejected on the same basis as if tendered by BORROWER. Copies of all noticed delivered hereunder shall be delivered to Borrower's limited partner at the address set forth herein,

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

a. Terminate this Agreement, in which event the entire Loan amount as well as any other monies advanced to BORROWER by COUNTY under this Agreement including administrative costs, shall immediately become due and payable to COUNTY at the option of COUNTY.

b. Bring an action in equitable relief (1) seeking the specific performance by BORROWER of the terms and conditions of this Agreement, and/or (2) enjoining, abating, or preventing any violation of said terms and conditions, and/or (3) seeking declaratory relief.

c. Demand immediate full repayment of the Loan, as well as any other monies advanced to BORROWER by COUNTY under this Agreement.

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

e. Subject to the rights of senior lenders, enter upon, take possession of, and manage the Project, either in person, by agent, or by a receiver appointed by a court, and collect rents and other amounts specified in the assignment of rents in the Deed of Trust and apply them to operate the Project, as provided for by the Deed of Trust.

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

34. RESERVED.

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

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

a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an

employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, review, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

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

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

37. HOLD HARMLESS AND INDEMNIFICATION. BORROWER shall indemnify and hold harmless the County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (collectively the "Indemnified Parties") from any liability whatsoever, based or asserted upon any acts or omissions of BORROWER, its officers, employees, subcontractors, agents or representatives arising out of their performance under this Agreement, including but not limited to property damage, bodily

injury, or death or any other element of any kind or nature whatsoever arising from the performance of BORROWER, its officers, agents, employees, subcontractors, agents or representatives under this Agreement, except in the event of the gross negligence or willful misconduct of the Indemnified parties; provided however, any gross negligence or willful misconduct of Indemnitees will only affect the duty to indemnify for the specific act found to be gross negligence or willful misconduct, and will not preclude a duty to indemnify for any act or omission of BORROWER. BORROWER shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives in any claim or action based upon such alleged acts or omissions.

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

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

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

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

BORROWER's obligations set forth in this **Section 37** shall survive the expiration or earlier termination of this Agreement.

38. TERMINATION.

a. BORROWER. BORROWER may terminate this Agreement prior to disbursement of any Loan funds by COUNTY in accordance with the HHAP Program regulations.

b. COUNTY. Notwithstanding the provisions of **Section 38(a)**, COUNTY may suspend or terminate this Agreement upon written notice to BORROWER of the action being taken and the reason for such action in the event one of the following events occur:

1. In the event BORROWER fails to perform the covenants herein contained at such times and in such manner as provided in this Agreement after the applicable notice and cure provision hereof; or
2. In the event there is a conflict with any federal, state or local law, ordinance, regulation or rule rendering any material provision, in the judgment of COUNTY of this Agreement invalid or untenable; or
3. In the event the HHAP funding from BCSH identified in **Section 1** above is terminated or otherwise becomes unavailable.

c. This Agreement may be terminated or funding suspended in whole or in part for cause. Cause shall be based on an Event of Default on the part of BORROWER after the expiration of all applicable notice and cure provisions hereof. Upon suspension of funding, BORROWER agrees not to incur any costs related thereto, or connected with, any area of conflict from which COUNTY has determined that suspension of funds is necessary.

d. Upon expiration or earlier termination of this Agreement, BORROWER shall transfer to COUNTY any unexpended Loan funds in its possession at the time of expiration of the Agreement as well as any accounts receivable held by BORROWER which are attributable to the use of HHAP funds awarded pursuant to this Agreement.

39. AFFORDABILITY RESTRICTIONS. COUNTY and BORROWER, on behalf of its successors and assigns, hereby declare their express intent that the restrictions set

forth in this Agreement shall continue in full force and effect for the duration of the Compliance Period (as defined in **Section 15** above). Each and every contract, deed or other instrument hereafter executed covering and conveying the Property or any portion thereof shall be held conclusively to have been executed, delivered and accepted subject to such restrictions, regardless of whether such restrictions are set forth in such contract, deed or other instrument. BORROWER shall execute and record as a lien against the Property, a Covenant Agreement, substantially conforming in form and substance to the Covenant Agreement attached hereto as **Exhibit G** and incorporated herein by this reference, setting forth the affordability use and income restriction required in this Agreement.

40. MECHANICS LIENS AND STOP NOTICES. If any claim of mechanics lien is filed against the Project or a stop notice affecting the Loan 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 the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

45. JURISDICTION AND VENUE. Any action at law or in equity arising under this Agreement 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.

46. SEVERABILITY. Each paragraph and provision of this Agreement 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.

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

48. MODIFICATION OF AGREEMENT. COUNTY or BORROWER may consider it in its best interest to change, modify or extend a term or condition of this Agreement, provided such change, modification or extension is agreed to in writing by the other party. Any such change, extension or modification, which is mutually agreed upon by COUNTY and BORROWER shall be incorporated in written amendments to this Agreement. Such amendments shall not invalidate this Agreement, nor relieve or release COUNTY or BORROWER from any obligations under this Agreement, except for those parts thereby amended. No amendment to this

Agreement shall be effective and binding upon the parties, unless it expressly makes reference to this Agreement, is in writing, is signed and acknowledged by duly authorized representatives of all parties, and approved by the COUNTY.

49. RESERVED.

50. RESERVED.

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

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

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

COUNTY
Director, Riverside County
Housing &
Workforce Solutions
3403 10th Street, Suite 300
Riverside, CA 92501

BORROWER
Sunrise at Bogart, L.P.
c/o NPHS Sunrise at Bogart, LLC
Services, Inc.
9551 Pittsburgh Avenue
Rancho Cucamonga, CA 91730
Attention: CEO/CFO
Email:

and:

Sunrise at Bogart, L.P.
c/o Sunrise at Bogart, LLC
1259 E. Thousand Oaks Boulevard
Thousand Oaks, CA 91362
with a copy to

Goldfarb & Lipman LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attn: Matthew Heaton

with a copy to:

MCC Housing LLC
c/o Merritt Community Capital Corporation
1901 Harrison Street, Suite 1650
Oakland, California 94612
Attention: President & CEO

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.

a. 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.

b. 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.

c. 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.

d. 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.

e. 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.

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

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

62. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.

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

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

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

(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 COPY - DO NOT SIGN
Heidi Marshall, Director
Housing & Workforce Solutions

Date: _____

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

By: _____
Paula S. Salcido, Deputy County Counsel

BORROWER:

SUNRISE AT BOGART, L.P.
a California limited partnership

By: NPHS Sunrise at Bogart, LLC,
a California limited liability company
Its managing general partner

By: Neighborhood Partnership Housing Services, Inc.,
a California nonprofit public benefit corporation
Its sole member and manager

By: FORM COPY - DO NOT SIGN
Clemente Mojica, President and CEO

Date: _____

By: Sunrise at Bogart, LLC,
a California limited liability company
its administrative general partner

By: Many Mansions, A California Nonprofit Corporation,
a California nonprofit corporation
its sole member and manager

By: FORM COPY - DO NOT SIGN
Rick Schroeder, President and CEO

Date: _____

(County and Owner signatures need to be notarized)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2025, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

_____
Signature

EXHIBIT "A"

Borrower: Sunrise at Bogart, L.P.
Address: 11049 Bogart Avenue, Riverside, California
Project Title: Sunrise at Bogart Apartments

Location: Bogart Avenue in the Riverside also identified as APN 146-182-080
Project Description:

A.1 Project Description:
Sunrise at Bogart, L.P. plans to develop and construct a multi-family affordable rental housing project consisting of twenty-three (23) rental units including one (1) residential manager's unit ("Project") on real property located on approximately .76 acres of land located on Bogart Avenue also identified as APN 146-182-080 ("Property").

A.2 Scope of Work:

A. OWNER shall complete a New Construction Development at the property located at 11049 Bogart Avenue, Riverside, CA, 92505, for use as Permanent Supportive Housing (PSH). A total of 10 one bedroom one bath apartment units shall be reserved for Qualified HHAP Households and rented at Low rent levels as published by HUD. The HHAP assisted units shall be "floating" designation on the Property and shall be rented to and occupied by households who are homeless, at risk of homelessness or are otherwise a qualifying population under the HHAP Program for a period of 55 years. The Project is comprised of affordable units in addition to the HHAP Assisted Units, also HOME-ARP Assisted Units financed through the State of California No Place Like Home Program, HOME Program and federal low income housing tax credits. The Project shall include a total of 23 rental units as follows:

B. New Construction

Building and APN	Existing	Proposed
11049 Bogart Avenue Riverside, CA 92505 APN: 146-182-080	Vacant Lot	17,749 sf building 23 units / 24 beds

C. Project Detail

Project Component Type:	Capital
Funding Costs for:	Delivery of Permanent Housing & Innovative Housing Solutions
Population Focus:	[Homeless and Chronically Homeless]
# of Units:	[23]
# of Beds:	[24]
# of Dedicated Chronic Homeless Beds:	[10]
Project Locations	11049 Bogart Avenue Riverside CA, 92505

D. Performance Measurements Outcome Statement

1. Objective Outcome

☒ Creating Suitable Living Environment ☐ Availability/Accessibility

☒ Providing Decent Housing ☒ Affordability

☐ Creating Economic Opportunity ☐ Sustainability

2. Outcomes (Data Analysis)

SUBRECIPIENT shall collect and report anticipated performance measures for meeting the following benchmarks with 24 new beds (in addition to those met with the exiting beds):

Unsheltered Homeless Clients served with the New construction of [11049 Bogart Avenue Riverside CA, 92505]:	10 unique clients per year (10 total clients at any given time)
Average length of time from Intake to Program Entry:	At facility opening- 0 days (Entry is Immediate) Once capacity is reached 45 days - 90 days
Number of Homeless persons exiting into permanent housing	80% of clients served per year (18 total)
Number of Homeless persons exiting into Homelessness:	20% of clients served per year (4 total)

A.3 LEGAL DESCRIPTION OF PROPERTY

Project: N.E Corner Bogart Ave and Bushnell Ave
A.P.N. 146-182-080

That portion of Block 59 of Tract No. 2 of La Sierra Heights, in the City of Riverside, County of Riverside, State of California, as shown by map filed in Book 7, page 66, records of said County, more particularly described as follows:

COMMENCING at a point on the southwesterly line of Lot 12 of Block "D" of Holden Avenue Tract, as shown by map filed in Book 11, Pages 67 through 69, records of said County, 124.50 feet southeasterly of the most westerly corner thereof;

Thence South 60°37'00" West, a distance of 120.00 feet to the **POINT OF BEGINNING**;

Thence continuing South 60°37'00" West, a distance of 321.30 feet;

Thence southeasterly and parallel with the centerline line of Holden Avenue to a point on the northwesterly line of Bushnell Avenue;

Thence northeasterly along said northwesterly line of Bushnell Avenue, a distance of 365.38 feet;

Thence northwesterly to the **POINT OF BEGINNING**;

EXCEPTING THEREFROM that portion lying southwesterly, southerly and southeasterly of the northeasterly, northerly and northwesterly lines of that certain parcel of land described in a grant deed to the City of Riverside recorded April 6, 1990 as Instrument No. 126126, in the Office of the County Recorder of said County.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

6/12/19 Prep
Curtis C. Stephens, L.S. 7519 Date

A.4 CORE COMPONENTS OF HOUSING FIRST

OWNER shall ensure that any housing-related activities funded with HHAP funds, including, but not limited to, emergency shelter, rapid re-housing, Rental Assistance, and permanent supportive housing must be in compliance or otherwise aligned with the Core Components of Housing First, pursuant to Welfare and Institutions Code Section 8255(b).

A.5 HOMELESS MANAGEMENT INFORMATION SYSTEM

A. OWNER agrees to participate in the Homeless Management Information System (HMIS).

1. Participation is defined by HMIS training attendance, complying with Riverside County HMIS security policies and procedures, data collection, and entering required client data on a regular and timely basis.

2. COUNTY retains the rights to the HMIS and case management software application used in the operations of this property. COUNTY will grant SUBRECIPIENT access to use the HMIS software for the term of this Agreement.

3. OWNER shall ensure that employees using HMIS for client intake capture all required data fields, as set forth in the County of Riverside Continuum of Care HMIS Charter, which is located on the County of Riverside CoC website: https://rivcohhpws.org/sites/g/files/aldnop131/files/2023-05/county-of-riverside-coc-hmis-charter-rev-12-07-22_0.pdf

4. OWNER must maintain a valid HMIS End User Agreement on file with COUNTY, which is located on the County of Riverside CoC website: https://rivcohhpws.org/sites/g/files/aldnop131/files/cocdocumnets/HMIS/County%20of%20Riverside%20CoC%20HMIS%20Participating%20Agency%20Agreement%20%20Revised%209-10-2020%20(1).pdf

5. OWNER agrees to provide BCSH access to HMIS data collected and entered into the SUBRECIPIENT'S HMIS, upon request, and to participate in any statewide data initiative as directed by BCSH, including, but not limited to, a statewide data integration environment.

A.6 COORDINATED ENTRY SYSTEM

1. Participation is defined by CES training attendance, complying with Riverside County CES Charter, Policies and Procedures, data collection, valid user agreements, and entering required client data on a regular and timely basis. https://www.harivco.org/HomelessManagementInformationSystem/tabid/237/Default.aspx

2. SUBRECIPIENT shall work with the CES Lead Agency to ensure that screening, assessment and referral of program participants are consistent with the CES Charter, Policies and Procedures which is located on the County of Riverside CoC

website:https://rivcohhpws.org/sites/g/files/aldnop131/files/cocdocumnets/CES%20Policies%20and%20Procedures%20Amended%205_20_2021.pdf

3. SUBRECIPIENT agrees to work with the CES Lead Agency and coordinate delivery of services (e.g. street outreach, housing navigation, case management, landlord incentive programs, and all other supportive services and housing assistance) to support inquiries received through the CES HomeConnect Hotline and by name list.

4. SUBRECIPIENT agrees to participate in the CES HomeConnect Navigation Council Review Meetings facilitated by the CES Lead Agency.

5. SUBRECIPIENT shall utilize the Vulnerability Index – Service Prioritization Decision Assistance Tool (VI-SPDAT) to screen individuals with high barriers to help them gain access to housing services through the CES.

6. SUBRECIPIENT agrees to provide BCSH access to CES data collected and entered into the SUBRECIPIENT'S HMIS, upon request, and to participate in any statewide data initiative as directed by BCSH, including, but not limited to, a statewide data integration environment.

A.7 REPORTING REQUIREMENTS

A. SUBRECIPIENT shall follow all HMIS requirements to ensure that complete and accurate data are in HMIS on an ongoing basis unless exempted for special population such as victims of domestic violence and, upon request from HHPWS CoC staff, submit information on time to HHPWS CoC to ensure that HHPWS CoC staff has complete and accurate information to conduct any kind of reporting including annual reports to BCSH.

B. Information needed for reporting purposes include but are not limited to the followings. Subrecipient is required to have such information on HMIS and, as needed, establish internal mechanism(s) to ensure that information listed below is tracked on an ongoing basis and available at all times during the contract term and record retention period.

1. An ongoing tracking of the specific uses and expenditures of any program funds broken out by eligible uses listed, including the current status of those funds.

2. The unduplicated number of homeless individuals served by the program funds in that year, and a total number served in all years of the program, as well as the homeless population served.

3. The type of housing assistance provided, broken out by the number of individuals.

4. Outcome data for individual served through program funds, including the type of housing that an individual exited to, the percent of successful housing exits, and exit types for unsuccessful housing exits.

5. Number of Instances of Service.

6. Increases in capacity for new and existing programs.

7. The number of unsheltered homeless individuals becoming sheltered.

8. The number of homeless persons entering permanent housing.

C. Breakdowns will be expected for each activity (i.e. services, capital improvements, Rental Assistance, etc.) and program type (i.e. Emergency Shelter, rapid re-housing, outreach, etc.) for the supplemental reporting requirements listed above, when applicable. The same information will also be requested specifically for the following subpopulations, based on priorities identified by the U.S. Department of Housing and Urban Development (HUD):

1. Chronically Homeless

2. Homeless veterans

3. Unaccompanied Homeless Youth

4. Homeless persons in families with children

D. SUBRECIPIENT will also be asked to comment on the following:

1. Progress made toward local homelessness goals.

2. The alignment between HHAP funding priorities and "Housing First" principles adopted by the Homeless Coordinating and Financing Council.

3. Any other effects from HHAP funding that the CoC would like to share (optional).

EXHIBIT "B"

EXEMPT RECORDING FEE CODE 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
Housing and Workforce Solutions
3403 10th Street, Suite 300
Riverside, CA 92501
Attn. Tanya Torno

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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

This LEASHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING is made this ____ day of _____, 2025 by Sunrise at Bogart, L.P., a California limited partnership ("Trustor"), whose address is 9551 Pittsburgh Avenue, Rancho Cucamonga, CA 91730. The trustee is Commonwealth Land Title Company, a California corporation ("Trustee"). The beneficiary is the County of Riverside, a political subdivision of the State of California, (hereinafter called "Beneficiary"), whose address is 3403 10th Street, Suite 300, Riverside, CA 92501.

RECITALS

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

B. County made a Loan to Trustor in the amount of $2,018,434.30 (the "Loan") of funds made available under the 2021 Homeless Housing, Assistance, and Prevention Program Round 2 and HHAP Round 3, amended by Stats. 2021 ("HHAP-2" and "HHAP-3" or "Program") administered by the California Homeless Coordinating and Financing Council (HCFC) in the Business, Consumer Services and Housing Agency (BCSH (collectively, "HHAP"), as evidenced by that certain Loan Agreement for the Use of the 2021 Homeless Housing, Assistance, and Prevention Program (HHAP) Funds by and between Trustor and Beneficiary, dated as of the date hereof (the "Loan Agreement") (capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Loan Agreement).

C. In connection with the Loan, Beneficiary and Trustor entered into a Covenant Agreement dated as of the date hereof (the "Covenant Agreement"), pursuant to which, Trustor is obligated, among other requirements, to restrict a portion of the Subject Property's use and occupancy to housing for the "homeless," those "at risk of homelessness" or other "qualifying populations" within the meaning of the HHAP program or as defined by applicable federal or state regulations governing the Homeless Housing, Assistance, and Prevention (HHAP) Program (collectively, the HHAP Program").

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

(A) The Subject Property;

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

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

(D) All rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the ownership, 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 Property or any other part of the Trust Estate or the Ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the property or any other part of the Trust Estate, including (to the extent applicable to the Property or any other portion of the Trust Estate) (i) permits, approvals and other governmental authorizations, (ii) improvement plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers, supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) takeout, refinancing and permanent loan commitments, (v) warranties, guaranties, indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (vi) claims, demands, awards, settlements, and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage

to, trespass on or taking, condemnation (or conveyance in lieu of condemnation) or public use of any of the Property, (vii) license agreements, service and maintenance agreements, purchase and sale agreements and purchase options, together with advance payments, security deposits and other amounts paid to or deposited with Trustor under any such agreements, (viii) reserves, deposits, bonds, deferred payments, refunds, rebates, discounts, cost savings, escrow proceeds, sale proceeds and other rights to the payment of money, trade names, trademarks, goodwill and all other types of intangible personal property of any kind or nature, and (ix) all supplements, modifications, amendments, renewals, extensions, proceeds, replacements and substitutions of or to any of such property (the "Intangibles").

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estates described above in which a security interest may be created under the UCC (collectively, the "Personal Property"). This 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:

(a) due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:

(a) that certain Promissory Note in favor of the Beneficiary ("County" therein) executed by Trustor ("Borrower" therein) of even date herewith (the "Note") in the principal amount of $2,018,434.30;

(b) that certain Loan Agreement for the Use of the Homeless Housing, Assistance, and Prevention (HHAP) Program - Round 2 (HHAP-2) and Round 3 (HHAP-3) Program dated _____ and recorded in the Official Records ("Official Records") of the County of Riverside concurrently herewith, between Trustor ("Borrower" therein) and Beneficiary ("County" therein) (the "Loan Agreement"); and

(c) that certain Covenant Agreement dated _____ and recorded concurrently herewith in the Official Records, between Trustor ("Borrower" therein) and Beneficiary ("County" therein) ("Covenant Agreement").

(b) payment of indebtedness of the Trustor to the Beneficiary not to exceed $2,018,434.30 (the "Loan") according to the terms of the Note.

Said Note, Loan Agreement and Covenant Agreement (collectively, referred to as the "Secured Obligations") and all of their terms are incorporated herein by reference and this conveyance shall secure any and all extensions, amendments, modifications or renewals thereof however evidenced, and additional advances evidenced by any note reciting that it is secured hereby. The Note, Loan Agreement and Covenant Agreement as used herein shall mean, refer to and include the Note, Loan Agreement and Covenant Agreement, as well as any riders, exhibits,

addenda, implementation agreements, amendments, or attachments thereto (which are hereby incorporated herein by this reference).

Pursuant to the Loan Agreement, the maturity date of the Loan shall be the later to occur of (i) December 31, 2080 or (ii) fifty-five (55) years from recordation of the Covenant Agreement for the last building completed as part of the Project (as defined in the Loan Agreement) ("Loan Term").

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 all obligations of Trustor as set forth in the 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 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 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 Loan Agreement and Covenant Agreement.

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

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

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

the person owed payment. Trustor shall promptly furnish to Beneficiary receipts evidencing the payments.

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

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

a. Except for the liens permitted in writing by the Beneficiary, Trustor shall promptly discharge any other lien which shall have attained priority over this Deed of Trust unless Trustor: (1) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Beneficiary; (2) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Beneficiary's opinion operate to prevent the enforcement of the lien; or (3) bond around the lien (4) secures from the holder of the lien an agreement satisfactory to Beneficiary subordinating the lien to this 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. **Priority of Deed of Trust.** Beneficiary hereby agrees to execute any and all documents necessary to effectuate such priority, including, but not limited to subordination agreements first approved as to form and content by Beneficiary and Beneficiary's legal counsel. Priority shall be as follows:

a. First - California Municipal Finance Authority Regulatory Agreement and Declaration of Restrictive Covenants;

b. Second – COUNTY HOME ARP Covenant Agreement;

c. Third – City of Riverside HOME Regulatory Agreement and Declaration of Restrictive Covenants;

d. Fourth – COUNTY HHAP Covenant Agreement;

e. Fifth- City of Riverside Regulatory Agreement (LAHTF (ARPA funds via local affordable housing trust fund))

f. Sixth- City of Riverside PIP Regulatory Agreement

g. Seventh- City PLHA Regulatory Agreement

h. Eighth – Banner Bank Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing; and

i. Ninth - COUNTY Deed of Trust HOME ARP

j. Tenth- City HOME Deed of Trust

k. Eleventh- County HHAP Deed of Trust

l. Twelfth – City LAHTF(ARPA Funds) Deed of Trust

m. Thirteenth- City PIP Deed of Trust

n. Fourteenth- City PLHA Deed of Trust

o. Fifteenth- NPHS Deed of Trust (Capitalized Rent)

p. Sixteenth- NPHS Deed of Trust (HUD CPF)

q. Seventeenth- County HOME ARP Loan Agreement

r. Eighteenth- County HHAP 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 reasonably requires insurance. This insurance shall be maintained in the amounts and for the periods as required in the Loan Agreement. The insurance carrier providing the insurance shall be chosen by Trustor subject to Beneficiary's approval which shall not be unreasonably withheld. If Trustor fails to maintain coverage described above, Beneficiary may, at Beneficiary's option, obtain coverage to protect Beneficiary's rights in the Property in accordance with **Section 12**.

a. All insurance policies and renewals shall be reasonably acceptable to Beneficiary and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Trustor complies with the insurance requirements under this Deed of Trust and the 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; Leaseholds; Trustor's Loan Application.** Trustor shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property; normal wear and tear excepted. Trustor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Beneficiary's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Deed of Trust or Beneficiary's security interest. Trustor may cure such a default and reinstate, as provided in **Section 23**, by causing the action or proceeding to be dismissed with a ruling that, in Beneficiary's good faith determination, precludes forfeiture of the Trustor's interest in the Property or other material impairment of the lien created by this 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, including, but not limited to representations concerning Trustor's use of 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.

a. The Trustor acknowledges that this Property is subject to certain use and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the Property is located), limiting a portion of the Property's use to housing for the "homeless," those "at risk of homelessness" or other "qualifying populations" within the meaning of the HHAP Program. The use and occupancy restrictions may limit the Trustor's ability to rent the Property. The violation of any use and occupancy restrictions may, if not prohibited by federal law, entitle the Beneficiary to the remedies provided in **Section 27** hereof.

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

a. Any amounts disbursed by Beneficiary under this **Section 12** shall become additional debt of Trustor secured by this 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 Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary, subject to the terms of a Senior Lien Holder Deed of Trust, if any.

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

b. If the Property is abandoned by Trustor, or if, after notice by Beneficiary to Trustor that the condemner offers to make an award or settle a claim for damages, Trustor fails to respond to Beneficiary within 30 days after the date the notice is given, Beneficiary is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this 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. **Forbearance By Beneficiary Not a Waiver.** 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 the investment limited partner at the address set forth in the 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 shall be governed by federal law and the laws of the State of California. In the event that any provision or clause of this Deed of Trust, the Note or Covenant Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust, the Note or the Covenant Agreement which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust, the Note and the Covenant Agreement 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 Court of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

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

22. **Transfer of the Property or a Beneficial Interest in Trustor.** Except as otherwise allowed under the Loan Agreement, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Trustor is sold or transferred and Trustor is not a natural person) without Beneficiary's prior written consent (including a transfer of all or any part of the Property to any person who, at initial occupancy of the Property, does not use the Property for housing for the "homeless" or those "at risk of homelessness" within the meaning of the HHAP Program) Beneficiary may, at its option, require immediate payment in full of all Secured Obligations secured by this Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the date of this Deed of Trust. Nothing in this Deed of Trust shall be deemed to require Beneficiary's approval of a transfer of a limited partnership or non-managing member interest in the Trustor or of a conveyance of an easement interest in the Property for utility purposes.

a. If Beneficiary exercises the aforementioned option, Beneficiary shall give Trustor and the Senior Lien Holder, prior written notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Trustor must pay all sums secured by this 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. Notwithstanding anything to the contrary contained herein, upon written notice to Beneficiary, Trustor may (i) lease for occupancy of all or any of the HHAP Assisted Units in accordance with this Agreement; (ii) grant easements or permits to facilitate the development and operation of the Property in accordance with the Loan Agreement; (iii) transfer the Trustor's limited partnership interest; (iv) remove and replace the Trustor's general partner(s) for cause in accordance with the Trustor's amended and restated agreement of limited partnership; and (v) make transfers pursuant to that certain Right of First Refusal and Option Agreement (collectively a "Permitted Transfer"). All Permitted Transfers shall be subject to reasonable review of documentation by the Beneficiary.

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, the Loan Agreement, the Note and Covenant Agreement 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 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 the Senior Lenders.

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

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

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

27. **Acceleration; Remedies.** Beneficiary shall give notice to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this Deed of Trust. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, which shall not be more than thirty (30) calendar days from the date of the mailing of the notice for a monetary default, or a date, which shall not be more than thirty (30) calendar days from the mailing of the notice for a non-monetary default, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the Secured Obligations 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 or the investor limited partner have not cured the default within that same period, subject to any non-recourse provisions set forth in **Section 8** of the Note, then Beneficiary at its option may require immediate payment in full of all Secured Obligations 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. **Modifications of Senior Loan Documents.** Any agreement or arrangement, in which a Senior Lender waives, postpones, extends, reduces, or modifies any provisions of the Senior Lien Holder Deed of Trust or any other Senior Lien Holder loan documents, including any provisions requiring the payment of money, shall require the prior written approval of Beneficiary, such approval not to be unreasonably conditioned or denied.

31. **Prohibition against tenancy under foreclosure.** Notwithstanding anything to the contrary set forth in this Deed of Trust or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that, in no event will any action be taken which violates Section 42(h)(6)(E)(ii) of the U.S. Internal Revenue Code of 1986, as amended, regarding prohibitions against evicting, terminating tenancy or increasing rent of tenants for a period of three (3) years after acquisition of a building by foreclosure or deed-in-lieu of foreclosure.

32. **General Partner Change**. Except as otherwise provided in the Loan Agreement, the withdrawal, removal, and/or replacement of a non-Affiliate general partner of the Trustor pursuant to the terms of the Partnership Agreement shall not constitute a default under any of the Secured Obligations, and any such actions shall not accelerate the Secured Obligations, provided that any required substitute general partner is reasonably acceptable to Beneficiary and is selected with reasonable promptness, subject to Section 22.b above. Any proposed general partner replacement shall have the qualifications and financial responsibility as reasonably determined by Beneficiary necessary and adequate to fulfill the obligations undertaken in the Loan Agreement, as amended.

33. **Removal, Demolition or Alteration of Personal Property and Fixtures**. Except to the extent permitted by the following sentence, no personal property or fixtures shall be removed, demolished or materially altered without the prior written consent of the Beneficiary. Trustor may remove and dispose of, free from the lien of this 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.

[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:

SUNRISE AT BOGART, L.P.,
a California limited partnership

By: NPHS Sunrise at Bogart, LLC,
a California limited company,
its managing general partner

By: Neighborhood Partnership Housing Services, Inc.,
a California nonprofit public benefit corporation,
its sole member and manager

By: FORM COPY - DO NOT SIGN
Name: Clemente Mojica
Title: President and CEO

By: Sunrise at Bogart, LLC,
a California limited liability company,
its administrative general partner

By: Many Mansions, A California Nonprofit Corporation,
a California nonprofit public benefit corporation,
its sole member and manager

By: FORM COPY - DO NOT SIGN
Name: Rick Schroeder
Its: President and CEO

(Signature needs to be notarized)

Approved as to form:
Minh C. Tran
County Counsel

By:
Paula S. Salcido
Deputy County Counsel

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2025, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

_____
Signature

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

Project: N.E Corner Bogart Ave and Bushnell Ave
A.P.N. 146-182-080

That portion of Block 59 of Tract No. 2 of La Sierra Heights, in the City of Riverside, County of Riverside, State of California, as shown by map filed in Book 7, page 66, records of said County, more particularly described as follows:

COMMENCING at a point on the southwesterly line of Lot 12 of Block "D" of Holden Avenue Tract, as shown by map filed in Book 11, Pages 67 through 69, records of said County, 124.50 feet southeasterly of the most westerly corner thereof;

Thence South 60°37'00" West, a distance of 120.00 feet to the **POINT OF BEGINNING**;

Thence continuing South 60°37'00" West, a distance of 321.30 feet;

Thence southeasterly and parallel with the centerline line of Holden Avenue to a point on the northwesterly line of Bushnell Avenue;

Thence northeasterly along said northwesterly line of Bushnell Avenue, a distance of 365.38 feet;

Thence northwesterly to the **POINT OF BEGINNING**;

EXCEPTING THEREFROM that portion lying southwesterly, southerly and southeasterly of the northeasterly, northerly and northwesterly lines of that certain parcel of land described in a grant deed to the City of Riverside recorded April 6, 1990 as Instrument No. 126126, in the Office of the County Recorder of said County.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

6/17/19 Prep.
Curtis C. Stephens, L.S. 7519 Date

EXHIBIT "C"

PROMISSORY NOTE **$2,018,434.30** **Riverside, CA**
Interest: 0% per annum

In installments as hereafter stated, for value received, SUNRISE AT BOGART, L.P., a California limited partnership ("Borrower"), promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), or order, at 3403 10th Street, Suite 300, Riverside, CA 92501, the sum of Two Million Eighteen Thousand Four Hundred Thirty-Four Dollars and 30/100 (U.S. $2,018,434.30) (the "Loan" or "Note Amount") which at the time of payment is lawful for the payment of public and private debts.

This Promissory Note ("Note") is given in accordance with that certain Loan Agreement for the Use of the 2021 Homeless Housing, Assistance, and Prevention Program Funds executed by COUNTY and Borrower, dated as of _____ and recorded in the Official Records of the County of Riverside ("Official Records") on or about the date hereof (the "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 Loan Agreement. The Note is secured by a Deed of Trust and Assignment of Rents executed by Borrower for the benefit of the County dated _____ and recorded on or about the date hereof in the Official Records (the "Deed of Trust"). The rights and obligations of the Borrower and COUNTY under this Note shall be governed by the Loan Agreement and the following terms:

(1) The Loan evidenced by this Note and secured by the Deed of Trust is being made pursuant to Chapter 6 (commencing with Section 50216) of Part 1 of Division 31 of the Health and Safety Code, and all other relevant provisions established under AB 83 (Chapter 15, Statutes of 2020), the State of California has established the Homeless Housing, Assistance, and Prevention Program Round 2 and HHAP Round 3, amended by Stats. 2021 ("HHAP-2" and "HHAP-3" or "Program"), administered by the California Homeless Coordinating and Financing Council (HCFC) in the Business, Consumer Services and Housing Agency (BCSH), and the implementing rules (HUD CPD-21-10 issued September 13, 2021) and regulations thereto (24 CFR Part 92) (collectively, "HHAP"). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on rent and occupancy required under the HHAP Program and the Loan Agreement and that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Borrower and the COUNTY).

(2) The Loan will accrue simple interest at a rate of zero percent (0%) 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.

(3) This Note shall be repaid according to the following: Fifty percent (50%) of the Project's Residual Receipts (as defined in loan agreement) shall be used towards the payment of certain loans secured by the Project, which shall include the HHAP Loan, loans from the

City of Riverside of HOME, ARPA, PLHA, and PIP funds, a loan from the County of HOME-ARP Loan funds, and the NPLH Home Loan. The payment of 50% of the Residual Receipts shall be allocated to the Residual Receipts Loans on a pro rata basis (i.e. allocated in proportion to the share of each Residual Receipts Loan in the total amount of Residual Receipts Loans), the pro rata share split shall be 6.76% to the COUNTY for HOME ARP Loan, 7.58% to the COUNTY for HHAP loan, 8.92% to the City for HOME Loan, 3.10% to City for ARPA loan, 3.03% to City for City PLHA loan, 11.47% to City for PIP loan, and 9.15% to HCD for NPLH loan until the Note is repaid in full; and the remaining fifty percent (50%) of the Project's Residual Receipts will be retained for distribution by BORROWER.

(4) The term "Residual Receipts" used herein shall mean all money and income from the Project remaining annually after the payment of all normal and necessary expenses of operation of the Project, including but not limited to the following:

1. Payment 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");
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 total initially $70 per Unit per month, which management fee shall be increase annually by an amount not to exceed the greater of (i) zero (0%) or the increase in the Consumer Price Index for Riverside-San Bernadino-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. deposits to replacement reserves, limited to $500.00 per unit per year for all units in the Project;
9. payments for supportive services to Project residents, including without limitation the salary of on-site service coordinators and supervision of such service staff and any other costs related to any services required by any regulatory agreement or similar document recorded against the Project;
10. deposits to operating, replacement reserve, or any other reserve accounts which are either (i) commercially reasonable, or (ii) required by the lenders of the Residual Receipts Loans or as required under the Partnership Agreement;
11. costs of restoring the Project after damage, destruction or condemnation;
12. payment of any previously unpaid portion of developer fee;

13. current and accrued general partner partnership management fee in the annual amount of $25,000, increasing 3% annually;
14. current and accrued limited partner asset management fee in the annual amount of $5,000, increasing 3% annually;
15. All other fees and expenses which may be permitted by the annual budget approved by COUNTY.

(5) Operating expenses will be considered "normal and necessary" if incurred generally for similarly structured, financed and restricted rental properties operated by similar entities. Payment shall be applied first to accrued interest and thereafter to principal. Borrower shall annually provide the County with an accounting acceptable to the County, documenting the calculation of Residual Receipts for the previous calendar year ending December 31. This accounting shall be made on or before [_____] together with the payment of Residual Receipts.

(6) All outstanding principal along with accrued interest shall be due upon maturity of the Loan Agreement, which shall be the later to occur of (i) December 31, 2080 or (ii) fifty-five (55) years from the recordation of the Covenant Agreement in the Official Records (the "Loan Term"). All outstanding principal along with accrued interest shall be due upon the maturity date of the Note and the expiration of the Loan Term.

(7) The Loan evidenced by this Note is secured by that certain Deed of Trust and Assignment of Rents executed by Borrower for the benefit of the County, dated on or about the date hereof and recorded in the Official Records of the County of Riverside on or about the date hereof ("Deed of Trust").

(8) 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.

(9) Subject to the provisions and limitations of this Paragraph 9, the obligation to repay the Note Amount is a nonrecourse obligation of Borrower and its partners. Neither Borrower nor its partners shall have any personal liability for repayment of the Note Amount, except as provided in this Paragraph 9. 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 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 Paragraph 9, the COUNTY may recover directly from Borrower or, unless otherwise prohibited by any applicable law, from any other party: (a) any damages, costs and expenses incurred by the COUNTY as a result of fraud, misrepresentation or any criminal act or acts of Borrower or any general partner, shareholder, officer, director or employee of Borrower, or of any member or general partner of Borrower, or of any general partner of such member or general partner; (b) any damages, costs and expenses incurred by the COUNTY as a result of any misappropriation of funds provided to pay costs as described in the 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 Loan Agreement and/or Deed of Trust or the indemnification regarding Hazardous Substances pursuant to the 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.

(10) 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 Loan Agreement:

a. Monetary Default. (1) Borrower's failure to pay when due any sums payable under the Note or any advances made by COUNTY under this Agreement, (2) Borrower's or any agent of Borrower's use of Loan funds for costs other than those costs permitted under the Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, (3) Borrower's or any agent of Borrower's failure to make any other payment of any assessment or tax due under the Loan Agreement, and /or (4) default past any applicable notice and cure period under the terms of: (a) the Regulatory Agreement and Declaration of Restrictive Covenants by and between California Municipal Finance Authority and Borrower (the "Bond Regulatory Agreement"); (b) the regulatory agreement for the benefit of the State of California Department of Housing and Community Development ("HCD") in connection with the NPLH Loan (as defined below) (the "NPLH Senior Regulatory Agreement"); (c) the HOME ARP Covenant Agreement for the benefit of the COUNTY; (d) the deed(s) of trust for the benefit of Banner Bank ("Banner") securing a construction loan for the Project in an amount up to $[11,000,000] ("Banner Construction Loan"); (e) the deed of trust securing the HCD No Place Like Home Loan in an amount up to $1,148,527 ("NPLH Loan"); (f) all Affordable Housing Regulatory Agreements and Declarations of Restrictive Covenants in favor of the City of Riverside (collectively, the "City Regulatory Agreement"); (g) the HOME ARP Deed of Trust for the benefit of the COUNTY; (h) the deed of trust securing the Neighborhood Partnership Housing Services, Inc. ("NPHS") Capitalized Rent Loan in an amount of $290,000 ("Capitalized Rent Loan"), (i) the deed of trust securing the NPHS HUD CPF Loan in the amount of $3,000,000 ("Sponsor CPF Loan"); (j) the HHAP Covenant Agreement for the benefit of the COUNTY (the "HHAP Covenant Agreement"); (k) the HHAP Loan Agreement for the benefit of the COUNTY; and (l) the Tax Credit Regulatory Agreement for the benefit of the California

Tax Credit Allocation Authority (the "Tax Credit Regulatory Agreement");;

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

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

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

e. Any cure tendered by Borrower's limited partner shall be accepted or rejected on the same basis as if tendered by Borrower. Copies of all noticed delivered hereunder shall be delivered to Borrower's limited partner at the address set forth herein.

(11) COUNTY shall give written notice of default to Borrower, specifying the default complained of by the COUNTY. Borrower shall have thirty (30) calendar days from the mailing of the notice for a monetary default, 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.

(12) 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.

(13) If the rights created by this Note shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the remaining obligations shall be completely performed and paid. In the event that any provision or clause of this Note conflicts with applicable law, such conflict will not affect other provisions of this Note which can be given effect without the conflicting provision, and to this end the provisions of the Note are declared to be severable.

(14) 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.

(15) 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 HHAP 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.

(16) 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.

(17) 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.

(18) 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.

(19) Except as otherwise permitted in the Loan documents, in no event shall Borrower assign or transfer any portion of this Note or any rights herein without the prior express written consent of the COUNTY, which consent the COUNTY may give or withhold in its sole and absolute discretion. In the absence of specific written agreement by the COUNTY, no unauthorized assignment or transfer, or approval thereof by the COUNTY, shall be deemed to relieve Borrower or any other party from any obligations under the Loan Agreement or this Note, except for in the event of a Permitted Transfer of the Project as such term is defined in the Loan Agreement. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.

(20) Except as to the permitted deeds of trust identified herein, Borrower shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion.

(21) 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.

(22) (a) Formal notices, demands and communications between the County and Borrower shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the COUNTY and Borrower as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or "kick-out" sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.

(b) The address of the COUNTY for purposes of receiving notices pursuant to this Note shall be 34303 10th Street, Suite 300, Riverside, California 92501, Attention: Director of Housing, Homelessness Prevention & Workforce Solutions. The facsimile number for the COUNTY's receipt of notices is (951) 352-4852.

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

Sunrise at Bogart, L.P.
c/o NPHS Sunrise at Bogart, LLC
9551 Pittsburgh Avenue
Rancho Cucamonga, CA 91730
Attn: President

and

Sunrise at Bogart, L.P.
c/o Sunrise at Bogart, LLC
1259 E. Thousand Oaks Boulevard
Thousand Oaks, CA 91362

with a copy to

Goldfarb & Lipman LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attn: Matthew Heaton

and a copy to:

MCC Housing LLC
c/o Merritt Community Capital Corporation
1901 Harrison Street, Suite 1650
Oakland, California 94612
Attention: President & CEO

(23) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.

(24) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.

(25) This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.

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[SIGNATURES ON FOLLOWING PAGE]

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

TRUSTOR:

SUNRISE AT BOGART, L.P.,
a California limited partnership

By: NPHS Sunrise at Bogart, LLC,
a California limited company,
its managing general partner

By: Neighborhood Partnership Housing Services, Inc.,
a California nonprofit public benefit corporation,
its sole member and manager

By: FORM COPY - DO NOT SIGN
Name: Clemente Mojica
Title: President and CEO

By: Sunrise at Bogart, LLC,
a California limited liability company,
its administrative general partner

By: Many Mansions, A California Nonprofit Corporation,
a California nonprofit public benefit corporation,
its sole member and manager

By: FORM COPY - DO NOT SIGN
Name: Rick Schroeder
Its: President and CEO

Approved as to form:
Minh C. Tran
County Counsel

By:
Paula S. Salcido
Deputy County Counsel

EXHIBIT "D"

RIVERSIDE COUNTY

SECTION 3

24 CFR PART 75

ECONOMIC OPPORTUNITIES FOR

LOW-AND VERY LOW-INCOME PERSONS

CONTRACT REQUIREMENTS

RIVERSIDE COUNTY

Section 75.1 Purpose

This part establishes the requirements to be followed to ensure the objectives of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) are met. The purpose of Section 3 is to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.

Section 75.3 Applicability

(a) General applicability. Section 3 applies to public housing financial assistance and Section 3 projects, as follows:

(1) Public housing financial assistance. Public housing financial assistance means:

(i) Development assistance provided pursuant to section 5 of the United States Housing Act of 1937 (the 1937 Act);

(ii) Operations and management assistance provided pursuant to section 9(e) of the 1937 Act;

(iii) Development, modernization, and management assistance provided pursuant to section 9(d) of the 1937 Act; and

(iv) The entirety of a mixed-finance development project as described in 24 CFR 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance as defined in paragraphs (a)(1)(i) through (iii) of this section.

(2) Section 3 projects. (i) Section 3 projects means housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of $200,000. The threshold is $100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 or 1701z-2), the Lead-Based Paint Poisoning Prevention Act (42 U.S.C 4801 et seq.); and the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.). The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.

(ii) The Secretary must update the thresholds provided in paragraph (a)(2)(i) of this section not less than once every 5 years based on a national construction cost inflation factor through Federal Register notice not subject to public comment. When the Secretary finds it is warranted to ensure compliance with Section 3, the Secretary may adjust, regardless

of the national construction cost factor, such thresholds through Federal Register notice, subject to public comment.

(iii) The requirements in this part apply to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

(b) Contracts for materials. Section 3 requirements do not apply to material supply contracts.

(c) Indian and Tribal preferences. Contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the requirements of this part.

(d) Other HUD assistance and other Federal assistance. Recipients that are not subject to Section 3 are encouraged to consider ways to support the purpose of Section 3.

Section 75. 5 Definitions.

The terms HUD, Public housing, and Public Housing Agency (PHA) are defined in 24 CFR part 5. The following definitions also apply to this part:

1937 Act means the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.

Contractor means any entity entering into a contract with:

(1) A recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project; or

(2) A subrecipient for work in connection with a Section 3 project.

Labor hours means the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance.

Low-income person means a person as defined in Section 3(b)(2) of the 1937 Act.

Material supply contracts means contracts for the purchase of products and materials, including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, and office supplies.

Professional services means non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

Public housing financial assistance means assistance as defined in §75.3(a)(1).

Public housing project is defined in 24 CFR 905.108.

Recipient means any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.

Section 3 means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 business concern means:

(1) A business concern meeting at least one of the following criteria, documented within the last six-month period:

(i) It is at least 51 percent owned and controlled by low- or very low-income persons;

(ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or

(iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

(2) The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.

(3) Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

Section 3 project means a project defined in §75.3(a)(2).

Section 3 worker means:

(1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:

(i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.

(ii) The worker is employed by a Section 3 business concern.

(iii) The worker is a YouthBuild participant.

(2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.

(3) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

Section 8-assisted housing refers to housing receiving project-based rental assistance or tenant-based assistance under Section 8 of the 1937 Act.

Service area or the neighborhood of the project means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

Small PHA means a public housing authority that manages or operates fewer than 250 public housing units.

Subcontractor means any entity that has a contract with a contractor to undertake a portion of the contractor's obligation to perform work in connection with the expenditure of public housing financial assistance or for a Section 3 project.

Subrecipient has the meaning provided in the applicable program regulations or in 2 CFR 200.93.

Targeted Section 3 worker has the meanings provided in §§75.11, 75.21, or 75.29, and does not exclude an individual that has a prior arrest or conviction.

Very low-income person means the definition for this term set forth in section 3(b)(2) of the 1937 Act.

YouthBuild programs refers to YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

Subpart C—Additional Provisions for Housing and Community Development Financial Assistance

§75.19 Requirements.

(a) *Employment and training.* (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for opportunities and training described in paragraph (a)(1) of this section should be given to:

(i) Section 3 workers residing within the service area or the neighborhood of the project, and

(ii) Participants in YouthBuild programs.

(b) *Contracting.* (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.

(2) Where feasible, priority for contracting opportunities described in paragraph (b)(1) of this section should be given to:

(i) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and

(ii) YouthBuild programs.

§75.21 Targeted Section 3 worker for housing and community development financial assistance.

(a) *Targeted Section 3 worker.* A Targeted Section 3 worker for housing and community development financial assistance means a Section 3 worker who is:

(1) A worker employed by a Section 3 business concern; or

(2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:

(i) Living within the service area or the neighborhood of the project, as defined in §75.5; or

(ii) A YouthBuild participant.

(b) [Reserved]

§75.23 Section 3 safe harbor.

(a) *General.* Recipients will be considered to have complied with requirements in this part, in the absence of evidence to the contrary if they:

(1) Certify that they have followed the prioritization of effort in §75.19; and

(2) Meet or exceed the applicable Section 3 benchmark as described in paragraph (b) of this section.

(b) *Establishing benchmarks.* (1) HUD will establish Section 3 benchmarks for Section 3 workers or Targeted Section 3 workers or both through a document published in the FEDERAL REGISTER. HUD may establish a single nationwide benchmark for Section 3 workers and a single nationwide benchmark for Targeted Section 3 workers, or may establish multiple benchmarks based on geography, the nature of the Section 3 project, or other variables. HUD will update the benchmarks through a document published in the FEDERAL REGISTER, subject to public

comment, not less frequently than once every 3 years. Such notice shall include aggregate data on labor hours and the proportion of recipients meeting benchmarks, as well as other metrics reported pursuant to §75.25 as deemed appropriate by HUD, for the 3 most recent reporting years.

(2) In establishing the Section 3 benchmarks, HUD may consider the industry averages for labor hours worked by specific categories of workers or in different localities or regions; averages for labor hours worked by Section 3 workers and Targeted Section 3 workers as reported by recipients pursuant to this section; and any other factors HUD deems important. In establishing the Section 3 benchmarks, HUD will exclude professional services from the total number of labor hours as such hours are excluded from the total number of labor hours to be reported per §75.25(a)(4).

(3) Section 3 benchmarks will consist of the following two ratios:

(i) The number of labor hours worked by Section 3 workers divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.

(ii) The number of labor hours worked by Targeted Section 3 workers as defined in §75.21(a), divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.

§75.25 Reporting.

(a) *Reporting of labor hours.* (1) For Section 3 projects, recipients must report in a manner prescribed by HUD:

(i) The total number of labor hours worked;

(ii) The total number of labor hours worked by Section 3 workers; and

(iii) The total number of labor hours worked by Targeted Section 3 workers.

(2) Section 3 workers' and Targeted Section 3 workers' labor hours may be counted for five years from when their status as a Section 3 worker or Targeted Section 3 worker is established pursuant to §75.31.

(3) The labor hours reported under paragraph (a)(1) of this section must include the total number of labor hours worked on a Section 3 project, including labor hours worked by any subrecipients, contractors and subcontractors that the recipient is required, or elects pursuant to paragraph (a)(4) of this section, to report.

(4) Recipients reporting under this section, as well as subrecipients, contractors and subcontractors who report to recipients, may report labor hours by Section 3 workers, under paragraph (a)(1)(ii) of this section, and labor hours by Targeted Section 3 workers, under paragraph (a)(1)(iii) of this section, from professional services without including labor hours from professional services in the total number of labor hours worked under paragraph (a)(1)(i) of this section. If a contract covers both professional services and other work and the recipient or

contractor or subcontractor chooses not to report labor hours from professional services, the labor hours under the contract that are not from professional services must still be reported.

(5) Recipients may report their own labor hours or that of a subrecipient, contractor, or subcontractor based on the employer's good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance based payroll systems, unless the project or activity is otherwise subject to requirements specifying time and attendance reporting.

(b) *Additional reporting if Section 3 benchmarks are not met.* If the recipient's reporting under paragraph (a) of this section indicates that the recipient has not met the Section 3 benchmarks described in §75.23, the recipient must report in a form prescribed by HUD on the qualitative nature of its activities and those its contractors and subcontractors pursued. Such qualitative efforts may, for example, include but are not limited to the following:

(1) Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.

(2) Provided training or apprenticeship opportunities.

(3) Provided technical assistance to help Section 3 workers compete for jobs (*e.g.,* resume assistance, coaching).

(4) Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.

(5) Held one or more job fairs.

(6) Provided or referred Section 3 workers to services supporting work readiness and retention (*e.g.,* work readiness activities, interview clothing, test fees, transportation, child care).

(7) Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.

(8) Assisted Section 3 workers to obtain financial literacy training and/or coaching.

(9) Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.

(10) Provided technical assistance to help Section 3 business concerns understand and bid on contracts.

(11) Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.

(12) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.

(13) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.

(14) Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

(c) *Reporting frequency.* Unless otherwise provided, recipients must report annually to HUD under paragraph (a) of this section, and, where required, under paragraph (b) of this section, on all projects completed within the reporting year in a manner consistent with reporting requirements for the applicable HUD program.

§75.27 Contract provisions.

(a) Recipients must include language applying Section 3 requirements in any subrecipient agreement or contract for a Section 3 project.

(b) Recipients of Section 3 funding must require subrecipients, contractors, and subcontractors to meet the requirements of §75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

Subpart D—Provisions for Multiple Funding Sources, Recordkeeping, and Compliance

§75.29 Multiple funding sources.

(a) If a housing rehabilitation, housing construction or other public construction project is subject to Section 3 pursuant to §75.3(a)(1) and (2), the recipient must follow subpart B of this part for the public housing financial assistance and may follow either subpart B or C of this part for the housing and community development financial assistance. For such a project, the following applies:

(1) For housing and community development financial assistance, a Targeted Section 3 worker is any worker who meets the definition of a Targeted Section 3 worker in either subpart B or C of this part; and

(2) The recipients of both sources of funding shall report on the housing rehabilitation, housing construction, or other public construction project as a whole and shall identify the multiple associated recipients. PHAs and other recipients must report the following information:

(i) The total number of labor hours worked on the project;

(ii) The total number of labor hours worked by Section 3 workers on the project; and

(iii) The total number of labor hours worked by Targeted Section 3 workers on the project.

(b) If a housing rehabilitation, housing construction, or other public construction project is subject to Section 3 because the project is assisted with funding from multiple sources of housing and community development assistance that exceed the thresholds in §75.3(a)(2), the recipient or

recipients must follow subpart C of this part, and must report to the applicable HUD program office, as prescribed by HUD.

§75.31 Recordkeeping.

(a) HUD shall have access to all records, reports, and other documents or items of the recipient that are maintained to demonstrate compliance with the requirements of this part, or that are maintained in accordance with the regulations governing the specific HUD program by which the Section 3 project is governed, or the public housing financial assistance is provided or otherwise made available to the recipient, subrecipient, contractor, or subcontractor.

(b) Recipients must maintain documentation, or ensure that a subrecipient, contractor, or subcontractor that employs the worker maintains documentation, to ensure that workers meet the definition of a Section 3 worker or Targeted Section 3 worker, at the time of hire or the first reporting period, as follows:

(1) For a worker to qualify as a Section 3 worker, one of the following must be maintained:

(i) A worker's self-certification that their income is below the income limit from the prior calendar year;

(ii) A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;

(iii) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;

(iv) An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or

(v) An employer's certification that the worker is employed by a Section 3 business concern.

(2) For a worker to qualify as a Targeted Section 3 worker, one of the following must be maintained:

(i) For a worker to qualify as a Targeted Section 3 worker under subpart B of this part:

(A) A worker's self-certification of participation in public housing or Section 8-assisted housing programs;

(B) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;

(C) An employer's certification that the worker is employed by a Section 3 business concern; or

(D) A worker's certification that the worker is a YouthBuild participant.

(ii) For a worker to qualify as a Targeted Section 3 worker under subpart C of this part:

(A) An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;

(B) An employer's certification that the worker is employed by a Section 3 business concern; or

(C) A worker's self-certification that the worker is a YouthBuild participant.

(c) The documentation described in paragraph (b) of this section must be maintained for the time period required for record retentions in accordance with applicable program regulations or, in the absence of applicable program regulations, in accordance with 2 CFR part 200.

(d) A PHA or recipient may report on Section 3 workers and Targeted Section 3 workers for five years from when their certification as a Section 3 worker or Targeted Section 3 worker is established.

§75.33 Compliance.

(a) *Records of compliance.* Each recipient shall maintain adequate records demonstrating compliance with this part, consistent with other recordkeeping requirements in 2 CFR part 200.

(b) *Complaints.* Complaints alleging failure of compliance with this part may be reported to the HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office.

(c) *Monitoring.* HUD will monitor compliance with the requirements of this part. The applicable HUD program office will determine appropriate methods by which to oversee Section 3 compliance. HUD may impose appropriate remedies and sanctions in accordance with the laws and regulations for the program under which the violation was found.

RIVERSIDE COUNTY
SECTION 3 BUSINESS CONCERN CERTIFICATION FOR CONTRACTING

Instructions: Enter the following information and select the criteria that applies to certify your business' Section 3 Business Concern status.

Business Information

Name of Business _____

Address of Business _____

Name of Business Owner _____

Phone Number of Business Owner _____

Email Address of Business Owner _____

Preferred Contact Information

☐ Same as above

Name of Preferred Contact _____

Phone Number of Preferred Contact _____

Type of Business (select from the following options):

☐Corporation ☐Partnership ☐Sole Proprietorship ☐Joint Venture

Select from *ONE* of the following three options below that applies:

☐ At least 51 percent of the business is owned and controlled by low- or very low-income persons (*Refer to income guidelines on page 2*).

☐ At least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

☐ Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers (*Refer to definition on page 2*).

Business Concern Affirmation

I affirm that the above statements (on the frontside of this form) are true, complete, and correct to the best of my knowledge and belief. I understand that businesses who misrepresent themselves as Section 3 business concerns and report false information to [insert name of recipient/grantee] may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

Print Name: _____

Signature: _____ Date: _____

*Certification expires within six months of the date of signature.

Information regarding Section 3 Business Concerns can be found at 24 CFR 75.5

FOR ADMINISTRATIVE USE ONLY

Is the business a Section 3 business concern based Upon their certification? ☐ **YES** ☐ **NO**

EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE FOR FIVE YEARS.

Riverside County Section 3 Income Limits

2023 HOME - Effective June 15, 2023 HUD RIVERSIDE-SAN BERNARDINO CA MSA								
HOME INCOME	**1 Person**	**2 Person**	**3 Person**	**4 Person**	**5 Person**	**6 Person**	**7 Person**	**8 Person**
30% Limits	$19,600	$22,400	$25,200	$27,950	$30,200	$32,450	$34,700	$36,900
50% Limits Very Low-Inc	$32,650	$37,300	$41,950	$46,600	$50,350	$54,100	$57,800	$61,550
60% Limits	$39,180	$44,760	$50,340	$55,920	$60,420	$64,920	$69,360	$73,860
80% Limits Low-Inc	$52,200	$59,650	$67,100	$74,550	$80,550	$86,500	$92,450	$98,450

Section 3 Worker Definition:

i. A low or very low-income resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD); or

ii. Employed by a Section 3 business concern; or

iii. A YouthBuild participant.

Targeted Section 3 Worker Definition:

iv. Employed by a Section 3 business concern or

v. Currently meets or when hired met at least one of the following categories as documented within the past five years:

- A resident of public housing; or
- A resident of other public housing projects or Section 8-assisted housing; or
- A YouthBuild participant.

2023 HOME - Effective June 15, 2023 HUD RIVERSIDE-SAN BERNARDINO CA MSA								
HOME INCOME	**1 Person**	**2 Person**	**3 Person**	**4 Person**	**5 Person**	**6 Person**	**7 Person**	**8 Person**
30% Limits	$19,600	$22,400	$25,200	$27,950	$30,200	$32,450	$34,700	$36,900
50% Limits Very Low-Inc	$32,650	$37,300	$41,950	$46,600	$50,350	$54,100	$57,800	$61,550
60% Limits	$39,180	$44,760	$50,340	$55,920	$60,420	$64,920	$69,360	$73,860
80% Limits Low-Inc	$52,200	$59,650	$67,100	$74,550	$80,550	$86,500	$92,450	$98,450

A new hire is qualified as a Section 3 resident if he/she resides in Riverside or San Bernardino County and his/her total family income is less than the family income shown above for his/her household size.

Prohibition Against Conflicts of Interest

EXHIBIT "E"

§ 92.356 Conflict of interest.

(a) Applicability. In the procurement of property and services by participating jurisdictions, State recipients, and sub-recipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section apply.

(b) Conflicts prohibited. No persons described in **paragraph (c)** of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HHAP funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HHAP-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

(c) Persons covered. The conflict of interest provisions of **paragraph (b)** of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of COUNTY, State recipient, or sub-recipient which are receiving HHAP funds.

(d) Exceptions: Threshold requirements. Upon the written request of the recipient, BSCH may grant an exception to the provisions of **paragraph (b)** of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HHAP Program and the effective and efficient administration of COUNTY's program or project. An exception may be considered only after the recipient has provided the following:

(1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(2) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(e) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of **paragraph (d)** of this section, HUD shall consider the cumulative effect of the following factors, where applicable:

g. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;

h. Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

i. Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question;

j. Whether the interest or benefit was present before the affected person was in a position as described in **paragraph (c)** of this section;

k. Whether undue hardship will result either to COUNTY or the person affected when weighed against the public interest served by avoiding the prohibited conflict;

l. Any other relevant considerations.

Owners/Participants and Developers.

(1) No owner, developer, or sponsor of a project assisted with HHAP funds (or officer, employee, agent or consultant of the owner, developer, or sponsor) whether private, for profit or non-profit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) may occupy a HHAP-assisted affordable housing unit in a project. This provision does not apply to an individual who receives HHAP funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

(2) Exceptions. Upon written request of owner or developer, COUNTY may grant an exception to the provisions of **paragraph (f)(1)** of this section on a case-by-case basis when it determines that the exception will serve to further the purpose of the HHAP program and the effective and efficient administration of the owner's or developer's HHAP-assisted project. In determining whether to grant a requested exception, COUNTY shall consider the following factors:

(i) Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(ii) Whether the person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted housing in question;

(iii) Whether the tenant protection requirements of § 92.253 are being observed;

(iv) Whether the affirmative marketing requirements of § 92.351 are being observed and followed; and

(v) Any other factor relevant to COUNTY's determination, including the timing of the requested exception.

Community Development Block Grant
Policy Manual, I.D. # A-11

TOPIC: CONFLICT OF INTEREST CODED
RIVERSIDE COUNTY
DEPARTMENT OF HOUSING AND
WORKFORCE SOLUTIONS
DATE: MARCH 1999

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

1) No employee, officer, or agent of the grantee shall participate in the selection, in the award or in the administration of a contract supported by Federal Funds if a conflict of interest, real or apparent, would be involved.

2) Such a conflict will arise when:

   i) The employee, officer or agent;

   ii) Any member of the immediate family;

   iii) His/Her partners; or

   iv) An organization which employs, or is about to employ any of the above has a financial or other interest in the firm's selection for award.

3) The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to sub-agreements except as noted in Section 4.

4) A grantee's or sub-grantee's officers, employees or agents will be presumed to have a financial interest in a business if their financial interest exceeds the following:

   i) Any business entity in which the official has a direct or indirect investment worth one thousand dollars ($1,000) or more.

   ii) Any real property in which the official has a direct or indirect interest worth one thousand dollars ($1,000) or more.

   iii) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars ($250) or more in value provided to, received by or promised to the official within 12 months prior to the time when the decision is made.

   iv) Any business entity in which the official is a director, officer, partner, trustee, employee, or holds any position of management.

   v) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars ($250) or more in value provided to, received by, or promised to the official within 12 months prior to the time when the decision is made.

5) For purposes of **Section 4,** indirect investment or interest means any investment or interest owned by the spouse or dependent child of an official, by an agent on behalf of an official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or more.

Exhibit "F": Sample Tenant Checklist

Project Name:
Address:

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

Unit No.	Tenant Name	Move In Date	Move Out Date	Rent Amount	Family Size	No. of BRs	Utility Allowance	Tenant Portion	Section 8 Subsidy	Recert. Date	Tenant Income	% of Median	Non-Hisp.	Hisp.	Am. Ind (AIAN)	Asn	Blk	N.Haw Pc Islan	WHT	AIAN & WHT	ASN & WHT	BLK & WHT	AIAN & BLK	Two or more Races

Prepared by:

Title:

Phone Number:

Problems or questions please call, Nicole Sanchez at 760.863.2541.

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

EXHIBIT "G"

Covenant Agreement

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103
Order No.
Escrow No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
Hou[si]ng and Workforce Solutions
3403 10th Street, Suite 300
Riverside, CA 92501
Attn: Tanya Torno

SPACE ABOVE THIS LINE FOR RECORDERS USE

COVENANT AGREEMENT
(Sunrise at Bogart Apartments)

This Covenant Agreement (Sunrise at Bogart Apartments) (this"Covenant") 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 SUNRISE AT BOGART, L.P., a California limited partnership ("OWNER").

RECITALS

WHEREAS, OWNER ground leases that certain real property located on 11049 Bogart Avenue in Riverside also identified as Assessor's Parcel Number 146-182-080 described in the legal description attached hereto as **Exhibit A** and incorporated herein by this reference (the "Property");

WHEREAS, on _____ COUNTY and OWNER entered into that certain Loan Agreement for the Use of the 2021 Homeless Housing, Assistance, and Prevention Program Funds dated _____ and recorded in the Official Records of the County of Riverside ("Official Records") concurrently herewith (the "Loan Agreement" or "Agreement") which provides for, among other things, construction and permanent financing for the Property, also known as "Sunrise at Bogart Apartments," a multi-family affordable housing project consisting of twenty three (23) rental housing units, including one (1) which shall be designated as a managers unit, of which ten (10) units shall be rented to and occupied by Qualified HHAP Households (as

defined below) (the "HHAP Assisted Units") (collectively the "Project"). Capitalized terms not defined herein shall have the meaning ascribed to them in the Loan Agreement;

WHEREAS, the state of California has established the Homeless Housing, Assistance, and Prevention Program Round 2 and Round 3 ("HHAP-2" and "HHAP3" or "Program") pursuant to Chapter 6 (commencing with Section 50216) of Part 1 of Division 31 of the Health and Safety Code, (Added by Stats.2020, c. 15 (A.B.83), § 7, eff. June 29, 2020). The Program is administered by the California Homeless Coordinating and Financing Council (HCFC) in the Business, Consumer Services and Housing Agency ("BCSH");

WHEREAS, the HHAP provides one-time flexible block grant funds to Administrative Entities of Continuums of Care, cities with populations of 300,000 or more, and Counties to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges;

WHEREAS, the COUNTY has been designated as the Administrative Entity for the Riverside City & County Continuum of Care ("CoC");

WHEREAS, as the Administrative Entity for the CoC, the COUNTY entered into Standard Agreement No. 21-HHAP-00079 with the State of California BCSH, effective September 11, 2021 through June 30, 2026, to receive $1,566,822.00 of HHAP-2 funds allocated to the CoC;

WHEREAS, the COUNTY entered into Standard Agreement Number 22-HHAP-10013 with the State of California BCSH, effective April 22, 2022 through October 31, 2026, to receive $841,439.97 of HHAP-3 funds allocated to the CoC;

WHEREAS, the COUNTY entered into Standard Agreement Number 22-HHAP-20013 with the State of California BCSH, effective January 31, 2023 through December 31, 2026, to receive $3,365,759.90 of HHAP-3 funds allocated to the CoC;

WHEREAS, Continuums of Care, cities, counties, and nonprofit organizations may use HHAP-2 and HHAP-3 funds for capital improvement projects;

WHEREAS, the COUNTY is providing funding under the 2021 Homeless Housing, Assistance, and Prevention Program Round 2 and Round 3, amended by Stats. 2021 ("HHAP-

2" and "HHAP-3" or "Program"), administered by the HCFC in the BCSH (the "HHAP Program") (collectively, "HHAP");

WHEREAS, OWNER, a California limited partnership and the owner of a leasehold estate in that certain real property known as 11049 Bogart Avenue, Riverside, CA, 92505, and legally described in the Legal Description attached hereto and incorporated herein as Exhibit "A" (collectively, the "PROPERTY");

WHEREAS, pursuant to the Loan Agreement, COUNTY loaned to Owner up to $1,018.434.30 in HHAP-2 funds and $1,000,000 in HHAP-3 funds ("HHAP GRANT") for a total of $2,018,434.30 of funds made available pursuant to the HHAP Program (the "Loan"), as construction and permanent financing for the Project, as more fully described in the Loan Agreement. The Loan is evidenced by a Promissory Note executed by OWNER, in favor of COUNTY dated on or about the date hereof ("Loan Note") and secured by that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing executed by OWNER, for the benefit of COUNTY and recorded in the Official Records concurrently herewith ("Deed of Trust");

WHEREAS, pursuant to the Loan Agreement, OWNER has agreed to ensure the HHAP Assisted Units are rented to and occupied by qualified households that are homeless, at risk of homelessness or otherwise qualify under the HHAP program, or are qualified low income households consistent with the HHAP requirements as set forth more specifically below; and

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

1) RESTRICTIONS. The recitals set forth above are true and correct and incorporated herein. This Covenant shall continue in full force and effect for the later of (i) December 31, 2080 or (ii) fifty-five (55) years from the recordation of this Covenant ("Term" or "Compliance Period"). For the duration of the Term, the Property shall be held, sold and conveyed, subject to the following covenants, conditions, and restrictions:

a) Ten (10) rental units within the Project shall be restricted as HHAP Assisted-Units rented to and occupied by households that qualify as homeless, at risk of homelessness or another qualifying population pursuant to Chapter 6 (commencing with Section 50216) of Part 1 of Division 31 of the Health and Safety Code, and all other relevant provisions established under AB 83 (Chapter 15, Statutes of 2020): Requirements for the Use of Funds in the 2021 Homeless Housing, Assistance, and Prevention Program (HHAP-2 Round 2 and Round 3) issued September 11, 2021 and April 22, 2022, respectively (the "HHAP Program") ("Qualified HHAP Households"). The HHAP Assisted Units shall be a "floating" designation on the Property such that the requirements of this Agreement will be satisfied so long as the total number of HHAP Assisted Units remains the same throughout the Compliance Period and the substituted HHAP Assisted Unit is comparable in terms of size, features, and number of bedrooms to the originally designates HHAP Assisted Unit;

b) HHAP Assisted Units shall be rented to and occupied by Qualified HHAP Households at Low rent levels as published by HUD. Low rents including utility allowance for Qualified HHAP Households shall be the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit. COUNTY shall review and approve proposed rents to the extent required under this section. COUNTY shall review and approve proposed rents to the extent required under this section. OWNER shall ensure the HHAP Assisted Units are rented to qualified applicants at the described rent levels herein. The maximum monthly allowances for utilities and services (excluding telephone) shall not exceed the utility allowance as described below. Notwithstanding the foregoing, (i) if a unit occupied by a Qualified HHAP Household receives a federal or state project-based rental subsidy and the Qualified HHAP Household pays as a contribution to rent no more than 30% of the Qualified HHAP Household's adjusted income, such unit my by rented at the rent permissible under the federal or state project-based rental subsidy program (i.e., the tenant rental contribution plus the rental subsidy allowable under that program), and (ii) if a Qualified HHAP Household receives tenant-based rental assistance, the unit occupied by such Qualified HHAP Household may be rented at the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus

the rental subsidy allowable under that rental assistance program). Rent for the HHAP Assisted Units, including utilities, shall be in accordance with TCAC rent requirements.

c) Utility Allowance: Owners are required to complete initial Utility Allowance (UA) calculations and submit their calculations for review and approval to the County prior t° implementation, annually by June 1st. The following methods below are acceptable methodologies for calculating UA's:

i. HUD Utility Schedule Model (HUSM), UA based on HUD's model.

ii. Utility Company Estimate, UA based on estimated obtained from a local utility company for each of the utilities used in the project.

iii. LIHTC Agency Estimate, UA approved by the LIHTC agency based on its actual usage methodology.

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

d) OWNER shall comply with the terms of the HHAP Program, the Loan Note, the Loan Agreement, Deed of Trust and any other instrument secured against the Property.

e) Float-up: Notwithstanding any other covenant or the Covenant Agreement to the contrary the Parties agree that the following shall apply to the HHAP Assisted Units:

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

(2) In the case of increases due to a foreclosure of any approved financing or deed in lieu thereof, the above increases may continue until such time, if any, that the

rental assistance or equivalent operating subsidy is restored. Notwithstanding anything to the contrary in this section, the BORROWER may not displace tenant households and must use good faith efforts to reduce the effect of rent increases permitted to be imposed on existing tenant households by (a) the use of operating and transition reserves to the extent such funds exist and are available, and (b) the use of other subsidy sources available that would mitigate the rent increases.

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

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

(a) An explanation of the efforts the BORROWER has made to secure other rental subsidies to sustain overall project operations;

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

(c) A process for increasing the Project rent for all affected units (both HHAP Assisted Units and non-restricted units) and make reasonable efforts to continue to market and rent Project units to members of the target population originally contemplated, as well as ensuring that any increases to the household income limit are applied, as much as possible, only to vacant units

as they become available. This portion of the plan shall discuss changes in both maximum household incomes and rents and;

(d) The plan for continuing, throughout the Compliance Period, to apply for other subsides that will allow a return to all Project Units to members of the target population and Rents originally contemplated.

2) 2) SENIOR PRIORITY. Notwithstanding anything to the contrary contained in the Loan Agreement, including any of its attachments, this Covenant shall be in fourth priority lien position senior to all other security instruments, including but not limited to the following liens:

a) First - California Municipal Finance Authority Regulatory Agreement and Declaration of Restrictive Covenants;

b) Second – COUNTY HOME ARP Covenant Agreement;

c) Third – City of Riverside HOME Regulatory Agreement and Declaration of Restrictive Covenants;

d) Fourth – COUNTY HHAP Covenant Agreement;

e) Fifth- City of Riverside Regulatory Agreement (LAHTF (ARPA funds via local affordable housing trust fund))

f) Sixth- City of Riverside PIP Regulatory Agreement

g) Seventh- City PLHA Regulatory Agreement

h) Eighth – Banner Bank Construction Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing; and

i) Ninth - COUNTY Deed of Trust HOME ARP

j) Tenth- City HOME Deed of Trust

k) Eleventh- County HHAP Deed of Trust

l) Twelfth – City LAHTF(ARPA Funds) Deed of Trust

m)Thirteenth- City PIP Deed of Trust

n) Fourteenth- City PLHA Deed of Trust

o) Fifteenth- NPHS Deed of Trust (Capitalized Rent)

p) Sixteenth- NPHS Deed of Trust (HUD CPF)

q) Seventeenth- County HOME ARP Loan Agreement

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

a) The HHAP Program, NAHA, and the implementing regulations thereto, 24 CFR Part 92, as both shall be amended from time to time, including, but not limited to, 24 CFR 92.356, 24 CFR 92.358, 24 CFR 92.253, 24 CFR 92.252, 24 CFR 92.255, 24 CFR 92.256, 24 CFR 92.350, Subpart F, Subpart H, and its implementing regulations set forth in the Final Rule, as it now exists and may hereafter be amended.

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

c) 24 CFR Section 92.351 Affirmative marketing and minority outreach program. OWNER must adopt affirmative marketing procedures and requirements. These must include:

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

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

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

housing counseling agencies).

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

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

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

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

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

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

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

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

10) TENANT PROTECTIONS. OWNER shall provide protection to the tenants of the COUNTY HHAP Assisted Units in accordance with the requirements set forth at 24 CFR 92.253 and described as follows:

a) Provide written lease agreement for not less than one year, unless by mutual agreement between the tenant and OWNER. COUNTY shall review the initial form of the lease agreement prior to OWNER executing any leases and, provided that OWNER uses the approved lease form, OWNER 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 OWNER in a lawsuit brought in connection with the lease.

(2) *Treatment of property.* Agreements by tenant that OWNER 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. OWNER may dispose of this personal property in accordance with State law.

(3) *Excusing OWNER. from responsibility.* Agreement by the tenant not to hold OWNER or OWNER's agents legally responsible for any action or failure to act, whether intentional or negligent.

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

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

11) MAINTENANCE OF THE IMPROVEMENTS. OWNER, on behalf of itself and its successors, assigns, and each successor in interest to the Property and Project or any part thereof hereby covenants to and shall protect, maintain, and preserve the Property in compliance with all applicable federal and state law and regulations and local ordinances. In addition, OWNER, its successors and assigns, shall maintain the improvements on the Property in the same aesthetic and sound condition (or better) as the condition of the Property at the time of the recordation of the Covenant Agreement for the Project, reasonable wear and tear excepted. This standard for the quality of maintenance of the Property shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and immediate repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash

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

12) NONDISCRIMINATION. OWNER 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. OWNER understands and agrees that violation of this clause shall be considered a material breach of this Lease and may result in termination, debarment or other sanctions. This language shall be incorporated into all contracts between OWNER and any contractor, consultant, subcontractor, subconsultants, vendors and suppliers. OWNER 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 Administrative Rules and Regulations issued pursuant to said Acts and Orders with respect to its use of the Property.

OWNER herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that this Covenant is 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) and

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

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

a) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that 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) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

b) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That 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) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

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

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

13) INSURANCE. Without limiting or diminishing OWNER's obligation to indemnify or hold COUNTY harmless, OWNER 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 Covenant.

a) Worker's Compensation Insurance. If OWNER has employees as defined by the State of California, OWNER 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, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

b) Commercial General Liability Insurance. Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of OWNER's performance of its obligations hereunder. Policy shall name 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 Insured. Policy's limit of liability shall not be less than $2,000,000 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.

c) Vehicle Liability Insurance. If vehicles or mobile equipment are used in the performance of the obligations under this Covenant, then OWNER 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 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 Insured or provide similar evidence of coverage approved by County's Risk Manager ("Risk Manager").

d) General Insurance Provisions – All Lines.

    i) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by Risk

Manager. If Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

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

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

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

construed as contributory.

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

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

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

14) HOLD HARMLESS/INDEMNIFICATION. OWNER shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability whatsoever, based or asserted upon any services of OWNER, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of OWNER, its officers, employees, subcontractors, agents or representatives Indemnitors from this Agreement, except in the event of the gross negligence or willful misconduct of the Indemnities; provided however, any gross negligence or willful misconduct of the Indemnitees will only affect OWNER's duty to indemnify for the specific act found to be gross negligence or willful misconduct, and will not preclude a duty to indemnify for any act or omission of OWNER. OWNER shall defend, at its sole expense, all costs and fees including, but not

limited, to attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions. With respect to any action or claim subject to indemnification herein by OWNER shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes OWNER's indemnification to Indemnitees as set forth herein. OWNER's obligation hereunder shall be satisfied when OWNER has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved. The specified insurance limits required in this Agreement shall in no way limit or circumscribe OWNER's obligations to indemnify and hold harmless the Indemnitees herein from third party claims. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve OWNER from indemnifying the Indemnitees to the fullest extent allowed by law. The indemnification set forth in this paragraph 14 shall survive the expiration and earlier termination of this Covenant.

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

COUNTY
Director, Riverside County
Housing &
Workforce Solutions
3404 10th Street, Ste. 300
Riverside, CA 92501

OWNER
Sunrise at Bogart, L.P.
c/o NPHS Sunrise at Bogart, LLC
9551 Pittsburgh Avenue
Rancho Cucamonga, CA 91730
Attention: President

and:

Sunrise at Bogart, L.P.
c/o Sunrise at Bogart, LLC
1259 E. Thousand Oaks Boulevard
Thousand Oaks, CA 91362

with a copy to

Goldfarb & Lipman LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attn: Matthew Heaton

and a copy to:
MCC Housing LLC
c/o Merritt Community Capital Corporation
1901 Harrison Street, Suite 1650
Oakland, California 94612
Attention: President & CEO

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

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

18) NOTICE AND CURE. Prior to exercising any remedies hereunder, the COUNTY shall give OWNER notice of such default pursuant to section 9 above. Any monetary default shall be cured within thirty (30) days of delivery of written notice. Except as otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within thirty (30) days of delivery of such notice of default, OWNER shall have such period to effect a cure prior to exercise of remedies by COUNTY. If the non-monetary default is such that it is not reasonably capable of being cured within thirty (30) days of delivery of such notice of default, and OWNER (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then OWNER shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the COUNTY; but in no event no later than sixty (60) days from delivery of such notice of default, subject to force majeure

(including government restrictions, pandemics, and acts of God). COUNTY, upon providing OWNER with any notice of default under this Covenant, shall, within a reasonable time, provide a copy of such default notice to a Permitted Lender who has given written notice to COUNTY of its interest in the Property and Project and Owner's limited partner (at the address set forth in the Loan Agreement). From and after such notice has been delivered to a Permitted Lender and the Owner's limited partner, such Permitted Lender and/or Owner's limited partner shall have the same period for remedying the default complained of as the cure period provided to OWNER pursuant to this Section 18. COUNTY shall accept performance by a Permitted Lender or limited partner of Owner as if the same had been done by OWNER.

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

19) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY. OWNER hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the Project, the Property or any portion thereof, without obtaining the prior written consent of COUNTY, which consent shall be conditioned upon (a) a COUNTY determination that transferee is a qualified and experienced operator of low income housing and (b) solely upon receipt by the COUNTY of reasonable evidence satisfactory to the County in its sole discretion, that the transferee has assumed all of BORROWER'S duties and obligations under this COVENANT. Notwithstanding anything to the contrary contained herein, upon written notice to COUNTY, BORROWER may (i) lease for occupancy all or any of the HHAP Assisted Units in accordance

with this COVENANT; (ii) grant easements or permits to facilitate the development or operation of the Property in accordance with this Covenant; (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 Right of First Refusal and Option Agreement(collectively a "Permitted Transfer").

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

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

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

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

24) SEVERABILITY. In any event that any provision, whether constituting a separate paragraph or whether contained in a paragraph with other provisions, is hereafter determined to be void and unenforceable, it shall be deemed separated and deleted from the agreement and the

remaining provisions of this Agreement shall remain in full force and effect.

25) PROJECT MONITORING AND EVALUATION.

a) Tenant Checklist. OWNER shall submit a Tenant Checklist Form to COUNTY, as shown in **Exhibit F** of the Loan Agreement, which form may be revised by COUNTY, summarizing the racial/ethnic composition, number and percentage of very low-income households who are tenants of the HHAP Assisted Units. The Tenant Checklist Form shall be submitted prior to the date hereof, on a semi-annual basis on or before March 31 and September 30. OWNER shall maintain financial, programmatic, statistical and other supporting records of its operations and financial activities in accordance with the requirements of the HHAP Program, including the submission of Tenant Checklist Form. Except as otherwise provided for in this Covenant and in the Loan Agreement, OWNER shall maintain and submit records to COUNTY within ten (10) business days of COUNTY's request which clearly documents OWNER's performance under each requirement of the HHAP Program.

b) Inspections. Pursuant to 24 CFR 92.501(d)(ii), during the Compliance Period, COUNTY must perform on-site inspections of HHAP Assisted Units to determine compliance with the property standards of 24 CFR 92.251 and to verify the information submitted by the owners in accordance with such requirements. The on-site inspections must occur within 12 months after the effective date of this Covenant Agreement and at least once every 3 years thereafter during the Compliance Period. If there are observed deficiencies for any of the inspectable items in the property standards established by COUNTY, in accordance with the inspection requirements of 24 CFR 92.252, a follow-up on-site inspection to verify that deficiencies are corrected must occur within 12 months. COUNTY may establish a list of non-hazardous deficiencies for which correction can be verified by third party documentation (e.g., paid invoice for work order) rather than re-inspection. Health and safety deficiencies must be corrected immediately, in accordance with the inspection requirements of 24 CFR 92.252. COUNTY must adopt a more frequent inspection schedule for properties that have been found to have health and safety deficiencies.

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

27) COUNTERPARTS. This Covenant 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.

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

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

///

///

///

[remainder of page intentionally blank]

[SIGNATURES ON THE NEXT PAGE]

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

COUNTY:

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

By: FORM COPY - DO NOT SIGN
Heidi Marshall, Director
Housing & Workforce Solutions

Date: _____

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

By: _____
Paula S. Salcido, Deputy County Counsel

OWNER:

SUNRISE AT BOGART, L.P.
a California limited partnership

By: NPHS Sunrise at Bogart, LLC,
a California limited liability company
Its managing general partner

By: Neighborhood Partnership Housing Services, Inc.,
a California nonprofit public benefit corporation
its sole member and manager

By: FORM COPY - DO NOT SIGN
Clemente Mojica, President and CEO

Date: _____

By: Sunrise at Bogart, LLC,
a California limited liability company
its administrative general partner

By: Many Mansions, A California Nonprofit Corporation,
a California nonprofit corporation
its sole member and manager

By: FORM COPY - DO NOT SIGN
Rick Schroeder, President and CEO

Date: _____

(COUNTY and OWNER signatures need to be notarized)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

On _____, 2025, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

_____
Signature

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

Project: N.E Corner Bogart Ave and Bushnell Ave
A.P.N. 146-182-080

That portion of Block 59 of Tract No. 2 of La Sierra Heights, in the City of Riverside, County of Riverside, State of California, as shown by map filed in Book 7, page 66, records of said County, more particularly described as follows:

COMMENCING at a point on the southwesterly line of Lot 12 of Block "D" of Holden Avenue Tract, as shown by map filed in Book 11, Pages 67 through 69, records of said County, 124.50 feet southeasterly of the most westerly corner thereof;

Thence South 60°37'00" West, a distance of 120.00 feet to the **POINT OF BEGINNING**;

Thence continuing South 60°37'00" West, a distance of 321.30 feet;

Thence southeasterly and parallel with the centerline line of Holden Avenue to a point on the northwesterly line of Bushnell Avenue;

Thence northeasterly along said northwesterly line of Bushnell Avenue, a distance of 365.38 feet;

Thence northwesterly to the **POINT OF BEGINNING**;

EXCEPTING THEREFROM that portion lying southwesterly, southerly and southeasterly of the northeasterly, northerly and northwesterly lines of that certain parcel of land described in a grant deed to the City of Riverside recorded April 6, 1990 as Instrument No. 126126, in the Office of the County Recorder of said County.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

6/17/09
Curtis C. Stephens, L.S. 7519 Date

Prep.

EXHIBIT "B"
HOMELESS DEFINITION

Homeless Definition

RECORDKEEPING REQUIREMENTS	**Category 1**	Literally Homeless	• Written observation by the outreach worker; or
			• Written referral by another housing or service provider; or
			• Certification by the individual or head of household seeking assistance stating that (s)he was living on the streets or in shelter;
			• For individuals exiting an institution—one of the forms of evidence above and:
			  ○ discharge paperwork or written/oral referral, or
			  ○ written record of intake worker's due diligence to obtain above evidence and certification by individual that they exited institution

	Category 2	Imminent Risk of Homelessness	• A court order resulting from an eviction action notifying the individual or family that they must leave; or • For individual and families leaving a hotel or motel—evidence that they lack the financial resources to stay; or • A documented and verified oral statement; and • Certification that no subsequent residence has been identified; and • Self-certification or other written documentation that the individual lack the financial resources and support necessary to obtain permanent housing
	Category 3	Homeless under other Federal statutes	• Certification by the nonprofit or state or local government that the individual or head of household seeking assistance met the criteria of homelessness under another federal statute; and • Certification of no PH in last 60 days; and • Certification by the individual or head of household, and any available supporting documentation, that (s)he has moved two or more times in the past 60 days; and • Documentation of special needs or 2 or more barriers

	Category 4	Fleeing/ Attempting to Flee DV	• *For victim service providers*:
			  ○ An oral statement by the individual or head of household seeking assistance which states: they are fleeing; they have no subsequent residence; and they lack resources. Statement must be documented by a self-certification or a certification by the intake worker.
			• *For non-victim service providers:*
			  ○ Oral statement by the individual or head of household seeking assistance that they are fleeing. This statement is documented by a self-certification or by the caseworker. Where the safety of the individual or family is not jeopardized, the oral statement must be verified; and
			  ○ Certification by the individual or head of household that no subsequent residence has been identified; and
			  ○ Self-certification, or other written documentation, that the individual or family lacks the financial resources and support networks to obtain other permanent housing.

Homeless Definition

CRITERIA FOR DEFINING HOMELESS			
	Category 1	Literally Homeless	(1) Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: (i) Has a primary nighttime residence that is a public or private place not meant for human habitation; (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or (iii) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution
	Category 2	Imminent Risk of Homelessness	(2) Individual or family who will imminently lose their primary nighttime residence, provided that: (i) Residence will be lost within 14 days of the date of application for homeless assistance; (ii) No subsequent residence has been identified; and (iii) The individual or family lacks the resources or support networks needed to obtain other permanent housing
	Category 3	Homeless under other Federal statutes	(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who: (i) Are defined as homeless under the other listed federal statutes; (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing during the 60 days prior to the homeless assistance application; (iii) Have experienced persistent instability as measured by two moves or more during in the preceding 60 days; and (iv) Can be expected to continue in such status for an extended period of time due to special needs or barriers
	Category 4	Fleeing/ Attempting to Flee DV	(4) Any individual or family who: (i) Is fleeing, or is attempting to flee, domestic violence; (ii) Has no other residence; and (iii) Lacks the resources or support networks to obtain other permanent housing

EXHIBIT "H"

Request for Notices

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:
County of Riverside
Housing & Workforce Solutions
3403 10th Street, Suite 300
Riverside, CA 92501
Attn: Tanya Torno

SPACE ABOVE THIS LINE FOR RECORDERS USE

REQUEST for NOTICE UNDER SECTION 2924b CIVIL CODE

In accordance with Civil Code, Section 2924b, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust dated _____, 2025 and recorded concurrently herewith in the Official Records of the County of Riverside, California, executed by SUNRISE AT BOGART, L.P., a California limited partnership, as Trustor in which Banner Bank, N.A., a national banking association is named as Beneficiary, and Commonwealth Land Title Company, a California corporation, as Trustee, and describing land referred to in this Report is situated in the County of Riverside, Riverside, State of California, and is described as follows:

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

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA,

DESCRIBED AS FOLLOWS:

LEGAL DESCRIPTION

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

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF BLOCK 59 OF TRACT NO. 2 OF LA SIERRA HEIGHTS, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP FILED IN BOOK 7, PAGE 66, RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF LOT 12 OF BLOCK "D" OF HOLDEN AVENUE TRACT, AS SHOWN BY MAP FILED IN BOOK 11, PAGES 67 THROUGH 69, RECORDS OF SAID COUNTY, 124.50 FEET SOUTHEASTERLY OF THE MOST WESTERLY CORNER THEREOF;
THENCE SOUTH 60° 37' 00" WEST, A DISTANCE OF 120.00 FEET TO THE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 60° 37' 00" WEST, A DISTANCE OF 321.30 FEET;
THENCE SOUTHEASTERLY AND PARALLEL WITH THE CENTERLINE LINE OF HOLDEN AVENUE TO A POINT ON THE NORTHWESTERLY LINE OF BUSHNELL AVENUE;
THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF BUSHNELL AVENUE, A DISTANCE OF 365.38 FEET;
THENCE NORTHWESTERLY TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF LAND DESCRIBED IN THE FINAL ORDER OF CONDEMNATION FOR PUBLIC STREET AND HIGHWAY PURPOSES, IN FAVOR OF THE CITY OF RIVERSIDE, A MUNICIPAL CORPORATION, RECORDED MARCH 24, 1976, AS INSTRUMENT NO. 38559 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM THAT PORTION LYING SOUTHWESTERLY, SOUTHERLY AND SOUTHEASTERLY OF THE NORTHEASTERLY, NORTHERLY AND NORTHWESTERLY LINES OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN

A GRANT DEED TO THE CITY OF RIVERSIDE RECORDED APRIL 6, 1990, AS INSTRUMENT NO. 126126 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.
APN 146-182-080

All notices to be mailed to:

Attn: Director
Riverside County
Housing & Workforce Solutions
3403 10th Street, Ste. 300
Riverside, California 92501

Request is hereby made that a copy of any notice of default and a copy of any notice of sale under the deed of trust

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

RIVERSIDE COUNTY
HOUSING & WORKFORCE SOLUTIONS

_____
Tanya Torno, Deputy Director

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:
County of Riverside
Housing & Workforce Solutions
3403 10th Street, Suite 300
Riverside, CA 92501
Attn: Juan Garcia

SPACE ABOVE THIS LINE FOR RECORDERS USE

REQUEST for NOTICE UNDER SECTION 2924b CIVIL CODE

In accordance with Civil Code, Section 2924b, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust dated _____, 2025 and recorded concurrently herewith in the Official Records of the County of Riverside, California, executed by SUNRISE AT BOGART, L.P., a California limited partnership, as Trustor in which the California Department of Housing and Community Development, is named as Beneficiary, and Commonwealth Land Title Company, a California corporation, as Trustee, and describing land referred to in this Report is situated in the County of Riverside, Riverside, State of California, and is described as follows:

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

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA,

DESCRIBED AS FOLLOWS:

LEGAL DESCRIPTION

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

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THAT PORTION OF BLOCK 59 OF TRACT NO. 2 OF LA SIERRA HEIGHTS, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP FILED IN BOOK 7, PAGE 66, RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTHWESTERLY LINE OF LOT 12 OF BLOCK "D" OF HOLDEN AVENUE TRACT, AS SHOWN BY MAP FILED IN BOOK 11, PAGES 67 THROUGH 69, RECORDS OF SAID COUNTY, 124.50 FEET SOUTHEASTERLY OF THE MOST WESTERLY CORNER THEREOF;
THENCE SOUTH 60° 37' 00" WEST, A DISTANCE OF 120.00 FEET TO THE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 60° 37' 00" WEST, A DISTANCE OF 321.30 FEET;
THENCE SOUTHEASTERLY AND PARALLEL WITH THE CENTERLINE LINE OF HOLDEN AVENUE TO A POINT ON THE NORTHWESTERLY LINE OF BUSHNELL AVENUE;
THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY LINE OF BUSHNELL AVENUE, A DISTANCE OF 365.38 FEET;
THENCE NORTHWESTERLY TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF LAND DESCRIBED IN THE FINAL ORDER OF CONDEMNATION FOR PUBLIC STREET AND HIGHWAY PURPOSES, IN FAVOR OF THE CITY OF RIVERSIDE, A MUNICIPAL CORPORATION, RECORDED MARCH 24, 1976, AS INSTRUMENT NO. 38559 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM THAT PORTION LYING SOUTHWESTERLY, SOUTHERLY AND SOUTHEASTERLY OF THE NORTHEASTERLY, NORTHERLY AND NORTHWESTERLY LINES OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN A GRANT DEED TO THE CITY OF RIVERSIDE RECORDED APRIL 6, 1990, AS INSTRUMENT NO. 126126 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.
APN 146-182-080

All notices to be mailed to:

Attn: Director
Riverside County
Housing & Workforce Solutions
3403 10th Street, Ste. 300
Riverside, California 92501

Request is hereby made that a copy of any notice of default and a copy of any notice of sale under the deed of trust

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

RIVERSIDE COUNTY
HOUSING & WORKFORCE SOLUTIONS

_____
Tonya Torno, Deputy Director

HWS HOUSING AND WORKFORCE SOLUTIONS
ENGAGE. ENCOURAGE. EQUIP.

Exhibit I
Sample
Contractor Debarment Certification Form

Excluded Parties Lists System (EPLS)

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

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

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

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

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

STEP 1: Visit **https://www.sam.gov/portal/public/SAM/**

STEP 2: Under "Search Records", enter the company name and press enter.

STEP 3: Click "Print" on the Search Results page.

STEP 4: Repeat steps 2 & 3 for variations of the name of contractor/vendor (individual last name or firm).

STEP 5: Attach print out of search results to this certification as supporting documentation.

STEP 6: Attach to this certification as supporting documentation a copy of contractor/vendor license for the service provided.

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

_____

DEVELOPER SIGNATURE

Exhibit J

Qualifying HHAP Households

Any individual or family who meets the criteria for one of the "Qualified Populations" specified below shall be a "Qualified HHAP Household":

1. **Homeless**, as defined in 24 CFR 91.5 Homeless (1), (2), or (3):

    a. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

        i. An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or, camping ground;

        ii. An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or

        iii. An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

    b. An individual or family who will imminently lose their primary nighttime residence, provided that:

        i. The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;

        ii. No subsequent residence has been identified; and

        iii. The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing.

    c. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

        i. Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7

U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);

ii. Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;

iii. Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

iv. Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment.

2. **At risk of Homelessness**, as defined in 24 CFR 91.5 At risk of homelessness:

   a. An individual or family who:

      i. Has an annual income below 30 percent of median family income for the area, as determined by HUD;

      ii. Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "Homeless" definition in this Exhibit; and

      iii. Meets one of the following conditions:

         1. (A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;

         2. Is living in the home of another because of economic hardship;

         3. Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;

4. Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals;

5. Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;

6. Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or

7. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan.

b. A child or youth who does not qualify as "homeless" under this section, but qualifies as "homeless" under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(l) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(l)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or

c. A child or youth who does not qualify as "homeless" under this Exhibit but qualifies as "homeless" under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.

3. **Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking**, as defined by HUD.

For HHAP, this population includes any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking. This population includes cases where an individual or family reasonably believes that there is a threat of imminent harm from further violence due to dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return or remain within the same dwelling unit. In the case of sexual assault, this also includes cases where an individual reasonably believes there is a threat of imminent harm from further violence if the individual remains within the same dwelling unit that the individual is currently occupying, or the sexual assault occurred on the premises during the 90-day period preceding the date of the request for transfer.

a. Domestic violence, which is defined in 24 CFR 5.2003 includes felony or misdemeanor crimes of violence committed by:

   i. A current or former spouse or intimate partner of the victim (the term "spouse or intimate partner of the victim" includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship);

   ii. A person with whom the victim shares a child in common;

   iii. A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner;

   iv. A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving HHAP funds; or

   v. Any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

b. Dating violence which is defined in 24 CFR 5.2003 means violence committed by a person:

   i. Who is or has been in a social relationship of a romantic or intimate nature with the victim; and

   ii. Where the existence of such a relationship shall be determined based on a consideration of the following factors:
      1. The length of the relationship;
      2. The type of relationship; and
      3. The frequency of interaction between the persons involved in the relationship.

c. Sexual assault which is defined in 24 CFR 5.2003 means any nonconsensual sexual act proscribed by Federal, Tribal, or State law, including when the victim lacks capacity to consent.

d. Stalking which is defined in 24 CFR 5.2003 means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

   i. Fear for the person's individual safety or the safety of others; or
   ii. Suffer substantial emotional distress.

e. Human Trafficking includes both sex and labor trafficking, as outlined in the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7102). These are defined as:

i. Sex trafficking means the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act, in which the commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or

ii. Labor trafficking means the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

4. **Other Populations** where providing supportive services or assistance under section 212(a) of NAHA (42 U.S.C. 12742(a)) would prevent the family's homelessness or would serve those with the greatest risk of housing instability. HUD defines these populations as individuals and households who do not qualify under any of the populations above but meet one of the following criteria:

   a. Other Families Requiring Services or Housing Assistance to Prevent Homelessness is defined as households (i.e., individuals and families) who have previously been qualified as "homeless" as defined in 24 CFR 91.5, are currently housed due to temporary or emergency assistance, including financial assistance, services, temporary rental assistance or some type of other assistance to allow the household to be housed, and who need additional housing assistance or supportive services to avoid a return to homelessness.

   b. At Greatest Risk of Housing Instability is defined as household who meets either paragraph (i) or (ii) below:

      i. has annual income that is less than or equal to 30% of the area median income, as determined by HUD and is experiencing severe cost burden (i.e., is paying more than 50% of monthly household income toward housing costs);

      ii. has annual income that is less than or equal to 50% of the area median income, as determined by HUD, AND meets one of the following conditions from paragraph (iii) of the "At risk of homelessness" definition established at 24 CFR 91.5:

         1. Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;

         2. Is living in the home of another because of economic hardship;

         3. Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;

4. Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;

5. Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;

6. Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or

7. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan.