

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



ITEM: 3.28
(ID # 27601)

MEETING DATE:
Tuesday, May 20, 2025


FROM : HOUSING AND WORKFORCE SOLUTIONS

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Forms of the Loan Agreement for the Use of PLHA Program Funds for Kensington Apartments in the City of Murrieta and All Attachments Thereto, and Authorize the Director of HWS to Execute a Form of the PLHA Loan Agreement, a Form of the Covenant Agreement, and Forms of the Subordination Agreements; District 3. [\$2,950,000 - 100% Permanent Local Housing Allocation (PLHA) Funds] (Making Findings as the Responsible Agency Pursuant to CEQA; Exempt under State CEQA Guidelines Section 15332); (Clerk of the Board to File the Notice of Exemption)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find, in its independent judgment and analysis as a responsible agency under CEQA in issuing certain limited approvals, after it reviewed and considered the information in the previously filed Notice of Exemption under Development Plans 2022-2612 (DP-2022-2612) for the City of Murrieta, as lead agency, as well as its own exempt determination as a responsible agency, determined the Kensington Apartments Affordable Housing Project (Project), was Categorically Exempt under Section 15332, Class 32 Urban Infill, that as to those potential environmental impacts within the County's powers and authorities as responsible agency concerning the Loan Agreement for the Use of Permanent Local Housing Allocation (PLHA) Program Funds and approvals associated therewith, any potentially significant environmental effects have been adequately analyzed and nothing further is required under CEQA;


ACTION:Policy


Heidi Marshall, Director 4/8/2025

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Medina, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: May 20, 2025
xc: HWS, Recorder, State Clearinghouse

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

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

RECOMMENDED MOTION: That the Board of Supervisors:

2. Approve the attached form of Loan Agreement for the Use of PLHA Program Funds, including all attachments thereto, (PLHA Loan Agreement), between the County and Murrieta Kensington Pacific Associates, a California Limited Partnership, providing a loan derived from the PLHA Program in the amount of \$2,900,000.00 (PLHA Loan), to be used to pay a portion of the development and construction costs for a multi-family affordable rental housing project in the City of Murrieta;
3. Approve the attached forms of PLHA Deed of Trust, Security Agreement, and Fixture Filing with Assignment of Rents (PLHA Deed of Trust), PLHA Promissory Note, Environmental Indemnity, and PLHA Covenant Agreement, attached as exhibits to the PLHA Loan Agreement;
4. Approve the allocation of \$50,000 in PLHA funds to Housing and Workforce Solutions (HWS) for direct staff costs associated with project management and compliance with PLHA Program for Kensington Apartments;
5. Authorize the Director of the HWS, or designee, to execute the PLHA Loan Agreement and PLHA Covenant Agreement, each conforming substantially in form and substance to the attached PLHA Loan Agreement and PLHA Covenant Agreement, subject to approval as to form by County Counsel;
6. Approve the forms of the Subordination Agreements with Wilmington Trust, N.A. and Citibank, N.A., attached hereto;
7. Authorize the Director of the HWS, or designee, to negotiate and execute a Subordination Agreement for the benefit of Wilmington Trust, N.A., conforming substantially in form and substance to the attached Subordination Agreement, subordinating the PLHA Loan Agreement and PLHA Deed of Trust to Wilmington Trust's Deed of Trust, securing a permanent loan for the Project for a not to exceed amount of \$8,000,000 subject to approval as to form by County Counsel;
8. Authorize the Director of the HWS, or designee, to negotiate and execute a Subordination Agreement for the benefit of Citibank, N.A., conforming substantially in form and substance to the attached Subordination Agreement, subordinating the PLHA Loan Agreement and PLHA Deed of Trust to Citibank's Deed of Trust, securing a permanent loan for the Project for a not to exceed amount of \$35,000,000 subject to approval as to form by County Counsel;
9. Authorize the Director of the HWS, or designee, to take all necessary steps to implement the PLHA Loan Agreement, PLHA Covenant Agreement and Subordination Agreements, including but not limited to, signing subsequent necessary and relevant documents, subject to approval as to form by County Counsel; and

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

10. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk and the State Clearinghouse within 5 business days of approval.

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|---|-----------------------------|--------------------------|---------------------------|---------------------|
| COST | \$1,475,000 | \$1,475,000 | \$2,950,000 | \$ 0 |
| NET COUNTY COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SOURCE OF FUNDS: Permanent Local Housing Allocation Funds (100%) | | | Budget Adjustment: | No |
| | | | For Fiscal Year: | 24/25-25/26 |

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Pacific West Communities, Inc., an Idaho corporation registered to do business in the State of California (Developer), submitted an application to the County of Riverside (County) for Permanent Local Housing Allocation (PLHA) funds allocated from the California Department of Housing and Community Development (HCD) PLHA Program. Developer is proposing to utilize \$2,900,000 in County PLHA funds (PLHA Loan) for the development and new construction of Kensington Apartments, a proposed 126-unit, multi-family affordable rental housing complex, for low-income families located in the City of Murrieta on an approximately 4.7 acre lot on Washington Avenue, southeast of Magnolia Street, in the City of Murrieta, Riverside County, also identified as Assessor's Parcel Number 906-780-004 (Project). Developer formed Murrieta Pacific Associates, a California Limited Partnership (Partnership), for the purpose of applying for tax credits, securing financing, developing and operating the Project. The PLHA Loan will be evidenced by a promissory note (PLHA Promissory Note) which will be secured by a deed of trust encumbering the Project (PLHA Deed of Trust), each attached. PLHA Loan will be used to pay a portion of development and construction costs. Should there be any realized cost savings to the project, then any remaining PLHA funds will not be disbursed.

The Project will provide a total of 126 units consisting of 48 one-bedroom units (approximately 582 square feet), 41 two-bedroom units (approximately 757 square feet), 36 three-bedroom units (approximately 1,034 square feet), and 1 two-bedroom unit set aside for an on-site resident manager. Amenities include an approximately 5,091 square foot community room, clubroom, laundry facilities, computer room, and fitness center. Additional amenities include a swimming pool, dog run and an outdoor playground for children. Under the County's PLHA program, a total of 61 units will be income restricted (PLHA Units) reserved for households whose incomes do not exceed 80% of the area median income. Of those PLHA Units, 13 units will be restricted to individual households whose incomes do not exceed 50% of the area median income for the County of Riverside (PLHA Affordable Units). The PLHA Affordable Units will be restricted for a period of at least 55 years from the recordation of the Notice of Completion.

Staff recommends approval of \$2,900,000 in PLHA funds for the Project to pay a portion of the development and construction costs for the Project and \$50,000 in PLHA funds for direct staff costs associated with project management and compliance with PLHA Program as follows:

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

| | | |
|-----------------------|--------------------|----------------------|
| Kensington Apartments | \$2,900,000 | PLHA Project Funding |
| Kensington Apartments | \$50,000 | PLHA Direct Staffing |
| Total | \$2,950,000 | |

| Construction Sources | |
|---------------------------------|---------------------|
| Citibank: Tax-Exempt | \$28,500,000 |
| Citibank: Taxable | \$1,973,390 |
| Bonneville: Recycled Tax-Exempt | \$8,000,000 |
| County of Riverside | \$2,900,000 |
| City of Murrieta | \$1,769,773 |
| Fee Waiver | \$822,500 |
| Deferred Costs | \$634,243 |
| Deferred Developer Fee | \$6,528,263 |
| Tax Credit Equity | \$2,150,043 |
| Total | \$53,278,212 |

| Permanent Sources | |
|---------------------------------|---------------------|
| Citibank: Tax-Exempt | \$14,600,000 |
| Bonneville: Recycled Tax-Exempt | \$8,000,000 |
| County of Riverside | \$2,900,000 |
| City of Murrieta | \$1,769,773 |
| Fee Waiver | \$822,500 |
| Deferred Developer Fee | \$3,685,509 |
| Tax Credit Equity | \$21,500,430 |
| Total | \$53,278,212 |

Any potential significant effects of the Project have been addressed by the City of Murrieta, as Lead Agency, in its review of Development Plans 2022-2612 (DP-2022-2612) for the Project, filed with the Riverside County Clerk's Office on January 3, 2023, a Notice of Exemption under Categorical Exemption under Section 15332, Class 32 Urban Infill. Acting as the Responsible Agency, the County of Riverside Board of Supervisors will adopt the Notice of Determination. Entering into the PLHA Loan Agreement will not result in any new significant environmental effects; the actions will not substantially increase the severity of the environmental effects; no considerably different mitigation measures have been identified; and no mitigation measures found infeasible have become feasible. As a result, no further environmental documentation is required for California Environmental Quality Act purposes and the Board acting as a responsible agency hereby makes the findings that the prior CEQA document sufficiently addresses any actions on the part of the County.

County Counsel has reviewed and approved as to form the attached form of Loan Agreement for the Use of PLHA Funds, including all exhibits (PLHA Loan Agreement), the form of the PLHA

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

Deed of Trust, the form of the PLHA Promissory Note, the form of PLHA Covenant Agreement, and the form of the Environmental Indemnity. Staff recommends that the Board of Supervisors (Board) approve these forms. Staff further recommends the Board authorize the Director of the Housing and Workforce Solutions (HWS), or designee, to execute a PLHA Loan Agreement and a PLHA Covenant Agreement, substantially conforming in form and substance to the attached. Staff further recommends that the Board of Supervisors authorize the Director of the HWS, or designee, to negotiate and execute subordination agreements, as required conditions to the senior lenders' financing, subordinating the PLHA Loan and PLHA Deed of Trust to the deeds of trust securing the senior lenders' loans as discussed herein, subject to approval as to form by County Counsel. The forms of the Subordination Agreements are attached hereto.

Impact on Residents and Businesses

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

SUPPLEMENTAL:

Additional Fiscal Information

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

ATTACHMENTS:

- Form of Loan Agreement for the Use of PLHA Program Funds, including all exhibits
- Form of PLHA Deed of Trust (attached to loan agreement)
- Form of PLHA Promissory Note (attached to loan agreement)
- Form of PLHA Covenant Agreement (attached to loan agreement)
- Form of Environmental Indemnity
- Forms of the Subordination Agreements (Wilmington and Citibank)
- Notice of Exemption


Brianna Lontajo, Principal Management Analyst 5/14/2025


Aaron Gettis, Chief of Deputy County Counsel 5/13/2025



Peter Aldana
Riverside County
Assessor-County Clerk-Recorder
2724 Gateway Drive
Riverside, CA 92507
(951) 486-7000
www.rivcoacr.org

Receipt: 25-153969

| Product | Name | Extended |
|-----------------------------|---|-----------------|
| FISH | CLERK FISH AND GAME FILINGS | \$50.00 |
| | # Pages | 1 |
| | Document # | E-202500437 |
| | Filing Type | 7 |
| | State Fee Prev Charged | false |
| | No Charge Clerk Fee | false |
| F&G Notice of Exemption Fee | | \$50.00 |
| Total | | \$50.00 |
| Tender (On Account) | | \$50.00 |
| Account# | CEQAHWS/WDD | |
| Account Name | CEQAHWS/WDD - HOUSING AND WORKFORCE SOLUTIONS, WORKFORCE DEVELOPMENT DIVISION | |
| Balance | \$800.00 | |
| Comment | SST3508S2706 | |



State of California - Department of Fish and Wildlife
2025 ENVIRONMENTAL DOCUMENT FILING FEE
CASH RECEIPT
DFW 753.5a (REV. 01/01/25) Previously DFG 753.5a

RECEIPT NUMBER:

25-153969

STATE CLEARINGHOUSE NUMBER (if applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY

LEAD AGENCY EMAIL

DATE

RIVERSIDE COUNTY HOUSING & WORKFORCE

JUGARCIA@RIVCO.ORG

05/21/2025

COUNTY/STATE AGENCY OF FILING

DOCUMENT NUMBER

RIVERSIDE

E-202500437

PROJECT TITLE

LOAN AGREEMENT FOR THE USE OF PLHA FUNDS FOR KENSINGTON APARTMENTS, IN THE
CITY OF MURRIETA, DISTRICT 3

PROJECT APPLICANT NAME

PROJECT APPLICANT EMAIL

PHONE NUMBER

RIVERSIDE COUNTY HOUSING & WORKFORCE

JUGARCIA@RIVCO.ORG

(951) 955-4850

PROJECT APPLICANT ADDRESS

CITY

STATE

ZIP CODE

3403 10TH STREET,

RIVERSIDE

CA

92501

PROJECT APPLICANT (Check appropriate box)

☒ Local Public Agency

☐ School District

☐ Other Special District

☐ State Agency

☐ Private Entity

CHECK APPLICABLE FEES:

☐ Environmental Impact Report (EIR)

\$4,123.50

\$

☐ Mitigated/Negative Declaration (MND)(ND)

\$2,968.75

\$

☐ Certified Regulatory Program (CRP) document - payment due directly to CDFW

\$1,401.75

\$

☒ Exempt from fee

☒ Notice of Exemption (attach)

☐ CDFW No Effect Determination (attach)

☐ Fee previously paid (attach previously issued cash receipt copy)

☐ Water Right Application or Petition Fee (State Water Resources Control Board only)

\$850.00

\$

☒ County documentary handling fee

\$

\$50.00

☐ Other

\$

PAYMENT METHOD:

☐ Cash

☐ Credit

☐ Check

☒ Other

TOTAL RECEIVED

\$

\$50.00

SIGNATURE

AGENCY OF FILING PRINTED NAME AND TITLE

X *I Syeda*

Deputy **Isabel Tejada**



FILED / POSTED

County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder

E-202500437
05/21/2025 03:05 PM Fee: \$ 50.00
Page 1 of 1

Removed: By: Deputy

Notice of Exemption

To:

☒ Office of Planning and Research

For U.S Mail:

P.O. Box 3044

Sacramento, CA 95812-3044

Street Address:

1400 Tenth St.

Sacramento, CA 95814

From:

Public

Agency:

County of Riverside

Address:

4080 Lemon Street, Suite 400

Riverside, CA 92501

Contact:

Nicole Sanchez

Phone:

(760) 863-2825

☒ County Clerk

County of Riverside

2724 Gateway Drive

P.O. Box 751

Address: Riverside, CA 92502-0751

Lead Agency (if different from above):

Address:

Contact:

Juan Garcia

Phone:

+19519558126

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

State Clearinghouse Number (if submitted to State Clearinghouse):

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

Project Location (include county): Washington Avenue, southeast of Magnolia Street, in the City of Murrieta, Riverside County, also identified as Assessor's Parcel Number 906-780-004 (Property)

Project Description: The Loan Agreement for the Use of PLHA Program Funds for \$2,900,000 will be used to pay a portion of the development and construction costs for Kensington Apartments located Washington Avenue, southeast of Magnolia Street, in the City of Murrieta, Riverside County, also identified as Assessor's Parcel Number 906-780-004. The Project will provide a total of 125 affordable rental units within 5, three-story buildings including 48 one-bedrooms units, 41 two-bedroom units, and 36 three-bedroom units. In addition, 1 two-bedroom unit will be set aside for on-site resident managers. Under the County's PLHA program, 61 units will be restricted to low and very low income households. Those will be restricted for a period of at least 55 years from the recordation of the Notice of Completion.

Project Sponsor: County of Riverside

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

☐ Lead agency or ☒ Responsible Agency

May 20, 2025

(Tentative date)

and has made the following determinations regarding the above-described project:

In its independent judgment and analysis as a Responsible Agency under CEQA in issuing limited approvals, the County of Riverside, after it reviewed and considered the information in the previously filed Notice of Exemption under Development Plans 2022-2612 (DP-2022-2612) for the City of Murrieta, as Lead Agency, determined that the Project was Categorically Exempt under Section 15332, Class 32 Urban Infill, that as to those potential environmental impacts within the County's powers and authorities as Responsible Agency concerning the Loan Agreement for the Use of Permanent Local Housing Allocation (PLHA) Program Funds and approvals associated therewith, any potentially significant environmental effects have been adequately analyzed and nothing further is required under CEQA. The Lead Agency filed its Notice of Exemption on January 3, 2023.

Signature: (Public Agency)

Juan Garcia

Title: Deputy Director

Date:

5/6/25

Date received for filing at OPR:

Document Root (Read-Only)

Selected Document

2025050995 - NOE - Loan Agreement for the Use of Permanent Local Housing Allocation (PLHA) Program Funds for Kensington Apartments

Riverside County
Created - 5/22/2025 | Submitted - 5/22/2025 | Posted - 5/22/2025 | Received - 5/22/2025 | Published - 5/22/2025
Whitney N Mayo

Document Details

Public Agency

Riverside County

Document Type

Notice of Exemption

Document Status

Published

Title

Loan Agreement for the Use of Permanent Local Housing Allocation (PLHA) Program Funds for Kensington Apartments

Document Description

The Loan Agreement for the Use of PLHA Program Funds for \$2,900,000 will be used to pay a portion of the development and construction costs for Kensington Apartments located Washington Avenue, southeast of Magnolia Street, in the City of Murrieta, Riverside County, also identified as Assessor's Parcel Number 906-780-004. The project will provide a total of 125 affordable rental units within 5, three-story buildings including 48 one-bedroom units, 41 two-bedroom units, and 36 three-bedroom units. In addition, 1 two-bedroom unit will be set aside for on-site resident managers. Under the County's PLHA program, 61 units will be restricted to low and very low income households. Those will be restricted for a period of at least 55 years from the recordation of the Notice of Completion.

Attachments (Upload Project Documents)

3.28 NOE - Loan Agreement for the Use of PLHA Funds, Murrieta.pdf

Contacts

Housing and Workforce Solutions Department - *Juan Garcia*

4080 Lemon Street Suite 400
Riverside, CA 92501
Phone : (951) 955-8126
jugarcia@rivco.org

Regions

Southern California

Counties

Riverside

Cities

Murrieta

Location Details

Parcel Number - 906-780-004

Other Location Info

Washington avenue, southeast of Magnolia Street, in the City of Murrieta, Riverside County, also identified as Assessor's Parcel Number 906-780-004

Notice of Exemption**Exempt Status**

Categorical Exemption

Type, Section Number or Code Number

15332

Reasons why project is exempt

In its independent judgment and analysis as a Responsible Agency under CEQA in issuing limited approvals, the County of Riverside, after it reviewed and considered the information in the previously filed Notice of Exemption under Development Plans 2022-2612 (DP-2022-2612) for the City of Murrieta, as Lead Agency, determined that the Project was Categorically Exempt under Section 15332, Class 32 Urban Infill, that as to those potential environmental impacts within the County's powers and authorities as Responsible Agency concerning the Loan Agreement for the Use of Permanent Local Housing Allocation (PLHA) Program Funds and approvals associated therewith, any potentially significant environmental effects have been adequately analyzed and nothing further is required under CEQA. The Lead Agency filed its Notice of Exemption on January 3, 2023.

County Clerk(s)

Riverside

Signature

Title

Date

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 27383

Order No.
Escrow No.
Loan No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
3403 Tenth Street, Suite #300
Riverside, CA 92501
Attn: Annjanette Aguilar

SPACE ABOVE THIS LINE FOR RECORDERS USE

LOAN AGREEMENT FOR THE USE OF PLHA PROGRAM FUNDS
(Washington Avenue and Nighthawk Way, Murrieta, CA)

This LOAN AGREEMENT FOR THE USE OF PLHA PROGRAM FUNDS
("Agreement") is made and entered into this 1st day of _____, 2025 by and between the
COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY" or
"County"), and MURRIETA PACIFIC ASSOCIATES, A CALIFORNIA LIMITED
PARTNERSHIP, a California limited partnership ("BORROWER"). The COUNTY and
BORROWER may be individually referred to herein as a "Party" and collectively as the
"Parties."

RECITALS:

WHEREAS, Chapter 364, Statutes of 2017 (Senate Bill (SB) 2, Atkins), as
authorized by Health and Safety Code (HSC) Section 50470, established the Building Homes
and Jobs Trust Fund (Fund) and the Permanent Local Housing Allocation ("PLHA") Program
which was designed to provide a permanent source of funding to all local governments in
California to help cities and counties implement plans to increase affordable housing stock;

WHEREAS, the State of California (the "State"), Department of Housing and
Community Development ("HCD") issued a Notice of Funding Availability ("NOFA"), dated
February 26, 2020, to provide approximately \$195,000,000 under the PLHA Program through
its Entitlement and Non-entitlement Local Government Formula Component from the Fund for
assistance to local governments pursuant to HSC section 50470 et seq. and SB 2 (Chapter 364,

1 Statutes of 2017) (the “PLHA Statutes”);

2 WHEREAS, to implement the PLHA Program, HCD adopted and issued the HCD
3 2019 PLHA Final Guidelines (“Guidelines” or “PLHA Guidelines”);

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

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

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

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

18 WHEREAS, BORROWER is an experienced developer of affordable housing that
19 has among its purposes the provision of decent housing that is affordable to low income persons;

20 WHEREAS, BORROWER desires to perform the following in the City,
21 collectively referred to herein as the “Project”: construct and operate thereon an approximately
22 4.7 acres multi-family apartment complex and related amenities consisting of 125 affordable
23 rental units within 5, three-story buildings including 48 one-bedrooms units, 41 two-bedroom
24 units, and 36 three-bedroom units. In addition, 1 two-bedroom unit will be set aside for on-site
25 resident managers (each, a “Unit,” collectively, the “Units”);

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

the purposes set forth herein) to BORROWER in the maximum amount of \$2,900,000 to pay a portion of the construction and operation costs related to the Project, as more fully described herein;

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

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

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 incorporated herein by this reference. COUNTY has agreed to lend up to \$2,900,000 in PLHA funds (“PLHA Loan”) to BORROWER upon the satisfaction of the conditions precedent to distribution of PLHA Loan funds set forth in **Section 12** below. Subject to **Sections 49** and **50** below, BORROWER shall undertake and complete the Project in accordance with all entitlements and the Scope of Work and Project Description set forth in **Exhibit B**, and shall utilize the PLHA Loan funds as required herein and in strict compliance with the PLHA Program. Once the Project is completed, during the Affordability Period (as defined in **Section 15** below), at least approximately forty nine percent (49%) of the Units not occupied by a manager or sixty-one (61) of the Units constructed on the Property shall be restricted to rental to and occupancy by qualified Low and Very Low Income Households (collectively, “PLHA Units”) at an Affordable Rent (as hereinafter defined). Forty-eight (48) PLHA Units shall be rented to and occupied by Low Income Households. Thirteen (13) PLHA Units shall be rented to and occupied by Very Low Income Households.

For purposes hereof:

a. a “Household” is one or more persons occupying an Affordable Unit.

- 1 b. “Low Income” has the meaning set forth in HSC Section 50079.5,
2 which is a Household whose income does not exceed 80% of the area
3 median income, adjusted for actual family size.
- 4 c. “Very Low Income” has the meaning set forth in HSC Section 50105,
5 which is a Household whose income does not exceed 50% of the area
6 median income, adjusted for actual family size.
- 7 d. “area median income” shall refer to the most recent area median
8 family income published by HCD for Riverside County, available at
9 the following link:
- 10 e. “Qualified Household” means a Low Income Household or a Very
11 Low Income Household.

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

22 Income and Affordable Rent limitations for Very Low Income Households
23 and Low Income Households must be calculated in accordance with the Multifamily Housing
24 Program (MHP), as required by the PLHA Program. BORROWER shall utilize the most recently
25 available “MHP Income and Rent Calculator” published by HCD, available on the following web
26 page:

27 Notwithstanding anything contained herein to the contrary, if the Project
28 has received low income housing tax credits, then California Tax Credit Allocation Committee

1 (“CTCAC”) rent and income-setting requirements shall control for the term of the CTCAC
2 extended use agreement.

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

17 2. BORROWER’S OBLIGATIONS. Upon the commencement of the
18 Effective Date (defined in **Section 56** below), BORROWER shall undertake and complete the
19 following activities within the time periods set forth herein and in **Exhibit D**:

- 20 a. Satisfy the conditions precedent to distribution of PLHA Loan funds
21 set forth in **Section 12** below.
- 22 b. Acquire fee title to the Property and assemble any necessary permanent
23 and construction financing no later than the date set forth in **Exhibit D**,
24 including any County approved extensions thereto.
- 25 c. Develop the Project in accordance with the timeline set forth in **Exhibit**
26 **D**.
- 27 d. Operate the Project in such a manner so that it will remain affordable
28 to Qualified Households for the Affordability Period as defined in

Section 15 herein without regard to (i) the term of the PLHA Note, or
(ii) transfer of ownership.

- e. Maintain the Project in compliance with applicable local, state, federal laws, codes and regulations as further described in **Section 17** below until the expiration of the Term of this Agreement set forth in **Section 7** below, and the Affordability Period set forth in **Section 15** below.

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

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

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

- a. Term of PLHA Loan. The maturity date of the PLHA Loan shall be the later to occur of (i) July 1, 2080 or (ii) fifty-five (55) years from the recordation of the Notice of Completion in the Official Records for the building for which construction is completed for the Project (the "PLHA Loan Term"). The term, "Official Records" used herein shall mean the Official Records of the Recorder's Office of the County of Riverside.

b. Principal. The total amount of the PLHA Loan shall not exceed \$2,900,000, and shall be evidenced by the PLHA Note, which note shall be secured by the PLHA Deed of Trust.

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

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

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

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

i) A prorated share of twenty five percent (25%) of the Project's Residual Receipts shall be paid to COUNTY and the City of Murrieta (pro rata with respect to the amounts of their respective loans for the Project) annually in accordance with the terms set forth herein. The pro rata share split shall be 9.47% to the City and 15.52% to COUNTY ("Pro Rata Share"). Such payment of the Pro Rata Share of twenty five percent (25%) of the Project's Residual Receipts to City and COUNTY shall continue annually until the City's promissory note and COUNTY's PLHA Note are repaid in full,

respectively; and

- ii) The remaining seventy five percent (75%) of the Project's Residual Receipts will be paid to BORROWER and the b-bond holder with fifty percent (50%) going to the b-bonds and twenty five percent (25%) going first to BORROWER.

(3) The Project's Residual Receipts shall be determined based on an annual review of certified financial statements for the Project. Annual audited financial statements shall be submitted by BORROWER to COUNTY within one hundred twenty (120) days following the close of the Project fiscal year commencing on April 1st of the first full calendar year following the recordation of the Notice of Completion. All outstanding principal along with accrued interest shall be due upon the maturity date of the PLHA Note and the expiration of the PLHA Loan Term as set forth in **Section 4.a.** The first payment from BORROWER to COUNTY shall be due on July 1st in the first full calendar year following the 15th year after the date of the recordation of the Notice of Completion, to the extent of available Residual Receipts, calculated in accordance with the PLHA Note. Subsequent payments shall be made on each July 1st thereafter to the extent of available Residual Receipts until the earlier of full repayment of the PLHA Loan or the PLHA Loan maturity date as set forth above.

(4) The term "Project Residual Receipts" used herein shall mean the gross rental and other income from all residential and non-residential components of the Project, including, without limitation, proceeds from loss of rent insurance, and any other income to the BORROWER derived from the ownership, operation

and management of the Project and the Property, but excluding interest on required reserve accounts, loan proceeds, capital contributions and insurance proceeds used for repair/construction less the following operating expenses:

- i) auditing and accounting fees;
- ii) a reasonable property management fee not to exceed \$62.66 per unit per month, increased annually by an amount not to exceed the greater of (i) two percent (2%), or (ii) the increase in the Consumer Price Index for Riverside-San Bernardino-Ontario, CA area ("CPI");
- iii) 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);
- iv) required deposits into replacement reserves, established in a separate account from operating reserves, limited to \$250 per unit per year for all units in the Project;
- v) required operating reserve replenishments in an amount up to [437,090] per year;
- vi) required payments of principal and interest on amortized loans and indebtedness senior to the PLHA Loan, which have been approved by COUNTY and include a loan from Citibank, N.A. in the amount of \$[28,500,000], loans from the

California Municipal Finance Authority in the amounts of \$6,400,000 and \$8,000,000, and a loan from the City of Murrieta in the amount of \$1,769,773 (collectively, the “Senior Debt”);

vii) COUNTY’s Monitoring Fee in the total annual amount of \$6,200, increased annually by an amount equal to the increase in CPI (but in no event to exceed 5% per annum), as more specifically discussed in **Section 30**;

viii) repayment of any operating deficit loans made by a partner to the BORROWER and payment of unpaid tax credit adjustment payments owed to a limited partner of BORROWER;

ix) partnership management fees up to \$12,600 annually payable to a general partner of BORROWER, and asset management fees up to \$7,500 annually (increasingly annually by three (3%)) payable to a limited partner of BORROWER, and any accrued and unpaid fees from prior years; and

x) payment of deferred developer fees pursuant to BORROWER’S limited partnership agreement.

The calculation of annual operating expenses shall be subject to the reasonable approval of the Director or designee.

e. Security. The PLHA Note shall be secured by the PLHA Deed of Trust. The PLHA Deed of Trust and this Agreement shall be recorded in a lien position junior to the Covenant Agreement and any deed of trust securing a loan from Citibank, N.A. in the amount of \$[28,500,000], loans from the

California Municipal Finance Authority in the amounts of \$6,400,000 and \$8,000,000, and a loan from the City of Murrieta in the amount of \$1,769,773 (collectively, the “Senior Loan”).

- f. Prepayment. Prepayment of principal and/or interest under the PLHA Note may occur at any time without penalty; provided, however (i) the requirements of **Section 17**, Compliance with Laws and Regulations, shall remain in full force and effect for the term of this Agreement specified in **Section 7** below; and (ii) the affordability requirements set forth in the Covenant Agreement shall remain in effect until the expiration of the Affordability Period.

5. PRIOR COUNTY APPROVAL. Except as otherwise expressly provided in this Agreement, approvals required of the COUNTY shall be deemed granted by the written approval of the Director. Notwithstanding the foregoing, the Director may, in 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.

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

7. TERM OF AGREEMENT. This Agreement shall become effective upon the Effective Date, as defined in **Section 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) July 1, 2080 or (ii) fifty-five (55) years from the recordation of the Notice of Completion in the Official Records for the last building for which construction is completed for the Project (“Term of Agreement”).

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

- a. Authority. BORROWER is a duly organized limited partnership, validly existing and 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, as amended to the date of this Agreement. BORROWER, and the persons executing and delivering the PLHA Loan Documents on its behalf, have full right, power and lawful authority to enter into this Agreement and accept the PLHA Loan funds and undertake development of the Project and all obligations as provided in the PLHA Loan Documents. The execution, performance and delivery of this Agreement by BORROWER has been fully authorized by all requisite actions on the part of BORROWER.

- b. 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.
- c. No Bankruptcy. BORROWER is not the subject of a bankruptcy proceeding.
- d. General. BORROWER 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. 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.
- e. Use of PLHA Funds. Borrower represents and warrants that it will use all PLHA funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation, all rules and laws regarding the PLHA

1 Program, as well as any contracts for the PLHA funds entered into
2 between City and County and any contracts County may have with
3 HCD.

4 f. Prior to Closing. BORROWER shall, upon learning of any fact or
5 condition which would cause any of the warranties and
6 representations in this **Section 8** not to be true as of Closing,
7 immediately give written notice of such fact or condition to
8 COUNTY. Such exception(s) to a representation shall not be
9 deemed a breach by BORROWER hereunder, but shall constitute
10 an exception which COUNTY shall have the right to approve or
11 disapprove if such exception would have an effect on the value
12 and/or operation of the Project Site.

13 g. Applicable Requirements. BORROWER represents and warrants
14 that after Closing, the Property and all improvements located
15 thereon, including any portion thereof, shall comply with all
16 applicable Governmental Requirements (as defined in **Section**
17 **18.b**) and all covenants or restrictions of record (together, the
18 “**Applicable Requirements**”). If the Property and all
19 improvements located thereon do not comply with said Applicable
20 Requirements, BORROWER shall promptly rectify the same at
21 BORROWER’s expense.

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

27 i. Labor Laws. BORROWER represent and warrants that it shall
28 comply with any applicable labor regulations and all other

1 applicable State laws, including, without limitation, California
2 prevailing wage law, as set forth in Labor Code Section 1720 et
3 seq. ("State Prevailing Wage Law") and, to the extent applicable,
4 shall pay prevailing wages in accordance with the State Prevailing
5 Wage Law in connection with the construction of the
6 improvements which compromise the Project.

7 9. COMPLETION SCHEDULE. From and after the Effective Date,
8 BORROWER shall proceed consistent with the Schedule of Performance ("Schedule of
9 Performance") set forth in **Exhibit D**, (as such schedule may be amended pursuant to **Section**
10 **12**), subject to Force Majeure Delays, as defined in **Section 10**.

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

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

1 occurrence and continuance of a Force Majeure Delay, BORROWER shall be excused from
2 performance of its obligations under this Agreement to the extent the Force Majeure event
3 prevents BORROWER from performing such obligations. A Force Majeure Delay shall not
4 excuse BORROWER from the timely performance of its payment obligations under the PLHA
5 Loan Documents.

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

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

- 24 a. BORROWER executes this Agreement and delivers to COUNTY for
25 recordation in the Official Records;
- 26 b. Borrower submits written evidence to COUNTY that Borrower has
27 obtained sufficient financing commitments necessary to undertake the
28 construction and operation of the Project as required herein;

- c. BORROWER provides COUNTY with evidence of insurance as required herein;
- d. BORROWER executes the PLHA Deed of Trust, in recordable form, and delivers such document to COUNTY for recordation in the Official Records;
- e. BORROWER executes the PLHA Note, and delivers it to COUNTY;
- f. BORROWER executes the Covenant Agreement, in recordable form, and delivers to the COUNTY for recordation in the Official Records;
- g. COUNTY executes and records a Request for Notice of Default for any Senior Loan conforming in form and substance to **Exhibit I** attached hereto;
- h. BORROWER executes the Environmental Indemnity, and delivers it to COUNTY;
- i. BORROWER has caused the Property to be divided or reconfigured at BORROWER's cost in such a manner that the Project may be financed and obtain title insurance;
- j. BORROWER causes a title company, reasonably acceptable to COUNTY, at BORROWER'S expense, to issue or be irrevocably committed to issue an ALTA lender's policy in favor of COUNTY, insuring the PLHA Deed of Trust as a subordinate priority monetary lien against the Property junior to the deed of trust securing the Senior Loan and such other financing as has been approved as senior by the COUNTY for the development of the Project;
- k. BORROWER provides satisfactory evidence that Senior Loan and any other financing obtained for the Project will close concurrently with the Closing;
- l. BORROWER provides a financial pro forma or similar satisfactory evidence that the Senior Loan, permanent financing and any other

1 financing obtained for the Project, when combined with the PLHA
2 Loan, will result in the development and operation of the Project being
3 financially feasible;

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

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

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

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

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

27 13. OUTSIDE CLOSING DATE. If the Closing fails to occur by June 9, 2025
28 (the "Outside Closing Date"), then this Agreement shall automatically terminate and be of no

1 further force and effect and Borrower shall be released and discharged from any obligations
2 under this Agreement, except as to those obligations which by their terms survive termination of
3 this Agreement. The PLHA Loan funds allocated, reserved, or placed in a PLHA account
4 pursuant to this Agreement may be reallocated by COUNTY.

5 Notwithstanding the foregoing, the Parties hereto acknowledge that many of the
6 potential sources of financing for the Project are subject to competitive awards, and that it is
7 difficult to identify with certainty the period of time needed to obtain financing and entitlements
8 necessary for construction of a Phase. In light of the foregoing, the Outside Closing Date (i) if
9 applicable, may be automatically extended to such closing date as required by the Tax Credit
10 Allocation Committee pursuant to an award of Low Income Housing Tax Credits for the Project
11 made prior to the Outside Closing Date, or (ii) shall be subject to written extension with the
12 consent of the Director or his or her designee through June 9, 2025. The Director shall
13 reasonably consider any request for extensions to the Outside Closing Date based on
14 BORROWER's updates on progress toward obtaining financing and entitlements. Any
15 extension of the Outside Closing Date past June 9, 2025, shall require the consent of the Board
16 of Supervisors.

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

- 25 a. Up to fifty percent (50%) of the PLHA Loan may be disbursed at
26 Closing.
27 b. Up to ninety percent (90%) of the PLHA Loan upon fifty-one
28 percent (51%) completion of Project, as certified and documented

by the project architect/engineer.

c. COUNTY shall release final draw down of ten percent (10%) of the PLHA 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 PLHA Units in the Project shall remain occupied and rented by Qualified Households for an Affordable Rent as set forth herein and in the Covenant Agreement until the later of (i) fifty-five (55) years from the recordation of the Notice of Completion in the Official Records for the last building for which construction is completed for the Project, or (ii) July 1, 2080 (the "Affordability Period").

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

8 a. Builder's All Risk (Course of Construction) Insurance.

9 BORROWER shall provide a policy of Builder's All Risk (Course
10 of Construction) insurance coverage including (if the work is
11 located in an flood zone or if required on financed or bond
12 financing arrangements) coverage for flood, covering the
13 COUNTY, BORROWER and every subcontractor, of every tier,
14 for the entire Project, including property to be used in the
15 construction of the work while such property is at off-site storage
16 locations or while in transit or temporary off-site storage. Such
17 policy shall include, but not be limited to, coverage for fire,
18 collapse, faulty workmanship, debris removal, expediting expense,
19 fire department service charges, valuable papers and records, trees,
20 grass, shrubbery and plants. If scaffolding, false work and
21 temporary buildings are insured separately by the BORROWER or
22 others, evidence of such separate coverage shall be provided to
23 County prior to the start of the work. Such policy shall be written
24 on an all risk basis and a completed value form. Such policy shall
25 cover the full insurable value. Such policy shall also provide
26 coverage for temporary structures (on-site offices, etc.), fixtures,
27 machinery and equipment being installed as part of the
28 work. BORROWER shall be responsible for any and all

deductibles under such policy. Upon request by COUNTY, BORROWER shall declare all terms, conditions, coverages and limits of such policy. Such policy shall name the COUNTY as a loss payee as their interest may appear. If the County so provides, in its sole discretion, the All Risk (Course of Construction) insurance for the Project, then BORROWER shall assume the cost of any and all applicable policy deductibles (currently, \$50,000 per occurrence) and shall insure its own machinery, equipment, tools, etc. from any loss of any nature whatsoever.

b. Worker's Compensation.

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

c. Commercial General Liability Insurance.

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

1 agreement or be no less than two (2) times the occurrence limit.

2 Policy shall name the COUNTY as Additional Insureds.

3 d. Vehicle Liability Insurance.

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

12 e. General Insurance Provisions – All Lines.

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

20 2) The BORROWER must declare its insurance self-
21 insured retention for each coverage required herein. If any such
22 self-insured retention exceed \$500,000 per occurrence each such
23 retention shall have the prior written consent of the County Risk
24 Manager before the commencement of operations under this
25 Agreement. Upon notification of self-insured retention
26 unacceptable to the COUNTY, and at the election of the County's
27 Risk Manager, BORROWER'S carriers shall either; 1) reduce or
28 eliminate such self-insured retention as respects this Agreement

1 with the COUNTY, or 2) procure a bond which guarantees payment
2 of losses and related investigations, claims administration, and
3 defense costs and expenses.

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

20 4) In the event of a material modification, cancellation,
21 expiration, or reduction in coverage, this Agreement shall terminate
22 forthwith, unless the County of Riverside receives, prior to such
23 effective date, another properly executed original Certificate of
24 Insurance and original copies of endorsements or certified original
25 policies, including all endorsements and attachments thereto
26 evidencing coverage's set forth herein and the insurance required
27 herein is in full force and effect. BORROWER shall not commence
28 operations until the COUNTY has been furnished original

1 Certificate (s) of Insurance and certified original copies of
2 endorsements and if requested, certified original policies of
3 insurance including all endorsements and any and all other
4 attachments as required in this Section. An individual authorized
5 by the insurance carrier to do so on its behalf shall sign the original
6 endorsements for each policy and the Certificate of Insurance.

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

12 6) If, during the term of this Agreement or any
13 extension thereof, there is a material change in the scope of
14 services; or, there is a material change in the equipment to be used
15 in the performance of the scope of work; or, the term of this
16 Agreement, including any extensions thereof, exceeds five (5)
17 years; the COUNTY reserves the right to adjust the types of
18 insurance and the monetary limits of liability required under this
19 Agreement, if in the County Risk Management's reasonable
20 judgment, the amount or type of insurance carried by the
21 BORROWER has become inadequate.

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

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

28 9) 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 any financing secured by the Project and any applicable Governmental Requirements, which records shall be open to inspection and audit by authorized representatives of COUNTY and HCD during regular working hours. COUNTY and HCD, or 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 the PLHA Program, but in no event no less than five (5) years after the Project completion date as evidenced by recordation of the Notice of Completion; except records of individual tenant income verifications, project rents, and project inspections must be retained for the most recent five (5) year period, until five (5) years after the Affordability Period terminates. If any litigation, claim, negotiation, audit, or other action has been started before the expiration of the regular period specified, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular period, whichever is later.

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

on the Property:

- a. PLHA Program. BORROWER shall comply with all requirements set forth in a Notice of Funding Availability (“NOFA”), dated February 26, 2020, issued by HCD to provide approximately \$195,000,000 under the Permanent Local Housing Allocation (“PLHA”) Program through its Entitlement and Non-entitlement Local Government Formula Component from the Building Homes and Jobs Trust Fund for assistance to Local Governments pursuant to Health and Safety Code section 50470 et seq. and Senate Bill (SB) 2 (Chapter 364, Statutes of 2017), the HCD 2019 PLHA Final Guidelines (“Guidelines” or “PLHA Guidelines”) adopted and issued to implement the PLHA Program, any Standard Agreement for the PLHA funds applicable to COUNTY or City, and all applicable rules and regulations imposed by HCD on PLHA funding recipients.
- b. Governmental Requirements. BORROWER shall carry out development, construction and operation of the Project in conformity with all applicable Governmental Requirements. For purposes of this Agreement, “Governmental Requirements” means all laws, ordinances, statutes, codes, rules, resolutions, regulations, policy statements, orders, and decrees (including, without limitation, those relating to land use, subdivision, zoning, environmental, labor relations, prevailing wage, and building and fire codes) of the United States, the State of California, the County or any other political subdivision in which the Property is located or which exercises jurisdiction over BORROWER or the construction, maintenance, management, use, or operation of the Project

1 c. CEQA. Prior to Closing, BORROWER shall have performed all
2 necessary final actions and obtained the final approvals required by
3 CEQA for the development and construction of the Project within
4 the time frames set forth herein. Such final actions and approvals
5 may include, but are not limited to the following: (i) completing
6 requisite activities to comply with CEQA, (ii) all final action and
7 approvals for environmental and land use permits by any
8 governmental authorities having jurisdiction over the Property, and
9 (iii) resolution or final adjudication of any legal challenges,
10 including such challenges based on CEQA. This Agreement does
11 not restrict the lead agency from considering any feasible
12 mitigation measures and alternatives, including the “no project”
13 alternative and does not bind the lead agency to any definite course
14 of action prior to CEQA compliance.

15 The commencement of any development and construction
16 identified herein is contingent upon BORROWER obtaining all
17 required environmental and land use permits, including CEQA
18 compliance with any applicable public agencies. In the event any
19 action is brought challenging the legality of compliance with
20 CEQA or any other law applicable to the Project, including any
21 actions related to any of the proposed uses of the Property or this
22 Agreement, BORROWER shall indemnify, defend (with counsel
23 reasonably acceptable to COUNTY), and hold harmless the
24 Indemnified Parties (as defined in **Section 38**), at its sole cost and
25 expense for, from and against any and all claims, actions,
26 proceedings, demands, liabilities, costs, expenses, including
27 reasonable attorney’s fees and costs, damages and losses, cause or
28 causes or action and suit or suits (collectively, “Claims”) arising

1 from or in connection with the failure to comply with such
2 applicable law, or any action to attack, set aside, void, or annul any
3 approvals of the City, County, any other Governmental Authority
4 with jurisdiction over the Project or the Property, or COUNTY, its
5 advisory agencies, or legislative body.

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

19 BORROWER shall comply and stay current with all applicable
20 local, state and federal building codes and laws as from time to time
21 amended, including, but not limited to, the Americans with
22 Disabilities Act requirements. BORROWER shall cause all
23 improvements to be completed at BORROWER's cost in a
24 workmanlike manner and in compliance with all applicable law.

25 e. Permits and Entitlements. BORROWER shall be responsible for
26 obtaining all permits, entitlements and land use approvals required
27 by the County or City for the development, construction and
28 operation of the Project, ensuring that the use of the Property for

1 the purposes described in this Agreement complies with the zoning
2 and other City and County land use regulations (including any
3 applicable exemptions and/or exceptions) applicable to the
4 Project. Before commencement of demolition, construction or
5 development of any buildings, structures or other work of
6 improvement upon any portion of the Property, BORROWER
7 shall, at its own expense, secure or cause to be secured, any and all
8 permits which may be required by the City, COUNTY or any other
9 Governmental Authority affected by such construction,
10 development or work.

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

15 “Hazardous Materials” or “Hazardous Substances” shall include,
16 but not be limited to, oil, flammable explosives, asbestos, urea
17 formaldehyde insulation, radioactive materials, hazardous wastes,
18 toxic or contaminated substances or similar materials, including,
19 without limitation, any substances defined as “extremely hazardous
20 substances,” “hazardous substances,” “hazardous materials,”
21 “hazardous waste” or “toxic substances” in the Comprehensive
22 Environmental Response, Compensation and Liability Act of 1980,
23 as amended, including the Superfund Amendments and
24 Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.
25 (“CERCLA”); the Hazardous Materials Transportation Act, 49
26 U.S.C. §§ 1801, et seq.; the Resource Conservation and Recovery
27 Act of 1976, as amended, 42 U.S.C. §§ 6901, et seq.; the Toxic
28 Substances Control Act, as amended, 15 U.S.C. §§ 2601 et seq.; the

Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. §§ 1251 et seq.; the Occupational Safety and Health Act, as amended, 29 U.S.C. §§ 651; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. §§ 801 et seq.; the Safe Drinking Water Act, as amended, 42 U.S.C. §§ 300f et seq.; and those substances defined as “hazardous waste” in § 25117 of the California Health and Safety Code, as “infectious waste” in § 25117.5 of the California Health and Safety Code, or as “hazardous substances” in § 25316 of the California Health and Safety Code, or “hazardous materials” as defined in § 353 of the California Vehicle Code; waste that exhibits the characteristics set forth in § 25141 (b) of the California Health and Safety Code; and in the regulations adopted and orders and publications promulgated pursuant to said laws. Hazardous Materials shall expressly exclude substances typically used in the construction, development, operation and maintenance of an apartment complex provided such substances are used in accordance with all applicable laws.

19. INCOME TARGETING REQUIREMENTS. Pursuant to **Section 1** above, BORROWER hereby agrees to restrict the PLHA Units, which shall be at least forty nine percent (49%) of the Units not occupied by a manager constructed on the Property to rental to and occupancy by qualified Low and Very Low Income Households (collectively, “PLHA Units” or “Restricted Units”) in accordance herewith.

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

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

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

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

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

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

the State of California. The CUAC and use instructions can be found at:
<https://www.treasurer.ca.gov/ctcac/cuac/index.asp>.

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

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

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

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

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

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

accordance with State law.

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

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

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

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

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

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

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

c. Violence Against Women Reauthorization Act of 2013. (Pub. L. 113–

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

1 threatened with eviction or termination of housing benefits. Tenants
2 must request an emergency transfer and reasonably believe that they
3 are threatened with imminent harm from further violence if the tenant
4 remains in the same unit. The provisions of VAWA 2013 that are
5 applicable to HCD programs are found in title VI of VAWA 2013,
6 which is entitled "Safe Homes for Victims of Domestic Violence,
7 Dating Violence, Sexual Assault, and Stalking." Section 601 of
8 VAWA 2013 amends subtitle N of VAWA (42 U.S.C. 14043e et seq.)
9 to add a new chapter entitled "Housing Rights."

10 22. FEDERAL REQUIREMENTS. BORROWER shall comply with all
11 applicable federal regulations and guidelines.

12 23. REPAYMENT INCOME. COUNTY must record the receipt and
13 expenditure of PLHA repayment income in accordance with the standards specified in the PLHA
14 Program.

15 24. SALE, ASSIGNMENT OR OTHER TRANSFER OF THE PROJECT.
16 BORROWER hereby covenants and agrees not to sell, assign, transfer or otherwise dispose of
17 the Project or any portion thereof, without obtaining the prior written consent of the COUNTY,
18 which consent shall be conditioned upon (a) a County determination that transferee is a qualified
19 and experienced operator of low income housing and (b) solely upon receipt by the COUNTY
20 of reasonable evidence satisfactory to the COUNTY in its sole discretion, that transferee has
21 assumed in writing all of BORROWER'S duties and obligations under this Agreement, and is
22 reasonably capable of performing and complying with the BORROWER's duties and obligations
23 under this Agreement. Notwithstanding anything to the contrary contained herein, upon written
24 notice to COUNTY, BORROWER may (i) lease for occupancy of all or any of the PLHA Units
25 in accordance with this Agreement; (ii) grant easements or permits to facilitate the development
26 of the Property in accordance with this Agreement; (iii) transfer the BORROWER'S limited
27 partnership interest; (iv) remove and replace the BORROWER'S general partner(s) for cause in
28 accordance with BORROWER'S amended and restated agreement of limited partnership; and

(v) make transfers pursuant to that certain Purchase Option Agreement (collectively a “Permitted Transfer”).

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

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

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

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

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

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

27. PROHIBITION AGAINST CONFLICTS OF INTEREST:

- a. No member, official or employee of COUNTY shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to the this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested.
- b. BORROWER warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining the PLHA Loan.

28. INTENTIONALLY OMITTED.

29. PROJECT MONITORING AND EVALUATION.

a. Tenant Checklist. BORROWER shall submit a Tenant Checklist Form to COUNTY, as shown in **Exhibit G** which is attached hereto and by this reference is incorporated herein and may be revised by COUNTY, summarizing the number and percentage of Very Low Income and Low Income Households who are tenants of the COUNTY PLHA Units. The Tenant Checklist Form shall be submitted upon completion of the construction and thereafter, on an 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 PLHA Program, 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 PLHA Program. A list of document submissions and timeline are shown in **Exhibit D** and such list may be amended from time to time subject to HCD and COUNTY reporting requirements.

b. Inspections. During the Affordability Period, COUNTY may perform annual on-site inspections of COUNTY PLHA-assisted rental housing to determine compliance with the property standards of the PLHA Program and to verify the information submitted by the owners in accordance with the requirements of the PLHA Program upon forty-eight (48) hours prior written notice to BORROWER and subject to the rights of tenant. If there are observed deficiencies for any of the inspectable items in the property standards established by COUNTY, 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. COUNTY may adopt a more frequent inspection schedule for properties that have been found to have health and safety deficiencies. The property owner must annually certify to the COUNTY that each building and all Units in the Project are suitable for occupancy, taking into account State and local health,

1 safety, and other applicable codes, ordinances, and requirements, and the ongoing property
2 standards. For projects with one-to-four COUNTY PLHA Units, COUNTY may inspect 100
3 percent of the COUNTY PLHA Units and the inspectable items (site, building exterior, building
4 systems, and common areas) for each building housing COUNTY PLHA Units.

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

9 30. MONITORING FEE. BORROWER shall pay an annual compliance
10 monitoring fee to the COUNTY in the total annual amount of \$6,200 (increased annually by an
11 amount equal to the increase of the Consumer Price Index (CPI) for the San Bernardino-
12 Riverside-Ontario, CA area, but in no event to exceed 5% annually) ("Monitoring Fee"). The
13 first Monitoring Fee payment will be made following the repayment of the deferred developer
14 fee but will not reduce the Residual Receipt payment to the b-bonds. Any County Monitoring
15 Fees unpaid for a year will accrue and rollover to each following year not paid. Monitoring Fees
16 will remain in place for remainder of Affordability Period contingent upon statutory guidance
17 requiring cancellation of Monitoring Fee. The Monitoring Fee is due on July 1st of each year for
18 the monitoring period of July 1st to June 30th commencing on the July 1st following the issuance
19 of a Certificate of Occupancy for the Project and may be pro-rated for a partial first year. The
20 Monitoring Fee will be due on each July 1st thereafter and will continue until the expiration of
21 the Affordability Period. The Monitoring Fee is to be adjusted upwards annually, increased by
22 an amount equal to the increase in CPI for the San Bernardino-Riverside-Ontario, CA area. In
23 the event of a decrease in the applicable CPI, the Monitoring Fee currently in effect shall remain
24 the same and shall not decrease.

25 31. ACCESS TO PROJECT SITE. Representatives of the COUNTY and HCD
26 shall have the right of access to the Property, upon 24 hours' written notice to BORROWER
27 (except in the case of an emergency, in which case COUNTY or HCD shall provide such notice
28 as may be practical under the circumstances), without charges or fees, during normal business

1 hours to review the operation of the Project in accordance with this Agreement and the Covenant
2 Agreement, subject to the rights of tenants.

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

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

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

1 or any other instrument or document secured against the Property
2 or the Project following expiration of any applicable notice and
3 cure periods;

4 c. General Performance of Loan Obligations. Any substantial or
5 continuous or repeated breach by BORROWER or BORROWER's
6 agents of any material obligations of BORROWER under this
7 Agreement;

8 d. General Performance of Other Obligations. Any substantial or
9 continuous or repeated breach by BORROWER or BORROWER's
10 agents of any material obligations of BORROWER related to the
11 Project imposed by any other agreement with respect to the
12 financing, development, or operation of the Project; whether or not
13 COUNTY is a party to such agreement; but only following any
14 applicable notice and cure periods with respect to any such
15 obligation;

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

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

28 g. Bankruptcy, Dissolution and Insolvency. BORROWER's or

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

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

25 a. Subject to the Force Majeure Delay, failure or delay by BORROWER to
26 perform any term or provision of this Agreement constitutes a default under this Agreement.
27 BORROWER must promptly commence to cure, correct or remedy such failure or delay and
28 shall complete such cure, correction or remedy with reasonable diligence.

1 b. COUNTY shall give written notice of default to BORROWER, specifying
2 the default complained of by COUNTY. Failure or delay in giving such notice shall not
3 constitute a waiver of any default, nor shall it change the time of default. Except as otherwise
4 expressly provided in this Agreement, any failures or delays by COUNTY in asserting any of
5 its rights and remedies as to any default shall not operate as a waiver of any default or of any
6 such rights or remedies. Delays by COUNTY in asserting any of its rights and remedies shall
7 not deprive COUNTY of its right to institute and maintain any actions or proceedings which it
8 may deem necessary to protect, assert or enforce any such rights or remedies.

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

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

26 e. Notwithstanding anything to the contrary contained in the PLHA Loan
27 Documents, COUNTY hereby agrees that BORROWER'S limited partner shall have the right,
28 but not obligation, to cure any defaults of the BORROWER hereunder and under any of the

1 PLHA Loan Documents, and the COUNTY agrees to accept cures tendered by the
2 BORROWER'S limited partner on behalf of the BORROWER within the applicable cure
3 periods set forth therein. Copies of all notices which are sent to BORROWER under the terms
4 of the PLHA Loan Documents shall also be sent to the BORROWER'S limited partner at the
5 addresses set forth in **Section 53**.

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

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

by BORROWER to COUNTY.

e. 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 or to pay off the PLHA Loan or any advances made under this Agreement, as provided for by the PLHA Deed of Trust.

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

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

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

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

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

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

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

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

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

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

25 37. TERMINATION.

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

28 b. COUNTY. Notwithstanding the provisions of **Section 37(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 expiration of any extensions granted and 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 PLHA funding from HCD identified in **Section 1** above is terminated or otherwise becomes unavailable.

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

38. 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 Affordability 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, the Covenant Agreement setting forth the affordability use and income restriction required in this Agreement. The Covenant Agreement shall be in a lien position senior to this PLHA Loan Agreement.

39. RESERVED.

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

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

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

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

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

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

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

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

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

23 49. SCHEDULE OF PERFORMANCE. BORROWER shall use
24 commercially reasonable efforts to satisfy the obligations set forth herein and in the Schedule of
25 Performance in a timely manner and by the dates set forth herein and therein. The Project shall
26 be completed and a Notice of Completion shall have been recorded in the Official Records no
27 later than the date set forth in the Schedule of Performance (the "Completion Deadline").
28 Provided that all construction and permanent financing remains committed to the Project,

BORROWER may request an extension of the Completion Deadline from COUNTY (“Extension”), which may be granted if the BORROWER can provide proof that all construction and permanent financing remains committed to the Project and that the circumstances that led to the failure to complete the Project by the Completion Deadline were beyond the BORROWER’s control. Extension is subject to COUNTY’s reasonable approval, and not guaranteed. The Director of HWS, or designee, has the authority, at their discretion, to consent to such Extension.

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

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

At that time all costs incurred by each party on the Project will be borne by the Party incurring such costs, and each party shall be released from all liability under this Agreement, except those obligations which by their terms survive termination.

51. EXHIBITS AND ATTACHMENTS. Each of the attachments and exhibits attached hereto is incorporated herein by this reference. To the extent BORROWER is required to execute and deliver to COUNTY an agreement substantially in the form attached hereto, execution and delivery of such agreement constitutes consideration given to COUNTY for the

PLHA Loan funds and other obligations of COUNTY hereunder.

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 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

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

BORROWER

Murrieta Pacific Associates, a California Limited Partnership
c/o Pacific West Communities, Inc.
430 East State Street, Suite 100
Eagle, Idaho 83616
Attention: Caleb Roope, President and CEO

with copies to:

SMF Legal, PLLC
430 East State Street, Suite 140
Eagle, Idaho 83616
Attention: Sarah Ford

and

Central Valley Coalition for Affordable Housing,
a California nonprofit public benefit corporation

3351 M Street, Suite 100
Merced, CA 95348
Attn: Christina Alley

and

BF Kensington Apartments, LLLP
c/o Boston Financial Investment Management, LP
225 Franklin Street, 28th Floor
Boston, MA 02110
Attn: Asset Management (Kensington Apartments)

And

Holland & Knight LLP
10 Saint James Avenue, 12th Floor
Boston, MA 02116
Attn: Kristen M. Cassetta, Esq.

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

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

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

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

58. CONSTRUCTION AND INTERPRETATION OF AGREEMENT. The

1 language in all parts of this Agreement shall in all cases be construed simply, as a whole and in
2 accordance with its fair meaning and not strictly for or against any party. The parties hereto
3 acknowledge and agree that this Agreement has been prepared jointly by the parties and has been
4 the subject of arm's length and careful negotiation over a considerable period of time, that each
5 party has been given the opportunity to independently review this Agreement with legal counsel,
6 and that each party has the requisite experience and sophistication to understand, interpret, and
7 agree to the particular language of the provisions hereof. Accordingly, in the event of an
8 ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement shall not
9 be interpreted or construed against the party preparing it, and instead other rules of interpretation
10 and construction shall be utilized.

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

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

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

1 incorporated by reference in this instrument.

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

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

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

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

14 62. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.

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

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

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

27
28 (SIGNATURES ON THE NEXT PAGE)

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

COUNTY:


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

By: form - do not sign
Heidi Marshall, Director
Housing and Workforce Solutions

Date: _____

(COUNTY Signature needs to be notarized)

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

By: 
Amrit P. Dhillon, Deputy County Counsel

BORROWER:

MURRIETA PACIFIC ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP,
a California limited partnership

By: TPC HOLDINGS IX, LLC,
an Idaho limited liability company
Its: Administrative General Partner

By: Pacific West Communities, Inc.,
an Idaho corporation
Its: Manager

By: form - do not sign
Name: Caleb Roope
Its: President and CEO
Date: _____, 2025

By: CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING,
a California Nonprofit Public Benefit Corporation
Its: Managing General Partner

By: form - do not sign
Name: Christina Alley
Its: Chief Executive Officer
Date: _____, 2025

(Signatures need to be notarized)

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT HERE>

STATE OF IDAHO)
) SS
COUNTY OF ADA)

ON THIS ____ DAY OF [____], IN THE YEAR OF 20__, BEFORE ME, _____, A NOTARY PUBLIC, PERSONALLY APPEARED CALEB ROOPE, KNOWN OR IDENTIFIED TO ME TO BE PRESIDENT AND CEO OF PACIFIC WEST COMMUNITIES, INC., AN IDAHO CORPORATION, THE MANAGER OF TPC HOLDINGS IX, LLC, AN IDAHO LIMITED LIABILITY COMPANY, PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME.

[SEAL]

NOTARY PUBLIC
MY COMMISSION EXPIRES:

EXHIBIT A

Property Legal Description

The land referred to in this report is situated in the 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:

THE SOUTHEASTERLY HALF OF THE NORTHWESTERLY HALF OF THE SOUTHWESTERLY HALF OF LOT 17 OF MURRIETA PORTION OF TEMECULA LAND AND WATER COMPANY'S SUBDIVISION OF A PORTION OF THE TEMECULA RANCHO, IN THE CITY OF MURRIETA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN [BOOK 8, PAGE 359](#) OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, COUNTY CALIFORNIA.

Assessor's Parcel Number: [906-780-004](#)

EXHIBIT “B”

Scope of Work and Project Description

Borrower: Murrieta Pacific Associates, a California Limited Partnership
Address: 430 E. State Street, Suite 100, Eagle, Idaho, 83616
Project Title: Kensington Apartments
Location: Identified as Assessor’s Parcel Number 906-780-004

Project Description:

Murrieta Pacific Associates, a California limited partnership, will utilize \$2,900,000 in PLHA funds for the development and construction of a new multifamily affordable housing project and related amenities located on Washington Avenue, southeast of Magnolia Street, in the City of Murrieta, Riverside County, also identified as Assessor’s Parcel Number 906-780-004. When complete, the Project will consist of 125 affordable rental units within 5, three-story buildings including 48 one-bedrooms units (approximately 582 square feet), 41 two-bedroom units (approximately 757 square feet), and 36 three-bedroom units (approximately 1,034 square feet). In addition, 1 two-bedroom unit will be set aside for on-site resident managers.

At least approximately forty nine percent (49%) of the Units not occupied by a manager or sixty-one (61) of the Units constructed on the Property shall be restricted to rental to and occupancy by qualified Low and Very Low Income Households (collectively, “PLHA Units”) at an Affordable Rent (as hereinafter defined). At least twenty percent (20%) of the PLHA Units or thirteen (13) PLHA Units shall be restricted to occupancy by Very Low Income Households. Forty-eight (48) PLHA Units shall be rented to and occupied by Low Income Households.

The **Scope of Work** shall comply with all entitlements for the Project and include construction of a multi-family apartment complex and related amenities consisting of 48 one-bedroom units, 42 two-bedroom units and 36 three-bedroom units (including one manager’s unit), for a total of 126 apartment units.

Exhibit C

Kensington Apartments Financial Pro Forma

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

Rev. 5/5/25

DEVELOPMENT BUDGET
Kensington Apartments
Murrieta, CA

| | Project Costs | Cost Per Unit | Cost Per Res. Sq. Ft. | Tax Credit Eligible Basis |
|---|------------------|------------------|--------------------------|------------------------------|
| Total Land Costs | \$ 2,214,915 | \$ 17,579 | \$ 21.71 | XXXXXXXXXX |
| Total Building Acquisition Costs | \$ - | \$ - | \$ - | \$ - |
| Construction Costs | | | | |
| Off-Site Work | \$ 361,758 | \$ 2,871 | \$ 3.55 | \$ 361,758 |
| Commercial Space | \$ - | \$ - | \$ - | XXXXXXXXXX |
| On Site Work | \$ 3,780,000 | \$ 30,000 | \$ 37.04 | \$ 3,780,000 |
| Structures | \$ 24,996,690 | \$ 198,386 | \$ 244.96 | \$ 24,996,690 |
| General Requirements | \$ 1,748,307 | \$ 13,875 | \$ 17.13 | \$ 1,748,307 |
| Contractor Overhead | \$ 617,735 | \$ 4,903 | \$ 6.05 | \$ 617,735 |
| Contractor Profit | \$ 1,853,205 | \$ 14,708 | \$ 18.16 | \$ 1,853,205 |
| Construction Contingency | \$ 1,700,000 | \$ 13,492 | \$ 16.66 | \$ 1,700,000 |
| Total Construction Costs | \$ 35,057,695 | \$ 278,236 | \$ 343.55 | \$ 35,057,695 |
| Financing Costs | | | | |
| Construction Loan Interest - Series A | \$ 2,000,000 | \$ 15,873 | \$ 19.60 | \$ 2,000,000 |
| Construction Loan Fee - Series A | \$ 213,750 | \$ 1,696 | \$ 2.09 | \$ 213,750 |
| Construction Lender Costs (Legal, Etc.) | \$ 100,000 | \$ 794 | \$ 0.98 | \$ 100,000 |
| Bond Issuer / Trustee Fees & Costs | \$ 100,000 | \$ 794 | \$ 0.98 | \$ 100,000 |
| Permanent Loan Fees | \$ 85,000 | \$ 675 | \$ 0.83 | XXXXXXXXXX |
| Permanent Loan Costs | \$ 50,000 | \$ 397 | \$ 0.49 | XXXXXXXXXX |
| Tax Credit Fees | \$ 80,612 | \$ 640 | \$ 0.79 | XXXXXXXXXX |
| Bond Counsel, Financial Advisor, Etc. | \$ 80,000 | \$ 635 | \$ 0.78 | XXXXXXXXXX |
| Series B & Taxable Interest & Fees | \$ 1,800,000 | \$ 14,286 | \$ 17.64 | \$ 1,800,000 |
| Total Financing Costs | \$ 4,509,362 | \$ 35,789 | \$ 44.19 | \$ 4,213,750 |
| Soft Costs | | | | |
| Architectural | \$ 600,000 | \$ 4,762 | \$ 5.88 | \$ 600,000 |
| Engineering/Surveying/Environmental | \$ 200,000 | \$ 1,587 | \$ 1.96 | \$ 200,000 |
| Taxes During Construction | \$ 80,000 | \$ 635 | \$ 0.78 | \$ 80,000 |
| Insurance | \$ 525,900 | \$ 4,174 | \$ 5.15 | \$ 525,900 |
| Title & Recording | \$ 80,000 | \$ 635 | \$ 0.78 | \$ 80,000 |
| Borrower Attorney | \$ 80,000 | \$ 635 | \$ 0.78 | \$ 80,000 |
| Appraisal | \$ 15,000 | \$ 119 | \$ 0.15 | \$ 15,000 |
| Local Tap, Building Permit, & Impact Fees | \$ 5,085,933 | \$ 40,365 | \$ 49.84 | \$ 5,085,933 |
| Marketing & Lease-Up | \$ 142,680 | \$ 1,132 | \$ 1.40 | XXXXXXXXXX |
| Relocation Costs | \$ - | \$ - | \$ - | XXXXXXXXXX |
| Furnishings | \$ 50,000 | \$ 397 | \$ 0.49 | \$ 50,000 |
| Cost Certification | \$ 15,000 | \$ 119 | \$ 0.15 | \$ 15,000 |
| Market Study | \$ 10,000 | \$ 79 | \$ 0.10 | \$ 10,000 |
| Soft Cost Contingency | \$ 900,000 | \$ 7,143 | \$ 8.82 | \$ 900,000 |
| Developer Overhead & Fees | \$ 6,528,263 | \$ 51,812 | \$ 63.97 | \$ 6,528,263 |
| Consultant Fee | \$ - | \$ - | \$ - | \$ - |
| Total Soft Costs | \$ 14,312,776 | \$ 113,593 | \$ 140.26 | \$ 14,170,096 |
| Post Construction Interest & Reserves | | | | |
| Post Construction Interest - Series A | \$ 620,000 | \$ 4,921 | \$ 6.08 | XXXXXXXXXX |
| Post Construction Interest - Series B | \$ - | \$ - | \$ - | XXXXXXXXXX |
| Operating Reserve | \$ 480,348 | \$ 3,812 | \$ 4.71 | XXXXXXXXXX |
| Total Post Construction Interest & Reserves | \$ 1,100,348 | \$ 8,733 | \$ 10.78 | XXXXXXXXXX |
| Totals | \$ 57,195,096 | \$ 453,929 | \$ 560.49 | \$ 53,441,541 |

FINANCING & COMPLIANCE DETAILS
Kensington Apartments
Murrieta, CA

Rev. 5/5/25

| PERMANENT FINANCING | | | |
|--|------------|-----------------|-----------------|
| Total Project Costs | | | \$ 57,195,096 |
| Tax Credit Financing | | | |
| Tax Credit Eligible Basis | | | \$ 53,441,541 |
| Less: Grant Proceeds & Other Exclusions | \$ 822,500 | | |
| Voluntary Basis Reduction | \$ - | | |
| Requested Eligible Basis | | | \$ 52,619,041 |
| Difficult to Develop Bonus (Yes - 130%, No - 100%) | | | 130% |
| Total Adjusted Eligible Basis | | | \$ 68,404,753 |
| Times % of Affordable Units or Square Feet | | | 100.00% |
| Qualified Basis Eligible to Receive Tax Credits | | | \$ 68,404,753 |
| Less Voluntary Credit Reduction | 0.00% | \$ - | \$ 68,404,753 |
| Times Credit % | Floor | Federal Credits | State Credits |
| | | 4.00% | 30.00% |
| Times Number of Years | | 10 | 1 |
| Total Tax Credits | | \$ 27,361,900 | \$ - |
| Syndicated at an Investment Rate of | 99.99% | at a Price of | \$ 0.8475 |
| Credit Price | \$0.85 | \$0.84 | |
| Equals Tax Credit Equity Proceeds | | | \$ 23,186,891 |
| Total Tax Credit Financing | | 40.54% | \$ (23,186,891) |
| Tax-Exempt Bonds - Series A | | 29.72% | \$ (17,000,000) |
| Tax-Exempt Bonds - Series B | | 13.99% | \$ (8,000,000) |
| Riverside County PLHA | | 5.07% | \$ (2,900,000) |
| CVAG TUMF Waiver | | 1.44% | \$ (822,500) |
| City Fee Deferral | | 3.09% | \$ (1,769,773) |
| Deferred Developer Fee | | 6.15% | \$ (3,515,932) |
| Financing Shortfall / (Overage) | | 0.00% | \$ - |

| Max. HOME - No Davis Bacon | HOME Units | # | Max. Subsidy | Subsidy by Type | Total Limit |
|----------------------------|---------------|-----------|--------------|-----------------|-------------|
| Max. HOME Units | 0 | 1-Bedroom | 0 | \$ - | \$ - |
| Ratio to Tot. Units | 0.00% | 2-Bedroom | 0 | \$ - | Loan Amount |
| Tot. Project Costs | \$ 57,195,096 | 3-Bedroom | 0 | \$ - | \$ - |
| HOME Loan | \$ - | 4-Bedroom | 0 | \$ - | O.K. |

| Compliance with LIHTC Eligible Basis Limits | | | |
|---|-----------------|-------------------------------|----------------|
| Unit Size | Number of Units | Riverside County Basis Limits | Totals |
| 0 | 0 | \$ - | \$ - |
| 1 | 48 | \$ 362,770 | \$ 17,412,960 |
| 2 | 42 | \$ 437,600 | \$ 18,379,200 |
| 3 | 36 | \$ 560,128 | \$ 20,164,608 |
| Base Limit | | | \$ 55,956,768 |
| Base Limit Plus Adjustments | | | \$ 106,064,319 |
| Requested Eligible Basis | | | \$ 53,441,541 |
| % Below / (Above) Cost Limit | | | 49.6140% |

| Construction Financing | |
|-----------------------------|---------------|
| Tax Credit Financing | \$ 2,318,689 |
| Tax-Exempt Bonds - Series B | \$ 8,000,000 |
| Riverside County PLHA | \$ 2,900,000 |
| CVAG TUMF Waiver | \$ 822,500 |
| City Fee Deferral | \$ 1,769,773 |
| Other | \$ - |
| Deferred Costs | \$ 1,100,348 |
| Deferred Developer Fee | \$ 6,528,263 |
| Taxable Bonds | \$ 5,255,523 |
| Tax-Exempt Bonds - Series A | \$ 28,500,000 |
| Total Project Costs | \$ 57,195,096 |

EXHIBIT D

SCHEDULE OF PERFORMANCE

| | | |
|----|---|---|
| 1. | <u>Financing.</u> Borrower shall timely submit applications for financing for the Project. | Completed. |
| 2. | <u>Additional Financing.</u> If necessary, Borrower shall re-apply for financing for the Project or apply for additional financing. | Following COUNTY approval and execution of the Agreement, but in no event later than December 31, 2025. |
| 3. | <u>Project Budget and Plans.</u> Borrower shall submit to COUNTY the Project Budget and Plans. | A draft Project Budget and Plans shall be submitted not later than 120 days prior to the date proposed for Closing, with a final Project Budget delivered prior to Closing. |
| 4. | <u>Financing Commitments and Documents.</u> Borrower shall submit to COUNTY financing commitments and draft legal agreements for all construction and permanent financing for the Project. | As soon as reasonably practical, but in no event later than 90 days prior to the Closing Date. |
| 5. | <u>Escrow – Purchase of the Property.</u> If applicable, BORROWER shall open Escrow for the purchase of the Property. | At least 90 days prior to the date proposed for Closing but in no event later than 90 days prior to the Outside Closing Date. |
| 6. | <u>Conditions Precedent to the Closing.</u> BORROWER shall satisfy all conditions precedent to Closing. | Not later than the later to occur of (i) the Outside Closing Date, or (ii) such date as required by TCAC pursuant to an award of LIHTCs made prior to the Outside Closing Date. |
| 7. | <u>Closing Date.</u> The Deed of Trust and all liens required for construction financing for the Project shall be recorded in the Official Records of Riverside County provided all conditions precedent in Section 12 of Agreement remain satisfied. | Not later than the later to occur of (i) the Outside Closing Date, or (ii) such date as required by TCAC pursuant to an award of LIHTCs for the First Phase made prior to the Outside Closing Date. |
| 8. | <u>Construction Commencement.</u> Borrower shall commence construction of the Project. | Within 90 days of the Closing Date. |
| 9. | <u>Construction Completion.</u> Borrower shall complete construction of the Improvements for the Project (as shown on the Final Construction | Within 36 months of the Closing Date. |

| | | |
|-----|--|--|
| | Drawings upon which Borrower's building permit is based). | |
| 10. | <u>Leasing.</u> Borrower shall have entered into leases with Qualified Tenants for the PLHA Units. | Within nine (9) months of Notice of Completion. |
| 11. | <u>Submission of Final actual project costs and Sources and Uses of Funds</u> | Within eleven (11) months from Notice of Completion. |
| 12. | <u>Submission of Initial Tenant Checklist report (Exhibit G)</u> | Within 3 months from Notice of Completion. |

DOCUMENT SUBMISSION SCHEDULE

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

Exhibit E

PLHA DEED OF TRUST

EXEMPT RECORDING FEE
Government Code Section 27383

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
3403 Tenth Street, Suite #300
Riverside, CA 92501
Attn. Annjanette Aguilar

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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

This DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING WITH ASSIGNMENT OF RENTS ("Deed of Trust") is made this 1st day of _____, 2025 by Murrieta Pacific Associates, a California limited partnership, (hereinafter referred to as "Trustor"), whose address is 430 E. State Street, Suite 100, Eagle, Idaho, 83616. 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 Tenth Street, Suite #300, Riverside, CA 92501.

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

(A) That certain fee interest in the real property located on Washington Avenue, southeast of Magnolia Street, in the City of Murrieta, County of Riverside, State of California, also identified as Assessor's Parcel Number 906-780-004, and more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (such interest in real property is hereafter referred to as the "Subject Property");

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

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

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

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

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

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

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

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

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

- (i) due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:
 - (a) that certain Promissory Note Secured by Deed of Trust (PLHA Loan Funds) in favor of the Beneficiary (“County” therein) executed by Trustor (“Borrower” therein) of even date herewith (the “Note”) in the principal amount of \$2,900,000;
 - (b) that certain Loan Agreement for the Use of PLHA Program Funds dated _____, 2025 and recorded in the Official Records of the County of Riverside (“Official Records”) on or about _____, 2025, between Trustor (“Borrower” therein) and Beneficiary (“County” therein) (the “PLHA Loan Agreement”); and
 - (c) that certain Covenant Agreement (PLHA Loan Funds) dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Trustor (“Borrower” therein) and Beneficiary (“County” therein) (“Covenant Agreement”).
- (ii) payment of indebtedness of the Trustor to the Beneficiary in the original principal amount of **Two Million Nine Hundred Thousand and 0/100 Dollars (\$2,900,000)** (the “PLHA Loan”), together with any interest or other amounts due according to the terms of the Note and/or the PLHA Loan Agreement.

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

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

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

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

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

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

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

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

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

6. **Taxes and Insurance.** Trustor shall pay before delinquency all taxes and assessments affecting said Real Property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Deed of Trust; provided however, Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as (a) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings and, (b) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section 6.

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

which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

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

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

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

9. **Subordinate Priority Position.** This Deed of Trust shall be recorded in a subordinate priority position junior in priority to: (i) the Covenant Agreement and Deed of Trust executed by Borrower for the benefit of California Municipal Finance Authority ("CMFA"), and Citibank, N.A., a national banking association ("Citibank") securing a construction loan in a principal amount up to \$[28,500,000], (ii) the Covenant Agreement for the benefit of the County of Riverside, (iii) and the Deeds of Trust executed by Borrower for the benefit of CMFA, as assigned to Wilmington Trust, National Association ("Wilmington") for the b-bond loans in principal amounts of up to \$[XXXXXX] and \$[XXXXXX] respectively, and (iv) the Covenant Agreement and Deed of Trust executed by Borrower for the benefit of the City of Murrieta, a California municipal corporation securing a loan in a principal amount up to \$[1,769,773] (collectively, "Senior Loan"). CMFA, Citibank, Wilmington and City of Murrieta are collectively hereafter "Senior Lender" or "Senior Lien Holder".

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

option, obtain coverage to protect Beneficiary's rights in the Property in accordance with **Section 12**.

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

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

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

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

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

representations concerning Trustor's use of the Real Property for affordable housing. If this Deed of Trust is on a leasehold, Trustor shall comply with all provisions of the lease. If Trustor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Beneficiary agrees to the merger in writing.

The Trustor acknowledges that the Real Property is subject to certain use and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the Property is located), limiting the Property's use to activities that comply with the PLHA Program (as defined in the PLHA Loan Agreement). The use and occupancy restrictions may limit the Trustor's ability to rent the Property. The violation of any use and occupancy restrictions may, if not prohibited by applicable law, entitle the Beneficiary to the remedies provided in **Section 27** hereof.

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

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

13. **Reserved.**

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

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

a. In the event of a total taking of the Real Property, the proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Trustor. In the event of a partial taking of the Real Property in which the fair market value of the Real Property immediately before the taking is equal to or greater than the amount of the sums secured by this Deed of Trust immediately before the taking, unless Trustor and Beneficiary otherwise agree in writing, the sums secured by this Deed of Trust shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Real Property immediately before the taking.

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

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

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

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

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

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

19. **Notices.** Any notice to Trustor provided for in this Deed of Trust shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Trustor's mailing address stated herein or any other

address Trustor designates by notice to Beneficiary. All such notices to Trustor shall also be provided to any party requested by Trustor in writing, including any investment limited partner at the address set forth in the PLHA Loan Agreement. Any notice to Beneficiary shall be given by first class mail to Beneficiary's address stated herein or any other address Beneficiary designates by notice to Trustor. Any notice required to be given to a Senior Lien Holder shall be given by first class mail to such other address the Senior Lien Holder designates by notice to the Trustor. Any notice provided for in this Deed of Trust shall be deemed to have been given to Trustor or Beneficiary when given as provided in this Section.

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

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

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

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

b. Reserved.

23. **Trustor's Right to Reinstate.** If Trustor meets certain conditions, Trustor shall have the right to have enforcement of this Deed of Trust discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Deed of Trust; or (b) entry of

a judgment enforcing this Deed of Trust. Those conditions are that Trustor: (a) pays Beneficiary all sums which then would be due under this Deed of Trust and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Real Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unchanged. Upon reinstatement by Trustor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under **Section 22**.

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

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

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

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

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

27. **Acceleration; Remedies.** Beneficiary shall give notice to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this Deed of Trust. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, which shall not be more than ten (10) calendar days from the date of the mailing of the notice for a monetary default, or a date, which shall not be more than thirty (30) calendar days from the mailing of the notice for a non-monetary default, by which the default must be cured (unless it is not reasonably capable of being cured within thirty (30) days, and Trustor (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 Trustor 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 one hundred twenty (120) days from the date of the notice of default); and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Trustor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Trustor to acceleration and sale. If the default is not cured by the Trustor on or before the date specified in the notice, and the Senior Lien Holder has not cured the default within that same period, subject to any non-recourse provisions then in effect, Beneficiary at its option may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Section 27**, including, but not limited to, reasonable attorneys' fees and costs of title evidence. Copies of all notices which are sent to the Trustor under the terms of this Deed of Trust shall also be sent to the Trustor's limited partners. Trustor's limited partners shall have the right, but not the obligation, to cure any default hereunder on behalf of Trustor, and any cure made or tendered by the limited partners shall be accepted or rejected on the same basis as if made by Trustor.

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

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

28. **Release.** Upon payment of all sums secured by this Deed of Trust, Beneficiary shall release this Deed of Trust without charge to Trustor. Trustor shall pay any recordation costs.

The lien of the Covenant Agreement shall not be released or reconveyed until the expiration of the term set forth therein notwithstanding the payment of all sums secured by this Deed of Trust.

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

30. **Modification of Senior Loan Documents.** Any agreement or arrangement, in which a Senior Lender waives, postpones, extends, reduces, or modifies any provisions of the Senior Lien Holder deed of trust or any other Senior Lenders loan documents, including any provisions requiring the payment of money, shall require the prior written approval of Beneficiary, except as otherwise set forth in any applicable subordination agreement. Notwithstanding the foregoing, no approval of Beneficiary shall be required for refinancing or earning out of any loan by any Senior Lender.

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

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

[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:

MURRIETA PACIFIC ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP,
a California limited partnership

By: TPC HOLDINGS IX, LLC,
an Idaho limited liability company
Its: Administrative General Partner

By: Pacific West Communities, Inc.,
an Idaho corporation
Its: Manager

By: form - do not sign
Name: Caleb Roope
Its: President and CEO
Date: _____, 2025

By: CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING,
a California Nonprofit Public Benefit Corporation
Its: Managing General Partner

By: form - do not sign
Name: Christina Alley
Its: Chief Executive Officer
Date: _____, 20225

(TRUSTOR signature needs to be notarized)

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

STATE OF CALIFORNIA)
) §
County of _____)

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

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

WITNESS my hand and official seal.

Signature of Notary

(Affix seal here)

EXHIBIT “A”

LEGAL DESCRIPTION OF PROPERTY

The land referred to in this report is situated in the 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:

THE SOUTHEASTERLY HALF OF THE NORTHWESTERLY HALF OF THE SOUTHWESTERLY HALF OF LOT 17 OF MURRIETA PORTION OF TEMECULA LAND AND WATER COMPANY'S SUBDIVISION OF A PORTION OF THE TEMECULA RANCHO, IN THE CITY OF MURRIETA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 359 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, COUNTY CALIFORNIA.

Assessor's Parcel Number: 906-780-004

Exhibit F

PLHA NOTE

PROMISSORY NOTE SECURED BY DEED OF TRUST

PLHA LOAN FUNDS

\$2,900,000 (“**Loan Amount**”)

_____, 2025 (“**Note Date**”)

FOR VALUE RECEIVED, MURRIETA PACIFIC ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP (“BORROWER”), a California limited partnership, promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), at 3403 Tenth Street, Suite #300, Riverside, CA 92501, or order, the sum of **Two Million Nine Hundred Thousand and 0/100 Dollars (\$2,900,000 USD)** (the “PLHA Loan” or “Note Amount”) which at the time of payment is due in funds lawful for the payment of public and private debts.

This Promissory Note Secured by Deed of Trust – PLHA Loan Funds (this “Note”) is given in accordance with that certain Loan Agreement for the Use of PLHA Program Funds executed by COUNTY and BORROWER, dated as of _____, 2025 and recorded in the Official Records of the County of Riverside (“Official Records”) on or about _____, 2025 (the “PLHA Loan Agreement”). Except to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings ascribed to such terms in the PLHA Loan Agreement. The Note is secured by a Deed of Trust, Security Agreement and Fixture Filing with Assignment of Rents executed by BORROWER for the benefit of the COUNTY dated _____, 2025 and recorded on or about _____, 2025 in the Official Records (the “PLHA Deed of Trust” or “Deed of Trust”). This Note, the PLHA Loan Agreement, the Deed of Trust, the Covenant (as hereinafter defined) and all agreements entered into in connection with the foregoing, and any amendments or modifications thereto, shall collectively be referred to herein as the “PLHA Loan Documents.”

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

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

3. This Note shall be repaid according to the following: a pro rata share of twenty-five percent (25%) of the Project's Residual Receipts shall be paid to COUNTY and the City of Murrieta (pro rata with respect to the amounts of their respective loans for the Project) annually in accordance with the terms set forth herein. The pro rata share split shall be 9.47% to the City and 15.52% to COUNTY ("Pro Rata Share"). Such payment of the Pro Rata Share of twenty-five percent (25%) of the Project's Residual Receipts to City and COUNTY shall continue until the City's promissory note and COUNTY's PLHA Note are repaid in full, respectively and the remaining seventy five percent (75%) of the Project's Residual Receipts will be paid to BORROWER and the b-bond holder with fifty percent (50%) going to the b-bonds and twenty five percent (25%) going first, to BORROWER.
4. The Project's Residual Receipts shall be determined based on an annual review of audited financial statements for the Project. Annual audited financial statements shall be submitted by BORROWER within one hundred twenty (120) days following the close of the project fiscal year commencing on April 1 of the first full calendar year following the recordation of the Notice of Completion for the Project. All outstanding principal along with accrued interest shall be due upon the later to occur of (i) July 1, 2080 or (ii) fifty-five (55) years from and after the recordation of the Notice of Completion (the "Maturity Date"). The first payment shall be due on July 1st in the first full calendar year following the 15th year after the date of the recordation of the Notice of Completion for the Project, to the extent of available Residual Receipts, as set forth herein. Subsequent payments shall be made on July 1st thereafter to the extent of available Residual Receipts until the sooner of full repayment of the PLHA Loan or the Maturity Date as set forth above.
5. The Project's Residual Receipts shall be determined based on an annual review of audited financial statements for the Project. Annual audited financial statements shall be submitted by BORROWER to COUNTY within one hundred twenty (120) days following the close of the project fiscal year commencing on April 1st of the first full calendar year following the recordation of the Notice of Completion. The term "Project Residual Receipts" as used herein shall mean the gross rental and other income from all residential and non-residential components of the Project, proceeds from loss of rent insurance, and any other income to the BORROWER derived from the ownership, operation and management of the Project, not including interest on required reserve accounts, loan proceeds, capital contributions and insurance proceeds used for repair/reconstruction, less the following operating expenses:
 - i) auditing and accounting fees;
 - ii) a reasonable property management fee not to exceed \$62.66 per unit per month, increased annually by an amount not to exceed the greater of (i) two percent (2%) or (ii) the increase in the Consumer Price Index for San Bernardino – Riverside – Ontario, CA area ("CPI");
 - iii) operating expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which shall include administration, on-site management, utilities, on-site staff payroll, payroll taxes, and maintenance);

iv) required deposits into replacement reserves in such amount as approved by COUNTY for the Project, established in a separate account from operating reserves, limited to \$250 per unit per year for all Units in the Project;

v) Operating Reserves replenishment in such amount as approved by COUNTY for the Project, up to \$[437,090];

vi) payments of principal and interest on amortized loans and indebtedness senior to the PLHA Loan, which have been approved by COUNTY (collectively, the “Senior Debt”);

vii) COUNTY’s Annual Monitoring Fee in the total annual amount of \$6,200, increased annually by an amount equal to the increase in CPI (but in no event to exceed 5% per annum). The first Monitoring Fee payment will be made following the repayment of deferred developer fee but will not reduce the residual receipt payment to the b-bonds. Any County Monitoring Fees unpaid for year will accrue and rollover to each following year not paid. Monitoring Fees will remain in place for remainder of Affordability Period contingent upon statutory guidance requiring cancellation of Monitoring Fee;

viii) repayment of any operating deficit loans made by a partner to the BORROWER and payment of any unpaid tax credit adjustment payments owed to a limited partner of BORROWER;

ix) partnership management fees up to \$12,600 annually payable to a general partner of BORROWER, and asset management fees up to \$7,500 annually (increasingly annually by three (3%)) payable to a limited partner of BORROWER, and any accrued and unpaid fees from prior years; and

x) payment of deferred developer fees pursuant to BORROWER’s limited partnership agreement.

6. The PLHA Loan evidenced by this Note is secured by that certain PLHA Deed of Trust executed by BORROWER for the benefit of COUNTY, dated on or about the date hereof and recorded in the Official Records.
7. This Note may be prepaid in whole or in part by the undersigned at any time without prepayment penalty or premium, provided however notwithstanding such prepayment, BORROWER shall be required to adhere to the affordability restrictions contained in the Covenants until the expiration of the Term contained therein.
8. Subject to the provisions and limitations of this **Section 8**, the obligation to repay the Note Amount is a nonrecourse obligation of BORROWER and its partners. Neither BORROWER nor its shareholders, members or partners shall have any personal liability for repayment of the Note Amount, except as provided in this **Section 8**. The sole recourse of the COUNTY shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the PLHA Loan; provided, however, that the foregoing shall not (i) constitute a waiver of any other obligation evidenced by this Note or the Deed of Trust; (ii) limit the right of the COUNTY to name BORROWER as a party defendant in any action or suit for judicial foreclosure and sale under this Note and the Deed of Trust or

any action or proceeding hereunder so long as no judgment in the nature of a deficiency judgment shall be asked for or taken against BORROWER; (iii) release or impair either this Note or the Deed of Trust; (iv) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, any other remedy against the mortgaged Property or any other instrument securing this Note or as prescribed by law or in equity in case of default; (v) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, its remedies in respect of any deposits, insurance proceeds, condemnation awards or other monies or other collateral or letters of credit securing this Note; or (vi) affect in any way the validity of any guarantee or indemnity from any person of all or any of the obligations evidenced and secured by this Note and the Deed of Trust. Notwithstanding the first sentence of this **Section 8**, the COUNTY may recover directly from BORROWER or, unless otherwise prohibited by any applicable law, from any other party: (a) any actual damages, costs and expenses incurred by the COUNTY as a result of fraud, misrepresentation or any criminal act or acts of BORROWER or any general partner, member, shareholder, officer, director or employee of BORROWER, or of any general partner of such member or general partner; (b) any damages, costs and expenses incurred by the COUNTY as a result of any misappropriation of funds provided to pay costs as described in the PLHA Loan Agreement, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; (c) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the Deed of Trust; (d) the fair market value of any personal property or fixtures removed or disposed of by the BORROWER other than in accordance with the Deed of Trust; (e) any and all amounts owing by BORROWER pursuant to any indemnity set forth in the PLHA Loan Agreement and/or Deed of Trust or the indemnification regarding Hazardous Substances pursuant to the PLHA Loan Agreement and/or Deed of Trust, and (f) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

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

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

b. Non-Monetary Default - Operation. (1) Discrimination by BORROWER or BORROWER'S agent on the basis of characteristics prohibited by the PLHA Loan Documents or applicable law, (2) the imposition of any encumbrances or

liens on the Project without COUNTY's prior written approval that are prohibited under this agreement or that have the effect of reducing the priority or invalidating the lien of the PLHA Deed of Trust, (3) BORROWER's failure to obtain and maintain the insurance coverage required under the PLHA Loan Agreement, (4) any material default under the PLHA Loan Documents, or any document executed by the COUNTY in connection with the PLHA Program, and/or (5) default past any applicable notice and cure period under the terms of any Deed of Trust executed by BORROWER in connection with any Senior Debt and any other instrument or document secured against the Property;

c. General Performance of Loan Obligations. Any substantial or continuous or repeated breach by BORROWER or BORROWER'S agents of any material obligations on BORROWER imposed by the PLHA Loan Documents; and

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

10. COUNTY shall give written notice of default to BORROWER, specifying the default complained of by the COUNTY. BORROWER shall have ten (10) calendar days from the mailing of the notice for a monetary default and thirty (30) calendar days from the mailing of the notice for non-monetary default (unless 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 one hundred twenty (120) days from the date of the notice of default), by which such action to cure must be taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default. Notwithstanding anything to the contrary contained in the PLHA Loan Documents, COUNTY hereby agrees that BORROWER'S limited partner shall have the right, but not the obligation, to cure any defaults of the BORROWER hereunder and under any of the PHLA Loan Documents, and the COUNTY agrees to accept cures tendered by BORROWER'S limited partner on behalf of the BORROWER within the applicable cure periods set forth therein. Copies of all notices which are sent to the BORROWER under the terms of the PHLA Loan Documents shall also be sent to the BORROWER'S limited partner at: c/o [c/o Boston Financial Investment Management LP, 225 Franklin Street, 28th Floor, Boston, MA 02110, Attn: Asset Management (Kensington Apartments), with a copy to: Holland & Knight LLP, 10 Saint James Avenue, 12th Floor, Boston, MA 02116, Attn: Kristen M. Cassetta, Esq.
11. Any failures or delays by COUNTY in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by COUNTY in asserting any of its rights and remedies shall not deprive COUNTY of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

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

19. Subject to the provisions of **Section 25** below, except as to the permitted deeds of trust identified in the Deed of Trust, BORROWER shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion.
20. The relationship of BORROWER and the COUNTY pursuant to this Note is that of debtor and creditor and shall not be, or be construed to be, a joint venture, equity venture, partnership or other relationship.
21. (a) Formal notices, demands and communications between the COUNTY and BORROWER shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the COUNTY and BORROWER as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or "kick-out" sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.

(b) The address of the COUNTY for purposes of receiving notices pursuant to this Note shall be 3403 Tenth Street, Suite #300, Riverside, California 92501, Attention: Assistant Director of Housing. 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 Murrieta Pacific Associates, a California Limited Partnership, c/o Pacific West Communities, Inc., 430 East State Street, Suite 100, Eagle, Idaho 83616, Attention: Caleb Roope, President and CEO, with copies to:

SMF Legal, PLLC
430 East State Street, Suite 140
Eagle, Idaho 83616
Attention: Sarah Ford

and

Central Valley Coalition for Affordable Housing,
a California nonprofit public benefit corporation

3351 M Street, Suite 100
Merced, CA 95348
Attn: Christina Alley

and

BF Kensington Apartments, LLLP
c/o Boston Financial Investment Management, LP
225 Franklin Street, 28th Floor
Boston, MA 02110
Attn: Asset Management (Kensington Apartments)

And

Holland & Knight LLP
10 Saint James Avenue, 12th Floor
Boston, MA 02116
Attn: Kristen M. Cassetta, Esq.

22. The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
23. The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
24. This Note shall be binding upon BORROWER and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.
25. The indebtedness secured by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by the promissory note of even date herewith ("Senior Note") in the original principal amount not to exceed \$[28,500,000] issued by Borrower and payable to Citibank, N.A. ("Senior Lender"), or order, to the extent and in the manner provided in that certain Subordination and Standstill Agreement [of even date herewith] between COUNTY, Borrower, and Senior Lender (the "Subordination Agreement"). The documents evidencing and securing this Note shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of that certain [Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement] securing the Senior Note as more fully set forth in the Subordination Agreement. The rights and remedies of the COUNTY and each subsequent holder of this Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the COUNTY under the Subordination Agreement.

26. The indebtedness secured by this Note is and shall be further subordinate in right of payment to the prior payment in full of the indebtedness evidenced by that certain promissory note of even date herewith in the original principal amount of \$[XXXXXXXX] (the “B-1 Note”) and that certain promissory note of even date herewith in the original principal amount of \$[XXXXXXXX] (the “B-2 Note” and together with the B-1 Note, the “B-Bond Note”) issued by Borrower and payable to Wilmington Trust, National Association, a national banking association, in its capacity as mortgagee and bond trustee for the B-1 Bonds and B-2 Bonds (together with its successors and assigns, collectively, “B-Bond Lender”), or order, to the extent and in the manner provided in that certain [Subordination Agreement (County Loan)] [of even date herewith] between COUNTY, Borrower, and B-Bond Lender (the “B-Bond Subordination Agreement”). The documents evidencing and securing this Note shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of: (i) that certain Junior Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (B-1); and (ii) that certain Junior Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (B-2), each securing the B-Bond Note as more fully set forth in the B-Bond Subordination Agreement. The rights and remedies of the COUNTY and each subsequent holder of this Note are subject to the restrictions and limitations set forth in the B-Bond Subordination Agreement. Each subsequent holder of this Note shall be deemed, by virtue of such holder’s acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the COUNTY under the B-Bond Subordination Agreement.

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[SIGNATURES ON FOLLOWING PAGE]

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

BORROWER:U

MURRIETA PACIFIC ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP,
a California limited partnership

By: TPC HOLDINGS IX, LLC,
an Idaho limited liability company
Its: Administrative General Partner

By: Pacific West Communities, Inc.,
an Idaho corporation
Its: Manager

By: form - do not sign
Name: Caleb Roope
Its: President and CEO

By: CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING,
a California Nonprofit Public Benefit Corporation
Its: Managing General Partner

By: form - do not sign
Name: Christina Alley
Its: Chief Executive Officer

[insert date], File No: _____

[insert street address], [insert city]

Exhibit G: 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 |
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Prepared by:

Title:

Phone Number:

Problems or questions please call Annjanette Aguilar at (760) 863-2825

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

Exhibit H

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
Housing and Workforce Solutions
3403 Tenth Street, Suite #300
Riverside, CA 92501
Attn. Annjanette Aguilar

SPACE ABOVE THIS LINE FOR RECORDERS USE

Permanent Local Housing Allocation (PLHA) PROGRAM
COVENANT AGREEMENT
(Kensington Apartments)

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

RECITALS

WHEREAS, BORROWER owns that certain real property including any improvements located thereon, located on Washington Avenue, southeast of Magnolia Street, Murrieta, CA, Assessor’s Parcel Number 906-780-004, described in the legal description attached hereto as **Exhibit A** and incorporated herein by this reference (the “Property”);

WHEREAS, COUNTY and BORROWER entered into that certain Loan Agreement for the Use of PLHA Program Funds (Kensington Apartments) dated _____, 2025 and recorded in the Official Records of the County of Riverside (“Official Records”) concurrently herewith (the “PLHA Loan Agreement” or “Agreement”) which provides for, among other things, new construction on the Property of an approximately 4.7 acre multi-family apartment complex and related amenities consisting of 48 one-bedroom units, 42 two-bedroom units and 36 three-

1 bedroom units (including one manager's unit), for a total of 126 apartment (each, a "Unit,"
2 collectively, the "Units"). The construction on the Property of the Units and such other
3 improvements as specified in the PLHA Loan Agreement shall be referred to herein as the
4 "Project." Capitalized terms not defined herein shall have the meaning ascribed to them in the
5 PLHA Loan Agreement;

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

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

15 WHEREAS, the PLHA Program (as hereinafter defined) provides a permanent source of
16 funding to all local governments in the State of California to help implement plans to increase the
17 affordable housing stock;

18 WHEREAS, COUNTY is an eligible local government for the program to administer one
19 or more eligible activities, including on behalf of other local governments that have delegated to
20 the COUNTY submission of an application and administration of their respective PLHA formula
21 allocations;

22 WHEREAS, HCD approved a funding allocation to the COUNTY for the PLHA Program,
23 subject to the terms and conditions of the PLHA Statutes, Guidelines, NOFA, PLHA Standard
24 Agreement for County's Allocation, and applicable rules and regulations imposed by HCD on
25 PLHA funding recipients (collectively, the "PLHA Program");

26 WHEREAS, BORROWER is an experienced developer of affordable housing that has
27 among its purposes the provision of decent housing that is affordable to low income persons; and

28 WHEREAS, in consideration of a loan of PLHA funds, BORROWER has agreed to restrict

1 at least forty nine percent (49%) of the Units in the Project not occupied by a manager or sixty-
2 one (61) PLHA Units to rental to and occupancy by qualified low- and very low-income
3 households consistent with the PLHA Program requirements and as set forth more specifically
4 below.

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

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

16 a) BORROWER hereby covenants and agrees to restrict at least approximately forty
17 nine percent (49%) of the Units not occupied by a manager or sixty-one (61) of the
18 Units constructed on the Property shall be restricted to rental to and occupancy by
19 qualified Low and Very Low Income Households (collectively, “PLHA Units”) at
20 an Affordable Rent (as hereinafter defined). At least twenty percent (20%) of the
21 PLHA Units or thirteen (13) PLHA Units shall be restricted to occupancy by Very
22 Low Income Households. Forty-eight (48) PLHA Units shall be rented to and
23 occupied by Low Income Households. For purposes hereof:

24 (i) “Household” is one or more persons occupying an Affordable Unit.

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

28 (iii) “Very Low Income” has the meaning set forth in HSC Section 50105,

1 which is a household whose incomes does not exceed 50% of the area
2 median income, adjusted for actual family size.

3 (iv) "area median income" shall refer to the most recent area median family
4 income published by HCD for Riverside County, available at the following
5 link:

6 b) The PLHA Units shall be rented to and occupied by Very Low and Low Income
7 Households at an Affordable Rent in compliance with the Multifamily Housing
8 Program ("MHP") guidelines Section 7312 and the Section 7301 definition of
9 "Affordable Rent" and the PLHA Program. Maximum income and Affordable
10 Rent shall be determined in accordance with subsection d) below. COUNTY shall
11 review and approve proposed rents prior to entry into leases for occupancy of the
12 PLHA Units by BORROWER. BORROWER shall ensure the PLHA Units are
13 rented to qualified applicants at the described rent levels herein during the
14 Affordability Period. The maximum monthly allowances for utilities and services
15 (excluding telephone) shall not exceed the utility allowance as described in c)
16 below.

17 c) Utility Allowance: For Projects not receiving financing from tax credits,
18 BORROWER shall use the most currently available Utility Allowances published
19 by the Housing Authority of the County of Riverside to establish maximum
20 monthly allowances for utilities and services in calculating Affordable Rents.
21 Projects assisted with tax credits may use the Utility Allowances published by the
22 Housing Authority of the County of Riverside or the California Utility Allowance
23 Calculator (CUAC) published annually by the Treasurer of the State of California.
24 The CUAC and use instructions can be found at:
25 <https://www.treasurer.ca.gov/ctcac/cuac/index.asp>.

26 d) Income and Affordable Rent limitations for Very Low Income Households and
27 Low Income Households must be calculated in accordance with the Multifamily
28 Housing Program (MHP) as required by the PLHA Program. BORROWER shall

utilize the most recently available “MHP Income and Rent Calculator” published by HCD, available on the following web page:

e) PLHA Loan Documents. The PLHA Loan Agreement, PLHA Note, PLHA Deed of Trust, the Environmental Indemnity and any other agreement entered into by COUNY and BORROWER in connection with the Project shall collectively be referred to herein as the “PLHA Loan Documents”. BORROWER shall comply with the terms and conditions of the PLHA Loan Documents, any other agreements evidencing financing for the Project, and any instrument secured against the Property. BORROWER shall strictly comply with all requirements of the PLHA Program.

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

2) SENIOR PRIORITY. This Covenant may be recorded in a third priority lien position junior to the CMFA – Regulatory Agreement and Declaration of Restriction Covenants and City of Murrieta Affordability Housing Agreement, Covenants and Restrictions.

3) COMPLIANCE WITH LAWS AND REGULATIONS. During the Term of this Covenant, BORROWER, for itself and on behalf of its successors and assigns, shall insure that the Project is constructed in accordance with and operated in compliance with the PLHA Program and all applicable federal, state and local laws, regulations and ordinances, including, but not limited to the following: all laws, ordinances, statutes, codes, rules, resolutions, regulations, policy statements, orders, and decrees (including, without limitation, those relating to land use, subdivision, zoning, environmental, labor relations and building and fire codes) of the United States, the State of California, the County or any other political subdivision in which the Property is located or which exercises jurisdiction over the BORROWER or the construction, maintenance, management, use, or operation of the Project.

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

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

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

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

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

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

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

25 (5) *Waiver of legal proceeding*. Agreement by the tenant that the
26 BORROWER may evict the tenant or household members without
27 instituting a civil court proceeding in which the tenant has the
28 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.

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

1 against an affiliated individual or other individual, or others may be evicted or
2 removed without evicting or removing or otherwise penalizing a victim who is a tenant
3 or lawful occupant. If victim cannot establish eligibility, BORROWER must give a
4 reasonable amount of time to find new housing or establish eligibility under another
5 covered housing program. A Notice of Rights under VAWA 2013 for tenants must be
6 provided at the time a person applies for housing, when a person is admitted as a tenant
7 of a housing unit, and when a tenant is threatened with eviction or termination of
8 housing benefits. Tenants must request an emergency transfer and reasonably believe
9 that they are threatened with imminent harm from further violence if the tenant
10 remains in the same unit. The provisions of VAWA 2013 that are applicable to HCD
11 programs are found in title VI of VAWA 2013, which is entitled "Safe Homes for
12 Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking."
13 Section 601 of VAWA 2013 amends subtitle N of VAWA (42 U.S.C. 14043e et seq.)
14 to add a new chapter entitled "Housing Rights."

15 5) USE OF PROPERTY; CONSTRUCTION OF IMPROVEMENTS. During the
16 Affordability Period, BORROWER covenants and agrees to use the Property solely for the
17 construction and operation of the Project in accordance with the PLHA Loan Documents, and
18 to construct the Project in a timely manner and in accordance with the Schedule of Performance
19 attached to the PLHA Loan Agreement. The proceeds of the PLHA Loan shall be used solely
20 for construction of the Units, and not in connection with any non-residential facilities, services
21 or activities.

22 6) MAINTENANCE OF THE IMPROVEMENTS. BORROWER, on behalf of
23 itself and its successors, assigns, and each successor in interest to the Property and Project or
24 any part thereof hereby covenants to and shall protect, maintain, and preserve the Property in
25 compliance with all applicable federal and state law and regulations and local ordinances. In
26 addition, BORROWER, its successors and assigns, shall maintain the improvements on the
27 Property in the same aesthetic and sound condition (or better) as the condition of the Property
28 at the time of the recordation of the Notice of Completion for the Project, reasonable wear and

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

18 7) STRUCTURAL MODIFICATIONS. In order to protect and maintain the
19 architectural and structural integrity of the Project, no structural modification will be made to
20 the Project without a validly issued building permit in accordance with the requirements of the
21 County of Riverside Ordinances. Any application for a building permit pursuant to this section
22 and in connection with a proposed exterior modification to the Project shall be accompanied
23 by elevations and plans depicting the proposed modifications.

24 8) NONDISCRIMINATION. BORROWER shall not discriminate on the basis of
25 race, gender, religion, national origin, ethnicity, sexual orientation, age or disability in the
26 solicitation, selection, hiring or treatment of any contractors or consultants, to participate in
27 subcontracting/subconsulting opportunities. BORROWER understands and agrees that
28 violation of this clause shall be considered a material breach of this Agreement and may result

1 in termination, debarment or other sanctions. This language shall be incorporated into all
2 contracts between BORROWER and any contractor, consultant, subcontractor, subconsultants,
3 vendors and suppliers. BORROWER shall comply with the provisions of the California Fair
4 Employment and Housing Act (Government Code Sections 12900 et seq.), the Federal Civil
5 Rights Act of 1964 (P.L. 88-352), as amended, and all Administrative Rules and Regulations
6 issued pursuant to said Acts and Orders with respect to its use of the Property.

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

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

23 a) In deeds: "The grantee herein covenants by and for himself or herself, his
24 or her heirs, executors, administrators, and assigns, and all persons claiming under or
25 through them, that there shall be no discrimination against or segregation of, any person or
26 group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955
27 of the Government Code, as those bases are defined in Sections 12926, 12926.1,
28 subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2

1 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or
2 enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming
3 under or through him or her, establish or permit any practice or practices of discrimination
4 or segregation with reference to the selection, location, number, use or occupancy of
5 tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The
6 foregoing covenants shall run with the land.”

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

20 c) In contracts: “There shall be no discrimination against or segregation of any
21 person or group of persons, on account of any basis listed in subdivision (a) or (d) of
22 Section 12955 of the Government Code, as those bases are defined in Sections 12926,
23 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and
24 Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use,
25 occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person
26 claiming under or through him or her, establish or permit any such practice or practices of
27 discrimination or segregation with reference to the selection, location, number, use, or
28 occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land.”

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

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

13 a) Builder's All Risk (Course of Construction) Insurance. BORROWER shall
14 provide a policy of Builder's All Risk (Course of Construction) insurance coverage
15 including (if the work is located in a flood zone or if required on financed or bond
16 financing arrangements) coverage for flood, covering the COUNTY, BORROWER and
17 every subcontractor, of every tier, for the entire Project, including property to be used in
18 the construction of the work while such property is at off-site storage locations or while in
19 transit or temporary off-site storage. Such policy shall include, but not be limited to,
20 coverage for fire, collapse, faulty workmanship, debris removal, expediting expense, fire
21 department service charges, valuable papers and records, trees, grass, shrubbery and plants.
22 If scaffolding, false work and temporary buildings are insured separately by the
23 BORROWER or others, evidence of such separate coverage shall be provided to County
24 prior to the start of the work. Such policy shall be written on an all risk basis and a
25 completed value form. Such policy shall cover the full insurable value. Such policy shall
26 also provide coverage for temporary structures (on-site offices, etc.), fixtures, machinery
27 and equipment being installed as part of the work. BORROWER shall be responsible for
28 any and all deductibles under such policy. Upon request by COUNTY, BORROWER shall

1 declare all terms, conditions, coverages and limits of such policy. Such policy shall name
2 the COUNTY as a loss payee as their interest may appear. If the County so provides, in
3 its sole discretion, the All Risk (Course of Construction) insurance for the Project, then
4 BORROWER shall assume the cost of any and all applicable policy deductibles (currently,
5 \$50,000 per occurrence) and shall insure its own machinery, equipment, tools, etc. from
6 any loss of any nature whatsoever.

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

14 c) Commercial General Liability Insurance. Commercial General Liability
15 insurance coverage, including but not limited to, premises liability, unmodified contractual
16 liability, products and completed operations liability, personal and advertising injury, and
17 cross liability coverage, covering claims which may arise from or out of BORROWER'S
18 performance of its obligations hereunder. Policy shall name the COUNTY as Additional
19 Insured. Policy's limit of liability shall not be less than \$2,000,000 per occurrence
20 combined single limit. If such insurance contains a general aggregate limit, it shall apply
21 separately to this agreement or be no less than two (2) times the occurrence limit. Policy
22 shall name the COUNTY as Additional Insureds.

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

e) 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 the County Risk Manager. If the 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.

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

iii) BORROWER shall cause BORROWER'S insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified 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 a minimum of 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. If BORROWER insurance carrier(s) policies does not meet the minimum notice requirement found herein, BORROWER shall cause BORROWER'S insurance carrier(s) to furnish a 30 day Notice of Cancellation Endorsement.

iv) In the event of a material modification, cancellation, expiration, or

1 reduction in coverage, this Agreement shall terminate forthwith, unless the County of
2 Riverside receives, prior to such effective date, another properly executed original
3 Certificate of Insurance and original copies of endorsements or certified original policies,
4 including all endorsements and attachments thereto evidencing coverage's set forth herein
5 and the insurance required herein is in full force and effect. BORROWER shall not
6 commence operations until the COUNTY has been furnished original Certificate (s) of
7 Insurance and certified original copies of endorsements and if requested, certified original
8 policies of insurance including all endorsements and any and all other attachments as
9 required in this Section. An individual authorized by the insurance carrier to do so on its
10 behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

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

15 vi) If, during the term of this Agreement or any extension thereof, there
16 is a material change in the scope of services; or, there is a material change in the equipment
17 to be used in the performance of the scope of work; or, the term of this Agreement,
18 including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right
19 to adjust the types of insurance and the monetary limits of liability required under this
20 Agreement, if in the County Risk Management's reasonable judgment, the amount or type
21 of insurance carried by the BORROWER has become inadequate.

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

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

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

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

28 11) 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
Housing and Workforce Solutions
3403 Tenth Street, Suite #300
Riverside, CA 92501

BORROWER

Murrieta Pacific Associates, a California Limited Partnership
c/o Pacific West Communities, Inc.
430 East State Street, Suite 100
Eagle, Idaho 83616
Attention: Caleb Roope, President and CEO

with copies to:

SMF Legal, PLLC
430 East State Street, Suite 140
Eagle, Idaho 83616
Attention: Sarah Ford

and

Central Valley Coalition for Affordable Housing,
a California nonprofit public benefit corporation
3351 M Street, Suite 100
Merced, CA 95348
Attn: Christina Alley

and

BF Kensington Apartments, LLLP
c/o Boston Financial Investment Management, LP
225 Franklin Street, 28th Floor
Boston, MA 02110
Attn: Asset Management (Kensington Apartments)

And

Holland & Knight LLP
10 Saint James Avenue, 12th Floor
Boston, MA 02116
Attn: Kristen M. Cassetta, Esq.

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

13) TERM. The non-discrimination covenants, conditions and restrictions contained in 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.

14) NOTICE AND CURE. Prior to exercising any remedies hereunder, the COUNTY shall give BORROWER notice of such default pursuant to the Notice section above. Any monetary default shall be cured within ten (10) 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, BORROWER 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 BORROWER (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 BORROWER 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 one hundred twenty (120) days from delivery of such notice of default. COUNTY, upon providing BORROWER with any notice of default under this Covenant, shall, within a reasonable time, provide a copy of such default notice to a Permitted Lender (as defined in Section 19 below) or limited partner, if any, who has given written notice to COUNTY of its interest in the Property and Project. From and after such notice has been delivered to a Permitted Lender and BORROWER's limited partner, if any, such Permitted Lender or limited partner shall have the

1 same period for remedying the default complained of as the cure period provided to
2 BORROWER pursuant to this **Section 14**. COUNTY shall accept performance by a Permitted
3 Lender or limited partner as if the same had been done by BORROWER.

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

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

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

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

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

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

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

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

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

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

22 23) COMPLIANCE WITH APPLICABLE LAWS. BORROWER shall carry out the
23 design, construction and operation of the Project in conformity with all applicable federal, state
24 and local laws, ordinances, statutes, codes, rules, resolutions, regulations, policy statements,
25 orders, and decrees including without limitation, all applicable labor and employment laws and
26 standards, laws regarding hazardous substances, laws regarding the acceptance or rejection of
27 tenants and/or the termination of any tenancy, zoning and development standards, building,
28 plumbing, mechanical and electrical codes, and all other provisions of the Code of Ordinances

1 of Riverside County, and all applicable disabled and handicapped access requirements,
2 including without limitation the Americans With Disabilities Act, 42 U.S.C. § 12101, et seq.,
3 as currently exists or as may be amended from time to time, Government Code § 4450, et seq.,
4 as currently exists or as may be amended from time to time, Government Code § 11135, et
5 seq., as currently exists or as may be amended from time to time, and the California Building
6 Standards Code, Health and Safety Code § 18900, et seq. as currently exists or as may be
7 amended from time to time.

8 24) PROJECT MONITORING AND EVALUATION.

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

22 b) Inspections. During the period of affordability, COUNTY may perform
23 annual on-site inspections of the rental housing included in the Project to determine
24 compliance with applicable State and local health, safety, and other applicable codes,
25 ordinances, and requirements, and the ongoing property standards established by the
26 participating jurisdiction and to verify the information submitted by the BORROWER
27 upon forty-eight (48) hours prior written notice to BORROWER and subject to the rights
28 of tenants.

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

5 i) Are consistent with the purpose of providing housing for Very Low
6 Income Households and Low Income Households.

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

9 iii) Provide for:

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

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

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

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

22 d) Income Requirements and Certification. Prior to leasing an Affordable
23 Unit and annually thereafter, BORROWER, at its sole expense, shall or shall cause the
24 Property Manager, if any, engaged to manage the Project to certify the eligibility of each
25 tenant applicant as a Very Low Income Household or Low Income Household in
26 accordance with the PLHA Program. The BORROWER shall complete such certification
27 on forms as may be reasonably required by COUNTY (which may include provision to
28 COUNTY of any reporting forms required by California Tax Credit Allocation Committee

(CTCAC)). Gross income calculations for prospective (and continuing) tenants shall be determined in accordance with CTCAC requirements and applicable California law. BORROWER shall cause the Property Manager to submit such income certification, verification and such additional information as may reasonably be required by COUNTY, HCD or, if applicable, CTCAC. Such supporting documentation shall include, for each member of the household eighteen (18) years old or older, copies of documentation and verification procedures as required by California law or Section IV of CTCAC's Compliance Online Reference Manual, as may be amended from time to time by CTCAC and currently located at - <https://www.treasurer.ca.gov/ctcac/compliance/manual/manual.pdf>. BORROWER and COUNTY agree and acknowledge that COUNTY may require such additional information, if any, required to comply with the PLHA Program and/or applicable California law regarding affordable housing.

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

f) Monitoring Fee. BORROWER covenants and agrees to pay an annual compliance monitoring fee to the COUNTY in the total annual amount of \$6,200 (increased annually by an amount equal to the increase of the Consumer Price Index (CPI) for the San Bernardino-Riverside-Ontario, CA area, but in no event to exceed 5% annually) ("Monitoring Fee"). The first Monitoring Fee payment will be made following the repayment of deferred developer fee but will not reduce the residual receipt payment to the b-bonds. Any County Monitoring Fees unpaid for year will accrue and rollover to

each following year not paid. Monitoring Fees will remain in place for remainder of Affordability Period contingent upon statutory guidance requiring cancellation of Monitoring Fee. Fees due on July 1st of each year for the monitoring period of July 1st to June 30th commencing on the July 1st following the issuance of a Certificate of Occupancy for the Project and may be pro-rated for a partial first year. The Monitoring Fee will be due on each July 1st thereafter and will continue until the expiration of the Affordability Period. The Monitoring Fee is to be adjusted upwards annually, increased by an amount equal to the increase in CPI for the San Bernardino-Riverside-Ontario, CA area. In the event of a decrease in the applicable CPI, the Monitoring Fee currently in effect shall remain the same and shall not decrease.

25) ACCESS TO PROJECT SITE. Representatives of the COUNTY and HCD shall have the right of access to the Property, upon 24 hours' written notice to BORROWER (except in the case of an emergency, in which case COUNTY or HCD 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 PLHA Loan Agreement, subject to the rights of tenants.

26) 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.

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

28) ENTIRE UNDERSTANDING. This Covenant and the PLHA Loan Documents 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 PLHA Loan Documents, including all amendments and modifications thereto.

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1 ///

[remainder of page intentionally blank]

(SIGNATURES ON THE NEXT PAGE)

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

COUNTY:

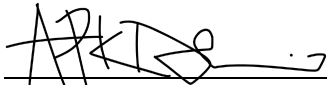
County of Riverside, a political
Subdivision of the State of California

By: form - do not sign
Heidi Marshall, Director
Housing & Workforce Solutions

Date: _____

(COUNTY Signature needs to be notarized)

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

By: 
Amrit P. Dhillon, Deputy County Counsel

BORROWER:

MURRIETA PACIFIC ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP,
a California limited partnership

By: TPC HOLDINGS IX, LLC,
an Idaho limited liability company
Its: Administrative General Partner

By: Pacific West Communities, Inc.,
an Idaho corporation
Its: Manager

By: form - do not sign
Name: Caleb Roope
Its: President and CEO
Date: _____, 2025

By: CENTRAL VALLEY COALITION FOR AFFORDABLE HOUSING,
a California Nonprofit Public Benefit Corporation
Its: Managing General Partner

By: form - do not sign
Name: Christina Alley
Its: Chief Executive Officer
Date: _____, 2025

(Signatures need to be notarized)

<CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT HERE>

STATE OF IDAHO)
) SS
COUNTY OF ADA)

ON THIS ____ DAY OF [____], IN THE YEAR OF 20____, BEFORE ME, _____, A NOTARY PUBLIC, PERSONALLY APPEARED CALEB ROOPE, KNOWN OR IDENTIFIED TO ME TO BE PRESIDENT AND CEO OF PACIFIC WEST COMMUNITIES, INC., AN IDAHO CORPORATION, THE MANAGER OF TPC HOLDINGS IX, LLC, AN IDAHO LIMITED LIABILITY COMPANY, PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE WITHIN INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME.

[SEAL]

NOTARY PUBLIC
MY COMMISSION EXPIRES:

EXHIBIT “A”

LEGAL DESCRIPTION OF PROPERTY

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

THE SOUTHEASTERLY HALF OF THE NORTHWESTERLY HALF OF THE SOUTHWESTERLY HALF OF LOT 17 OF MURRIETA PORTION OF TEMECULA LAND AND WATER COMPANY’S SUBDIVISION OF A PORTION OF THE TEMECULA RANCHO, IN THE CITY OF MURRIETA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 359 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, COUNTY CALIFORNIA.

Assessor’s Parcel Number: 906-780-004

Exhibit I

REQUEST FOR NOTICE OF DEFAULT

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 27383

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

County of Riverside
3403 Tenth 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 _____, 20____ and recorded concurrently herewith in the Official Records of the County of Riverside, California, executed by Murrieta Pacific Associates, a California Limited Partnership, as Trustor in which _____ is named as Beneficiary, and Commonwealth Land Title Company, a California corporation is named as Trustee, and describing land therein as all that certain real property situated in the County of Riverside, State of California, described as follows:

THE SOUTHEASTERLY HALF OF THE NORTHWESTERLY HALF OF THE SOUTHWESTERLY HALF OF LOT 17 OF MURRIETA PORTION OF TEMECULA LAND AND WATER COMPANY'S SUBDIVISION OF A PORTION OF THE TEMECULA RANCHO, IN THE CITY OF MURRIETA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 359 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, COUNTY CALIFORNIA.

Assessor's Parcel Number: 906-780-004

All notices to be mailed to:

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

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

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

COUNTY OF RIVERSIDE

By: _____
Juan Garcia, Deputy Director

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT HERE>

Exhibit J

ENVIRONMENTAL INDEMNITY

ENVIRONMENTAL INDEMNITY

THIS ENVIRONMENTAL INDEMNITY (this “Indemnity”), dated as of _____, 2025, is made by MURRIETA PACIFIC ASSOCIATES, a California limited partnership (referred to as “Indemnitor”), whose address for purposes of giving notices is 430 East State Street, Suite 100, Eagle, Idaho 83616, in favor of the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY” or “County”), whose address for purposes of giving notices is 3403 Tenth Street, Suite #300, Riverside, CA 92501.

WITNESSETH

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

WHEREAS, Indemnitor and COUNTY have entered into that certain Loan Agreement for the Use of PLHA Program Funds (Washington Avenue, southeast of Magnolia Street, Murrieta, CA), dated as of _____, 2025 (the “Loan Agreement”), pursuant to which COUNTY agreed to loan to Indemnitor, or its assignee, Two Million Nine Hundred Thousand and 0/100 Dollars (\$2,900,000) in PLHA Program funds (the “PLHA Loan”) for the purpose of developing an approximately one-hundred twenty-six (126) unit multifamily rental affordable housing development, including 1 managers unit, and related improvements and amenities on the Property; and

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

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

Section 1. DEFINITIONS

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

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

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

Section 2. COVENANTS AND INDEMNITY

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

2.1 Covenants.

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

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

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

(d) COUNTY shall have the right, upon reasonable notice and subject to rights of tenants, to conduct an environmental audit of the Property at COUNTY’s expense, unless Hazardous Materials are found in violation of this Indemnity, then at Indemnitor’s sole cost and expense, and Indemnitor shall cooperate in the conduct of any such environmental audit but in no event shall such audit be conducted unless COUNTY reasonably believes that such audit is warranted. Other than in an emergency, such audit shall be conducted only after prior notice has

been given to Indemnitor and only in the presence of a representative of Indemnitor. Indemnitor shall give COUNTY and its agents and employees access to the Property to remove, or otherwise to mitigate against the effects of, Hazardous Materials, provided, however, that COUNTY may exercise this right only if Indemnitor has failed to commence action to mitigate the effects of the Hazardous Materials within thirty (30) days of receipt of notice from COUNTY.

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

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

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

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

Notwithstanding the foregoing, Indemnitor's liability under this Section 2.2 shall not extend to (i) any Hazardous Substance present or released in, on, or around any part of the Property, or in the

soil, groundwater, or soil vapor or under the Property that first arise, commence or occur after the actual dispossession of the Property from Indemnitor and all entities which control, are controlled by, or are under common control with Indemnitor, following foreclosure or acquisition of the Property by a deed in lieu of foreclosure, or (ii) any Obligations arising from the gross negligence or intentional misconduct of COUNTY or any of its Indemnified Parties.

Section 3. INDEMNITOR'S UNCONDITIONAL OBLIGATIONS

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

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

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

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

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

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

Section 4. WAIVER

Indemnitor hereby waives the following:

(a) Promptness and diligence;

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

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

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

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

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

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

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

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

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

Section 5. NOTICES

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

In the case of COUNTY:

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

In the case of Indemnitor:

Murrieta Pacific Associates, a California Limited Partnership
c/o Pacific West Communities, Inc.
430 East State Street, Suite 100
Eagle, Idaho 83616
Attn: Caleb Roope, President and CEO

with copies to:

SMF Legal, PLLC
430 East State Street, Suite 140
Eagle, Idaho 83616
Attention: Sarah Ford

and

Central Valley Coalition for Affordable Housing,
a California nonprofit public benefit corporation
3351 M Street, Suite 100
Merced, CA 95348
Attn: Christina Alley

and

BF Kensington Apartments, LLLP
c/o Boston Financial Investment Management, LP
225 Franklin Street, 28th Floor

Boston, MA 02110
Attn: Asset Management (Kensington Apartments)

And

Holland & Knight LLP
10 Saint James Avenue, 12th Floor
Boston, MA 02116
Attn: Kristen M. Cassetta, Esq.

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

Section 6. MISCELLANEOUS

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

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

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

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

6.5 This Indemnity shall (a) be binding upon Indemnitor, and Indemnitor’s successors and assigns; and (b) inure, together with all rights and remedies of COUNTY hereunder, to the benefit of COUNTY, its respective directors, officers, employees, and agents, any successors to COUNTY’s interest in the Property, any other person who acquires any portion of the Property at

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

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

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

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

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

[Signatures on the Following Page]

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

INDEMNITOR:

MURRIETA PACIFIC ASSOCIATES, A
CALIFORNIA LIMITED PARTNERSHIP,
a California limited partnership

By: TPC HOLDINGS IX, LLC,
an Idaho limited liability company
Its: Administrative General Partner

By: Pacific West Communities, Inc.,
an Idaho corporation
Its: Manager

By: form - do not sign
Name: Caleb Roope
Its: President and CEO

By: CENTRAL VALLEY COALITION FOR
AFFORDABLE HOUSING,
a California Nonprofit Public Benefit
Corporation
Its: Managing General Partner

By: form - do not sign
Name: Christina Alley
Its: Chief Executive Officer

Exhibit A
LEGAL DESCRIPTION

The land referred to in this report is situated in the 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:

THE SOUTHEASTERLY HALF OF THE NORTHWESTERLY HALF OF THE SOUTHWESTERLY HALF OF LOT 17 OF MURRIETA PORTION OF TEMECULA LAND AND WATER COMPANY'S SUBDIVISION OF A PORTION OF THE TEMECULA RANCHO, IN THE CITY OF MURRIETA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 359 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, COUNTY CALIFORNIA.

Assessor's Parcel Number: 906-780-004

WHEN RECORDED MAIL TO:

Citibank, N.A.
Transaction and Asset Management Group/Post Closing
Citi Community Capital
3800 Citibank Center
Tampa, Florida 33610
Re: Kensington Apartments, Deal ID No. 50013351

SUBORDINATION AND INTERCREDITOR AGREEMENT
(County of Riverside PLHA Loan)

SUBORDINATION AND INTERCREDITOR AGREEMENT
(County of Riverside PLHA Loan)

THIS SUBORDINATION AND INTERCREDITOR AGREEMENT (this “**Agreement**”) dated as of June 1, 2025, is made by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California (“**Junior Lender**”) and **CITIBANK, N.A.**, a national banking association (“**Senior Lender**”), and acknowledged by **MURIETTA PACIFIC ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP**, a California limited partnership (“**Borrower**”). The date of this Agreement as set forth above is for reference purposes only, and this Agreement will not be effective and binding until the Closing Date (as defined in the Borrower Loan Agreement).

RECITALS:

A. Borrower has applied to the California Municipal Finance Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California (“**Governmental Lender**”), for a loan (the “**Senior Loan**”) for the acquisition, construction, rehabilitation, development, and or equipping of a 126-unit multifamily rental housing project located in the City of Murrieta, Riverside County, California, known as Kensington Apartments (the “**Property**”).

B. The Senior Loan is evidenced by that certain (i) Multifamily Note (Tax-Exempt), dated as of the Closing Date, in the maximum principal amount of \$[28,500,000], and (ii) Multifamily Note (Taxable), dated as of the Closing Date, in the maximum principal amount of \$[1,973,390], each made by Borrower payable to the order of Governmental Lender (as the same may from time to time be extended, consolidated, substituted for, modified, increased, amended and supplemented, collectively, the “**Senior Note**”) and that certain Borrower Loan Agreement, dated as of the date hereof, by and between Borrower and Governmental Lender (the “**Borrower Loan Agreement**”).

C. The Senior Loan is secured by, among other things, that certain Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated as of the date hereof, executed by Borrower for the benefit of Governmental Lender (as the same may from time to time be extended, consolidated, substituted for, modified, increased, amended and supplemented, “**Senior Security Instrument**”) which Senior Security Instrument recorded concurrently herewith in Riverside County, California (“**Official Records**”) encumbers the Property.

D. Borrower requested that Senior Lender enter into that certain Funding Loan Agreement dated as of the date hereof, by and between Governmental Lender and Senior Lender, pursuant to which Senior Lender will make a loan to Governmental Lender (the “**Funding Loan**”), the proceeds of which will be used to make the Senior Loan to Borrower pursuant to the Borrower Loan Agreement.

E. The Senior Note, the Senior Security Instrument and the Borrower Loan Agreement, the Funding Loan Documents (as defined in the Funding Loan Agreement) and all

other Borrower Loan Documents except for the Unassigned Rights (as defined in the Funding Loan Agreement) have each been assigned by the Governmental Lender to Senior Lender to secure the Funding Loan. The Borrower and Senior Lender have entered into that certain Construction Funding Agreement dated as of the date hereof (the “**Construction Funding Agreement**”) regarding the manner in which the improvements at the Property will be completed and paid for.

F. Junior Lender is making a loan (the “**Junior Loan**”) to Borrower in the original principal amount of \$2,900,000, which Junior Loan is evidenced by a certain Promissory Note Secured by Deed of Trust – PLHA Loan Funds, dated as of June [___], 2025, made by Borrower to Junior Lender (the “**Junior Note**”) and secured by, the Junior Security Instrument (as hereinafter defined) encumbering the Property, and will be advanced to Borrower pursuant to that certain Loan Agreement for the Use of PLHA Program Funds (the “**Junior Loan Agreement**”) dated as of June [___], 2025, between Borrower and Junior Lender.

G. As a condition to the making of the Senior Loan, Senior Lender requires that Junior Lender execute and deliver this Agreement prior to the making of the Junior Loan and the granting of the Junior Security Instrument by Borrower.

NOW, THEREFORE, for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce the making of the Senior Loan and to induce Senior Lender to consent to the Junior Loan and the Junior Security Instrument, Junior Lender hereby agrees as follows:

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

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

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

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

“*Enforcement Action*” means any exercise of any of Junior Lender’s remedies under the Junior Security Instrument or any of the other Junior Loan Documents, including, without limitation, any of the following: (i) the acceleration of all or any part of the Junior Indebtedness, (ii) the commencement of any judicial or non-judicial action or proceeding to enforce any obligation of Borrower under any of the Junior Loan Documents, collect any monies payable to Borrower or have a receiver appointed to collect any monies payable to Borrower, or foreclose the lien(s) created by the Junior Security Instrument, (iii) the filing or joining in the filing of any involuntary Bankruptcy Proceeding against Borrower or any person or entity which owns a direct or indirect interest in Borrower, (iv) the advertising of or commencement of any foreclosure or

trustee's sale proceedings, (v) the exercise of any power of sale, (vi) the acceptance of a deed or assignment in lieu of foreclosure or sale, (vii) the collecting of Rents, (viii) the obtaining of or seeking of the appointment of a receiver, (ix) the seeking of default interest, (x) the taking of possession or control of any of the Property, (xi) the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the Junior Note or any other of the Junior Loan Documents, (xii) the exercising of any banker's lien or rights of set-off or recoupment, or (xiii) the taking of any other enforcement action against Borrower, any other party liable for any of the Junior Indebtedness or obligated under any of the Junior Loan Documents, or the Property.

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

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

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

"Junior Loan Documents" means, collectively, the Junior Note, the Junior Security Instrument, the Junior Loan Agreement, that certain Environmental Indemnity, dated as June [___], 2025, between Junior Lender and Borrower (the "**Junior Indemnity**"), and all other documents evidencing, securing or delivered in connection with the Junior Loan, all of which are listed on Exhibit B attached hereto, together with such modifications, amendments and supplements thereto as are approved in writing by Senior Lender prior to their execution.

"Junior Regulatory Agreement" means that certain Permanent Local Housing Allocation (PLHA) Program Covenant Agreement (Kensington Apartments), dated as of June [___], 2025, by and between Junior Lender and Borrower, to be recorded in the Official Records contemporaneously herewith (the "**Junior Regulatory Agreement**"). The Junior Regulatory Agreement is not a Junior Loan Document and shall be senior to the Senior Loan Documents.

"Junior Security Instrument" means that certain Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents), dated as of June [___], 2025, made by Borrower for the benefit of Junior Lender, as the same may from time to time be extended, consolidated, substituted for, modified, amended or supplemented upon receipt of the consent of Senior Lender.

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

"Property" means (i) the land and improvements known or to be known as Kensington Apartments, located in the City of Murietta, Riverside County, State of California, which Property is more particularly described on Exhibit A attached hereto, and (ii) all furniture, fixtures and equipment located at such apartments and other property, accounts, deposits and rights and

interests of Borrower encumbered by the Senior Security Instrument and/or the other Senior Loan Documents.

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

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

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

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

(a) Junior Lender hereby covenants and agrees on behalf of itself and its successors and permitted assigns that the Junior Indebtedness is and shall at all times continue to be, subordinate, subject and inferior (in payment and priority) to the prior payment in full of the Senior Indebtedness, and that the liens, rights, payment interests, priority interests and security interests granted to Junior Lender in connection with the Junior Loan and under the Junior Loan Documents are, and are hereby expressly acknowledged to be in all respects and at all times, subject, subordinate and inferior in all respects to the liens, rights, payment, priority and security interests granted to Senior Lender under the Senior Loan and the Senior Loan Documents and the terms, covenants, conditions, operations and effects thereof.

(b) Except as expressly set forth herein, repayment of the Junior Indebtedness, is and shall be postponed and subordinated to repayment in full of the Senior Loan. Prior to a Senior Loan Default (regardless of whether such Senior Loan Default occurs prior to or during the pendency of a Bankruptcy Proceeding), Junior Lender shall be entitled to receive and retain payments made pursuant to and in accordance with the terms of the Junior Loan Documents; provided, however, that no such payment is made more than ten (10) days in advance of the due date thereof. Junior Lender agrees that from and after such time as it has received from either Senior Lender or Borrower written notice that a Senior Loan Default then exists (which has not been expressly waived in writing by Senior Lender) or otherwise has actual knowledge of such a Senior Loan Default, Junior Lender shall not receive or accept any payments under the Junior Loan. If (i) Junior Lender receives any payment, property, or asset of any kind or in any form on account of the Junior Indebtedness (including, without limitation, any proceeds from any Enforcement Action) after a Senior Loan Default of which Junior Lender has actual knowledge or has been given notice of, or (ii) Junior Lender receives, voluntarily or involuntarily, by operation of law

or otherwise, any payment, property, or asset in or in connection with any Bankruptcy Proceeding, such payment, property, or asset will be received and held in trust for Senior Lender. Junior Lender will promptly remit, in kind and properly endorsed as necessary, all such payments, properties, and assets to Senior Lender. Senior Lender shall apply any payment, asset, or property so received from Junior Lender to the Senior Indebtedness in such order, amount (with respect to any asset or property other than immediately available funds), and manner as Senior Lender shall determine in its sole and absolute discretion.

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

(d) The subordination of the Junior Indebtedness shall continue in the event that any payment under the Senior Loan Documents (whether by or on behalf of Borrower, as proceeds of security or enforcement of any right of set-off or otherwise) is for any reason repaid or returned to Borrower or its insolvent estate, or avoided, set aside or required to be paid to Borrower, a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar law. In such event, the Senior Indebtedness or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding to the extent of any repayment, return, or other action, as if such payment on account of the Senior Indebtedness had not been made.

(e) The subordination of the Junior Loan Documents and of the Junior Indebtedness shall apply and continue notwithstanding (i) the actual date and time of execution, delivery, recording, filing or perfection of the Senior Security Instrument and other Senior Loan Documents and of the Junior Security Instrument and other Junior Loan Documents, and (ii) the availability of any collateral to Senior Lender, including the availability of any collateral other than the Property.

(f) By reason of, and without in any way limiting, the full subordination of the Junior Indebtedness and the Junior Loan Documents provided for in this Agreement, all rights and claims of Junior Lender under the Junior Security Instrument or under the Junior Loan Documents in or to the Property or any portion thereof, the proceeds thereof, the Leases thereof, the Rents, issues and profits therefrom, and the Loss Proceeds payable with respect thereto, are expressly subject and subordinate in all respects to the rights and claims of Senior Lender under the Senior Loan Documents in and to the Property or any portion thereof, the proceeds thereof, the Leases thereof, the Rents, issues and profits therefrom, and the Loss Proceeds payable with respect thereto.

(g) If Junior Lender, by indemnification, subrogation or otherwise, shall acquire any lien, estate, right or other interest in any of the Property, that lien, estate, right or other interest shall be fully subject and subordinate to the receipt by Senior Lender of

payment in full of the Senior Indebtedness, and to the Senior Loan Documents, to the same extent as the Junior Indebtedness and the Junior Loan Documents are subordinate pursuant to this Agreement.

(h) In confirmation, and not as a condition, of the subordination of the Junior Indebtedness and the Junior Loan Documents provided for in this Agreement, Junior Lender shall place on or attach to the Junior Note a notice to the following effect, and shall provide Senior Lender with a copy of the Junior Note showing such notice:

“The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of all amounts then due and payable (including, but not limited to, all amounts due and payable by virtue of any default or acceleration or upon maturity) with respect to the indebtedness evidenced by the Note (as defined by that certain Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing by the Borrower in favor of Citibank, N.A.), in the original aggregate maximum principal amount of \$[30,473,390], executed by Borrower and payable to Citibank, N.A. (“Senior Lender”), to the extent and in the manner provided in that certain Subordination and Intercreditor Agreement, dated as of June 1, 2025, between Senior Lender and the holder of this Note (the “Subordination Agreement”). The rights and remedies of the payee and each subsequent holder of this Note shall be deemed, by virtue of such holder’s acquisition of this Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the “Junior Lender” under the Subordination Agreement.”

(i) Junior Lender hereby acknowledges and agrees that Senior Lender may, without the consent or approval of Junior Lender, agree with Borrower to extend, consolidate, modify, increase or amend any or all the Senior Loan Documents and otherwise act or fail to act with respect to any matter set forth in any Senior Loan Document (including, without limitation, the exercise of any rights or remedies, waiver, forbearance or delay in enforcing any rights or remedies, the declaration of acceleration, the declaration of defaults or events of default, the release, in whole or in part, of any collateral or other property, and any consent, approval or waiver), and all such extensions, consolidations, modifications, amendments acts and omissions shall not release, impair or otherwise affect Junior Lender’s obligations and agreements hereunder.

3. Junior Lender Agreements.

(a) Without the prior written consent of Senior Lender in each instance, Junior Lender shall not (i) amend, modify, waive, extend, renew or replace any provision of any of the Junior Loan Documents; or (ii) pledge, assign, transfer, convey, or sell any interest in the Junior Indebtedness or any of the Junior Loan Documents; or (iii) accept any payment on account of the Junior Indebtedness other than a regularly scheduled payment of interest or principal and interest made not earlier than ten (10) days prior to the due date thereof; or (iv) take any action which has the effect of increasing the Junior Indebtedness; or (v) appear in, defend or bring any action in connection with the Property; or (vi) take

any action concerning environmental matters affecting the Property. Regardless of any contrary provision in the Junior Loan Documents, Junior Lender shall not collect payments for the purpose of escrowing for any cost or expense related to the Property or for any portion of the Junior Indebtedness.

(b) Junior Lender hereby agrees that Senior Lender may, at its option (but without any obligation to do so), at any time (including during the pendency of a Bankruptcy Proceeding), purchase the Junior Loan at par (and without liability for any prepayment premiums or liquidated damages set forth in the Junior Loan Documents). Such transfer and assignment of the Junior Loan shall be without representation or recourse, except that Junior Lender shall represent that it is the sole holder of the Junior Loan, that it has authority to assign and convey the Junior Loan Documents, that, to the best of its knowledge, there are no defaults or breaches under the Junior Loan Documents, and as to the total amount then outstanding under the Junior Loan. . Junior Lender shall give Senior Lender a concurrent copy of each notice of a Junior Loan Default, Enforcement Action Notice or other material notice given by Junior Lender under the Junior Loan Documents. Notwithstanding any contrary provision in the Junior Loan Documents, Senior Lender shall have the right, but shall not have any obligation, to cure any Junior Loan Default until ninety (90) days following Senior Lender's receipt of an Enforcement Action Notice given by Junior Lender as a consequence of the Junior Loan Default. Senior Lender shall not be subrogated to the rights of Junior Lender under the Junior Loan Documents by reason of Senior Lender having cured any Junior Loan Default. However, Junior Lender acknowledges that all amounts advanced or expended by Senior Lender to cure a Junior Loan Default shall be added to and become a part of the Senior Indebtedness pursuant to the terms of the Senior Security Instrument.

(c) In the event and to the extent that each of Senior Lender and Junior Lender have under their respective loan documents certain approval or consent rights over the same subject matters (regardless of whether the obligations or rights are identical or substantially identical), Junior Lender agrees that Senior Lender shall exercise such approval rights on behalf of both Senior Lender and Junior Lender, and Junior Lender shall have no right to object to any such action or approval taken by Senior Lender and shall consent thereto and be bound thereby. Without limiting the generality of the foregoing, Senior Lender shall have all approval, consent and oversight rights in connection with any insurance claims relating to the Property, any decisions regarding the use of insurance proceeds after a casualty loss or condemnation awards, the hiring or firing of property managers, or otherwise related in any way to the Property, and Junior Lender shall have no right to object to any such action or approval taken by Senior Lender and shall consent thereto and be bound thereby.

(d) Junior Lender agrees that in any action commenced to enforce the obligation of Borrower to pay any portion of the Junior Indebtedness, the judgment shall not be enforceable personally against Borrower or Borrower's assets, and the recourse of Junior Lender for the collection of the Junior Indebtedness shall be limited to actions against the Property and the rents, profits, issues, products, and income from the Property.

(e) Junior Lender shall not commence or join with any other creditor in commencing any Bankruptcy Proceeding involving Borrower, and Junior Lender shall not initiate and shall not be a party to any action, motion or request, in a Bankruptcy Proceeding involving any other person or entity, which seeks the consolidation of some or all of the assets of Borrower into such Bankruptcy Proceeding. In the event of any Bankruptcy Proceeding relating to Borrower or the Property or, in the event of any Bankruptcy Proceeding relating to any other person or entity into which (notwithstanding the covenant in the first sentence of this clause) the assets or interests of Borrower are consolidated, then in either event, the Senior Loan shall first be paid in full before Junior Lender shall be entitled to receive and retain any payment or distribution in respect to the Junior Loan. Junior Lender agrees that (i) Senior Lender shall receive all payments and distributions of every kind or character in respect of the Junior Loan to which Junior Lender would otherwise be entitled, but for the subordination provisions of this Agreement (including without limitation, any payments or distributions during the pendency of a Bankruptcy Proceeding involving Borrower or the Property), and (ii) the subordination of the Junior Loan and the Junior Loan Documents shall not be affected in any way by Senior Lender electing, under Section 1111(b) of the federal bankruptcy code, to have its claim treated as being a fully secured claim. In addition, Junior Lender hereby covenants and agrees that, in connection with a Bankruptcy Proceeding involving Borrower, neither Junior Lender nor any of its affiliates shall (i) make or participate in a loan facility to or for the benefit of Borrower on a basis that is senior to or pari passu with the liens and interests held by Senior Lender pursuant to the Senior Loan Documents, (ii) not vote affirmatively in favor of any plan of reorganization or liquidation unless Senior Lender has also voted affirmatively in favor of such plan, and (iii) not contest the continued accrual of interest on the Senior Indebtedness, in accordance with and at the rates specified in the Senior Loan Documents, both for periods before and for periods after the commencement of such Bankruptcy Proceedings. Junior Lender shall execute and deliver to Senior Lender powers of attorney, assignments or other instruments as may be requested by Senior Lender in order to enable it to exercise the above-described authority or powers with respect to any or all of the Junior Loan Documents, and to collect and receive any and all payments or distributions which may be payable or deliverable at any time upon or with respect to any of the Junior Loan Documents to Junior Lender.

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

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

(g) Junior Lender acknowledges that it entered into the transactions contemplated by the Junior Loan Documents and made the Junior Loan to Borrower without reliance upon any information or advice from Senior Lender. Junior Lender made its own underwriting analysis in connection with the Junior Loan, its own credit review of Borrower, and investigated all matters pertinent, in Junior Lender's judgment, to its determination to make the Junior Loan to Borrower. Junior Lender acknowledges that it is a sophisticated, experienced commercial lender, and was represented by competent counsel in connection with this Agreement.

(h) Junior Lender hereby represents and warrants that, as of the date hereof, the entire proceeds of the Junior Loan have been disbursed to Borrower. Junior Lender hereby further represents and warrants that: (i) Junior Lender is now the owner and holder of the Junior Loan Documents; (ii) the Junior Loan Documents are now in full force and effect; (iii) the Junior Loan Documents have not been modified or amended; (iv) no default or event which, with the passing of time or giving of notice would constitute a default, under the Junior Loan Documents has occurred; (v) the current outstanding principal balance of the Junior Indebtedness is [\$2,900,000]; (vi) no scheduled monthly payments under the Junior Loan Documents have been or will be prepaid except with the prior written consent of Senior Lender; (vii) none of the rights of Junior Lender under any of the Junior Loan Documents are subject to the rights of any third parties, by way of subrogation, indemnification or otherwise; and (viii) there are no other Junior Loan Documents other than those listed on Exhibit B hereto. Borrower further represents and warrants that it has provided to Senior Lender a true, complete, and correct copy of all the Junior Loan Documents.

(i) Junior Lender hereby agrees that notwithstanding anything to the contrary in the Junior Loan Documents, for so long as the Senior Loan is outstanding, (i) the maturity date of the Junior Note shall occur no earlier than ninety (90) days after the maturity date of the Senior Note, and (ii) Borrower shall not be obligated to pay more than seventy-five percent (75%) of Excess Cash Flow (as defined herein) in payments under the Junior Note and under other debt subordinate to the Senior Loan. For the purposes hereof, the following definitions shall apply:

“Excess Cash Flow” shall mean, for any period, Gross Revenues for such period less the sum of (i) Expenses of the Property for such period, and (ii) without duplication, all amounts due on the Senior Loan Obligations for such period.

“Expenses of the Property” shall mean, for any period, the current expenses, paid or accrued, of operation, maintenance and current repair of the Property, as calculated in accordance with GAAP, and shall include, without limiting the generality of the foregoing, salaries, wages, employee benefits, cost of materials and supplies, costs of routine repairs, renewals, replacements and alterations occurring in the usual course of business, costs and expenses properly designated as capital expenditures (e.g. repairs which would not be payable from amounts on deposit in a repair and replacement fund held pursuant to the Loan Documents), a management fee (however characterized) not to exceed [_____] % of Gross Revenues, costs of billings and collections, costs of insurance, and costs of audits. Expenses of the Property shall not include any payments, however characterized, on account of the Junior Loan or any other subordinate financing in respect of the Property or other indebtedness, allowance for depreciation, amortization or other non-cash items, gains and losses or prepaid expenses not customarily prepaid.

“Gross Revenues” shall mean all receipts, revenues, income and other moneys received by or on behalf of Borrower and derived from the ownership or operation of the Property, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of such rights, and whether now owned or held or hereafter coming into existence and proceeds received upon the foreclosure sale of the Property. Gross Revenues shall not include loan proceeds, equity or capital contributions, or tenant security deposits being held by Borrower in accordance with the applicable law.

“Senior Loan Obligations” shall mean and includes, collectively, and without limitation, each of the following: (A) all debt service payments due on the Senior Indebtedness, (B) all obligations of Borrower under the Senior Loan Documents, (C) all capital expenditures required for the proper maintenance of the Property in accordance with the Senior Loan Documents, as calculated by Borrower in accordance with customarily accepted cash basis accounting principles, consistently applied, and in accordance with the terms of the Senior Loan Documents; (D) all amounts required to be deposited into any replacement reserve, completion/repair reserve, operating deficit reserve, principal repayment reserve, replacement hedge reserve or other reserve or escrow established or required by Senior Lender or Servicer in connection with the Senior Loan and the Senior Loan Documents, including the Senior Security Instrument, and (E) all fees, costs and expenses of Senior Lender and Servicer in connection with the Senior Loan.

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

(a) Until such time as any of the Senior Indebtedness has been repaid in full and the Senior Security Instrument has been released and discharged, Junior Lender shall not without the prior written consent of Senior Lender, which may be withheld in Senior Lender's sole and absolute discretion, take any Enforcement Action, including, without limitation, (i) accelerate the Junior Loan, (ii) exercise any of Junior Lender's remedies under the Junior Security Instrument or any of the other Junior Loan Documents (including, without limitation, the commencement of any judicial or non-judicial action or proceeding (a) to enforce any obligation of Borrower under any of the Junior Loan Documents, (b) to collect any monies payable to Borrower, (c) to have a receiver appointed to collect any monies payable to Borrower; or (d) to foreclose the lien(s) created by the Junior Security Instrument) or (iii) file or join in the filing of any involuntary Bankruptcy Proceeding against Borrower or any person or entity which owns a direct or indirect interest in Borrower; provided, however, that such limitation on the remedies of Junior Lender shall not derogate or otherwise limit Junior Lender's rights, following an event of default under the Junior Loan Documents to (a) compute interest on all amounts due and payable under the Junior Loan at the default rate described in the Junior Loan Documents, (b) compute prepayment premiums and late charges, and (c) enforce against any person, other than Borrower and any guarantors or indemnitors under the Senior Loan Documents, any guaranty of the obligations of Borrower under the Junior Loan.

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

(c) Junior Lender shall have the right, but shall have no obligation, to cure any Senior Loan Default; provided, if Junior Lender shall elect to cure any such Default, it shall so notify Senior Lender and shall commence and complete such curing within any applicable notice or grace period, if any, as Borrower is permitted by the terms of the Senior Loan Documents to cure such Senior Loan Default. Junior Lender shall not be subrogated to the rights of Senior Lender under the Senior Loan Documents by reason of Junior Lender having cured any Senior Loan Default. However, Senior Lender acknowledges that, to the extent so provided in the Junior Loan Documents, amounts advanced or expended by Junior Lender to cure a Senior Loan Default may be added to and become a part of the Junior Indebtedness.

(d) Junior Lender agrees that, notwithstanding any contrary provision contained in the Junior Loan Documents, a Senior Loan Default shall not constitute a default under the Junior Loan Documents if no other default occurred under the Junior Loan Documents.

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

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

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

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

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

To Junior Lender:

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

| | |
|---|---|
| If to Senior Lender: | <p>Citibank, N.A. 388 Greenwich Street, Trading 4th Floor New York, New York 10013 Attention: Transaction and Asset Management Group Re: Kensington Apartments, Deal ID No. 50013351 Facsimile: (212) 723-8209</p> |
| With a copy to: | <p>Citibank, N.A. Transaction and Asset Management Group/Post Closing Citi Community Capital 3800 Citibank Center Tampa, Florida 33610 Re: Kensington Apartments, Deal ID No. 50013351</p> |
| Prior to the Conversion Date, with a copy to: | <p>Citibank, N.A. 388 Greenwich Street, Trading 4th Floor New York, New York 10013 Attention: Account Specialist Re: Kensington Apartments, Deal ID No. 50013351 Facsimile: (212) 723-8209</p> |
| Following the Conversion Date, with a copy to: | <p>Citibank N.A. c/o Berkadia Commercial Servicing Department 323 Norristown Road, Suite 300 Ambler, Pennsylvania 19002 Attention: Client Relations Manager Re: Kensington Apartments, Deal ID No. 50013351 Facsimile: (215) 328-0305</p> |
| And a copy of any notices of default sent to: | <p>Citibank, N.A. 388 Greenwich Street, 17th Floor New York, New York 10013 Attention: General Counsel's Office Re: Kensington Apartments, Deal ID No. 50013351 Facsimile: (646) 291-5754</p> |

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

9. WAIVER OF TRIAL BY JURY. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF THE PARTIES HERETO (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY

WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

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

11. **Miscellaneous.**

(a) Junior Lender shall, within ten (10) business days following a request from Senior Lender, provide Senior Lender with a written statement setting forth the then current outstanding principal balance of the Junior Loan, the aggregate accrued and unpaid interest under the Junior Loan, and stating whether, to the knowledge of Junior Lender, any default or event of default exists under the Junior Loan, and containing such other information with respect to the Junior Indebtedness as Senior Lender may require. Upon notice from Senior Lender from time to time, Junior Lender shall execute and deliver such additional instruments and documents, and shall take such actions, as are required by Senior Lender in order to further evidence or effectuate the provisions and intent of this Agreement.

(b) This Agreement shall bind and inure to the benefit of all successors and assigns of Junior Lender and Senior Lender. Senior Lender may assign its interest in the Senior Loan Documents without notice to or consent of Junior Lender. Junior Lender may only assign its rights and interests hereunder following the prior written consent of Senior Lender, which consent may be withheld or conditioned in its sole and absolute discretion.

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

(d) This Agreement may be executed in multiple counterparts, each of which shall constitute an original document and all of which together shall constitute one agreement.

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

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

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

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

(i) Borrower hereby acknowledges and consents to the execution of this Agreement, and agrees to be bound by the provisions hereof that are applicable to Borrower. Solely as between Senior Lender and Junior Lender, all of the signatories below hereby agree that to the extent of any conflict between the terms and provisions of this Agreement and the terms and provisions of the Senior Loan Documents and/or the Junior Loan Documents respectively, the terms and provisions of this Agreement shall govern and control. By executing this Agreement in the place provided below, Borrower hereby (i) acknowledges the provisions hereof, (ii) agrees not to take any action inconsistent with Senior Lender's rights or Junior Lender's rights under this Agreement, (iii) waives and relinquishes to the maximum extent permitted by law any and all rights, defenses and claims now existing or hereinafter accruing relating to Junior Lender's forbearance from exercising any rights and remedies pursuant to Section 4 of this Agreement, including, without limitation, any defenses based on the statute of limitations or any equitable defenses, such as laches, and (iv) acknowledges and agrees that (A) this Agreement is entered into for the sole protection and benefit of Senior Lender and Junior Lender (and their respective successors, assigns and participants), and no other person (including Borrower) shall have any benefits, rights or remedies under or by reason of this Agreement, (B) nothing in this Agreement is intended, or shall be construed to, relieve or discharge the obligations or liabilities of any third party (including Borrower under the Senior Loan Documents and the Junior Loan Documents), (C) neither of them nor any of their affiliates shall be, or be deemed to be, beneficiaries of any of the provisions hereof or have any rights hereunder whatsoever, and (D) no provision of this Agreement is intended to, or shall be construed to, give any such third party (including Borrower) any right subrogating to the rights of, or action against, Senior Lender or Junior Lender.

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

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

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

12. Attached Exhibits.

The following Exhibits are attached to this Agreement and are incorporated by reference herein as if more fully set forth in the text hereof:

Exhibit A – Legal Description

Exhibit B – Junior Loan Documents

Exhibit C – Modifications to Subordination and Intercreditor Agreement

The terms of this Agreement are modified and supplemented as set forth in said Exhibits. To the extent of any conflict or inconsistency between the terms of said Exhibits and the text of this Agreement, the terms of said Exhibits shall be controlling in all respects.

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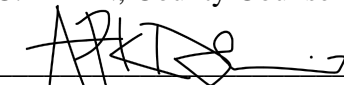
IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Subordination and Intercreditor Agreement or caused this Subordination and Intercreditor Agreement to be duly executed and delivered by their respective authorized representatives as of the date first set forth above.

JUNIOR LENDER:

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

By: form - do not sign
Name: Heidi Marshall
Title: Director of Housing and Workforce Solutions

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

By: 
Amrit P. Dhillon, Deputy County Counsel

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA

COUNTY OF _____

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

SENIOR LENDER:

CITIBANK, N.A.

By: _____ form - do not sign
Name: Selina Mendoza
Title: Authorized Signatory
Deal ID No. 50013351

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA

COUNTY OF _____

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

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

BORROWER:

**MURIETTA PACIFIC ASSOCIATES,
A CALIFORNIA LIMITED PARTNERSHIP,** a
California limited partnership

By: TPC Holdings IX, LLC,
an Idaho limited liability company,
its administrative general partner

By: form - do not sign

Name: Caleb Roope

Title: President & CEO

By: Central Valley Coalition for Affordable
Housing,
a California nonprofit public
benefit corporation,
its managing general partner

By: form - do not sign

Name: Christina Alley

Title: Chief Executive Director

GENERAL ACKNOWLEDGMENT

STATE OF IDAHO)
) ss
COUNTY OF ADA)

On this ____ day of _____, in the year of 2025, before me, _____, a notary public, personally appeared **Caleb Roope**, known or identified to me to be the President & CEO of TPC Holdings IX, LLC, an Idaho limited liability company, the administrative general partner of Murrieta Pacific Associates, A California Limited Partnership, a California limited partnership, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

[SEAL]

Notary Public
My commission expires: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

STATE OF CALIFORNIA

COUNTY OF _____

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION

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

THE SOUTHEASTERLY HALF OF THE NORTHWESTERLY HALF OF THE SOUTHWESTERLY HALF OF LOT 17 OF MURRIETA PORTION OF TEMECULA LAND AND WATER COMPANY'S SUBDIVISION OF A PORTION OF THE TEMECULA RANCHO, IN THE CITY OF MURRIETA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 359 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, COUNTY CALIFORNIA.

Assessor's Parcel Number: 906-780-004

EXHIBIT B

JUNIOR LOAN DOCUMENTS

1. Junior Loan Agreement;
2. Junior Indemnity;
3. Junior Note; and
4. Junior Security Instrument.

EXHIBIT C
MODIFICATIONS TO
SUBORDINATION AND INTERCREDITOR AGREEMENT

The following modifications are made to the text of the Agreement that precedes this Exhibit:

None.

Capitalized terms used and not defined herein shall have the respective meanings ascribed to them in the Agreement.

PREPARED BY AND UPON
RECORDATION RETURN TO:

Dentons US LLP
601 Figueroa Street, Suite 2500
Los Angeles, California 90017-5704
Attention: Thomas K. Vandiver, Esq.

SPACE ABOVE THIS LINE FOR RECORDER'S USE.

SUBORDINATION AND INTERCREDITOR AGREEMENT
(County of Riverside PLHA Loan)

THIS SUBORDINATION AND INTERCREDITOR AGREEMENT (this "**Agreement**") is dated as of June 1, 2025, is made by and among: (i) **WILMINGTON TRUST, NATIONAL ASSOCIATION**, a national banking association, in its capacity as mortgagee and bond trustee for the B-1 Bonds, as hereinafter defined (together with its successors and assigns, "**B-1 Bond Senior Lender**"), (ii) **WILMINGTON TRUST, NATIONAL ASSOCIATION**, a national banking association, in its capacity as mortgagee and bond trustee for the B-2 Bonds, as hereinafter defined (together with its successors and assigns, "**B-2 Bond Senior Lender**," and collectively with the B-1 Bond Senior Lender, "**Senior Lender**"), and (iii) **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("**Junior Lender**"), and acknowledged by **MURRIETA PACIFIC ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP**, a California limited partnership ("**Borrower**"). The date of this Agreement as set forth above is for reference purposes only, and this Agreement will not be effective and binding until the Closing Date (as defined in the Senior Note).

RECITALS:

A. The California Municipal Finance Authority, a joint exercise of powers agency, duly organized and existing under the laws of the State of California (the "**Issuer**") has issued and sold its California Municipal Finance Authority Subordinate Multifamily Housing Revenue Bonds (Kensington Apartments) 2025 Series B-1, in the amount of \$6,400,000.00 (the "**B-1 Bonds**") pursuant to an Indenture of Trust (the "**B-1 Indenture**") dated as of June 1, 2025, between the Issuer and the Senior Lender, as trustee for holders of the B-1 Bonds, and will use the proceeds thereof to make a loan (the "**B-1 Loan**") to Borrower upon the terms and conditions of a Financing Agreement (the "**B-1 Loan Agreement**") dated as of June 1, 2025, among the Issuer, Senior Lender and Borrower, to finance a portion of the acquisition, construction, development, equipping, and/or operation of the Property as defined herein. Pursuant to the B-1 Loan Agreement, the Borrower has executed a promissory note dated as of June 1, 2025 (the "**B-1 Note**") to evidence the Borrower's obligation to repay the B-1 Loan. The B-1 Loan is or will be secured by a Junior Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (B-1) dated as of June 1, 2025, and recorded concurrently herewith in the Official Records of Riverside County, California ("**Official Records**"), made by Borrower for the benefit

of the Issuer (the “**B-1 Security Instrument**”), which B-1 Security Instrument encumbers the Property. The B-1 Security Instrument was assigned by the Issuer to Senior Lender as bond trustee under the B-1 Indenture, pursuant to an Assignment of Junior Deed of Trust and Other Loan Documents (B-1) dated as of June 1, 2025, and recorded concurrently herewith in the Official Records (the “**B-1 Security Instrument Assignment**”).

B. The Issuer has also issued and sold its California Municipal Finance Authority Subordinate Multifamily Housing Revenue Bonds (Kensington Apartments) 2025 Series B-2 in the amount of up to \$8,000,000.00 (the “**B-2 Bonds**,” and together with the B-1 Bonds, the “**Bonds**”) pursuant to an Indenture of Trust (the “**B-2 Indenture**,” and together with the B-1 Indenture, the “**Indenture**”) dated as of June 1, 2025, between the Issuer and the Senior Lender, as trustee for holders of the B-2 Bonds, and will use the proceeds thereof to make a loan (the “**B-2 Loan**” and together with the B-1 Loan, the “**Senior Loan**”) to the Borrower upon the terms and conditions of a Financing Agreement (the “**B-2 Loan Agreement**,” and together with the B-1 Loan Agreement, the “**Senior Loan Agreement**”) dated as of June 1, 2025, among the Issuer, Senior Lender, and the Borrower, to finance a portion of the acquisition, construction, development, equipping, and/or operation of the Property. Pursuant to the B-2 Loan Agreement, the Borrower has executed a promissory note dated as of June 1, 2025 (the “**B-2 Note**,” and together with the B-1 Note, the “**Senior Note**”) to evidence the Borrower’s obligation to repay the B-2 Loan. The B-2 Loan is or will be secured by a Junior Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (B-2) dated as of June 1, 2025, and recorded concurrently herewith in the Official Records, made by Borrower for the benefit of the Issuer (the “**B-2 Security Instrument**,” and together with the B-1 Security Instrument, the “**Senior Security Instrument**”), which B-2 Security Instrument encumbers the Property. The B-2 Security Instrument was assigned by the Issuer to the Senior Lender as bond trustee under the B-2 Indenture, pursuant to an Assignment of Junior Deed of Trust and Other Loan Documents (B-2) dated as of June 1, 2025, and recorded concurrently herewith in the Official Records (the “**B-2 Security Instrument Assignment**,” and together with the B-1 Security Instrument Assignment, the “**Senior Security Instrument Assignment**”). The Senior Loan Agreement, the Senior Note, the Senior Security Instrument, the Senior Security Instrument Assignment, and all of the other documents, instruments and agreements now or hereafter evidencing, securing or otherwise executed in connection with the Senior Loan, as the same may from time to time be extended, consolidated, substituted for, modified, increased, amended and supplemented in accordance with the provisions of this Agreement “**Loan Documents**” are hereinafter referred to as “**Senior Loan Documents**.” Any capitalized terms used but not defined herein shall have the meaning set forth in the Senior Note.

C. Junior Lender is making a loan (the “**Junior Loan**”) to Borrower in the original principal amount of \$2,900,000.00, which Junior Loan is evidenced by a certain Promissory Note Secured by Deed of Trust (PLHA Loan Funds) dated as of [June 1], 2025 made by Borrower to Junior Lender (the “**Junior Note**”) and secured by the Junior Security Instrument (as hereinafter defined) encumbering the Property, and will be advanced to Borrower pursuant to that certain Loan Agreement for the Use of PLHA Program Funds (the “**Junior Loan Agreement**”) dated as of [June 1], 2025 between Junior Lender and Borrower.

D. In connection with the Junior Loan, the Junior Lender and Borrower are required to impose certain use covenants and restrictions against the Property by recording that certain

Permanent Local Housing Allocation (PLHA) Program Covenant Agreement (Kensington Apartments), dated as of the date of the Junior Loan Agreement, in the Official Records concurrently herewith (the “**Restrictive Covenant**”). The Restrictive Covenant is not a Junior Loan Document and shall be senior to the Senior Loan Documents.

E. As a condition to the making of the Senior Loan, Senior Lender requires that Junior Lender execute and deliver this Agreement prior to the making of the Junior Loan and the granting of the Junior Security Instrument and Restrictive Covenant by Borrower.

NOW, THEREFORE, for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce the making of the Senior Loan and to induce Senior Lender to consent to the Junior Loan, the Junior Security Instrument, and the Restrictive Covenant, Junior Lender hereby agrees as follows:

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

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

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

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

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

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

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

“Junior Indemnity” means that certain Environmental Indemnity, dated as [June 1], 2025, executed by Borrower in favor of Lender.

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

“Junior Loan Documents” means, collectively, the Junior Loan Agreement, the Junior Note, the Junior Indemnity, the Junior Security Instrument and all other documents evidencing, securing or delivered in connection with the Junior Loan, together with such modifications, amendments and supplements thereto as are approved in writing by Senior Lender prior to their execution. The Restrictive Covenant is not a Junior Loan Document.

“Junior Security Instrument” means that certain Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) dated as of [June 1], 2025, and recorded concurrently herewith in the Official Records, made by Borrower for the benefit of Junior Lender, as the same may from time to time be extended, consolidated, substituted for, modified, amended or supplemented upon receipt of the consent of Senior Lender.

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

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

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

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

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

(a) Junior Lender hereby covenants and agrees on behalf of itself and its successors and permitted assigns that the Junior Indebtedness is and shall at all times continue to be, subordinate, subject and inferior (in payment and priority) to the prior payment in full of the Senior Indebtedness, and that the liens, rights, payment interests, priority interests and security interests granted to Junior Lender in connection with the Junior Loan and under the Junior Loan Documents are, and are hereby expressly acknowledged to be in all respects and at all times, subject, subordinate and inferior in all respects to the liens, rights, payment, priority and security interests granted to Senior Lender under the Senior Loan and the Senior Loan Documents and the terms, covenants, conditions, operations and effects thereof.

(b) Except as expressly set forth herein, repayment of the Junior Indebtedness, is and shall be postponed and subordinated to repayment in full of the Senior Loan. Prior to a Senior Loan Default (regardless of whether such Senior Loan Default occurs prior to or during the pendency of a Bankruptcy Proceeding), Junior Lender shall be entitled to receive and retain payments made pursuant to and in accordance with the terms of the Junior Loan Documents; provided, however, that no such payment is made more than ten (10) days in advance of the due date thereof. Junior Lender agrees that from and after such time as it has received from either Senior Lender or Borrower written notice that a Senior Loan Default then exists (which has not been expressly waived in writing by Senior Lender) or otherwise has actual knowledge of such a Senior Loan Default, Junior Lender shall not receive or accept any payments under the Junior Loan. If (i) Junior Lender receives any payment, property, or asset of any kind or in any form on account of the Junior Indebtedness (including, without limitation, any proceeds from any Enforcement Action) after a Senior Loan Default of which Junior Lender has actual knowledge or has been given notice of, or (ii) Junior Lender receives, voluntarily or involuntarily, by operation of law or otherwise, any payment, property, or asset in or in connection with any Bankruptcy Proceeding, such payment, property, or asset will be received and held in trust for Senior Lender. Junior Lender will promptly remit, in kind and properly endorsed as necessary, all such payments, properties, and assets to Senior Lender. Senior Lender shall apply any payment, asset, or property so received from Junior Lender to the Senior Indebtedness in such order, amount (with respect to any asset or property other than immediately available funds), and manner as Senior Lender shall determine in its sole and absolute discretion.

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

(d) The subordination of the Junior Indebtedness shall continue in the event that any payment under the Senior Loan Documents (whether by or on behalf of Borrower, as proceeds of security or enforcement of any right of set-off or otherwise) is for any reason repaid or returned to Borrower or its insolvent estate, or avoided, set aside or required to be paid to Borrower, a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar law. In such event, the Senior Indebtedness or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding to the extent of any repayment, return, or other action, as if such payment on account of the Senior Indebtedness had not been made.

(e) The subordination of the Junior Loan Documents and of the Junior Indebtedness shall apply and continue notwithstanding (i) the actual date and time of execution, delivery, recording, filing or perfection of the Senior Security Instrument and other Senior Loan Documents and of the Junior Security Instrument and other Junior Loan Documents, and (ii) the availability of any collateral to Senior Lender, including the availability of any collateral other than the Property.

(f) By reason of, and without in any way limiting, the full subordination of the Junior Indebtedness and the Junior Loan Documents provided for in this Agreement, all rights and claims of Junior Lender under the Junior Security Instrument or under the Junior Loan Documents in or to the Property or any portion thereof, the proceeds thereof, the Leases thereof, the Rents, issues and profits therefrom, and the Loss Proceeds payable with respect thereto, are expressly subject and subordinate in all respects to the rights and claims of Senior Lender under the Senior Loan Documents in and to the Property or any portion thereof, the proceeds thereof, the Leases thereof, the Rents, issues and profits therefrom, and the Loss Proceeds payable with respect thereto.

(g) If Junior Lender, by indemnification, subrogation or otherwise, shall acquire any lien, estate, right or other interest in any of the Property, that lien, estate, right or other interest shall be fully subject and subordinate to the receipt by Senior Lender of payment in full of the Senior Indebtedness, and to the Senior Loan Documents, to the same extent as the Junior Indebtedness and the Junior Loan Documents are subordinate pursuant to this Agreement.

(h) Junior Lender hereby acknowledges and agrees that Senior Lender may, without the consent or approval of Junior Lender, agree with Borrower to extend, consolidate, modify, increase or amend any or all the Senior Loan Documents and otherwise act or fail to act with respect to any matter set forth in any Senior Loan Document (including, without limitation, the exercise of any rights or remedies, waiver, forbearance or delay in enforcing any rights or remedies, the declaration of acceleration, the declaration of defaults or events of default, the release, in whole or in part, of any collateral or other property, and any consent, approval or waiver), and all such extensions, consolidations, modifications, amendments acts and omissions shall not release, impair or otherwise affect Junior Lender's obligations and agreements hereunder.

3. Junior Lender Agreements.

(a) Without the prior written consent of Senior Lender in each instance, Junior Lender shall not (i) amend, modify, waive, extend, renew or replace any provision of any of the Junior Loan Documents, or (ii) pledge, assign, transfer, convey, or sell any interest in the Junior Indebtedness or any of the Junior Loan Documents; or (iii) accept any payment on account of the Junior Indebtedness other than a regularly scheduled payment of interest or principal and interest made not earlier than ten (10) days prior to the due date thereof; or (iv) take any action which has the effect of increasing the Junior Indebtedness; or (v) appear in, defend or bring any action in connection with the Property; or (vi) take any action concerning environmental matters affecting the Property. Regardless of any contrary provision in the Junior Loan Documents, Junior Lender shall not collect payments for the purpose of escrowing for any cost or expense related to the Property or for any portion of the Junior Indebtedness.

(b) Junior Lender hereby agrees that Senior Lender may, at its option (but without any obligation to do so), at any time (including during the pendency of a Bankruptcy Proceeding), purchase the Junior Loan at par (and without liability for any prepayment premiums or liquidated damages set forth in the Junior Loan Documents). Such transfer and assignment of the Junior Loan shall be without representation or recourse, except that Junior Lender shall represent that it is the sole holder of the Junior Loan, that it has authority to assign and convey the Junior Loan Documents, that, to the best of its knowledge, there are no defaults or breaches under the Junior Loan Documents or the Restrictive Covenant, and as to the total amount then outstanding under the Junior Loan. Junior Lender shall give Senior Lender a concurrent copy of each notice of a Junior Loan Default, Enforcement Action Notice or other material notice given by Junior Lender under the Junior Loan Documents. Notwithstanding any contrary provision in the Junior Loan Documents or the Restrictive Covenant, Senior Lender shall have the right, but shall not have any obligation, to cure any Junior Loan Default or default under the Restrictive Covenant until ninety (90) days following Senior Lender's receipt of an Enforcement Action Notice given by Junior Lender as a consequence of such default. Senior Lender shall not be subrogated to the rights of Junior Lender under the Junior Loan Documents by reason of Senior Lender having cured any Junior Loan Default or default under the Restrictive Covenant. However, Junior Lender acknowledges that all amounts advanced or expended by Senior Lender to cure a Junior Loan Default or default under the Restrictive Covenant shall be added to and become a part of the Senior Indebtedness pursuant to the terms of the Senior Security Instrument.

(c) In the event and to the extent that each of Senior Lender and Junior Lender have under their respective loan documents certain approval or consent rights over the same subject matters (regardless of whether the obligations or rights are identical or substantially identical), Junior Lender agrees that Senior Lender shall exercise such approval rights on behalf of both Senior Lender and Junior Lender, and Junior Lender shall have no right to object to any such action or approval taken by Senior Lender and shall consent thereto and be bound thereby. Without limiting the generality of the foregoing, Senior Lender shall have all approval, consent and oversight rights in connection with any insurance claims relating to the Property, any decisions regarding the use of insurance proceeds after a casualty loss or condemnation awards, the hiring or firing of property managers, or otherwise related in any way to the Property, and Junior Lender shall have no right to object

to any such action or approval taken by Senior Lender and shall consent thereto and be bound thereby.

(d) Junior Lender agrees that in any action commenced to enforce the obligation of Borrower to pay any portion of the Junior Indebtedness, the judgment shall not be enforceable personally against Borrower or Borrower's assets, and the recourse of Junior Lender for the collection of the Junior Indebtedness shall be limited to actions against the Property and the rents, profits, issues, products, and income from the Property.

(e) Junior Lender shall not commence or join with any other creditor in commencing any Bankruptcy Proceeding involving Borrower, and Junior Lender shall not initiate and shall not be a party to any action, motion or request, in a Bankruptcy Proceeding involving any other person or entity, which seeks the consolidation of some or all of the assets of Borrower into such Bankruptcy Proceeding. In the event of any Bankruptcy Proceeding relating to Borrower or the Property or, in the event of any Bankruptcy Proceeding relating to any other person or entity into which (notwithstanding the covenant in the first sentence of this clause) the assets or interests of Borrower are consolidated, then in either event, the Senior Loan shall first be paid in full before Junior Lender shall be entitled to receive and retain any payment or distribution in respect to the Junior Loan. Junior Lender agrees that (i) Senior Lender shall receive all payments and distributions of every kind or character in respect of the Junior Loan to which Junior Lender would otherwise be entitled, but for the subordination provisions of this Agreement (including without limitation, any payments or distributions during the pendency of a Bankruptcy Proceeding involving Borrower or the Property), and (ii) the subordination of the Junior Loan and the Junior Loan Documents shall not be affected in any way by Senior Lender electing, under Section 1111(b) of the federal bankruptcy code, to have its claim treated as being a fully secured claim. In addition, Junior Lender hereby covenants and agrees that, in connection with a Bankruptcy Proceeding involving Borrower, neither Junior Lender nor any of its affiliates shall (i) make or participate in a loan facility to or for the benefit of Borrower on a basis that is senior to or pari passu with the liens and interests held by Senior Lender pursuant to the Senior Loan Documents, (ii) not vote affirmatively in favor of any plan of reorganization or liquidation unless Senior Lender has also voted affirmatively in favor of such plan, and (iii) not contest the continued accrual of interest on the Senior Indebtedness, in accordance with and at the rates specified in the Senior Loan Documents, both for periods before and for periods after the commencement of such Bankruptcy Proceedings. Junior Lender shall execute and deliver to Senior Lender powers of attorney, assignments or other instruments as may be requested by Senior Lender in order to enable it to exercise the above-described authority or powers with respect to any or all of the Junior Loan Documents, and to collect and receive any and all payments or distributions which may be payable or deliverable at any time upon or with respect to any of the Junior Loan Documents to Junior Lender.

(f) Junior Lender covenants and agrees that the effectiveness of this Agreement and the rights of Senior Lender hereunder shall be in no way impaired, affected, diminished or released by any renewal or extension of the time of payment of the Senior Loan, by any delay, forbearance, failure, neglect or refusal of Senior Lender in enforcing payment thereof or in enforcing the lien of or attempting to realize upon the Senior Loan Documents

or any other security which may have been given or may hereafter be given for the Senior Loan, by any waiver or failure to exercise any right or remedy under the Senior Loan Documents, or by any other act or failure to act by Senior Lender. Junior Lender acknowledges that Senior Lender, at its sole option, may release all or any portion of the Property from the lien of the Senior Security Instrument, and may release or waive any guaranty, surety or indemnity providing additional collateral to Senior Lender, and Junior Lender hereby waives any legal or equitable right in respect of marshaling it might have, in connection with any release of all or any portion of the Property by Senior Lender, to require the separate sales of any portion of the Property or to require Senior Lender to exhaust its remedies against any portion of the Property or any other collateral before proceeding against any other portion of the Property or other collateral (including guarantees) for the Senior Loan. Senior Lender may pursue all rights and remedies available to it under the Senior Loan Documents, at law, or in equity, regardless of any Enforcement Action Notice or Enforcement Action by Junior Lender. At any time or from time to time and any number of times, without notice to Junior Lender and without affecting the liability of Junior Lender, (a) the time for payment of the Senior Indebtedness may be extended or the Senior Indebtedness may be renewed in whole or in part; (b) the time for Borrower's performance of or compliance with any covenant or agreement contained in the Senior Loan Documents, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived; (c) the maturity of the Senior Indebtedness may be accelerated as provided in the Senior Loan Documents; (d) any Senior Loan Document may be extended, consolidated, modified or amended by Senior Lender and Borrower in any respect, including, but not limited to, an increase in the principal amount; and (e) any security for the Senior Indebtedness may be modified, exchanged, surrendered or otherwise dealt with or additional security may be pledged or mortgaged for the Senior Indebtedness. If, after the occurrence of a Senior Loan Default, Senior Lender acquires title to any of the Property pursuant to a mortgage foreclosure conducted in accordance with applicable law, the lien, operation, and effect of the Junior Security Instrument and other Junior Loan Documents automatically shall terminate with respect to such Property upon Senior Lender's acquisition of title.

(g) Junior Lender acknowledges that it entered into the transactions contemplated by the Junior Loan Documents and the Restrictive Covenant and made the Junior Loan to Borrower without reliance upon any information or advice from Senior Lender. Junior Lender made its own underwriting analysis in connection with the Junior Loan, its own credit review of Borrower, and investigated all matters pertinent, in Junior Lender's judgment, to its determination to make the Junior Loan to Borrower. Junior Lender acknowledges that it is a sophisticated, experienced commercial lender, and was represented by competent counsel in connection with this Agreement.

(h) Junior Lender hereby represents and warrants that, as of the date hereof, the entire proceeds of the Junior Loan have been disbursed to Borrower. Junior Lender hereby further represents and warrants that: (i) Junior Lender is now the owner and holder of the Junior Loan Documents and the Restrictive Covenant; (ii) the Junior Loan Documents and the Restrictive Covenant are now in full force and effect; (iii) the Junior Loan Documents and the Restrictive Covenant have not been modified or amended; (iv) no default or event which, with the passing of time or giving of notice would constitute a default, under the

Junior Loan Documents or the Restrictive Covenant has occurred; (v) the current outstanding principal balance of the Junior Indebtedness is \$2,900,000.00; (vi) no scheduled monthly payments under the Junior Loan Documents have been or will be prepaid except with the prior written consent of Senior Lender; (vii) none of the rights of Junior Lender under any of the Junior Loan Documents or the Restrictive Covenant are subject to the rights of any third parties, by way of subrogation, indemnification or otherwise; and (viii) there are no other Junior Loan Documents other than those listed herein. Borrower further represents and warrants that it has provided to Senior Lender a true, complete, and correct copy of all the Junior Loan Documents and the Restrictive Covenant.

(i) Junior Lender hereby agrees that notwithstanding anything to the contrary in the Junior Loan Documents and the Restrictive Covenant, for so long as the Senior Loan is outstanding, (i) the maturity date of the Junior Note shall occur no earlier than ninety (90) days after the maturity date of the Senior Note, and (ii) Borrower shall not be obligated to pay more than seventy-five percent (75%) of Excess Cash Flow (as defined herein) in payments under the Junior Note and under other debt subordinate to the Senior Loan. For the purposes hereof, the following definitions shall apply:

“Excess Cash Flow” shall mean, for any period, Gross Revenues for such period less the sum of (i) Expenses of the Property for such period, and (ii) without duplication, all amounts due on the Senior Loan Obligations for such period.

“Expenses of the Property” shall mean, for any period, the current expenses, paid or accrued, of operation, maintenance and current repair of the Property, as calculated in accordance with GAAP, and shall include, without limiting the generality of the foregoing, salaries, wages, employee benefits, cost of materials and supplies, costs of routine repairs, renewals, replacements and alterations occurring in the usual course of business, costs and expenses properly designated as capital expenditures (e.g. repairs which would not be payable from amounts on deposit in a repair and replacement fund held pursuant to the Loan Documents), a management fee (however characterized) not to exceed [_____] % of Gross Revenues, costs of billings and collections, costs of insurance, and costs of audits. Expenses of the Property shall not include any payments, however characterized, on account of the Junior Loan or any other subordinate financing in respect of the Property or other indebtedness, allowance for depreciation, amortization or other non-cash items, gains and losses or prepaid expenses not customarily prepaid.

“Gross Revenues” shall mean all receipts, revenues, income and other moneys received by or on behalf of Borrower and derived from the ownership or operation of the Property, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of such rights, and whether now owned or held or hereafter coming into existence and proceeds received upon the foreclosure sale of the Property. Gross Revenues shall not include loan proceeds, equity or capital contributions, or tenant security deposits being held by Borrower in accordance with the applicable law.

“Senior Loan Obligations” shall mean and includes, collectively, and without limitation, each of the following: (A) all debt service payments due on the Senior Indebtedness, (B) all obligations of Borrower under the Senior Loan Documents, (C) all capital expenditures required for the proper maintenance of the Property in accordance with the Senior Loan Documents, as calculated by Borrower in accordance with customarily accepted cash basis accounting principles, consistently applied, and in accordance with the terms of the Senior Loan Documents; (D) all amounts required to be deposited into any replacement reserve, completion/repair reserve, operating deficit reserve, principal repayment reserve, replacement hedge reserve or other reserve or escrow established or required by Senior Lender or Servicer in connection with the Senior Loan and the Senior Loan Documents, including the Senior Security Instrument, and (E) all fees, costs and expenses of Senior Lender and Servicer in connection with the Senior Loan.

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

(a) Until such time as any of the Senior Indebtedness has been repaid in full and the Senior Security Instrument has been released and discharged, Junior Lender shall not without the prior written consent of Senior Lender, which may be withheld in Senior Lender’s sole and absolute discretion, take any Enforcement Action, including, without limitation, (i) accelerate the Junior Loan, (ii) exercise any of Junior Lender’s remedies under the Junior Security Instrument or any of the other Junior Loan Documents (including, without limitation, the commencement of any judicial or non-judicial action or proceeding (a) to enforce any obligation of Borrower under any of the Junior Loan Documents, (b) to collect any monies payable to Borrower, (c) to have a receiver appointed to collect any monies payable to Borrower; or (d) to foreclose the lien(s) created by the Junior Security Instrument) or (iii) file or join in the filing of any involuntary Bankruptcy Proceeding against Borrower or any person or entity which owns a direct or indirect interest in Borrower; provided, however, that such limitation on the remedies of Junior Lender shall not derogate or otherwise limit Junior Lender’s rights, following an event of default under the Junior Loan Documents to (a) compute interest on all amounts due and payable under the Junior Loan at the default rate described in the Junior Loan Documents, (b) compute prepayment premiums and late charges, and (c) enforce against any person, other than Borrower and any guarantors or indemnitors under the Senior Loan Documents, any guaranty of the obligations of Borrower under the Junior Loan.

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

(c) Junior Lender shall have the right, but shall have no obligation, to cure any Senior Loan Default; provided, if Junior Lender shall elect to cure any such Default, it shall so notify Senior Lender and shall commence and complete such curing within any

applicable notice or grace period, if any, as Borrower is permitted by the terms of the Senior Loan Documents to cure such Senior Loan Default. Junior Lender shall not be subrogated to the rights of Senior Lender under the Senior Loan Documents by reason of Junior Lender having cured any Senior Loan Default. However, Senior Lender acknowledges that, to the extent so provided in the Junior Loan Documents, amounts advanced or expended by Junior Lender to cure a Senior Loan Default may be added to and become a part of the Junior Indebtedness.

(d) Junior Lender agrees that, notwithstanding any contrary provision contained in the Junior Loan Documents or the Restrictive Covenant, a Senior Loan Default shall not constitute a default under the Junior Loan Documents or the Restrictive Covenant if no other default occurred under the Junior Loan Documents.

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

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

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

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

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

To Junior Lender: County of Riverside
Department of Housing and Workforce Solutions
3403 Tenth Street, Suite #300
Riverside, California 92501
Attention: Director

If to Senior Lender: Wilmington Trust, National Association
650 Town Center Drive, Suite 800
Costa Mesa, California 92626-7121
Attention: Corporate Trust Services

With a copy to: Bonneville Affordable Housing Capital, LLC
111 Main, Suite 1600
Salt Lake City, Utah 84111
Attention: Brent Peterson

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

9. **WAIVER OF TRIAL BY JURY; JUDICIAL REFERENCE.** THE PARTIES HERETO WAIVE, TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT EACH OF THEM MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY LOAN DOCUMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). THE PARTIES HERETO EACH: (A) CERTIFY THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FORGOING WAIVER, AND (B) ACKNOWLEDGE THAT THEY AND THE OTHER PARTIES TO THIS AGREEMENT HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS **SECTION 9.**

THE PARTIES HERETO AGREE THAT, IN THE EVENT ANY LEGAL PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA (THE "COURT") BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY CONTROVERSY, DISPUTE OR CLAIM DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING

TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY) (EACH, A “CLAIM”) AND THE WAIVER SET FORTH IN THE PRECEDING PARAGRAPH IS NOT ENFORCEABLE IN SUCH ACTION OR PROCEEDING, THEN:

(a) WITH THE EXCEPTION OF THE MATTERS SPECIFIED IN SUBSECTION (b) BELOW, ANY CLAIM WILL BE DETERMINED BY A GENERAL REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE IN ACCORDANCE WITH CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638. EXCEPT AS OTHERWISE PROVIDED IN THE LOAN DOCUMENTS, VENUE FOR THE REFERENCE PROCEEDING WILL BE IN THE STATE OR FEDERAL COURT IN THE COUNTY OR DISTRICT WHERE VENUE IS OTHERWISE APPROPRIATE UNDER APPLICABLE LAW.

(b) THE FOLLOWING MATTERS SHALL NOT BE SUBJECT TO A GENERAL REFERENCE PROCEEDING: (A) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY, (B) EXERCISE OF SELF-HELP REMEDIES, (C) APPOINTMENT OF A RECEIVER AND (D) TEMPORARY, PROVISIONAL OR ANCILLARY REMEDIES (INCLUDING, WITHOUT LIMITATION, WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS OR PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN CLAUSES (A) - (D), AND ANY SUCH EXERCISE OR OPPOSITION DOES NOT WAIVE THE RIGHT OF ANY PARTY TO A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT.

(c) UPON THE WRITTEN REQUEST OF ANY PARTY HERETO, THE PARTIES SHALL SELECT A SINGLE REFEREE, WHO SHALL BE A RETIRED JUDGE OR JUSTICE. IF THE PARTIES DO NOT AGREE UPON A REFEREE WITHIN TEN (10) DAYS OF SUCH WRITTEN REQUEST, THEN, ANY PARTY MAY REQUEST THE COURT TO APPOINT A REFEREE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 640(B).

(d) ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT WHEN ANY PARTY SO REQUESTS, A COURT REPORTER WILL BE USED AND THE REFEREE WILL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR AND PAY COSTS OF THE COURT REPORTER, PROVIDED THAT SUCH COSTS, ALONG WITH THE REFEREE’S FEES, SHALL ULTIMATELY BE BORNE BY THE PARTY WHO DOES NOT PREVAIL, AS DETERMINED BY THE REFEREE.

(e) **THE REFEREE MAY REQUIRE ONE OR MORE PREHEARING CONFERENCES. THE PARTIES HERETO SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE DISCOVERY IN ACCORDANCE WITH THE RULES OF DISCOVERY, AND MAY ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE IN PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA. THE REFEREE SHALL APPLY THE RULES OF EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA AND SHALL DETERMINE ALL ISSUES IN ACCORDANCE WITH APPLICABLE STATE AND FEDERAL LAW. THE REFEREE SHALL BE EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF AND RULE ON ANY MOTION WHICH WOULD BE AUTHORIZED IN A TRIAL, INCLUDING, WITHOUT LIMITATION, MOTIONS FOR DEFAULT JUDGMENT OR SUMMARY JUDGMENT. THE REFEREE SHALL REPORT SUCH REFEREE'S DECISION, WHICH REPORT SHALL ALSO INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW.**

(f) **THE PARTIES HERETO RECOGNIZE AND AGREE THAT ALL CLAIMS RESOLVED IN A GENERAL REFERENCE PROCEEDING PURSUANT HERETO WILL BE DECIDED BY A REFEREE AND NOT BY A JURY.**

(g) **IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE PROVISIONS OF THIS SECTION 9 AND ANY OTHER PROVISION OF THE LOAN DOCUMENTS, THIS SECTION 9 WILL CONTROL.**

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

11. **Miscellaneous.**

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

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

(b) This Agreement shall bind and inure to the benefit of all successors and assigns of Junior Lender and Senior Lender. Senior Lender may assign its interest in the Senior Loan Documents without notice to or consent of Junior Lender. Junior Lender may only assign its rights and interests hereunder following the prior written consent of Senior Lender, which consent may be withheld or conditioned in its sole and absolute discretion.

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

(d) This Agreement may be executed in multiple counterparts, each of which shall constitute an original document and all of which together shall constitute one agreement.

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

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

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

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

(i) Borrower hereby acknowledges and consents to the execution of this Agreement, and agrees to be bound by the provisions hereof that are applicable to Borrower. Solely as between Senior Lender and Junior Lender, all of the signatories below hereby agree that to the extent of any conflict between the terms and provisions of this Agreement and the terms and provisions of the Senior Loan Documents and/or the Junior Loan Documents, respectively, the terms and provisions of this Agreement shall govern

and control. By executing this Agreement in the place provided below, Borrower hereby (i) acknowledges the provisions hereof, (ii) agrees not to take any action inconsistent with Senior Lender's rights or Junior Lender's rights under this Agreement, (iii) waives and relinquishes to the maximum extent permitted by law any and all rights, defenses and claims now existing or hereinafter accruing relating to Junior Lender's forbearance from exercising any rights and remedies pursuant to Section 4 of this Agreement, including, without limitation, any defenses based on the statute of limitations or any equitable defenses, such as laches, and (iv) acknowledges and agrees that (A) this Agreement is entered into for the sole protection and benefit of Senior Lender and Junior Lender (and their respective successors, assigns and participants), and no other person (including Borrower) shall have any benefits, rights or remedies under or by reason of this Agreement, (B) nothing in this Agreement is intended, or shall be construed to, relieve or discharge the obligations or liabilities of any third party (including Borrower under the Senior Loan Documents, the Restrictive Covenant and the Junior Loan Documents), (c) neither of them nor any of their affiliates shall be, or be deemed to be, beneficiaries of any of the provisions hereof or have any rights hereunder whatsoever, and (D) no provision of this Agreement is intended to, or shall be construed to, give any such third party (including Borrower) any right subrogating to the rights of, or action against, Senior Lender or Junior Lender.

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

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

B-1 BOND SENIOR LENDER:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
a national banking association,
as mortgagee and bond trustee for the B-1 Bonds

By: _____ form - do not sign
Name: _____
Title: _____

B-2 BOND SENIOR LENDER:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
a national banking association,
as mortgagee and bond trustee for the B-2 Bonds

By: _____ form - do not sign
Name: _____
Title: _____

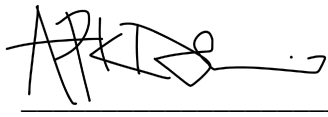
JUNIOR LENDER:

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

By: form - do not sign
Name: Heidi Marshall
Title: Director of Housing and Workforce Solutions

APPROVED AS TO FORM:

MINH C. TRAN, County Counsel

By: 

Amrit P. Dhillon, Deputy County Counsel

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

BORROWER:

**MURRIETA PACIFIC ASSOCIATES,
A CALIFORNIA LIMITED PARTNERSHIP,**
a California limited partnership

By: TPC Holdings IX, LLC,
an Idaho limited liability company,
its administrative general partner

By: Pacific West Communities, Inc.,
an Idaho corporation,
its manager

By: form - do not sign
Name: Caleb Roope
Title: President and CEO

By: Central Valley Coalition For Affordable Housing,
a California nonprofit public benefit corporation,
its managing general partner

By: form - do not sign
Name: Christina Alley
Title: Chief Executive Officer

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

State of _____)

County of _____)

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

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

WITNESS my hand and official seal.

(SEAL)

Signature _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

State of _____)

County of _____)

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

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

WITNESS my hand and official seal.

(SEAL)

Signature _____

STATE OF IDAHO)
) ss
COUNTY OF ADA)

On this ____ day of _____, in the year of 2025, before me, _____, a notary public, personally appeared **Caleb Roope**, known or identified to me to be the President and CEO of TPC Holdings IX, LLC, an Idaho limited liability company, the administrative general partner of Murrieta Pacific Associates, A California Limited Partnership, a California limited partnership, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

[SEAL]

Notary Public
My commission expires: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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

State of _____)

County of _____)

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

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

WITNESS my hand and official seal.

(SEAL)

Signature _____

EXHIBIT A

LEGAL DESCRIPTION

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

THE SOUTHEASTERLY HALF OF THE NORTHWESTERLY HALF OF THE SOUTHWESTERLY HALF OF LOT 17 OF MURRIETA PORTION OF TEMECULA LAND AND WATER COMPANY'S SUBDIVISION OF A PORTION OF THE TEMECULA RANCHO, IN THE CITY OF MURRIETA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 359 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO, COUNTY CALIFORNIA.

Assessor's Parcel Number: 906-780-004