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

ITEM: 3.11
(ID # 27724)
MEETING DATE:
Tuesday, September 09, 2025

FROM : HOUSING AND WORKFORCE SOLUTIONS

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Form of Loan Agreement for the Use of HOME Funds, in amount not to exceed $2,000,000, for Mulberry Gardens Family Apartments and All Attachments Thereto, in the City of Riverside, and Authorize the Director of HWS to Execute the HOME Loan Agreement, Covenant Agreement, and Subordination Agreement; District 1. [$2,100,000 - 100% HOME Investment Partnerships Act Funds] [Affirming Finding of No Significant Impacts pursuant to NEPA]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Affirm the Finding of No Significant Impact adopted by the Board of Supervisors on February 25, 2025, for the Project, concluding that the Project is not an action which may affect the quality of the environment pursuant to the provisions of the National Environmental Policy Act of 1969 (NEPA) and under the implementing regulations of 24 CFR Parts 50 and 58;

2. Approve the attached form of the Loan Agreement for the Use of HOME Program Funds (Mulberry Gardens Family Apartments), including all attachments thereto, (HOME Loan Agreement), between the Mulberry Gardens Family, LP, a California limited partnership (Partnership), providing a loan derived from the HOME Investment Partnerships Program in the amount of $2,000,000 (HOME Loan), to be used to pay a portion of the development costs for a multi-family affordable rental housing project in the City of Riverside;

Continued on Page 2
ACTION:Policy

Heidi Marshall, Director 4/29/2025

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes:	Medina, Spiegel, Perez and Gutierrez
Nays:	None
Absent:	Washington
Date:	September 09, 2025
xc:	HWS

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

RECOMMENDED MOTION: That the Board of Supervisors:

3. Approve the attached forms of HOME Loan Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents), HOME Loan Promissory Note, HOME Covenant Agreement and Subordination Agreement;

4. Approve the allocation of $100,000 in HOME funds to Housing and Workforce Solutions (HWS) for direct staff costs associated with project management and compliance of the Mulberry Gardens Family Apartments;

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

6. Approve the form of Subordination Agreements with U.S. Bank Trust Company, National Association (Freddie Mac, N.A.) and with Wells Fargo Bank, N.A., attached hereto;

7. Authorize the Director of the HWS, or designee, to negotiate and execute a Subordination Agreement, conforming in form and substance to the attached Subordination Agreement, subordinating the HOME Loan Agreement, HOME Leasehold Deed of Trust and Assignment of Rents to a Deed of Trust for the benefit of Freddie Mac, N.A., senior lender, securing a permanent loan for the Project for a not to exceed amount of $9,000,000, 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, conforming in form and substance to the attached Subordination Agreement, subordinating the HOME Loan Agreement, HOME Leasehold Deed of Trust and Assignment of Rents to a Deed of Trust for the benefit of Wells Fargo Bank, N.A., senior lender, securing a construction loan for the Project for a not to exceed amount of $70,000,000, subject to approval as to form by County Counsel; and,

9. Authorize the Director of the HWS, or designee, to take all necessary steps to implement the HOME Loan Agreement a, HOME Covenant Agreement, and Subordination Agreement, including but not limited to, signing subsequent necessary and relevant documents including amendments that stay within approved scope and allocation of said Agreements, subject to approval as to form by County Counsel.

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	$1,050,000	$1,050,000	$2,100,000	$ 0
NET COUNTY COST	$ 0	$ 0	$ 0	$ 0
SOURCE OF FUNDS: 100% HOME Investment Partnerships Act Funds			**Budget Adjustment:** No	
			For Fiscal Year: 24/25 – 25/26	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On July 30, 2024 (Minute Order Item 3.38), the County of Riverside Board of Supervisors approved Resolution No. 2024-181, which allocated $2,000,000 in HOME Investment Partnerships Act Funds (HOME Loan) to Eden Housing, a California non-profit public benefit corporation (Developer). The funds will be used to pay a portion of the costs to develop and construct Mulberry Gardens Family Apartments, a proposed 150-unit affordable multifamily low-income housing development located in the City of Riverside (Project). Resolution No. 2024-181 allocated funds subject to the satisfaction of certain conditions contained therein and supported the submission of a low-income housing tax credit application by Mulberry Gardens Family, LP, a California limited partnership (Partnership), formed by Developer for the purpose of developing and financing Project, to the California Tax Credit Allocation Committee (CTCAC) for the Project.

The Project was awarded tax credit allocations by CTCAC and has satisfied all funding conditions set forth in Resolution No. 2024-181. Staff recommend that the Board approve the attached form of Loan Agreement for the Use of HOME Funds, including all attachments thereto (HOME Loan Agreement) between the County and Partnership. The loan of $2,000,000 derived from HOME Program funds will be used to pay a portion of the development and construction costs for the Project. The HOME Loan will be evidenced by a Promissory Note which will be secured by a Leasehold Deed of Trust encumbering the Project. If there are any realized cost savings to the project, any remaining HOME funds will not be disbursed.

The Project is located at 2560 Mulberry Street in the City of Riverside (City) on approximately 2.81 acres of vacant land identified as Assessor's Parcel Numbers 209-130-003. The project will provide a total of 150 apartment units that will consist of 73 one-bedroom units, 39 two-bedroom units, and 38 three-bedroom units with one (1) two-bedroom unit restricted as a manager's unit. The Project will have a shared courtyard with Mulberry Gardens Senior Apartments, the first phase of the Project. The two community centers will be designed to foster social interaction between the two properties. Supportive services will be provided free of charge to residents in the community rooms. The Project will be landscaped with raised planters, a tot lot, outdoor kitchen, fire pit, and community garden.

Under the County's HOME program, a total of 37 units consisting of 17 one-bedrooms, 10 two-bedrooms and 10 three-bedrooms shall be reserved as HOME-Assisted Units for individuals at risk of homelessness whose incomes do not exceed 30% of the area median income for the County of Riverside. The HOME-assisted units will be regulated by the HOME Covenant

Agreement and restricted for a period of at least 55 years from the recordation of the Notice of Completion.

Staff recommends approval of HOME funds for the Project to pay a portion of the development and construction costs for the Project and direct project staffing costs in an amount not to exceed 5% of HOME funds approved for the Project as follows:

Mulberry Gardens Family Apartments	$2,000,000	HOME Project Funding
Mulberry Gardens Family Apartments	$100,000	HOME County HWS Direct Staffing (5%)
Total	$2,100,000	

Construction Sources

HCD - IIG - Sponsor Loan	$ 8,746,488
City - HOME	$ 1,154,171
City - Prohousing Incentive Pilot Program	$ 1,000,000
County - HOME ARP	$ 2,000,000
Sponsor Loan - HCD LGMG	$ 8,100,000
Eden Sponsor Loan	$ 2,000,000
Soft Loan Interest	$ 148,576
Costs, Reserves, and Fees Deferred During Construction	$ 8,883,945
Construction Loan - Tax Exempt Bond (Wells Fargo)	$ 48,178,510
Construction Loan - Taxable (Wells Fargo)	$ 8,570,071
General Partner Equity	$ 100
Limited Partner @ 99.99%	$ 5,361,661
Total Construction Sources	**$ 94,143,522**

Permanent Sources

First Mortgage (Wells Fargo)	$ 8,101,000
HCD - AHSC	$ 14,000,000
HCD - IIG - Sponsor Loan	$ 8,746,488
City - HOME	$ 1,154,171
City - Prohousing Incentive Pilot Program	$ 1,000,000
County - HOME ARP	$ 2,000,000
Sponsor Loan - HCD LGMG	$ 8,100,000
Eden Sponsor Loan	$ 2,000,000
Soft Loan Interest	$ 148,576
Deferred Developer Fee	$ 6,000,000
Limited Partner @ 99.99%	$ 42,893,287
Total Permanent Sources	**$ 94,143,522**

The County HOME Covenant Agreement will be in a lien position junior to a California Municipal Finance Authority (CMFA) Regulatory Agreement, California Department of Housing and Community Development (HCD) Regulatory Agreement and senior to all other security instruments. Senior Lenders require as a condition precedent to the funding of their respective loan that the County's HOME Loan Leasehold Deed of Trust is subordinate to the Senior Lenders' liens. Subordination of the HOME Loan Leasehold Deed of Trust is necessary since an economically feasible alternative method of financing the Project on comparable terms is not available without subordination.

On February 25,2025 (Minute Order 3.31), the Board of Supervisors adopted a Finding of No Significant Impact for the Project and concluded that the Project is not an action which may affect the quality of the environment pursuant to the provisions of the National Environmental Policy Act of 1969 (NEPA) and under implementing regulations at 24 CFR Parts 50 and 58. Staff recommends that the County Board of Supervisors affirm that the environmental effects of the HOME Loan Agreement will not have a significant effect on the environment.

Staff recommends that the Board of Supervisors approve the attached form of HOME Loan Agreement, including all exhibits, including, but not limited to the forms of the HOME Loan Deed of Trust, HOME Loan Promissory Note, HOME Covenant Agreement, and Subordination Agreement. Staff further recommends that the Board of Supervisors authorize the Director of Housing and Workforce Solutions (HWS), or designee, to negotiate and execute subordination agreements, as required conditions to the Senior Lenders' financing, subordinating the HOME Loan Leasehold 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.

Impact on Residents and Businesses

The development of Mulberry Gardens Family Apartments in the City of Riverside 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 HOME funds from the U.S. Department of Housing and Urban Development.

Attachments:

- Form of Loan Agreement for the Use of HOME funds, including all exhibits
    - Form of HOME Leasehold Deed of Trust and Promissory Note
    - Form of HOME Covenant Agreement
- Form of Subordination Agreement between County of Riverside and. U.S. Bank Trust Company, National Association (Freddie Mac, N.A.) and with Wells Fargo Bank, N.A.

Stacey Pena

Stacey Pena, EO Management Analyst 9/3/2025

Aaron Gettis

Aaron Gettis, Chief of Deputy County Counsel 8/28/2025

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103
Order No.
Escrow No.
Loan No.
RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:
County of Riverside
Housing & Workforce Solutions
3403 Tenth St, Suite 300
Riverside, CA 92501
Attn: Nicole Sanchez

SPACE ABOVE THIS LINE FOR RECORDERS USE

LOAN AGREEMENT FOR THE USE OF HOME PROGRAM FUNDS

This LOAN AGREEMENT FOR THE USE OF HOME PROGRAM FUNDS ("Agreement") is made and entered into this _____day of _____, 2025 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY") and Mulberry Gardens Family, L.P., a California limited partnership ("BORROWER"). The COUNTY and BORROWER may be individually referred to herein as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the COUNTY was qualified by the United States Department of Housing and Urban Development ("HUD") as an "Urban County" and an approved participating jurisdiction that has received funds from HUD pursuant to the HOME Investment Partnerships ("HOME") Program, which was enacted under Title II of the Cranston-Gonzalez National Affordable Housing Act (the "Act"), as amended (commencing at 42 U.S.C. 12701 et seq.), and the implementing regulations thereto (24 CFR Part 92) (collectively, the "HOME Program"). The purpose of the HOME Program is to expand the supply of decent, safe, sanitary, and affordable housing with primary attention to rental housing, for very low-income and low-income families; to strengthen public-private partnerships to carry out affordable housing programs; and to provide for coordinated assistance to participants in the development of

affordable low-income housing;

WHEREAS, BORROWER has proposed to utilize HOME funds to pay a portion of the costs to develop and construct a multi-family affordable rental housing project consisting of one hundred fifty (150) rental housing units including one (1) residential manager's unit to be rented and occupied by a mix of very low income households and low income households whose income does not exceed fifty percent (50%) and sixty percent (60%) of the area median income for the County of Riverside ("Project"), on approximately 2.81 acres of vacant land situated on 2560 Mulberry Street, in the City of Riverside, also identified as a portion of APN 209-130-003 as more specifically described in the legal description and depicted on the site map attached hereto as **Exhibit A** and incorporated herein by this reference ("Property");

WHEREAS, a total of thirty seven (37) units will be reserved as HOME assisted units to be rented to and occupied by qualified very low income tenants whose incomes do not exceed 30% of the area median income for the County of Riverside as determined ("HOME-Assisted Units");

WHEREAS, the purpose of this Agreement is, among other things, for COUNTY to provide financial assistance to BORROWER in the maximum amount of Two Million Dollars ($2,000,000) consisting of HOME funds, to pay a portion of development and construction costs related to the Project, as more fully described herein; and

WHEREAS, the HOME-assisted activities described herein comply with the objectives required under 24 Code of Federal Regulations ("CFR") Part 92 and are consistent with the County's Consolidated Plan.

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

1. PURPOSE. The aforementioned Recitals are true and correct and incorporated herein by this reference. COUNTY has agreed to lend no more than a maximum total amount of TWO MILLION DOLLARS ($2,000,000) in HOME funds ("HOME Loan") to

BORROWER for costs to develop upon the satisfaction of the terms and conditions set forth herein, including but not limited to the conditions precedent to distribution of HOME Loan funds set forth in **Section 12** below. Subject to **Sections 49** and **50 below**, BORROWER shall undertake and complete the HOME activities required herein and as set forth in **Exhibit A**, and shall utilize the HOME Loan funds, as required herein and pursuant to the HOME Program regulations. A total of 37 units shall be reserved as HOME-Assisted Units. The HOME-Assisted Units shall be a "floating" designation on the Property such that the requirements of this Agreement will be satisfied so long as the total number of HOME-Assisted Units and bedroom size remains the same throughout the Affordability Period. During the Affordability Period (as defined in **Section 15** below), the HOME-Assisted Units shall be rented to and occupied by households that qualify as very low income households pursuant to 24 CFR Section 92.2 ("Qualified Very Low Income Households") for an affordable rent pursuant to 24 CFR Section 92.252, **Sections 19** and **20** below, **Exhibit A**, and the Covenant Agreement attached hereto as **Exhibit G** and incorporated herein by this reference. To remain a Qualified Very Low Income Household, such household shall occupy their respective unit within the Project as their principal residence.

2. BORROWER'S OBLIGATIONS. Upon the commencement of the Effective Date (defined in **Section 56** below), BORROWER hereby agrees to undertake and complete the following activities within the time periods set forth herein and in **Exhibit A**:

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

b. Develop the Project in accordance with the timeline set forth in Exhibit A.

c. Operate the Project in such a manner so that it will remain affordable to Qualified Very Low Income Households for the Affordability Period as defined in **Section 15** below without regard to (i) the term of the promissory note or (ii) transfer of ownership.

d. Maintain the Project in compliance with applicable local, state, federal

laws, codes and regulations as further described in **Section 18** below until the expiration of the Term of this Agreement set forth in **Section 7** below and the Affordability Period set forth in **Section 15** below.

e. Provide the COUNTY the Data Universal Number as assigned by the Data Universal Number System (DUNS) assigned to BORROWER as required by the Federal Funding Accountability and Transparency Act of 2006.

f. Cooperate with COUNTY and post all jobs created, if any, as a result of this Project with the COUNTY. Evidence of posted jobs, if any, shall be submitted to the COUNTY prior to start of construction.

3. Reserved.

4. HOME Loan. Subject to BORROWER's satisfaction of the conditions precedent to disbursement of the HOME Loan set forth in **Section 12** below, COUNTY shall provide financing to Borrower in the form of a loan in the amount of $2,000,000, pursuant to the following terms and conditions:

a. Term of HOME Loan. The maturity date of the HOME Loan shall be the later to occur of (i) September 1, 2082 or (ii) fifty-five (55) years from the recordation of the notice of completion ("Notice of Completion") in the Official Records for the last building for which construction is completed for the Project (the "HOME 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 HOME Loan shall not exceed $2,000,000, and shall be evidenced by a Promissory Note, substantially conforming in form and substance to the Promissory Note attached hereto as **Exhibit C** and incorporated herein by this reference ("HOME Note"), which note shall be secured by a Leasehold Deed of Trust, Security Agreement and Fixture

Filing (with Assignment of Rents), substantially conforming in form and substance to the Leasehold Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) attached hereto as **Exhibit B** and incorporated herein by this reference ("HOME Deed of Trust").

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

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

1. That the HOME 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 HOME Note, and shall be repaid on an annual basis from the Project's Residual Receipts (defined in **Section 4 (d)(4)** below). Interest will begin to accrue 30 days from the recordation of the Notice of Completion in the Official Records.

2. The HOME Note shall be repaid by BORROWER to COUNTY as follows:

i) Fifty percent (50%) of the Project's Residual Receipts shall be used towards the payment of the Residual Receipts Loans (as defined in the HOME Note) on a pro rata basis (i.e. allocated to each lender in proportion to such lender's share of the total amount of Residual Receipts Loans currently outstanding for BORROWER) until the HOME Note is repaid in full.

ii) The remaining fifty percent (50%) of the Project's Residual Receipts will be paid to BORROWER.

4. The Project's Residual Receipts shall be determined based on an

annual review of certified financial statements for the Project. Annual audited financial statements shall be submitted by BORROWER to COUNTY within one hundred fifty (150) days following the close of the project fiscal year commencing on May 1st of the first full calendar year following the recordation of the Notice of Completion. All outstanding principal along with accrued interest shall be due upon the maturity date of the HOME Note and the expiration of the HOME Loan Term as set forth in **Section 4(a)**. The first payment from BORROWER to COUNTY shall be due on July 1st in the first full calendar year following the date of the recordation of the Notice of Completion, to the extent of available Project Residual Receipts, as set forth herein. Subsequent payments shall be made on July 1st thereafter to the extent of available Project Residual Receipts until the earlier of full repayment of the HOME Loan or the HOME Loan maturity date as set forth above. The term "Project Residual Receipts" used herein shall mean the gross rental income from all residential and non-residential components of the Project, proceeds from loss of rent insurance, and any other income to the Developer derived from the ownership, operation and management of the Property, not including interest on required reserve accounts, proceeds of loans or capital contributions, and insurance proceeds used for repair or reconstruction of the Project or used to repay senior loans, less operating expenses consistent with the definition of such expenses in the BORROWER'S Amended and Restated Limited Partnership Agreement ("Partnership Agreement") approved by the COUNTY, and the following:

i) auditing and accounting fees;

ii) a reasonable property management fee not to exceed $88 per unit per month, increased annually by 3% per year;

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) replacement reserves, established in a separate account from operating reserves, limited to $500 per unit per year for all units in the Project, as defined in **Exhibit A**;

v) Operating Reserves replenishment;

vi) deferred developer's fee in an approximate amount up to $6,000,000.

including payment of accrued interest thereon;

vii) a managing general partner asset management annual fee which shall be in the total initial amount of $33,818, increased by no more than 3% annually, payable on a cumulative basis if not paid in prior years;

viii) an annual limited partner asset management fee not to exceed $8,500, which fee shall be increased annually by 3% during each year of the tax credit compliance period for the Project, and thereafter any further increases shall not be permitted without the written approval of the County's Executive Director in his/her discretion);

ix) payments of principal and interest on amortized loans and indebtedness senior to the HOME Loan, which have been

approved by COUNTY (collectively, the "Senior Debt");

(x) COUNTY's Annual Monitoring Fee in the total annual amount of $11,500, increased by an amount equal to the increase in CPI for the Los Angeles-Riverside-Orange County, CA area;

(11) To pay credit adjusters due to the BORROWER's limited partner and to repay loans made by such limited partner to the BORROWER; and

(12) To repay operating deficit loans and development completion loans made by BORROWER's general partner to BORROWER.

5. SECURITY. During the construction phase the HOME Deed of Trust shall be in eighth priority lien position and this Agreement shall be in a ninth priority lien position.

1. Regulatory Agreement and Declaration of Restrictive Covenants executed by Borrower, U.S. Bank Trust Company, National Association ("Fiscal Agent") and the California Municipal Finance Authority ("Governmental Lender");
2. Declaration of Restrictive Covenants for the Development and Operation of Affordable Housing by and among Borrower, the State of California, acting by and through the Director of the Department of General Services, with the consent of the Department of Forestry and Fire Protection and the Department of Housing and Community Development and the California Department of Housing and Community Development ("HCD");
3. Covenant Agreement by and between Borrower and the County of Riverside ("County");
4. Regulatory Agreement (HOME) by and between Borrower and the City of Riverside ("City");
5. Prohousing Incentive Pilot (PIP) Program Regulatory Agreement by and between Borrower and the City;
6. Construction Leasehold Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing by Borrower for the benefit of Governmental Lender;

7. Assignment of Deed of Trust and Loan Documents by Governmental Lender for the benefit of Fiscal Agent;

8. HOME Leasehold Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing by the Borrower and for the benefit of the County;

9. HOME Loan Agreement between borrower and the County;

10. HOME Investment Partnerships (HOME) Leasehold Deed of Trust, Fixture Filing and Assignment of Rents by Borrower for the benefit of City;

11. Prohousing Incentive Pilot (PIP) Program Leasehold Deed of Trust, Fixture Filing, and Assignment of Rents by Borrower for the benefit of City;

12. Affordable Housing Program Deed of Trust by Borrower for the benefit of [Wells Fargo Bank, National Bank West];

13. Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (2560 Mulberry Street, Riverside, California) by Borrower for the benefit of Eden Housing, Inc.;

14. Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (LGMG Funds) by Borrower for the benefit of Eden Housing, Inc.;

15. Leasehold Deed of Trust with Assignment of Rents by Borrower for the benefit of Eden Housing, Inc.

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

6. PRIOR COUNTY APPROVAL.

a. Except as otherwise expressly provided in this Agreement, approvals required of the COUNTY shall be deemed granted by the written approval of the Director for the HWS or designee ("Director"). Notwithstanding the foregoing, the Director may,

in their 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.

b. 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) September 1, 2082 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 or rehabilitation 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 California limited partnership in good standing under the laws of the State of California. The copies of the documents evidencing the organization of BORROWER, which have been delivered to COUNTY, are true and complete copies of the originals, amended to the date of this Agreement. BORROWER has full right, power and lawful authority to enter into this Agreement and accept the loan of HOME Loan funds and undertake all obligations as provided herein. The execution, performance and delivery of this Agreement by BORROWER have been fully authorized by all requisite actions on the part of BORROWER.

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

9. COMPLETION SCHEDULE. BORROWER shall proceed consistent with the implementation schedule ("Implementation Schedule") set forth in **Exhibit A**, (as such schedule may be amended pursuant to **Section 11**) and subject to Force Majeure Delays, as defined in **Section 10**.

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

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

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

11. EXTENSION OF TIME. COUNTY may grant an extension to the Implementation Schedule set forth in **Exhibit A** for the purpose of completing BORROWER's activities which cannot be completed as outlined in **Exhibit A**. BORROWER shall request said extension in writing, stating the reasons therefore, which extension must be first approved in writing by the COUNTY in its reasonable discretion. The Director or designee, on behalf of the COUNTY and without referring such matter to the County's Board of Supervisor's may extend all pending deadlines in the Implementation Schedule on two (2) or fewer occasions, so long as the aggregate duration of such administrative time extensions is no greater than One Hundred and Eighty (180) days. Every term, condition, covenant, and requirement of this Agreement shall continue in full force and effect during the period of any such extension.

12. CONDITIONS PRECEDENT TO DISTRIBUTION OF HOME LOAN FUNDS. COUNTY, shall: (1) make payments of the HOME Loan funds to BORROWER as designated in **Exhibit A** subject to Borrower's satisfaction of the conditions precedent set forth

below, and (2) monitor the Project to ensure compliance with applicable federal regulations and the terms of this Agreement. COUNTY shall not disburse any HOME Loan funds pursuant to this Agreement until the following conditions precedent have been satisfied:

a. BORROWER executes this Agreement and delivers to COUNTY for recordation in the Official Records;

b. Borrower submits written evidence to COUNTY that Borrower has obtained sufficient financing commitments necessary to undertake the acquisition, construction and rehabilitation of the project as required herein;

c. BORROWER provides COUNTY with the Data Universal Number as assigned by the Date Universal Number System assigned to Borrower as required by the Federal Accountability and Transparency Act of 2006;

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

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

f. BORROWER executes the HOME Note, substantially conforming in form and substance to the Promissory Note attached hereto as **Exhibit C** and delivers to COUNTY;

g. BORROWER executes the Covenant Agreement, substantially conforming in form and substance to the Covenant Agreement attached hereto as **Exhibit G** and

incorporated herein by this reference, in recordable form, and delivers to the County of Riverside for recordation in the Official Records;

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

i. BORROWER provides, at its expense, an ALTA lender's policy in favor of COUNTY, insuring the HOME Deed of Trust as an eighth priority lien against the Property junior only to the Senior Loans identified in **Section 5** (collectively, the "Senior Loans");

j. BORROWER provides satisfactory evidence that it has all the financing documents required to cause the proceeds of the Senior Loans, when combined with the HOME Loan, to pay for all development and construction costs for the Project;

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

l. BORROWER submits evidence that all jobs created, if any, as a result of this project shall be posted with the COUNTY;

m. BORROWER provides satisfactory evidence that it has secured any and all land use entitlements, permits, approvals which may be required for construction of the Project pursuant to the applicable rules and regulations of COUNTY, or any other governmental agency affected by such construction work. BORROWER shall, without limitation, secure all entitlement, change of zone, lot line adjustment, any and all

necessary studies required including but not limited to archaeological, cultural, environmental, traffic studies and lead-based paint surveys, as applicable, and required, and pay all costs, charges and fees associated therewith, all conditions precedent to the issuance of all permits necessary for the construction of the Project and all such permits are available for issuance, subject only to the payment of fees;

n. BORROWER provides duly executed documents and instruments evidencing that BORROWER owns a leasehold interest in the Property;

o. BORROWER provides satisfactory evidence that it has satisfied all conditions precedent to the issuance of all permits necessary for the construction of the development and all such permits are available for issuance, subject only to the payment of fees;

p. BORROWER consults and complies with concerned Native American tribes pursuant to Section 106 requirements;

q. If Davis Bacon and/or prevailing wages are required to be paid, BORROWER hires a qualified professional firm to review and monitor Davis Bacon and/or prevailing wage compliance for all submissions of contractors certified payrolls to COUNTY. In the event that the Project requires prevailing wages, BORROWER shall comply with any applicable labor regulations and all other State laws in connection with the construction of the improvements which compromise the Project, including if applicable, requirements relating to prevailing wages. BORROWER agrees and

acknowledges that it is the responsibility of BORROWER to obtain legal determination, at BORROWER's sole cost and expense, as to whether prevailing wages must be paid during the construction of the Project. If the Project is subject to prevailing wages, then BORROWER shall be solely responsible to pay its contractors and subcontractors the required prevailing wage rates. BORROWER agrees to indemnify, defend, and hold COUNTY harmless from and against any and all liability arising out of and related to BORROWER's failure to comply with any and all applicable Davis Bacon and/or prevailing wage requirements;

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

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

Debarment Certification Form, which is attached hereto and by this reference incorporated herein. COUNTY shall retain ten percent (10%) of the total HOME Loan amount and release final draw down of HOME funds until COUNTY receives all of the following:

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 Section 504 of the Rehabilitation Act of 1973, as described in **Section 18(i)**;

5) final Contract and Subcontract Activity report, Minority Business Enterprise/Women Business Enterprise ("MBE/WBE") report, HUD form 2516;

6) submission of documentation that shows compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and 24 CFR Part 42;

7) submission of a Project completion report including Tenant Checklist as shown in **Exhibit F** which is attached hereto and by this reference incorporated herein;

8) Affirmative Fair Housing Marketing Plan - Multifamily Housing, HUD form 935.2A, as described in

Section 18(c);

9) Tenant Selection Policy; and

10) Management Plan;

11) Certified statement of final development costs; and

12) Certified statement of final sources and uses of funds for the project.

13. REALLOCATION OF FUNDS. If Borrower fails to meet (1) the Construction Start Deadline as set forth in **Section 49(a)**, (2) the Completion Deadline as set forth in **Section 49(b)**, or (3) the Lease Deadline as set forth in **Section 20(c)** (subject to the possible extension of Lease Deadline set forth in Section 20), or **(4)** the Project Financing Contingency in **Section 50**, all of which are herein (collectively, the "Performance Deadlines"), subject to the notice and cure periods set forth in **Section 32** herein, then the HOME Loan funds allocated, reserved, or placed in a HOME Investment Trust Fund account pursuant to this Agreement may be reallocated by COUNTY after at least thirty (30) days' prior written notice is given to BORROWER. Upon such reallocation and repayment of funds, this Agreement shall be terminated and be of no further force and effect and Borrower shall be released and discharged from any obligations under this Agreement, except as to those obligations which by their terms survive termination of this Agreement.

14. DISTRIBUTION OF FUNDS. The HOME Investment Trust Fund account established in the United States Treasury is managed through HUD, Integrated Disbursement and Information System (IDIS) for the HOME Investment Partnerships Program. The IDIS System is a computerized system which manages, disburses, collects, and reports information on the use of HOME funds in the United States Treasury Account. Disbursement of HOME funds shall occur upon the satisfactory receipt of copies of invoices and conditional (upon receipt of payment) lien releases for construction costs to be paid with the proceeds of the HOME Loan. Any disbursement of funds is expressly conditioned upon the satisfaction of conditions set forth in **Section 12**. COUNTY shall pay to BORROWER the sum specified in **Section 1** above on a "cost-as-incurred"

basis for construction hard costs, site work, structures, architecture design and survey & engineering costs under itemized schedule shown in **Exhibit A** as follows:

a. Up to ninety percent (90%) of the HOME Loan at the commencement of construction.

b. COUNTY shall release final draw down of ten percent (10%) of the HOME Loan following receipt of all of the items listed in **Section 12**.

15. TERMS OF AFFORDABILITY. The COUNTY HOME-Assisted Units shall remain occupied and rented to Qualified Very Low Income Households for an affordable rent pursuant to **Sections 19** and **20** below, **Exhibit A** and the Covenant Agreement attached hereto as **Exhibit G** until the later of (i) 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) September 1, 2082 ("Affordability Period"), subject to the provision of **Section 39** hereof.

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

a. Builder's All Risk (Course of Construction) Insurance. BORROWER shall cause General Contractor to provide a policy of Builder's All Risk (Course of Construction) insurance coverage including (if the work is located in an earthquake or flood zone or if required on financed or bond financing arrangements) coverage for earthquake and flood, covering the COUNTY, BORROWER General Contractor and every subcontractor, of every tier, for the entire Project, including property to be used in the construction of the work

while such property is at off-site storage locations or while in transit or temporary off-site storage. Such policy shall include, but not be limited to, coverage for fire, collapse, faulty workmanship, debris removal, expediting expense, fire department service charges, valuable papers and records, trees, grass, shrubbery and plants. If scaffolding, false work and temporary buildings are insured separately by the General Contractor or others, evidence of such separate coverage shall be provided to County prior to the start of the work. Such policy shall be written on a completed value form. Such policy shall also provide coverage for temporary structures (on-site offices, etc.), fixtures, machinery and equipment being installed as part of the work. BORROWER shall require that General Contractor shall be responsible for any and all deductibles under such policy. Upon request by COUNTY, BORROWER, on behalf of General Contractor, shall declare all terms, conditions, coverages and limits of such policy. If the County so provides, in its sole discretion, the All Risk (Course of Construction) insurance for the Project, then BORROWER shall cause General Contractor to 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 Insurance.

If BORROWER has employees as defined by the State of California, BORROWER shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the

laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. If applicable, the policy shall be endorsed to waive subrogation in favor of The County of Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

c. Commercial General Liability Insurance.

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

d. Vehicle Liability Insurance.

If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then BORROWER shall maintain liability insurance for all owned, non-owned or

hired vehicles so used in an amount not less than $1,000,000 per occurrence combined single limit. If applicable, and if such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside, its Agencies, Boards, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured or provide similar evidence of coverage approved by COUNTY's Risk Manager.

e. General Insurance Provisions – All Lines.

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

2) BORROWER's, or Borrower on behalf of General Contractor's, insurance carrier(s) must declare its insurance self-insured retentions. If such self-insured retentions exceed $500,000 per occurrence such retentions shall have the prior written consent of COUNTY Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured

retention unacceptable to COUNTY, and at the election of COUNTY's Risk Manager, BORROWER's or General Contractor's, as applicable, carriers shall either: (a) reduce or eliminate such self-insured retention as respects this Agreement with COUNTY, or (b) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

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

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

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

5) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or, the term of this Agreement, including any

extensions thereof, exceeds five (5) years COUNTY reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in COUNTY Risk Manager's reasonable judgment, the amount or type of insurance carried by BORROWER has become inadequate.

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

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

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

17. FINANCIAL AND PROJECT RECORDS. BORROWER shall maintain financial, programmatic, statistical, and other supporting records of its operations and financial activities in accordance with the requirements of the HOME Program, and the regulations as amended and promulgated thereunder, which records shall be open to inspection and audit by authorized representatives of COUNTY, HUD, and the Comptroller General of the United States during regular working hours. COUNTY, HUD, and the Comptroller General, 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 HOME 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 that records of individual tenant income verifications, project rents, and project inspections must be retained for the most recent five (5) year period, until five (5) years after the 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. 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. In particular, BORROWER shall comply with the following as they may be applicable to BORROWER in connection with the loan of funds granted pursuant to the HOME Program:

a. HOME Program and its implementing regulations set forth in pursuant to Title III of Division B of the Housing and Economic Recovery Act of 2008, as amended, Public Law 110-289 ("Act") and Federal Register Notice, Vol. 73, No. 194, Docket No. FR– 5255–N–01, dated October 6, 2008, as amended. Since HOME is a component of the Community Development Block Grant (CDBG) Program, the CDBG regulatory structure is the platform used to implement HOME. The regulations created by the Office of the Assistant Secretary of Community Planning and Development that pertain to Community Development programs are contained within 24 CFR part 570 - Community Development Block Grants. HOME is governed by CDBG regulations except where specifically waived.

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

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

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

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

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

groups, or housing counseling agencies).

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

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

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

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

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

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

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

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

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

d. Section 92.352 Environmental review. The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58.

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

f. Section 92.354 Lead-based paint. Housing assisted with HOME funds is subject to the lead-based paint requirements of 24 CFR Part 35 issued pursuant to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, et seq.). The lead-based paint provisions of 24 CFR 982.401 (j), except 24 CFR 982.401 (j)(1)(i), also apply, irrespective of the applicable property standard under §92.251.

g. Section 92.354 Labor. Every contract for the construction of housing that includes twelve (12) or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis- Bacon Act (40 U.S.C. 276a-276a-5), to all laborers and

mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332). BORROWER must apply most current wage rate determination at the date of execution of this Agreement.

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

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

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

percent (2%) of the units (but not less than one unit) must be accessible to individuals with sensory impairments.

(2) 24 CFR Part 8.23 Alterations of existing housing facilities. If alterations are undertaken to a project that has 15 or more units and the cost of the alterations is 75 percent or more of the replacement cost of the completed facility, then the provisions of §8.22 shall apply. Alterations to dwelling units in a multifamily housing project shall, to the maximum extent feasible, be made to be readily accessible to and usable by individuals with handicaps. If alterations of single elements or spaces of a dwelling unit, when considered together, amount to an alteration of a dwelling unit, the entire dwelling unit shall be made accessible. Once 5 percent (5%) of the dwelling units in a project are readily accessible to and usable by individuals with mobility impairments, then no additional elements of dwelling units, or entire dwelling units, are required to be accessible under this paragraph. Alterations to common areas or parts of facilities that affect accessibility of existing housing facilities shall, to the maximum extent

feasible, be made to be accessible to and usable by individuals with handicaps. For purposes of this paragraph, the phrase to the maximum extent feasible shall not be interpreted as requiring that a recipient make a dwelling unit, common area, facility or element thereof accessible if doing so would impose undue financial and administrative burdens on the operation of the multifamily housing project.

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

k. Section 3 of the Housing and Urban Development Act of 1968. To the greatest extent feasible, opportunities for training and employment arising from HOME funds will be provided to low-income persons residing in the program service area. To the greatest extent feasible, contracts for work to be performed in connection with HOME funds will be awarded to business concerns that are located in or owned by persons residing in the program service area as outlined in the Riverside County HWS Section 3 Contract Requirements attached hereto as Exhibit D. Contracts funded from Section 3 covered funding sources must abide by the Section 3 Clause prescribed at 24 CFR 135.38. All contracts subject to the requirements of Section 3 must include the Section 3 Clause verbatim that is contained at 24 CFR 135.38 attached hereto as Exhibit D-2, which is attached hereto and by this reference incorporated

herein.

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

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

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

    1. BORROWER does not assume COUNTY'S environmental responsibilities described at 24 CFR Part 92.352; and

    2. BORROWER does not assume COUNTY's responsibility for initiating the review process under the provisions of 24 CFR Part 92.352.

o. Uniform Administrative Requirements of 24 CFR 92.505 and

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

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

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

r. Buy America, Buy America Act (BABAA) If and to the extent applicable to the Project, Contractors and their subcontractors who apply or bid for an award for an infrastructure project subject to the domestic preference requirement in the Build America, Buy America Act (BABAA) shall file the required certification to the non-federal entity with each bid or offer for an infrastructure

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

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

19. INCOME TARGETING REQUIREMENTS. BORROWER shall set aside thirty seven (37) units to be designated as HOME-Assisted Units which shall be occupied and rented to households whose incomes do not exceed thirty percent (30%) of the area median income for the County of Riverside ("Qualified Very Low Income Households"), adjusted by family size at the time of occupancy as published by HUD.

20. RENT LIMITATIONS. BORROWER shall comply with the rent limitations set forth under 24 CFR 92.252 of the HOME Investment Partnerships Act and HOME Investment Partnerships ("HOME") program, which was enacted under Title II of the Cranston-Gonzalez National Affordable Housing Act (the "Act"), as amended (commencing at 42 U.S.C. 12701 et seq.), and the implementing regulations thereto (24 CFR Part 92) (collectively, the

"HOME Program"). A total of 37 units consisting of 17 one-bedrooms, 10 two-bedrooms and 10 three-bedrooms, shall be reserved as HOME-Assisted Units and rented at Low HOME rent levels as published by HUD. The HOME-Assisted Units shall be a "floating" designation on the Property such that the requirements of this Agreement will be satisfied so long as the total number of HOME-Assisted Units and bedroom size remains the same throughout the Affordability Period. COUNTY shall review and approve proposed rents to the extent required under this section. BORROWER shall ensure the HOME-Assisted Units are rented to Qualified Very Low Income Households at the Low HOME rent levels required herein. The maximum monthly allowances for utilities and services (excluding telephone) shall not exceed the utility allowance as described below.

a. Utility Allowance: The Utility Allowance will be calculated in accordance with 24 CFR part 92.252(d), HOME fires UA Notice Volume 13, Number 2. BORROWER is required to complete initial UA calculations and submit their calculations for review and approval to the HWS prior to implementation, and annually by June 1st. The following methods below are acceptable methodologies for calculating Utility Allowance on this Project: (1) HUD Utility Schedule Model (HUSM) UA based on HUD's model; (2) Utility Company Estimate UA based on estimated obtained from a local utility company for each of the utilities used in the project.; (3) LIHTC Agency Estimate UA approved by the LIHTC agency based on its actual usage methodology.; (4) Energy Consumption Model (Engineer Model) UA based upon on an energy and water and sewage consumption and analysis model prepared by a third party licensed engineer or t qualified professional.

b. Tenant Selection: Pursuant to 24 CFR part 92.253(d) and

subject to 24 CFR Section 92.350, BORROWER shall adopt, with the approval of COUNTY, written tenant selection policies and criteria with respect to the HOME-Assisted Units.

c. Initial Occupancy of Vacant Units: All thirty seven (37) HOME-Assisted Units consisting of 17 one-bedrooms, 10 two-bedrooms and10 three-bedrooms shall be occupied by and rented to Qualified Very Low Income Households for an affordable rent within six (6) months from the recordation of the Notice of Completion in the Official Records ("Lease Date") for the last building constructed as part of the Project. If a COUNTY HOME-Assisted Unit remains unoccupied or not leased to an eligible tenant, BORROWER must provide to COUNTY information about current marketing efforts and an enhanced plan for marketing the unit so that it is leased promptly.

Within twelve (12) months from the Lease Date (i.e., eighteen (18) months from the recordation of the Notice of Completion) (the "Lease Deadline"), if a HOME-Assisted Unit remains unoccupied or not intitially leased to an eligible tenant, then BORROWER agrees to repay HOME funds for any HOME-Assisted Unit that is not rented to eligible tenants. BORROWER may request an extension of the Lease Deadline, as stated in Implementation Schedule set forth in this Agreement from COUNTY if BORROWER can provide to COUNTY evidence showing efforts of aggressive marketing efforts and proof that the circumstances that led to the failure to lease the HOME-Assisted Unit(s) by the Lease Deadline were beyond the BORROWER's control. The extension and time of extension is subject to COUNTY's approval and not guaranteed. The Director, or designee, has the authority, at his or her discretion, to consent to an extension of the Lease Deadline.

The amount of HOME funds to be repaid is based on the HOME Loan, defined in

Section 1, prorated by the number of COUNTY HOME-Assisted Units that are or are not rented to eligible tenants. If all COUNTY HOME-Assisted Units are not initially rented to eligible tenants within the time period set forth above, then COUNTY and BORROWER mutually agree that this Agreement will self-terminate and any HOME Loan funds drawn shall be returned to COUNTY within thirty (30) calendar days. Upon such termination and repayment of HOME Loan funds, this Agreement shall become null and void. COUNTY and BORROWER shall be released and discharged respectively from their obligations under this Agreement. All cost incurred by each party on the Project will be assumed respectively.

d. HOME Rent Limitations: Effective April 1, 2020, HUD published HOME Rent Limits for the County of Riverside. In order to calculate net rent to be charged, an applicable utility allowance must be subtracted from the gross rents listed. The BORROWER shall use the Utility Allowance described in **Section 20(a)**.

e. Approval: The BORROWER shall submit to the HWS for review and written approval, all proposed rents for the HOME-Assisted Units prior to lease-up. Low HOME rent limitations for COUNTY HOME-Assisted units shall be as set forth under 24 CFR 92.252 and such units shall be rented and occupied by income qualified applicants at the HOME rent levels for the County of Riverside, which are published periodically by HUD. If during the re-certification process a household income falls between 51% and 60% Area Median Income then the High HOME rent limit shall apply. If during the recertification process a household income falls above 80% of the Area Median Income then such household shall pay, subject to the restrictions under Section 42 of the Internal

Revenue Code of 1986, as amended, the lesser of 30% of the adjusted income or Market rent.

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

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

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

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

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

out of the unit. BORROWER may dispose of this personal property in accordance with State law.

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

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

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

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

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

(8) Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the

tenant to pay attorneys' fees or other legal costs even if the tenant wins in a court proceeding by BORROWER against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

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

c. Violence Against Women Reauthorization Act of 2013. (Pub. L. 113–4, 127 Stat. 54) ("VAWA 2013"). VAWA 2013 reauthorizes and amends the Violence Against Women Act of 1994, as previously amended, (title IV, sec. 40001–40703 of Pub. L. 103–322, 42 U.S.C. 13925 et seq.) VAWA 2013, among other things, bars eviction and termination due to a tenant's status as a victim of domestic violence, dating violence, or stalking, and requires landlords to maintain survivor-tenant confidentiality. VAWA 2013 prohibits a tenant who is a survivor of domestic violence, dating violence, sexual assault, and stalking from being denied assistance, tenancy, or occupancy rights based solely on criminal activity related to an act of violence committed against them. It extends housing protections to survivors of sexual assault, and adds "intimate partner" to the list of eligible relationships in the domestic violence definition. Protections also now cover an "affiliated individual," which includes any lawful occupant living in the survivor's household, or related to the survivor by

blood or marriage including the survivor's spouse, parent, brother, sister, child, or any person to whom the survivor stands in loco parentis. VAWA 2013 allows a lease bifurcation so a tenant or lawful occupant who engages in criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or other individual, or others may be evicted or removed without evicting or removing or otherwise penalizing a victim who is a tenant or lawful occupant. If victim cannot establish eligibility, BORROWER must give a reasonable amount of time to find new housing or establish eligibility under another covered housing program. A Notice of Rights under VAWA 2013 for tenants must be provided at the time a person applies for housing, when a person is admitted as a tenant of a housing unit, and when a tenant is threatened with eviction or termination of housing benefits. Tenants must request an emergency transfer and reasonably believe that they are threatened with imminent harm from further violence if the tenant remains in the same unit. The provisions of VAWA 2013 that are applicable to HUD programs are found in title VI of VAWA 2013, which is entitled "Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking." Section 601 of VAWA 2013 amends subtitle N of VAWA (42 U.S.C. 14043e et seq.) to add a new chapter entitled "Housing Rights."

22. FEDERAL REQUIREMENTS. BORROWER shall comply with the provisions of the HOME Program and any amendments thereto and all applicable federal

regulations and guidelines now or hereafter enacted pursuant to the Act.

23. SALE, ASSIGNMENT OR OTHER TRANSFER OF THE PROJECT. BORROWER hereby covenants and agrees not to sell, assign, transfer or otherwise dispose of the Project or any portion thereof, without obtaining the prior written consent of the COUNTY, which consent shall be conditioned upon receipt by the COUNTY of reasonable evidence satisfactory to the COUNTY in its sole discretion, that transferee has assumed in writing and in full, and is reasonably capable of performing and complying with the BORROWER's duties and obligations under this Agreement, provided, however Borrower shall released of all obligations hereunder which accrue from and after the date of such sale. Notwithstanding anything to the contrary contained herein, upon written notice to COUNTY, BORROWER may, without COUNTY consent:

(i) admit limited partners to BORROWER, and provide for the purchase of any such limited partnership interest or interests by BORROWER's general partner or affiliate;

(ii) remove for cause any General Partner by a limited partner of the Borrower, and the replacement thereof, pursuant to the Partnership Agreement, provided County receives 5 business days advance written notice of such removal. Without limiting Borrower's obligation to provide advance notice of such removal for cause of any General Partner by a limited partner and the replacement thereof set forth in the immediately preceding sentence, amendments to the Partnership Agreement required to effectuate the Permitted Transfer set forth in clause (ii) shall not require the consent of the County; provided, however, Borrower shall provide County with an executed copy of such amended agreement within 10 business days of execution thereof;

(iii) lease for occupancy of all or any of the HOME-Assisted Units;

(iv) grant easements or permits to facilitate the development of the Property in accordance with this Agreement; and

(v) withdraw and/or replace of any limited partner or any interests in any limited partner of BORROWER, (collectively a "Permitted Transfer"). All Permitted Transfers shall be subject to reasonable review of documentation by the COUNTY. The parties hereto

acknowledge that "affiliate" for purposes of this section means, as to any Person (as defined below), any general partnership, limited partnership, corporation, joint venture, trust, business trust, cooperative, association, limited liability company or individual (collectively, a "Person") that (A) directly or indirectly controls or is controlled by (such as any partnership or limited liability company in which the Person, directly or indirectly, serves as a general partner or managing member, respectively) or is under common control with the specified Person; (B) is an officer or director of, commissioner of, partner in, member of or trustee of, or serves in a similar capacity with respect to, the specified Person or of which the Specified Person is an officer, director, member, partner or trustee, or with respect to which the specified Person serves in a similar capacity; or (C) is the beneficial owner, directly or indirectly, of 10% or more of any class of equity securities of the specified Person or of which the specified Person is directly or indirectly the owner of 10% or more of any class of equity securities. The term "control" (including the term "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

Notwithstanding the foregoing, the BORROWER shall be permitted to refinance the senior priority loan (for same amount) plus the costs of such refinancing on terms reasonably satisfactory to the COUNTY (the "Refinanced Loan"), and the COUNTY agrees that the HOME Deed of Trust and other documents evidencing and/or securing the COUNTY's HOME Loan shall remain subordinate to any such Refinanced Loan. BORROWER acknowledges and agrees that the Covenant Agreement shall remain a senior lien priority to maintain the affordability restrictions for Qualified Populations through the Affordability Period.

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

25. NONDISCRIMINATION. Borrower shall abide by 24 CFR 570.602

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

BORROWER herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that this Covenant is made and accepted upon and subject to the following conditions: There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall the transferee itself or any person claiming under or through him or

her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the Property.

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

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

b) In leases: "The lessee herein covenants by and for himself or

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

c) In contracts: "There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of

discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land."

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

26. PROHIBITION AGAINST CONFLICTS OF INTEREST:

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

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

c. Prior to any funding under this Agreement, BORROWER shall provide COUNTY with a list of all employees, agents,

consultants, officers and elected and appointed officials who are in a position to participate in a decision-making process, exercise any functions or responsibilities, or gain inside information with respect to the HOME activities funded under this Agreement. BORROWER shall also promptly disclose to COUNTY any potential conflict, including even the appearance of conflict that may arise with respect to the HOME activities funded under this Agreement.

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

27. RELIGIOUS ACTIVITIES. BORROWER shall adhere to the regulations set forth in 24 CFR Section 92.257 and 24 CFR Section 5.109.

28. PROJECT MONITORING AND EVALUATION.

a. Tenant Checklist. BORROWER shall submit a Tenant Checklist Form to COUNTY, as shown in **Exhibit F** which is attached hereto and by this reference is incorporated herein and may be revised by COUNTY, summarizing the racial/ethnic composition, number and percentage of very low-income and low-income households who are tenants of the COUNTY HOME-Assisted Units. The Tenant Checklist Form shall be submitted upon completion of the construction and thereafter, on a semi-annual basis on or before March 31st and September 30th. BORROWER shall maintain financial, programmatic, statistical and other supporting records of its operations and financial activities in accordance with the requirements of the HOME Program under 24 CFR 92.508,

including the submission of Tenant Checklist Form. Except as otherwise provided for in this Agreement, BORROWER shall maintain and submit records to COUNTY within ten business days of COUNTY's request which clearly documents BORROWER's performance under each requirement of the HOME Program. A list of document submissions and timeline are shown in **Exhibit A** and such list may be amended from time to time subject to HUD and COUNTY reporting requirements.

b. Inspections. Pursuant to 24 CFR 92.504(d)(ii), during the Affordability Period, COUNTY must perform on-site inspections of COUNTY HOME-assisted rental housing to determine compliance with the property standards of §92.251 and to verify the information submitted by the owners in accordance with the requirements of §92.252. The inspections must be in accordance with the inspection procedures that the participating jurisdiction establishes to meet the inspection requirements of §92.251. The on-site inspections must occur within 12 months after Notice of Completion and at least once every 3 years thereafter during the Affordability Period. If there are observed deficiencies for any of the inspectable items in the property standards established by COUNTY, in accordance with the inspection requirements of §92.251, a follow-up on-site inspection to verify that deficiencies are corrected must occur within 12 months. COUNTY may establish a list of non-hazardous deficiencies for which correction can be verified by third party documentation (e.g.,

paid invoice for work order) rather than re-inspection. Health and safety deficiencies must be corrected immediately, in accordance with §92.251. COUNTY must 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 HOME-assisted units in the project are suitable for occupancy, taking into account State and local health, safety, and other applicable codes, ordinances, and requirements, and the ongoing property standards established by the participating jurisdiction to meet the requirements of §92.251. Inspections must be based on a statistically valid sample of units appropriate for the size of the COUNTY HOME-Assisted project, as set forth by HUD through notice. For projects with one-to-four COUNTY HOME-Assisted Units, COUNTY must inspect 100 percent of the COUNTY HOME-Assisted Units and the inspectable items (site, building exterior, building systems, and common areas) for each building housing COUNTY HOME assisted units.

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

29. MONITORING FEE. BORROWER shall be responsible for paying an annual compliance monitoring fee to the COUNTY in the total annual amount of Eleven

Thousand Five Hundred Dollars ($11,500) ("Monitoring Fee"). The first Monitoring Fee payment shall cover the monitoring period of July 1st to June 30th, commencing with the first July 1st following recordation of the Notice of Completion. The Monitoring Fee will be due on 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 Los Angeles-Riverside-Orange County, CA area. In the event of a decrease in the applicable CPI, the Monitoring Fee currently in effect shall remain the same and

30. ACCESS TO PROJECT SITE. COUNTY and HUD shall have the right to access the Project site and the Property at all reasonable times during regular business hours, and upon completion of the Project upon reasonable advance written notice to BORROWER, to review the operation of the Project in accordance with this Agreement.

31. EVENTS OF DEFAULT. The occurrence of any of the following events shall, after the expiration of any applicable notice and cure period, constitute an "Event of Default" under this Agreement:

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

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

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

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

to such agreement; but only following any applicable notice and cure periods with respect to any such obligation;

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

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

g. Bankruptcy, Dissolution and Insolvency. BORROWER's or general partner and co-general partner of BORROWER's (1) filing for bankruptcy, dissolution, or reorganization, or failure to obtain a full dismissal of any such involuntary filing brought by another party before the earlier of final relief or ninety (90) days after such filing; (2) making a general assignment for the benefit of creditors; (3) applying for the appointment of a receiver, trustee, custodian, or liquidator, or failure to obtain a full dismissal of any such involuntary application brought by another party before the earlier of final relief or ninety (90) days after such filing; (4) insolvency; or (5) failure, inability

or admission in writing of its inability to pay its debts as they become due.

32. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. Formal notices, demands and communications between the COUNTY and the BORROWER shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the COUNTY and the BORROWER and BORROWER's limited partner, as designated in Section 54. . Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this **Section 32**. Any notice that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt by the recipient; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of delivery thereof.

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

b. COUNTY shall give written notice of default to BORROWER, specifying the default complained of by COUNTY. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default; provided, however, the time to tender a cure

as required hereunder shall not commence until notice of such default is provided to BORROWER by COUNTY. Except as otherwise expressly provided in this Agreement, 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.

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

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

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

e. Any cure tendered by Borrower's limited partner shall be accepted or rejected on the same basis as if tendered by Borrower.

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

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

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

any violation of said terms and conditions, and/or (3) seeking declaratory relief.

i) Accelerate the HOME Loan, and demand immediate full payment of the principal payment outstanding and all accrued interest under the HOME Note, as well as any other monies advanced to BORROWER by COUNTY under this Agreement.

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

iii) Enter upon, take possession of, and manage the Project, either in person, by agent, or by a receiver appointed by a court, and subject to the rights of any senior lender, 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 HOME Loan or any advances made under this Agreement, as provided for by the HOME Deed of Trust.

iv) Pursue any other remedies allowed at law or in equity.

34. RESERVED.

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

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

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

making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, review, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

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

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

37. HOLD HARMLESS AND INDEMNIFICATION. BORROWER shall indemnify and hold harmless the County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (collectively the "Indemnified Parties") from any liability whatsoever, based or asserted upon any services of BORROWER, its officers, employees, subcontractors, agents or representatives arising out of their performance

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

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

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

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

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

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

38. TERMINATION.

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

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

1. In the event BORROWER fails to materially perform the covenants herein contained at such times and in such manner as provided in this Agreement after the applicable notice and cure provisions 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 reasonable judgment of COUNTY of this Agreement invalid or untenable; or
3. In the event the HOME funding from HUD identified in **Section 1** above is terminated or otherwise becomes unavailable.

c. This Agreement may be terminated or funding suspended in

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

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

39. AFFORDABILITY RESTRICTIONS. COUNTY and BORROWER, on behalf of its successors and assigns, hereby declare their express intent that the restrictions set forth in this Agreement shall continue in full force and effect for the duration of the 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, a Covenant Agreement, substantially conforming in form and substance to the Covenant Agreement attached hereto as **Exhibit G** and incorporated herein by this reference, setting forth the affordability use and income restriction required in this Agreement.

40. MECHANICS LIENS AND STOP NOTICES. If any claim of mechanics lien is filed against the Project or a stop notice affecting the HOME Loan is served on COUNTY,

BORROWER must, within thirty (30) business days of such filing or service, either pay and fully discharge the lien or stop notice, obtain a release of the lien or stop notice by delivering to COUNTY a surety bond in sufficient form and amount, or provide COUNTY with other assurance reasonably satisfactory to COUNTY that the lien or stop notice will be paid or discharged.

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

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

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

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

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

under this Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

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

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

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

49. CONDITIONAL COMMITMENT.

a. Construction. Pursuant to 24 CFR 92.2, under the definition of Commitment, all necessary financing has been secured, a budget and schedule have been established, and underwriting has been completed and under which construction is scheduled to start within the earlier of six (6) months from the Effective

Date of this Agreement, or such date as may be required by TCAC ("Construction Start Deadline"). If BORROWER cannot start construction or provide evidence such as construction permits within four (4) months of the Effective Date, then COUNTY and BORROWER mutually agree that this Agreement will self-terminate and any HOME Loan funds drawn to date shall be returned within thirty (30) calendar days. Upon such termination, this Agreement shall become null and void. COUNTY and BORROWER shall be released and discharged respectively from its obligations under this Agreement, except for those provisions which by their terms survive termination. All cost incurred by each party on the Project will be assumed respectively.

b. Completion. The Project must be completed and a Notice of Completion shall have been recorded in the Official Records no later than four (4) years from the Effective Date of this Agreement (the "Completion Deadline"). BORROWER may request a one year extension of the Completion Deadline from COUNTY ("Extension"), which may be granted in COUNTY's sole and absolute discretion, if the BORROWER can provide proof 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 approval and not guaranteed. The Director, Housing and Workforce Solutions, or designee, has the authority, at his or her discretion, to consent to such Extension. If BORROWER is unable to meet the condition as required by

this **Section 49** including Extension, then COUNTY and BORROWER mutually agree that this Agreement will self terminate and any HOME Loan funds disbursed to BORROWER to date shall be returned to COUNTY within thirty (30) calendar days of such termination. Upon such termination, this Agreement shall become null and void. COUNTY and BORROWER shall be released and discharged respectively from their obligations under this Agreement, except for those provisions which by their terms survive termination. All costs incurred by each party on the Project will be assumed respectively.

c. Tenant Leases. BORROWER shall comply with the tenant selection requirements set forth in **Section 20(b)** and the initial occupancy requirements set forth in **Section 20(c)** of this Agreement.

50. PROJECT FINANCING CONTINGENCY. This Agreement is expressly conditioned upon BORROWER's delivery to COUNTY, on or prior to **September 30, 2025** of (i) written documentation of such binding loan commitments required to fully finance the development and construction of the Project (less the HOME Loan), on terms and conditions acceptable to BORROWER and COUNTY, including, but not limited to any conventional construction and/or permanent financing, including without limitation, a construction and permanent loan from an institutional construction lender. Either COUNTY or BORROWER may elect to terminate this Agreement with ten (10) business 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 cost incurred by each party on the Project will be assumed respectively, and each party shall be released from all liability under this Agreement, except those obligations which by their terms survive termination. For the avoidance of doubt, upon recordation of the Deed of Trust and Regulatory Agreement, this condition shall be deemed approved by the COUNTY.

51. Reserved.

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

53. 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.

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

COUNTY	BORROWER
Director, Housing Workforce Solutions 3403 Tenth St, Suite 300 Riverside, CA 92501	Mulberry Gardens Family, LP 22645 Grand Street Hayward, CA 94541 Attn:

Director for the County's Department of Housing and Workforce Solutions or designee County shall send a copy of all Borrower notices to Borrower's investor limited partner at the address below:

Wells Fargo Bank, National Association
550 S. Tryon Street
23rd Floor, MAC D1086-239
Charlotte, NC 28202-4200
Attention: Director of Asset Management
Bina.M.Galal@wellsfargo.com
Michael.Loose@wellsfargo.com
Tim.mccann@wellsfargo.com

55. 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.

56. 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.

57. 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.

58. 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.

59. CONSTRUCTION AND INTERPRETATION OF AGREEMENT.

a. The language in all parts of this Agreement shall in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any party. The

parties hereto acknowledge and agree that this Agreement has been prepared jointly by the parties and has been the subject of arm's length and careful negotiation over a considerable period of time, that each party has been given the opportunity to independently review this Agreement with legal counsel, and that each party has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement shall not be interpreted or construed against the party preparing it, and instead other rules of interpretation and construction shall be utilized.

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

c. The captions of the articles, sections, and subsections herein

are inserted solely for convenience and under no circumstances are they or any of them to be treated or construed as part of this instrument.

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

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

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

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

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

63. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.

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

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

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

(SIGNATURES ON THE NEXT PAGE)

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

COUNTY:

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

By: FORM COPY - DO NOT SIGN
Heidi Marshall, Director

Date: _____

BORROWER:

MULBERRY GARDENS FAMILY, LP, a California limited partnership

By: Mulberry Garden Family LLC,
a California limited liability company,
its managing general partner

By: Eden Housing, Inc.,
a California nonprofit public benefit corporation,
its sole/member manager

By: FORM COPY - DO NOT SIGN
Aruna Doddapaneni
Senior Vice President of Development

Date: _____

(Above COUNTY and BORROWER Signatures need to be notarized)

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

By: _____

Paula Salcido Deputy County Counsel

< INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT>

EXHIBIT "A"

Borrower: Mulberry Gardens Family, LP
Address: 22645 Grand Street, Hayward, CA 94541
Project Title: Mulberry Gardens Family Apartments
Location: 2560 Mulberry Street, in the City of Riverside, also identified as a portion of APN 209-130-003

Project Description:

Mulberry Gardens Family, LP shall develop a multi-family affordable rental housing project consisting of 150 units to be occupied by very low-income households whose incomes do not exceed sixty percent (60%) of the area median income for the County of Riverside (Project). On site amenities will include a 1,349 square foot community room. The community room will be equipped with a kitchen to accommodate events. The Project will be located on a 2.81-acre parcel of vacant land located at 2560 Mulberry Street, in the City of Riverside, identified as a portion of Assessor's Parcel Number 209-130-003 (Project Site).

A total of 37 units will be subject to HOME program occupancy and use restrictions and will be rented to and occupied by individuals whose income does not exceed 30% of the area median income for the County and shall have a "floating" designation. The Project includes the use of 37 Housing Choice Voucher Program (HCVP) Project Based Vouchers (PBVs) that will serve as a rental subsidy for clients on the Housing Authority of the County of Riverside HCVP waiting list for the Project. The Project shall include a total of 150 units as follow:

73- 1 Bedroom Units (522 sq. ft.)
39- 2 Bedroom Units (749 sq. ft./includes one manager's unit)
38- 3 Bedroom Units (1,034 sq. ft.)

IMPLEMENTATION SCHEDULE

Milestone	Completion Date
Financing Commitment	As defined in Section 50 of the Agreement
Construction Start Deadline	September 1, 2025
Completion Deadline	As defined in Section 49(b) of the Agreement
Lease Deadline	As defined in Section 20(c) of the Agreement
Submission of Final actual project costs and Sources and Uses of Funds	9/1/28
Submission of income & ethnic characteristics report	9/1/28

LEGAL DESCRIPTION OF PROPERTY

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

Being portions of Lot 38 and Lot 39 of the lands of the Southern California Colony Association, in the City of Riverside, County of Riverside, State of California, as shown by Map on file in Book 7 Page 3 of Maps in the Office of the County Recorder of San Bernardino. Being more particularly described as follows:

Beginning at the Northerly corner of Lot 38 said Northerly corner being the centerline intersection of Mulberry Street and Holding Street; thence along the Northeasterly line of said Lot 38 South 60°16'35" East a distance of 30.00 feet to the Northerly corner of that certain easement to the City of Riverside for Public Street purposes recorded May 6, 1955 in Book 1733 Page 154 of Official Records of said Riverside County; thence along the Northerly line of said easement South 60°16'35" East a distance of 459.00 feet to the Northeasterly corner of said Easement said Northeasterly corner being also the true point of beginning and being the beginning of a non tangent 58.00 foot radius curve concave Southwesterly a radial to said Northeasterly corner being South 60°16'35" East; thence along the arc of said curve Northerly a distance of 87.84 feet through a central angle of 86°46'19"; thence leaving said curve in a non tangent direction North 29°49'51" East a distance of 194.18 feet; thence South 57°40'37" East a distance of 112.83 feet; thence South 34°43'27" West a distance of 261.44 feet; thence South 39° 11'17" West a distance of 175.62 feet; thence South 26°57'46" West a distance of 35.09 feet; thence North 60°39'49" West a distance of 9.97 feet to a non-tangent 1098.42 foot radius curve concave Northwesterly a radial to said curve bears South 43°35'17" East; thence along the arc of said curve Southerly a distance of 115.62 feet through a central angle of 06°01'51" to a point on the line of the Northerly half of said Lot 38; thence along said Northerly half of said Lot 38 North 60°17'03" West a distance of 419.03 feet to the Easterly right of way of Mulberry street 60.00 feet in width; thence leaving said Northerly half of said Lot 38 and along the Easterly right of way line of said Mulberry Street North 29°49'36" East a distance of 216.90 feet; thence leaving said Easterly right of way South 60°10'24" East a distance of 60.61 feet; thence South 29°49'36" West a distance of 2.92 feet; thence South 60°38'59" East a distance of 246.00 feet; thence South 29°49'36" West a distance of 61.12 feet; thence South 60°16'35" East a distance of 60.17 feet; thence North 29°49'36" East a distance of 82.38 feet; thence South 60°16'35" east a distance of 92.23 feet; thence North 29°49'35 " East a distance of 93.95 feet to the true point of beginning.

Area Contains 2.81 Acres More or Less

Permanent Sources and Uses of Funds:

Sources:

PERMANENT SOURCES OF FINANCING	Total	Per Unit
Local Funding - City HOME	$1,550,442.63	
Eden Sponsor Loan	$ 1,000,000	$13,333
Local Funding - City Prohousing Incentive Pilot	$ 1,000,000	$6,667
Local Funding - County HOME ARP	$ 2,000,000	$13,333
Local Funding - Accrued/Deferred Interest	$ 220,085	$1,467
CA HCD AHSC	$ 14,000,000	$93,333
CA HCD LGMG	$ 8,100,000	$54,000
CA HCD IIG	$ 8,746,488	$58,310
LIHTC - LP Capital Contribution	$ 43,137,929	$
GP Capital/Non-Priority Deferred Fee	$ 100	
Permanent Financing - leveraging PBVs	$ 9,023,000	
	$ 6,000,000	
TOTAL SOURCES OF FUNDS	**$**	**$**

Uses:

DEVELOPMENT BUDGET	Total	Per Unit
Total Land & Improvements	$100	$
Total Design & Consulting	$ 3,215,000	$ 21,433
Total Construction	$ 64,377,632	$ 429,184
Total Indirect Costs	$ 13,393,735	$ 89,292
Total Finance & Carry Costs	$ 9,457,337	$ 63,049
Total TCAC/Syndication	$ 269,213	$ 1,795
TOTAL DEVELOPMENT COSTS	**$**	**$**

DOCUMENT SUBMISSION SCHEDULE

Documents	Due Date
1. Construction Activities Reporting	Monthly, due by the **5th** of each month
2. Liability and Certificate of Workers' Compensation Insurance for Borrower and General Contractor (GC)	BORROWER – At the execution of this Agreement. GC – Before start of construction. Copies of Certificates must be filed and up-to-date throughout the course of the Project with COUNTY additionally insured.
1. Compensation Insurance for	Semi-Annually–**March 1st** & **September 15th**
2. Borrower and General Contractor (GC)	Beginning of Construction – initial letter End of Construction – final letter
3. Minority & Women Business Enterprise Report – HUD form 2516, and Section 3 Reporting	Bimonthly, due by the **5th** of each month
4. Project Site Photos	End of Construction
5. The filing of the Notice of Completion	End of Construction
6. Certificate of Occupancy	Close of Project; and Semi-Annually–**Sept 30th** & **March 31st**
7. Tenant Checklist Reporting	Close of Project
8. Conditional/Unconditional Release for Final from GC, and if applicable, Sub-contractors	Close of Project
9. Project Completion Report	Close of Project
10. Final Development Cost - Sources and Uses	Close of Project and Audits Completed
11. Final Cost Certification by CPA	Close of Project
12. Final 15/30 Year Cash Flow Projection	Marketing Stage
13. Affirmative Fair Housing Marketing Plan, HUD form 935.2A	Marketing Stage
14. Management Plan	Marketing Stage
15. Tenant Selection Policy	Marketing Stage
16. Copy of Lease Agreement	Marketing Stage
17. Flyers, Community Contacts, Outreach, Press Releases, Grand Opening info	Annual submission
18. Project Operating Budget	Annual submission
19. Audited Yearly Income Expense Report for the Project	Annual submission

EXHIBIT "B"

EXEMPT RECORDING FEE CODE 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING

(WITH ASSIGNMENT OF RENTS)

This LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING (WITH ASSIGNMENT OF RENTS)is made this ____ day of _____, 2025 by Mulberry Gardens Family, LP, a California limited partnership, (hereinafter referred to as "Trustor"), whose address is 22645 Grand Street, Hayward, CA 94541. The trustee is Stewart Title ("Trustee"). The beneficiary is the County of Riverside, a political subdivision of the State of California, (hereinafter called "Beneficiary"), whose address is 3404 Tenth St, 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) Trustor's leasehold interest in the real property in the City of Riverside, County of Riverside, State of California more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (such interest in real property is hereafter referred to as the "Subject Property");

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

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

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

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

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

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estates described above in which a security interest may be created under the UCC (collectively, the "Personal Property"). This Leasehold 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 Leasehold Deed of Trust constitutes a fixture filing under Section 9334 and 9502(b) of the UCC.

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

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

(a) that certain Promissory Note in favor of the Beneficiary ("County" therein) executed by Trustor ("Borrower" therein) of even date herewith (the "Note") in the principal amount of $2,000,000;

(b) that certain Loan Agreement for the Use of HOME Program Funds dated _____ and recorded in the Official Records ("Official Records") of the County of Riverside concurrently herewith, between Trustor ("Borrower" therein) and Beneficiary ("County" therein) (the "HOME Loan Agreement"); and

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

ii. payment of indebtedness of the Trustor to the Beneficiary not to exceed TWO MILLION DOLLARS (the "HOME Loan") according to the terms of the Note.

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

The HOME Loan evidenced by the Note and secured by this Deed of Trust is being made pursuant to the HOME Investment Partnerships Program and the regulations issued thereunder (Title II, the Cranston-Gonzales National Affordable Housing Act, Public Law No. 101-625, 104 Stat. 4079 (1990), (24 C.F.R. Part 92) (the "HOME Program"). Pursuant to the HOME Loan Agreement, the maturity date of the HOME Loan shall be the later to occur of (i) September 1, 2082 or (ii) fifty five (55) years from recordation of the Notice of Completion for the last building completed as part of the Project (as defined in the HOME Loan Agreement)("HOME Loan Term")

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

AND TO PROTECT THE SECURITY OF THIS LEASEHOLD 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 HOME 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 HOME Loan Agreement and Covenant Agreement.

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

4. That, subject to the rights of any senior lender, 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 HOME Loan Agreement and Covenant Agreement.

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

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

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

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

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

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

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

9. **Priority of HOME Deed of Trust.** During the construction phase lien priority shall be:

1. Regulatory Agreement and Declaration of Restrictive Covenants executed by Borrower, U.S. Bank Trust Company, National Association ("Fiscal Agent") and the California Municipal Finance Authority ("Governmental Lender");
2. Declaration of Restrictive Covenants for the Development and Operation of Affordable Housing by and among Borrower, the State of California, acting by and through the Director of the Department of General Services, with the consent of the Department of Forestry and Fire Protection and the Department of Housing and Community Development and the California Department of Housing and Community Development ("HCD");
3. Covenant Agreement by and between Borrower and the County of Riverside ("County");
4. Regulatory Agreement (HOME) by and between Borrower and the City of Riverside ("City");
5. Prohousing Incentive Pilot (PIP) Program Regulatory Agreement by and between Borrower and the City;
6. Construction Leasehold Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing by Borrower for the benefit of Governmental Lender;

7. Assignment of Deed of Trust and Loan Documents by Governmental Lender for the benefit of Fiscal Agent;

8. Leasehold Deed of Trust, Security Agreement and Fixture Filing for the benefit of the County;

9. HOME Loan Agreement by the Borrower and for the benefit of the County

10. HOME Investment Partnerships (HOME) Leasehold Deed of Trust, Fixture Filing and Assignment of Rents by Borrower for the benefit of City;

11. Prohousing Incentive Pilot (PIP) Program Leasehold Deed of Trust, Fixture Filing, and Assignment of Rents by Borrower for the benefit of City;

12. Affordable Housing Program Deed of Trust by Borrower for the benefit of [Wells Fargo Bank, National Bank West];

13. Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (2560 Mulberry Street, Riverside, California) by Borrower for the benefit of Eden Housing, Inc.;

14. Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (LGMG Funds) by Borrower for the benefit of Eden Housing, Inc.;

15. Leasehold Deed of Trust with Assignment of Rents by Borrower for the benefit of Eden Housing, Inc.

Beneficiary hereby agrees to execute any and all documents necessary to effectuate such priority, including, but not limited to subordination agreements first approved as to form and content by Beneficiary and Beneficiary's legal counsel.

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 HOME 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 HOME 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 holder of any

Senior Lien (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 reasonably determines that such restoration or repair is economically feasible and there is no default continuing beyond the expiration of all applicable notice and cure periods. If Trustor reasonably determines that such restoration or repair is not economically feasible or if a default exists after expiration of all applicable notice and 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 business 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 lender, if any, to collect and apply such proceeds in accordance with a senior lender deed of trust.

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

a. The Trustor acknowledges that the Property is subject to certain use, affordability 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 "low-income housing" within the meaning of the HOME Program. The use and occupancy restrictions may limit the

Trustor's ability to rent the Property. The violation of any use and occupancy restrictions may, if not prohibited by federal law, entitle the Beneficiary to the remedies provided in **Section 27** hereof.

12. **Protection of Beneficiary's Rights in the Property.** If Trustor fails to materially 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.

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

13. **Reserved.**

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

15. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Beneficiary, subject to the terms of a senior lender's deed of trust, if any.

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

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

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

16. **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 the investment limited partner at the address set forth in the HOME 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 lender shall be given by first class mail to such other address the senior lender designates by notice to the Trustor. Any notice provided for in this Deed of Trust shall be deemed to have been given to Trustor or Beneficiary when given as provided in this Section.

20. **Governing Law; Severability.** This Deed of Trust shall be governed by federal law and the laws of the State of California. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision. 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 for Permitted Transfers or as otherwise allowed under the HOME Loan Agreement, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Trustor is sold or transferred and Trustor is not a natural person) without Beneficiary's prior written consent (including a transfer of all or any part of the Property to any person who, at initial occupancy of the Property, does not use the Property for "low-income housing" within the meaning of the HOME Program) 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 federal law as of the date of this Deed of Trust. Nothing in this Deed of Trust shall be deemed to require Beneficiary's approval of a transfer of a limited partnership interest in the Trustor or of a conveyance of an easement interest in the Property for utility purposes.

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

b. Notwithstanding anything to the contrary contained herein, upon written notice to Beneficiary, Trustor may (i) admit limited partners to Trustor, and provide for the purchase of any such limited partnership interest or interests by Trustor's general partner; (ii) remove for cause any General Partner by a limited partner of the Trustor, and the replacement thereof, pursuant to the Partnership Agreement, provided Beneficiary receives 5 business days advance written notice of such removal. Without limiting Trustor s obligation to provide advance notice of such removal for cause of any General Partner by a limited partner and the replacement thereof set forth in the immediately preceding sentence, amendments to the Partnership Agreement required to effectuate the Permitted Transfer set forth in this clause (ii) shall require the consent of the Beneficiary; provided that consent shall not be unreasonably withheld and Trustor shall provide Beneficiary with an executed copy of such amended agreement within 10 business days of execution thereof;; (iii) the lease for occupancy of all or any of the HOME-Assisted Units (as defined in the HOME Loan Agreement); (iv) the granting of easements or permits to facilitate the development of the Property in accordance with the HOME Loan Agreement; and (v) the withdrawal and/or

replacement of any limited partner or interests of any limited partner of Trustor, (collectively a "Permitted Transfer"). All Permitted Transfers shall be subject to reasonable review of documentation by the Beneficiary.

23. **Trustor's Right to Reinstate.** If Trustor meets certain conditions, Trustor shall have the right to have enforcement of this Deed of Trust discontinued at any time prior to the earlier of: (a) 5 business 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 Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unchanged. Upon reinstatement by Trustor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under **Section 22**.

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

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

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

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

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

27. **Acceleration; Remedies.** Beneficiary shall give notice to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this Deed of Trust. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, which shall not be more than ten (10) business 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) business days from the mailing of the notice for a non-monetary default, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Trustor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Trustor to acceleration and sale. If the default is not cured by the Trustor on or before the date specified in the notice, and the senior lender or the investor limited partner have not cured the default within that same period, subject to any non-recourse provisions set forth in Section 8 of the Note, then Beneficiary at its option may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Section 27**, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

a. If Beneficiary invokes the power of sale, Beneficiary or Trustee shall mail copies of a notice of sale in the manner prescribed by applicable law to Trustor, the investor limited partner, the senior lender 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. **Reserved.**

31. **Subordination to Tax Credit Regulatory Agreement.** Trustee and Beneficiary agree that this Deed of Trust is and shall be subordinated to the "extended low-income housing commitment" (as such term is defined in Section 42(h)(6)(B) of the Internal Revenue Code of 1986, as amended) recorded against the Property in favor of the California Tax Credit Allocation Committee (the "Tax Credit Extended Use Agreement") provided that such Tax Credit Extended Use Agreement, by its terms, terminates upon foreclosure or a transfer of the property by instrument in lieu of foreclosure subject to the restrictions on tenant evictions and rent increases set forth in Section 42(h)(6)€(ii) of the Internal Revenue Code of 1986, as amended.

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

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

[Remainder of Page Blank]

[Signatures on Following Page]

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

TRUSTOR:

Mulberry Gardens Family, L.P.,
a California limited partnership

By: Mulberry Gardens Family LLC,
a California limited liability company,
its managing general partner

By: Eden Housing, Inc.,
a California nonprofit public benefit corporation,
its sole/member manager

By: _____
Aruna Doddapaneni
Senior Vice President of Development

(Signature needs to be notarized)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA)
) ss:
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

_____
Signature

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

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

Being portions of Lot 38 and Lot 39 of the lands of the Southern California Colony Association, in the City of Riverside, County of Riverside, State of California, as shown by Map on file in Book 7 Page 3 of Maps in the Office of the County Recorder of San Bernardino. Being more particularly described as follows:

Beginning at the Northerly corner of Lot 38 said Northerly corner being the centerline intersection of Mulberry Street and Holding Street; thence along the Northeasterly line of said Lot 38 South 60°16'35" East a distance of 30.00 feet to the Northerly corner of that certain easement to the City of Riverside for Public Street purposes recorded May 6, 1955 in Book 1733 Page 154 of Official Records of said Riverside County; thence along the Northerly line of said easement South 60°16'35" East a distance of 459.00 feet to the Northeasterly corner of said Easement said Northeasterly corner being also the true point of beginning and being the beginning of a non tangent 58.00 foot radius curve concave Southwesterly a radial to said Northeasterly corner being South 60°16'35" East; thence along the arc of said curve Northerly a distance of 87.84 feet through a central angle of 86°46'19"; thence leaving said curve in a non tangent direction North 29°49'51" East a distance of 194.18 feet; thence South 57°40'37" East a distance of 112.83 feet; thence South 34°43'27" West a distance of 261.44 feet; thence South 39° 11'17" West a distance of 175.62 feet; thence South 26°57'46" West a distance of 35.09 feet; thence North 60°39'49" West a distance of 9.97 feet to a non-tangent 1098.42 foot radius curve concave Northwesterly a radial to said curve bears South 43°35'17" East; thence along the arc of said curve Southerly a distance of 115.62 feet through a central angle of 06°01'51" to a point on the line of the Northerly half of said Lot 38; thence along said Northerly half of said Lot 38 North 60°17'03" West a distance of 419.03 feet to the Easterly right of way of Mulberry street 60.00 feet in width; thence leaving said Northerly half of said Lot 38 and along the Easterly right of way line of said Mulberry Street North 29°49'36" East a distance of 216.90 feet; thence leaving said Easterly right of way South 60°10'24" East a distance of 60.61 feet; thence South 29°49'36" West a distance of 2.92 feet; thence South 60°38'59" East a distance of 246.00 feet; thence South 29°49'36" West a distance of 61.12 feet; thence South 60°16'35" East a distance of 60.17 feet; thence North 29°49'36" East a distance of 82.38 feet; thence South 60°16'35" east a distance of 92.23 feet; thence North 29°49'35 " East a distance of 93.95 feet to the true point of beginning.

Area Contains 2.81 Acres More or Less

EXHIBIT "C"

PROMISSORY NOTE (HOME Loan) **$2,000,000** **Riverside, CA**

In installments as hereafter stated, for value received, Mulberry Gardens Family, LP, a California limited partnership ("Borrower"), promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), or order, at 3403 Tenth St, Suite 300, Riverside, CA 92501, the sum of Two Million Dollars and No/100 Dollars (U.S. $2,000,000.00) (the "HOME Loan" or "Note Amount") which at the time of payment is lawful for the payment of public and private debts.

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

(1) The HOME Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to the HOME Investment Partnerships Program and the regulations issued thereunder (Title II, the Cranston-Gonzales National Affordable Housing Act, Public Law No. 101-625, 104 Stat. 4079 (1990), (24 C.F.R. Part 92) (the "HOME Program"). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on rent and occupancy set forth in the HOME Program regulations, the Home Loan Agreement and that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Borrower and County.

(2) That the HOME Loan will accrue simple interest at a rate of 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: Fifty percent (50%) of the Project's Residual Receipts (defined below in Section 5) shall be used towards the payment of the HOME Loan, the PIP and HOME loans from the City of Riverside to the Borrower, and the AHSC loan provided by HCD to the Borrower (together, the "Residual Receipts Loans"). The payment shall be split pro-rata between each Residual Receipts Loan based on the percentage of each respective loan amount according to its share of the total amount of all such loans, until the HOME Note is repaid in full; and fifty percent (50%) of the Project's Residual Receipts will be paid to Borrower.

(4) The Project's Residual Receipts shall be determined based on an annual review of certified financial statements for the Project. Annual audited financial statements shall be submitted by BORROWER within one hundred fifty (150) days following the close of the project fiscal year commencing on May 1 of the first full calendar year following the recordation of the Notice of Completion. All outstanding principal along with accrued interest shall be

due upon maturity of the HOME Loan Agreement, which shall be the later to occur of (i) September 1, 2082 or (ii) fifty-five (55) years from and after the recordation of the Notice of Completion (the "HOME Loan Term"). The first payment shall be due on July 1st in the first full calendar year following the date of the Project's permanent finance closing, to the extent of available Project Residual Receipts, as set forth herein. Subsequent payments shall be made on July 1st thereafter to the extent of available Project Residual Receipts until sooner of full repayment of the HOME Loan or the HOME Loan maturity date as set forth above.

(5) The term "Project Residual Receipts" used herein shall mean the gross rental income from all residential and non-residential components of the Project, proceeds from loss of rent insurance, and any other income to the Developer derived from the ownership, operation and management of the Property, not including interest on required reserve accounts, proceeds of loans or capital contributions, and insurance proceeds used for repair or reconstruction of the Project or used to repay senior loans, less operating expenses consistent with the definition of such expenses in the BORROWER'S Amended and Restated Limited Partnership Agreement ("Partnership Agreement") approved by the COUNTY, and the following:

a) auditing and accounting fees;
b) a reasonable property management fee not to exceed $88 per unit per month, increased annually by 3% per year;
c) Operating Expenses (any expense reasonably and normally incurred in carrying out the Project's day-to-day activities, which shall include administration, on-site management, utilities, on-site staff payroll, payroll taxes, and maintenance);
d) replacement reserves, established in a separate account from operating reserves, limited to $500 per unit per year for all units in the Project, as defined in Exhibit A;
e) Operating Reserves replenishment;
f) deferred developer's fee in the amount of $[6,000,000];
g) a managing general partner asset management annual fee which shall be in the total initial amount of $ 33,818, increased by no more than 3% annually, payable on a cumulative basis if not paid in prior years;
h) an annual limited partner asset management fee not to exceed $8,500 which fee shall be increased annually by 3% during each year of the tax credit compliance period for the Project, and thereafter any further increases shall not be permitted without the written approval of the County's HWS Director in their discretion;
i) payments of principal and interest on amortized loans and indebtedness senior to the HOME Loan, which have been approved by COUNTY (collectively, the "Senior Debt"); and
j) COUNTY's Annual Monitoring Fee in the total annual amount of $11,500, increased by an amount equal to the increase in CPI for the Los Angeles-Riverside-Orange County, CA area;
k) To pay credit adjusters due to the BORROWER's limited partner and to repay loans made by such limited partner to the BORROWER; and
l) To repay operating deficit loans and development completion loans made by BORROWER's general partner to BORROWER.

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

Operating expenses shall not include repayment of advances to the Borrower from its limited partner(s), general partner(s), their affiliate(s) and/or third parties (collectively a "Partnership Loan"); provided, however, inclusion of repayment of such Partnership Loan in operating expenses may be authorized by the County's Executive Director, or designee, in his/her sole discretion, upon written request received by the County. In considering such Borrower request for approval of inclusion of repayment of a Partnership Loan in operating expenses, County's Executive Director, or designee, will consider the following: (i) whether such request was made pursuant to the terms of the Partnership Agreement , (ii) if a Project deficit exists and written evidence of such deficit is provided to the County's Executive Director, or designee, (iii) Borrower has demonstrated to Authority, in writing, that the requested loan is the only available means of relieving such deficit, (iv) the County's Executive Director, or designee, approves the loan terms, including, but not limited to the loan amount, interest rate, and maturity date. The County's Executive Director, or designee, shall retain the right, in its discretion, to defer such approval to the County's Board of Supervisors. Failure by the County's Executive Director, or designee, to respond to such request within 30 days of the County's receipt of such written notice shall be deemed disapproval of such request.

(6) The HOME Loan evidenced by this Note is secured by the HOME Deed of Trust .

(7) This Note may be prepaid in whole or in part by the undersigned at any time without prepayment penalty or premium, provided however notwithstanding such prepayment, Borrower shall be required to adhere to the affordability restrictions contained in the Covenants until the expiration of the term contained therein.

(8) Subject to the provisions and limitations of this Paragraph 8, the obligation to repay the Note Amount is a nonrecourse obligation of Borrower and its partners. Neither Borrower nor its partners shall have any personal liability for repayment of the Note Amount, except as provided in this Paragraph 8. The sole recourse of the County shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the HOME Loan; provided, however, that the foregoing shall not (i) constitute a waiver of any other obligation evidenced by this Note or the Deed of Trust; (ii) limit the right of the COUNTY to name Borrower as a party defendant in any action or suit for judicial foreclosure and sale under this Note and the Deed of Trust or any action or proceeding hereunder so long as no judgment in the nature of a deficiency judgment shall be asked for or taken against Borrower; (iii) release or impair either this Note or the Deed of Trust; (iv) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, any other remedy against the mortgaged Property or any other instrument securing this Note or as prescribed by law or in equity in case of default; (v) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, its remedies in respect of any deposits, insurance proceeds, condemnation awards or other monies or other collateral or letters of credit securing this Note; or (vi) affect in any way the validity of any guarantee or indemnity from any person of all or any of the obligations evidenced and secured by this Note and the Deed of Trust. Notwithstanding the first sentence of this Paragraph 8, the COUNTY may recover directly from Borrower or, unless otherwise prohibited by any applicable law, from any other party: (a) any damages, costs and expenses incurred by the COUNTY as a result of fraud, misrepresentation or any criminal act or acts of Borrower or any general partner, shareholder, officer, director or employee

of Borrower, or of any member or general partner of Borrower, or of any general partner of such member or general partner; (b) any damages, costs and expenses incurred by the COUNTY as a result of any misappropriation of funds provided to pay costs as described in the HOME Loan Agreement, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; (c) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the Deed of Trust; (d) the fair market value of any personal property or fixtures removed or disposed of by the Borrower other than in accordance with the Deed of Trust; (e)any and all amounts owing by Borrower pursuant to any indemnity set forth in the HOME Loan Agreement and/or Deed of Trust or the indemnification regarding Hazardous Substances pursuant to the HOME Loan Agreement and/or Deed of Trust, and (f) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

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

a. Monetary Default. Monetary Default. (1) Borrower's failure to pay when due any sums payable under the HOME Note or any advances made by COUNTY under this Agreement, (2) Borrower's or any agent of Borrower's use of HOME funds for costs other than those costs permitted under the HOME Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, (3) Borrower's or any agent of Borrower's failure to make any other payment of any assessment or tax due under the HOME Loan Agreement;

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

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

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

(10) COUNTY shall give written notice of default to Borrower, with a copy to Borrower's limited partner, specifying the default complained of by the COUNTY. Borrower shall have ten (10) business days from the mailing of the notice for a monetary default, by which

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

(11) Any failures or delays by COUNTY in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by COUNTY in asserting any of its rights and remedies shall not deprive COUNTY of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

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

(13) Borrower hereby waives diligence, presentment, protest and demand, notice of protest, dishonor and nonpayment of this Note, and expressly agrees that, without in any way affecting the liability of Borrower hereunder, the COUNTY may extend any maturity date or the time for payment of any installment due hereunder, accept additional security, release any party liable hereunder and release any security now or hereafter securing this Note. Borrower further waives, to the full extent permitted by law, the right to plead any and all statutes of limitations as a defense to any demand on this Note, or on any deed of trust, security agreement, guaranty or other agreement now or hereafter securing this Note.

(14) Should default be made in payment of principal and interest when due and such default shall continue beyond the applicable notice and cure period provided in the HOME Loan Agreement, the whole sum of principal and interest shall become immediately due at the option of the holder of this Note. Principal and interest are payable in lawful money of the United States. If action be instituted on this Note, the undersigned promises to pay such sums as the Court may fix as 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 under the HOME Loan Agreement, in no event shall Borrower assign or transfer any portion of this Note or any rights herein without the prior

express written consent of the COUNTY, which consent the COUNTY may give or withhold in its sole and absolute discretion. In the absence of specific written agreement by the COUNTY, no unauthorized assignment or transfer, or approval thereof by the COUNTY, shall be deemed to relieve Borrower or any other party from any obligations under the HOME Loan Agreement or this Note. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.

(19) Except as to the permitted deeds of trust identified in the HOME Loan Agreement or 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 10th Street, Suite 300, Riverside, California 92501, Attention: Director of Housing & Workforce Solutions.

(c) The address of Borrower for purposes of receiving notices pursuant to this Note is 22645 Grand Street, Hayward, CA 94541, Attention: President, with a copy to Borrower's limited partner, as follows:.

Wells Fargo Bank, National Association
550 S. Tryon Street
23rd Floor, MAC D1086-239
Charlotte, NC 28202-4200
Attention: Director of Asset Management
Bina.M.Galal@wellsfargo.com
Michael.Loose@wellsfargo.com
Tim.mccann@wellsfargo.com

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

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

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

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURES ON FOLLOWING PAGE]

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

TRUSTOR:

Mulberry Gardens Family, L.P.,
a California limited partnership

By: Mulberry Gardens Family LLC,
a California limited liability company,
its managing general partner

By: Eden Housing, Inc.,
a California nonprofit public benefit corporation,
its sole/member manager

By: _____
Aruna Doddapaneni
Senior Vice President of Development

EXHIBIT "D"

RIVERSIDE COUNTY

SECTION 3

24 CFR PART 75

ECONOMIC OPPORTUNITIES FOR

LOW-AND VERY LOW-INCOME PERSONS

CONTRACT REQUIREMENTS

RIVERSIDE COUNTY

Section 75.1 Purpose

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

Section 75.3 Applicability

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 75. 5 Definitions.

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

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

Contractor means any entity entering into a contract with:

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

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

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

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

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

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

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

Public housing project is defined in 24 CFR 905.108.

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

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

Section 3 business concern means:

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

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

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

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

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

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

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

Section 3 worker means:

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

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

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

(iii) The worker is a YouthBuild participant.

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

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

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

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

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

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

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

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

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

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

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

§75.19 Requirements.

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

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

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

(ii) Participants in YouthBuild programs.

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

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

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

(ii) YouthBuild programs.

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

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

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

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

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

(ii) A YouthBuild participant.

(b) [Reserved]

§75.23 Section 3 safe harbor.

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

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

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

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

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

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

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

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

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

§75.25 Reporting.

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

(i) The total number of labor hours worked;

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

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

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

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

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

this section. If a contract covers both professional services and other work and the recipient or contractor or subcontractor chooses not to report labor hours from professional services, the labor hours under the contract that are not from professional services must still be reported.

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

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

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

(2) Provided training or apprenticeship opportunities.

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

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

(5) Held one or more job fairs.

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

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

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

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

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

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

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

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

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

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

§75.27 Contract provisions.

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

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

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

§75.29 Multiple funding sources.

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

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

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

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

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

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

(b) If a housing rehabilitation, housing construction, or other public construction project is subject to Section 3 because the project is assisted with funding from multiple sources of housing and community development assistance that exceed the thresholds in §75.3(a)(2), the recipient or recipients must follow subpart C of this part, and must report to the applicable HUD program office, as prescribed by HUD.

§75.31 Recordkeeping.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§75.33 Compliance.

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

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

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

RIVERSIDE COUNTY
SECTION 3 BUSINESS CONCERN CERTIFICATION FOR CONTRACTING

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

Business Information

Name of Business _____

Address of Business _____

Name of Business Owner _____

Phone Number of Business Owner _____

Email Address of Business Owner _____

Preferred Contact Information

☐ Same as above

Name of Preferred Contact _____

Phone Number of Preferred Contact _____

Type of Business (select from the following options):

☐Corporation ☐Partnership ☐Sole Proprietorship ☐Joint Venture

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

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

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

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

Business Concern Affirmation

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

Print Name: _____

Signature: _____ Date: _____

*Certification expires within six months of the date of signature.
Information regarding Section 3 Business Concerns can be found at 24 CFR 75.5

FOR ADMINISTRATIVE USE ONLY

Is the business a Section 3 business concern based upon their certification? ☐ **YES** ☐ **NO**
EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE FOR FIVE YEARS.

Riverside County Section 3 Income Limits

U.S. DEPARTMENT OF HUD STATE: CALIFORNIA
- 2022 ADJUSTED HOME INCOME LIMITS AND HOME PROGRAM RENTS
effective June 15, 2022
Riverside-San Bernardino-Ontario, CA MSA

Income level	1 person	2 person	3 person	4 person	5 person	6 person	7 person
30% extremely low	18500	21150	23800	26400	28550	30650	32750
50% very low	30800	35200	39600	44000	47550	51050	54600
60% limits	36960	42240	47520	52800	57060	61260	65520
80% low	49300	56350	63400	70400	76050	81700	87300

Section 3 Worker Definition:

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

ii. Employed by a Section 3 business concern; or

iii. A YouthBuild participant.

Targeted Section 3 Worker Definition:

iv. Employed by a Section 3 business concern or

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

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

Prohibition Against Conflicts of Interest

EXHIBIT "E"

§ 92.356 Conflict of interest.

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

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

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

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

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

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

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

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

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

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

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

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

i. Any other relevant considerations.

Owners/Participants and Developers.

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

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

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

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

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

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

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

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

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

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

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

2) Such a conflict will arise when:

   i) The employee, officer or agent;

   ii) Any member of the immediate family;

   iii) His/Her partners; or

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

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

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

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

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

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

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

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

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

Exhibit F: Sample Tenant Checklist

Project Name:
Address:

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

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

Prepared by:

Title:

Phone Number:

Problems or questions please call, Nicole Sanchez at 760.863.2825

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

EXHIBIT "G"

Covenant Agreement

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

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:
County of Riverside
Housing and
Workforce Development
3403 Tenth St, Suite 300
Riverside, CA 92501
Attn. Nicole Sanchez

SPACE ABOVE THIS LINE FOR RECORDERS USE

COVENANT AGREEMENT
(Mulberry Gardens Family Apartments)

This Covenant Agreement (Mulberry Gardens Family Apartments) (this "Covenant") is made and entered into as of the day of _____, 2025 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("COUNTY"), Mulberry Gardens Family, LP, a California limited partnership ("OWNER").

RECITALS

WHEREAS, OWNER owns that certain real property located at 2650 Mulberry St in the City of Riverside, also identified as Assessor's Parcel Number 209-130-003, described in the legal description attached hereto as **Exhibit A** and incorporated herein by this reference (the "Property");

WHEREAS, on _____ COUNTY and OWNER entered into that certain Loan Agreement for the use of HOME Program Funds (Mulberry Gardens Family Apartments) dated _____ and recorded in the Official Records ("Official Records") of the County of Riverside concurrently herewith (the "HOME Loan Agreement" or "Agreement") which provides for, among other things, the development and construction on the Property, a multi-family affordable housing project consisting of one hundred fifty (150) rental housing units, one (1) unit shall be designated as a managers unit, and 37 units

of which shall be rented to and occupied by very low-income households ("HOME Assisted Units") (collectively the "Project"). Capitalized terms not defined herein shall have the meaning ascribed to them in the HOME Loan Agreement;

WHEREAS, the County was qualified by the United States Department of Housing and Urban Development ("HUD") as an "Urban County" and an approved participating jurisdiction that has received funds from HUD pursuant to the HOME Investment Partnerships Program, Title II of the Cranston-Gonzalez National Affordable Housing Act , as amended (commencing at 42 U.S.C. 12701 et seq.), and the implementing regulations thereto (24 CFR Part 92) (collectively, the "HOME Program"), for the purposes of providing decent, safe, sanitary, and affordable housing with primary attention to rental housing, for low-income families; to strengthen public-private partnerships to carry out affordable housing programs; and to provide for coordinated assistance to participants in the development of affordable low-income housing;

WHEREAS, pursuant to the HOME Loan Agreement, COUNTY loaned to OWNER $2,000,000 derived from HOME funds ("HOME Loan"), to pay a portion of the costs to develop and construct the Project, as more fully described in the HOME Loan Agreement. The HOME Loan is evidenced by a Promissory Note executed by OWNER, in favor of the COUNTY dated on or about the date hereof ("HOME Loan Note") and secured by that certain Leasehold Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) executed by OWNER, for the benefit of COUNTY and recorded in the Official Records concurrently herewith ("HOME Loan Deed of Trust"); and

WHEREAS, pursuant to the HOME Loan Agreement, OWNER has agreed to develop and construct the Project on the Property and ensure the HOME Assisted Units are rented to and occupied by qualified very low-income households consistent with the HOME Program requirements and as set forth more specifically below.

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

(1) RESTRICTIONS. The recitals set forth above are true and correct and incorporated herein. This Covenant shall continue in full force and effect for the later of (i) fifty-five (55) years from the recordation of the Notice of Completion for the last building for which construction is completed for the Project on the Property, or (ii) September 1, 2082 ("Term" or "Affordability Period"). For the duration of the Term, the Property shall be held, sold and conveyed, subject to the following covenants, conditions, and restrictions:

a) Thirty seven (37) rental units within the Project consisting of 17 one-bedrooms, 10 two-bedrooms and 10 three-bedrooms shall be designated as floating Low HOME rent units rented to and occupied by Qualified Very Low Income Households whose incomes do not exceed thirty percent (30%) of the area median income for the County of Riverside ("VLI households"), adjusted by family size at the time of initial occupancy as published by HUD ("HOME-Assisted Units"), provided, however, that in the event that the Project's rental subsidy is terminated, not renewed, or materially reduced through no fault of OWNER, the rent and income restrictions for the HOME-Assisted Units may be increased up to 60% of the area median income for the County of Riverside, but in no event greater than the amount required to ensure that the Project generates sufficient income to cover its operating expenses and debt service and as is necessary to maintain the financial stability of the Project. The HOME-Assisted Units shall be a "floating" designation on the Property such that the requirements of this Covenant will be satisfied so long as the total number of HOME-Assisted Units remains the same throughout the Affordability Period and the substituted HOME Assisted Unit is comparable in terms of size, features, and number of bedrooms to the originally designates HOME Assisted Unit;

b) HOME-Assisted Units shall be rented to and occupied by VLI households that qualify for an affordable rent as defined under 24 CFR 92.252 of the HOME Investment Partnerships Act and HOME Investment Partnerships ("HOME") program, which was enacted under Title II of the Cranston-Gonzalez National Affordable Housing Act (the "Act"), as amended (commencing at 42 U.S.C. 12701 et seq.), and the implementing regulations thereto (24 CFR Part 92) (collectively, the "HOME Program"). Affordable rents including utility allowance for VLI households, shall be the product of 30 percent times 30 percent of the area median income adjusted

for family size appropriate for the unit. COUNTY shall review and approve proposed rents to the extent required under this section. BORROWER shall ensure the HOME-Assisted Units are rented to qualified applicants at the described rent levels herein. The maximum monthly allowances for utilities and services (excluding telephone) shall not exceed the utility allowance as described below.

c) Utility Allowance: Utility Allowance: The Utility Allowance will be calculated in accordance with 24 CFR part 92.252(d), HOME fires UA Notice Volume 13, Number 2. OWNER is required to complete initial UA calculations and submit their calculations for review and approval to the HWS prior to implementation, and annually by June 1st. The following methods below are acceptable methodologies for calculating the Utility Allowance for this Project: (1) HUD Utility Schedule Model (HUSM) UA based on HUD's model; (2) Utility Company Estimate UA based on estimated obtained from a local utility company for each of the utilities used in the project.; (3) LIHTC Agency Estimate UA approved by the LIHTC agency based on its actual usage methodology.; (4) Energy Consumption Model (Engineer Model) UA based upon on an energy and water and sewage consumption and analysis model prepared by a third party licensed engineer or qualified professional; and

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

(2) SENIOR PRIORITY. Notwithstanding anything to the contrary contained in the HOME Loan Agreement, including any of its attachments, this Covenant Agreement shall have third priority lien position and be senior to the following security instruments:

1. Regulatory Agreement (HOME) by and between Borrower and the City of Riverside ("City");
2. Prohousing Incentive Pilot (PIP) Program Regulatory Agreement by and between Borrower and the City;
3. Construction Leasehold Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing by Borrower for the benefit of Governmental Lender;

4. Assignment of Deed of Trust and Loan Documents by Governmental Lender for the benefit of Fiscal Agent;
5. HOME Leasehold Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing by the Borrower and for the benefit of the County;
6. HOME Loan Agreement by the Borrower and for the benefit of the County;
7. HOME Investment Partnerships (HOME) Leasehold Deed of Trust, Fixture Filing and Assignment of Rents by Borrower for the benefit of City;
8. Prohousing Incentive Pilot (PIP) Program Leasehold Deed of Trust, Fixture Filing, and Assignment of Rents by Borrower for the benefit of City;
9. Affordable Housing Program Deed of Trust by Borrower for the benefit of [Wells Fargo Bank, National Bank West];
10. Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (2560 Mulberry Street, Riverside, California) by Borrower for the benefit of Eden Housing, Inc.;
11. Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (LGMG Funds) by Borrower for the benefit of Eden Housing, Inc.;
12. Leasehold Deed of Trust with Assignment of Rents by Borrower for the benefit of Eden Housing, Inc.

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

a. The HOME Investment Partnership Program as enacted under Title II of the Cranston Gonzalez National Affordable Housing Act (42 USC 12701 et seq.) and its implementing regulations, 24 CFR Part 92, as both shall be amended from time to time, including, but not limited to, 24 CFR 92.356, 24 CFR 92.358, 24 CFR 92.253, 24 CFR 92.252, 24 CFR 92.255, 24 CFR 92.256, 24 CFR 92.350, Subpart F, Subpart H, and its implementing regulations set forth in the Final Rule, as it now exists and may hereafter be amended.

b) 24 CFR Section 92.350 Other Federal requirements and nondiscrimination. As set forth in 24 CFR part 5, Subpart A, OWNER is required to include the following

requirements: nondiscrimination and equal opportunity under Section 282 of the Act; disclosure; debarred, suspended, or ineligible contractors; and drug-free workplace.

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

1. Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners, and written communication to fair housing and other groups).
2. Requirements and practices that OWNER must adhere to in order to carry out the affirmative marketing procedures and requirements (e.g., use of commercial media, use of community contacts, use of the Equal Housing Opportunity logotype or slogan, and display of fair housing poster).
3. Procedures to be used by OWNER to inform and solicit applications from persons in the housing market area who are not likely to apply without special outreach (e.g., use of community organizations, employment centers, fair housing groups, or housing counseling agencies).
4. Records that will be kept describing actions taken by OWNER to affirmatively market units and records to assess the results of these actions.
5. A description of how OWNER will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

4)OWNER must prescribe procedures to establish and oversee a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by OWNER with such persons or entities, public and private, in order to facilitate the activities of

COUNTY to provide affordable housing authorized under this Act or any other Federal housing law. Section 24 CFR 85.36(e) provided affirmative steps to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services. The steps include:

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

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

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

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

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

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

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

b) Prohibited Lease Terms. The rental agreement/lease may not contain any

of the following provisions:

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

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

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

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

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

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

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

(8) *Tenant chargeable with cost of legal actions regardless of outcome.* Agreement by the tenant to pay attorneys' fees or other legal costs

even if the tenant wins in a court proceeding by OWNER against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

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

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

believe that they are threatened with imminent harm from further violence if the tenant remains in the same unit. The provisions of VAWA 2013 that are applicable to HUD programs are found in title VI of VAWA 2013, which is entitled "Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking." Section 601 of VAWA 2013 amends subtitle N of VAWA (42 U.S.C. 14043e et seq.) to add a new chapter entitled "Housing Rights."

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

7) PARTNERSHIPS. Notwithstanding anything to the foregoing, or anything to the contrary contained herein, upon written notice to COUNTY, OWNER may (i) admit limited partners to OWNER, and provide for the purchase of any such limited partnership interest or interests by OWNER'S general partner or affiliate; (ii) remove for cause any General Partner by a limited partner of the Borrower, and the replacement thereof, pursuant to the Partnership Agreement, provided COUNTY receives 5 business days advance written notice of such removal. Without limiting Borrower's obligation to provide advance notice of such removal for cause of any General Partner by a limited partner and the replacement thereof set forth in the immediately preceding sentence, amendments to the Partnership Agreement required to effectuate the Permitted Transfer set forth in this clause (ii) shall not require the consent of the COUNTY; provided, however, OWNER shall provide COUNTY with an executed copy of such amended agreement within 10 business days of execution thereof; (iii) lease for occupancy of all or any of the HOME-Assisted Units; (iv) the granting of easements or permits to facilitate the development of the Property in accordance with this Agreement; and (v) the withdrawal and/or replacement of any limited partner or interests in any limited partner of OWNER, (collectively a "Permitted Transfer"). The COUNTY'S consent or written approval of Permitted Transfers shall not be required; provided however, all Permitted Transfers shall be subject to reasonable review of documentation related to such Permitted Transfer by the COUNTY, which shall be delivered to the COUNTY within 10 business days following such Permitted Transfer. Notwithstanding the foregoing, a foreclosure or deed in lieu of foreclosure of the lien securing a Senior Loan and the subsequent sale of any property acquired pursuant to such foreclosure (and any financing obtained in connection therewith), shall not require the consent of COUNTY and shall not be deemed an event of default under this Covenant.

8) NONDISCRIMINATION. OWNER shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age or disability in the solicitation, selection, hiring or treatment of any contractors or consultants, to participate in subcontracting/subconsulting opportunities. OWNER understands and agrees that violation of this clause shall be considered a material breach of this Lease and may result in termination, debarment or other sanctions. This

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

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

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

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

enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

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

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

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

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

a) Worker's Compensation Insurance. If OWNER has employees as defined by the State of California, OWNER shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

b) Commercial General Liability Insurance. Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of OWNER's performance of its obligations hereunder. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured. Policy's limit of liability shall not be less than $1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

c) Vehicle Liability Insurance. If vehicles or mobile equipment are used in the performance of the obligations under this Covenant, then OWNER shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than $1,000,000 per

occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured or provide similar evidence of coverage approved by County's Risk Manager ("Risk Manager").

d) General Insurance Provisions – All Lines.

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

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

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

expiration or reduction in coverage of such insurance. OWNER shall not continue operations until COUNTY has been furnished Certificate(s) of Insurance and copies of endorsements and if requested, copies of policies of insurance including all endorsements and any and all other attachments as required herein. An individual authorized by the insurance carrier to do so, on its behalf, shall sign the original endorsements for each policy and the Certificate of Insurance.

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

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

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

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

10) HOLD HARMLESS/INDEMNIFICATION. OWNER shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from

any liability whatsoever, based or asserted upon any services of OWNER, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of OWNER, its officers, employees, subcontractors, agents or representatives Indemnitors from this Agreement, except in the event of the gross negligence or willful misconduct of the Indemnitees; provided however, any gross negligence or willful misconduct of the Indemnitees will only affect Owner's duty to indemnify for the specific act found to be gross negligence or willful misconduct, and will not preclude a duty to indemnify for any act or omission of Owner. OWNER shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions. With respect to any action or claim subject to indemnification herein by OWNER shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes OWNER's indemnification to Indemnitees as set forth herein. OWNER's obligation hereunder shall be satisfied when OWNER has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved. The specified insurance limits required in this Agreement shall in no way limit or circumscribe OWNER's obligations to indemnify and hold harmless the Indemnitees herein from third party claims. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve OWNER from indemnifying the Indemnitees to the fullest extent allowed by law. The indemnification set forth in this paragraph 15 shall survive the expiration and earlier termination of this Covenant.

11) NOTICES. All Notices provided for in this Covenant shall be deemed received when personally delivered, or two (2) business 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	OWNER
Director, Housing and Workforce Solutions Riverside County 3403 Tenth St, Suite 300 Riverside, CA 92501	Mulberry Gardens Family, LP 22645 Grand Street Hayward, CA 92501 Attn:

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

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

14) NOTICE AND CURE. Prior to exercising any remedies hereunder, the COUNTY shall give OWNER notice of such default pursuant to **Section 16** 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, OWNER shall have such period to effect a cure prior to exercise of remedies by COUNTY. If the non-monetary default is such that it is not reasonably capable of being cured within thirty (30) days of delivery of such notice of default, and OWNER (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then OWNER shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the COUNTY; but in no event no later than one hundred twenty (120) days from delivery of such notice of default. COUNTY, upon providing OWNER with any notice of default under this Covenant, shall, within a reasonable time, provide a copy of such default notice to a Permitted Lender who has given written notice to

COUNTY of its interest in the Property and Project. From and after such notice has been delivered to a Permitted Lender and the Owner's limited partner, such Permitted Lender and limited partner shall have the same period for remedying the default complained of as the cure period provided to OWNER pursuant to this **Section 19**. COUNTY shall accept performance by a Permitted Lender or limited partner of Owner as if the same had been done by OWNER.

If a violation of any of the covenants or provisions of this Covenant remains uncured after the respective time period set forth in this **Section 19**, COUNTY and its successors and assigns, without regard to whether COUNTY or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by OWNER of its obligations hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

Any cure tendered by Owner's limited partner shall be accepted or rejected on the same basis as if tendered by OWNER.

15) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY. Except as otherwise provided under the HOME Loan Agreement or herein, OWNER hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the Project, the Property or any portion thereof, without obtaining the prior written consent of COUNTY, in its sole discretion. Any sale, assignment, or transfer of the Project or Property, shall be memorialized an assignment and assumption agreement the form and substance of which have been first approved in writing by the COUNTY in its sole discretion. Such assignment and assumption agreement shall, among other things, provide that the transferee has assumed in writing and in full, and is reasonably capable of performing and complying with OWNER's duties and obligations under the HOME Loan Agreement and this Covenant, provided, however OWNER shall be released of all obligations under the HOME Loan Agreement and this Covenant accruing from and after the date

of such sale, assignment or transfer.

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

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

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

19) PERMITTED MORTGAGES. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Covenant shall defeat or render invalid or in any way impair the lien or charge of any deed of trust or mortgage permitted by the HOME Loan Agreement or the lien or charge of a deed of trust made by OWNER for the benefit the California Municipal Finance Authority (its successors and assigns, including Wells Fargo Bank, National Association, as Fiscal Agent) Wells Fargo Bank, National Association, the California Department of Housing and Community Development, the City of Riverside, Eden Housing, Inc., or of any lender first approved in writing by the COUNTY (each, a "Permitted Lender") and nothing herein or in the HOME Loan Agreement shall prohibit or otherwise limit the exercise of a Permitted Lender's rights and remedies thereunder, including a foreclosure or deed-in-lieu of foreclosure and subsequent transfer thereafter.

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

21) PROJECT MONITORING AND EVALUATION.

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

b) Inspections. Pursuant to 24 CFR 92.504(d)(1)(ii), during the period of affordability, COUNTY must perform on-site inspections of HOME-Assisted rental housing to determine compliance with the property standards of §92.251 and to verify the information submitted by the owners in accordance with the requirements of §92.252. The inspections must be in accordance with the inspection procedures that the participating jurisdiction establishes to meet the inspection requirements of §92.251. The on-site inspections must occur at least once every 3 years thereafter during the period of affordability. If there are observed deficiencies for any of the inspectable items in the property standards established by COUNTY, in accordance with the inspection requirements of §92.251, a follow-up on-site inspection to verify that deficiencies are corrected must occur within 12 months. COUNTY may establish a list of non-hazardous deficiencies for which correction can be verified by third party documentation (e.g., paid invoice for work order) rather than re-inspection. Health and safety deficiencies must be corrected immediately, in accordance with §92.251. COUNTY must 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 HOME-Assisted Units in the project are suitable for occupancy, taking into account State and local

health, safety, and other applicable codes, ordinances, and requirements, and the ongoing property standards established by the participating jurisdiction to meet the requirements of §92.251. Inspections must be based on a statistically valid sample of units appropriate for the size of the HOME-Assisted project, as set forth by HUD through notice. COUNTY will inspect 100 percent of the HOME-Assisted Units and the inspectable items (site, building exterior, building systems, and common areas) for each building housing HOME-Assisted Units.

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

23) 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.

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

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

///

///

///

[remainder of page intentionally blank]

[SIGNATURES ON THE NEXT PAGE]

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

COUNTY:

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

By: FORM COPY - DO NOT SIGN
Heidi Marshall, Director

Date: _____

BORROWER:

MULBERRY GARDENS FAMILY, LP,
a California limited partnership

By: Mulberry Gardens Family LLC,
a California limited liability company,
its managing general partner

By: Eden Housing, Inc.,
a California nonprofit public benefit corporation,
its sole/member manager

By: FORM COPY - DO NOT SIGN
Aruna Doddapaneni
Senior Vice President of Development

(Above COUNTY and BORROWER Signatures need to be notarized)

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

By: _____
Paula S. Salcido, Deputy County Counsel

< INESRT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT>

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

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

Being portions of Lot 38 and Lot 39 of the lands of the Southern California Colony Association, in the City of Riverside, County of Riverside, State of California, as shown by Map on file in Book 7 Page 3 of Maps in the Office of the County Recorder of San Bernardino. Being more particularly described as follows:

Beginning at the Northerly corner of Lot 38 said Northerly corner being the centerline intersection of Mulberry Street and Holding Street; thence along the Northeasterly line of said Lot 38 South 60°16'35" East a distance of 30.00 feet to the Northerly corner of that certain easement to the City of Riverside for Public Street purposes recorded May 6, 1955 in Book 1733 Page 154 of Official Records of said Riverside County; thence along the Northerly line of said easement South 60°16'35" East a distance of 459.00 feet to the Northeasterly corner of said Easement said Northeasterly corner being also the true point of beginning and being the beginning of a non tangent 58.00 foot radius curve concave Southwesterly a radial to said Northeasterly corner being South 60°16'35" East; thence along the arc of said curve Northerly a distance of 87.84 feet through a central angle of 86°46'19"; thence leaving said curve in a non tangent direction North 29°49'51" East a distance of 194.18 feet; thence South 57°40'37" East a distance of 112.83 feet; thence South 34°43'27" West a distance of 261.44 feet; thence South 39° 11'17" West a distance of 175.62 feet; thence South 26°57'46" West a distance of 35.09 feet; thence North 60°39'49" West a distance of 9.97 feet to a non-tangent 1098.42 foot radius curve concave Northwesterly a radial to said curve bears South 43°35'17" East; thence along the arc of said curve Southerly a distance of 115.62 feet through a central angle of 06°01'51" to a point on the line of the Northerly half of said Lot 38; thence along said Northerly half of said Lot 38 North 60°17'03" West a distance of 419.03 feet to the Easterly right of way of Mulberry street 60.00 feet in width; thence leaving said Northerly half of said Lot 38 and along the Easterly right of way line of said Mulberry Street North 29°49'36" East a distance of 216.90 feet; thence leaving said Easterly right of way South 60°10'24" East a distance of 60.61 feet; thence South 29°49'36" West a distance of 2.92 feet; thence South 60°38'59" East a distance of 246.00 feet; thence South 29°49'36" West a distance of 61.12 feet; thence South 60°16'35" East a distance of 60.17 feet; thence North 29°49'36" East a distance of 82.38 feet; thence South 60°16'35" east a distance of 92.23 feet; thence North 29°49'35 " East a distance of 93.95 feet to the true point of beginning.

Area Contains 2.81 Acres More or Less

EXHIBIT "H"

Request for Notices

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDERS USE

REQUEST for NOTICE UNDER SECTION 2924b CIVIL CODE

In accordance with Civil Code, Section 2924b, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust dated _____, 2025 and recorded concurrently herewith in the Official Records of the County of Riverside, California, executed by MULBERRY GARDENS FAMILY, LP, a California limited partnership, as Trustor in which Wells Fargo Bank is named as Stewart Title Company as Trustee, and describing land referred to in this Report is situated in the County of Riverside, City of Riverside, State of California, and is described as follows:

Real property in the City of Riverside, County of Riverside, State of California, described as follows:
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Area Contains 2.81 Acres More or Less

All notices to be mailed to:

Attn: Assistant Director
County of Riverside
Housing and Workforce Development
3403 Tenth St, 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.

RIVERSIDE COUNTY
DEPARTMENT OF HOUSING WORKFORCE SOLUTIONS

_____
Juan Garcia, Deputy Director

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RIVERSIDE COUNTY
DEPARTMENT OF HOUSING AND WORKFORCE SOLUTIONS

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RIVERSIDE COUNTY
DEPARTMENT OF HOUSING AND WORKFORCE SOLUTIONS

_____

Juan Garcia, Deputy Director

HWS HOUSING AND WORKFORCE SOLUTIONS
ENGAGE. ENCOURAGE. EQUIP.

Exhibit I
Sample
Contractor Debarment Certification Form

Excluded Parties Lists System (EPLS)

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

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

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

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

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

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

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

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

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

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

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

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

_____

DEVELOPER SIGNATURE

Prepared by, and after recording
return to:

Patrick L. Evatt, Esq.
Robinson & Cole LLP
7910 Woodmont Ave., Ste. 750
Bethesda, MD 20814

SUBORDINATION AGREEMENT

GOVERNMENTAL ENTITY – TEL (Forward)

(Revised 2-25-2025)

Freddie Mac Loan Number: 511553811
Property Name: Mulberry Gardens Family Apartments

SUBORDINATION AGREEMENT
GOVERNMENTAL ENTITY – TEL (Forward)

(Revised 2-25-2025)

THIS SUBORDINATION AGREEMENT ("**Agreement**") is entered into this ____ day of _____, 2025, by and between (i) **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as Fiscal Agent under the Funding Loan Agreement (as defined herein) ("**Senior Lender**") and (ii) **COUNTY OF RIVERSIDE**, a political subdivision of the State of California ("**Subordinate Lender**").

RECITALS

A. **MULBERRY GARDENS FAMILY, L.P.**, a limited partnership organized under the laws of the State of California ("**Borrower**") has a long-term leasehold interest in certain land located in Riverside County, California, described in Exhibit A ("**Land**"). The Land is improved with a multifamily rental housing project ("**Improvements**").

B. **CALIFORNIA MUNICIPAL FINANCE AUTHORITY**, a joint exercise of powers agency duly organized and existing under the laws of the State of California ("**Governmental Lender**"), the original holder of the Senior Note, has made a loan to Borrower in the original principal amount of $_____ ("**Senior Loan**") upon the terms and conditions of a Project Loan Agreement dated as of _____ 1, 2025 ("**Project Loan Agreement**") among Governmental Lender, Senior Lender (in its capacity as Fiscal Agent under the Funding Loan Agreement (defined below)) and Borrower in connection with the Mortgaged Property. The Senior Loan is secured by a Construction Leasehold Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of _____ 1, 2025 ("**Senior Mortgage**") encumbering the Land, the Improvements and related personal and other property described and defined in the Senior Mortgage as the "**Mortgaged Property**."

C. Pursuant to a Loan Agreement for the Use of HOME Program Funds dated as of _____ 1, 2025 between Subordinate Lender and Borrower ("**Subordinate Loan Agreement**"), Subordinate Lender has made or is making a loan to Borrower in the original principal amount of $2,000,000.00 ("**Subordinate Loan**"). The Subordinate Loan is or will be secured by a Leasehold Deed of Trust and Assignment of Rents dated as of _____ 1, 2025 ("**Subordinate Mortgage**") encumbering all or a portion of the Mortgaged Property.

D. The Senior Mortgage will be recorded in the land records of Riverside County, California ("**Recording Office**"). The Subordinate Mortgage will be recorded in the Recording Office the recording of the Senior Mortgage.

E. The Senior Note was assigned by Governmental Lender to Senior Lender as security for the loan made by Initial Funding Lender (as defined below) to Governmental Lender pursuant to the Funding Loan Agreement (the "**Funding Loan**"). The Senior Mortgage was assigned by Governmental Lender to Senior Lender as security for the Funding Loan pursuant to an Assignment of Deed of Trust and Loan Documents dated as of _____, 2025 to be recorded in the Recording Office contemporaneously herewith.

F. Subject to the terms and conditions of that certain Construction Phase Financing Agreement (the "**Construction Phase Financing Agreement**") dated as of _____, 2025, among **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as Initial Funding Lender (in such capacity, "**Initial Funding Lender**"), Federal Home Loan Mortgage Corporation and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association organized under the laws of the United States of America, as Seller/Servicer (in such capacity, "**Permanent Funding Lender**"), and acknowledged, accepted and agreed to by Borrower, Initial Funding Lender will subsequently assign and deliver the documents comprising the Funding Loan to the Permanent Funding Lender and, in connection therewith, the Senior Note (as defined herein) and the Senior Mortgage will be amended and restated ("**Conversion**").

G. Upon Conversion, the Funding Lender (defined below) will have the right to amend and restate the Senior Note and the Senior Mortgage, and the right to amend, waive, postpone, extend, renew, replace, reduce or otherwise modify any provision of any of the Senior Loan Documents (as defined herein), without notice to or the consent or joinder of the Subordinate Lender.

H. The execution and delivery of this Agreement is a condition of Funding Lender's consenting to Subordinate Lender's making of the Subordinate Loan and Borrower's granting of the Subordinate Mortgage.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Definitions. The following terms, when used in this Agreement (including, as appropriate, when used in the above recitals), will have the following meanings.

The terms "**Condemnation**," "**Imposition Reserve Deposits**," "**Impositions**," "**Leases**," "**Rents**" and "**Restoration**," as well as any term used in this Agreement and not otherwise defined in this Agreement, will have the meanings given to those terms in the Senior Loan Agreement.

"**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.

"**Borrower**" means all persons or entities identified as "Borrower" in the first Recital of this Agreement, together with their successors and assigns, and any other person or entity who acquires title to the Mortgaged Property after the date of this Agreement; provided that the term "Borrower" will not include Senior Lender or Funding Lender if Senior Lender or Funding Lender acquires title to the Mortgaged Property.

"**Casualty**" means the occurrence of damage to or loss of all or any portion of the Mortgaged Property by fire or other casualty.

"**Construction Loan Agreement**" means the Construction Loan Agreement dated as of _____, 2025, between Initial Funding Lender and Borrower.

"**Continuing Covenant Agreement**" means the Continuing Covenant Agreement to be executed by Borrower and Permanent Funding Lender at Conversion.

"**Enforcement Action**" means any of the following actions taken by or at the direction of Subordinate Lender: the acceleration of all or any part of the Subordinate Indebtedness, the advertising of or commencement of any foreclosure or trustee's sale proceedings, the exercise of any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of Rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the taking of possession or control of any of the Mortgaged Property, the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the Subordinate Note or any other of the Subordinate Loan Documents, the exercising of any banker's lien or rights of set-off or recoupment, or the exercise of any other remedial action against Borrower, any other party liable for any of the Subordinate Indebtedness or obligated under any of the Subordinate Loan Documents, or the Mortgaged Property.

"**Enforcement Action Notice**" means a Notice given from Subordinate Lender to Senior Lender and Funding Lender, following one or more Subordinate Mortgage Default(s) and the expiration of any applicable notice or cure periods, setting forth in reasonable detail the Subordinate Mortgage Default(s) and the Enforcement Actions proposed to be taken by Subordinate Lender.

"**Funding Lender**" means Initial Funding Lender prior to Conversion and Permanent Funding Lender from and after Conversion, and any successor holder of the Governmental Note.

"**Funding Loan Agreement**" means the Funding Loan Agreement dated as of _____ 1, 2025 among Funding Lender, Governmental Lender and Senior Lender.

"**Governmental Note**" means, collectively, (i) that certain $_____ California Municipal Finance Authority Housing Revenue Note (Mulberry Gardens Family Apartments), 2025 Series A-1 delivered by the Governmental Lender and evidencing a portion of the Funding Loan, and (ii) that certain $_____ California Municipal Finance Authority Housing Revenue Note (Mulberry Gardens Family Apartments), 2025 Series A-2 (Taxable) delivered by the Governmental Lender and evidencing a portion of the Funding Loan, each dated _____, 2025.

"**Lien**" means any lien, encumbrance, estate or other interest, recorded against or secured by the Mortgaged Property.

"**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.

"**Notice**" means all notices, requests, demands, consents, approvals or other communication pursuant to this Agreement provided in accordance with the provisions of Section 10.

"**Regulatory Agreement**" means the Covenant Agreement (Mulberry Gardens Family Apartments) between Borrower and Subordinate Lender dated as of _____, 2025 and to be recorded in the Recording Office.

"**Senior Indebtedness**" means the "Indebtedness" of Borrower as evidenced by the Senior Loan Documents.

"**Senior Lender**" is defined above. When any other person or entity becomes the legal holder of the Senior Note, such other person or entity will automatically become Senior Lender.

"**Senior Loan Agreement**" collectively means, prior to Conversion, the Project Loan Agreement and the Construction Loan Agreement; and from and after Conversion, the Project Loan Agreement and/or the Continuing Covenant Agreement.

"**Senior Loan Documents**" collectively means prior to Conversion, the "Project Loan Documents" as defined in the Construction Phase Financing Agreement together with the "Loan Documents" as defined in the Construction Loan Agreement. From and after Conversion, "Senior Loan Documents" will mean the "Financing Documents" as defined in the Continuing Covenant Agreement, as such documents may be amended.

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

"**Senior Note**" means, prior to Conversion, collectively, (i) that certain Promissory Note (Tax-Exempt) dated as of _____, 2025, from Borrower to Governmental Lender, in the amount of $_____, and endorsed by Governmental Lender to Fiscal Agent, and (ii) that certain Promissory Note (Taxable) dated as of _____, 2025, from Borrower to Governmental Lender, in the amount of $_____, and endorsed by Governmental Lender to Fiscal Agent. From and after Conversion, "Senior Note" means the Project Note as defined in the Continuing Covenant Agreement.

"**Subordinate Indebtedness**" means all sums evidenced or secured or guaranteed by, or otherwise due and payable to Subordinate Lender pursuant to, the Subordinate Loan Documents.

"**Subordinate Lender**" means the person or entity named as such in the first paragraph of this Agreement and any other person or entity who becomes the legal holder of the Subordinate Note after the date of this Agreement.

"**Subordinate Loan Documents**" means the Subordinate Mortgage, the Subordinate Note, the Subordinate Loan Agreement and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Subordinate Indebtedness, as such documents may be amended.

"**Subordinate Mortgage Default**" means any act, failure to act, event, condition, or occurrence which allows (but for any contrary provision of this Agreement) Subordinate Lender to take an Enforcement Action.

"**Subordinate Note**" means the promissory note or other evidence of the Subordinate Indebtedness and any replacement of the Subordinate Note.

"**Surplus Cash**" means, with respect to any period, any revenues of Borrower remaining after paying, or setting aside funds for paying, all the following:

(a) All sums due or currently required to be paid under the Senior Loan Documents, including any reserves and Imposition Reserve Deposits.

(b) All reasonable operating expenses of the Mortgaged Property, including real estate taxes, insurance premiums, utilities, building maintenance, painting and repairs, management fees, payroll, administrative expenses, legal expenses and audit expenses (excluding any developer fees payable with respect to the Mortgaged Property).

2. Subordinate Lender's Representations and Warranties.

(a) Subordinate Lender represents and warrants that each of the following is true as of the date of this Agreement:

(i) Subordinate Lender is now the owner and holder of the Subordinate Loan Documents.

(ii) No Subordinate Mortgage Default has occurred and is continuing.

(iii) The current unpaid principal balance of the Subordinate Indebtedness is $2,000,000.00.

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(iv) No scheduled payments under the Subordinate Note have been prepaid.

(b) Without the prior written consent of Senior Lender, Subordinate Lender will not do any of the following:

(i) Pledge, assign, transfer, convey, or sell any interest in the Subordinate Indebtedness or any of the Subordinate Loan Documents.

(ii) Take any action which has the effect of increasing the Subordinate Indebtedness, except to cure a Senior Mortgage Default as contemplated under Section 5(a) of this Agreement.

(iii) Accept any prepayment of the Subordinate Indebtedness.

3. Terms of Subordination.

(a) Agreement to Subordinate. The Subordinate Indebtedness is and will at all times continue to be subject and subordinate in right of payment to the prior payment in full of the Senior Indebtedness. Each of the Subordinate Loan Documents is, and will at all times remain, subject and subordinate in all respects to the liens, terms, covenants, conditions, operations, and effects of each of the Senior Loan Documents.

(b) Subordination of Subrogation Rights. If Subordinate Lender, by indemnification, subrogation or otherwise, acquires any Lien on any of the Mortgaged Property, then that Lien will 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 Subordinate Indebtedness and the Subordinate Loan Documents are subordinate pursuant to this Agreement.

(c) Payments Before Senior Mortgage Default; Soft Subordinate Debt. Until the occurrence of a Senior Mortgage Default, Subordinate Lender will be entitled to retain for its own account all payments of the principal of and interest on the Subordinate Indebtedness pursuant to the Subordinate Loan Documents; provided that Subordinate Lender expressly agrees that it will not accept any such payment

that is made more than 10 days in advance of its due date and provided further that Subordinate Lender will not accept any payment in an amount that exceeds 75% of then available Surplus Cash.

(d) Payments After Senior Mortgage Default or Bankruptcy.

(i) Immediately upon Subordinate Lender's receipt of Notice or actual knowledge of a Senior Mortgage Default, Subordinate Lender will not accept any payments of the Subordinate Indebtedness, and the provisions of this Section 3(d) will apply.

(ii) If Subordinate Lender receives any of the following, whether voluntarily or by action of law, after a Senior Mortgage Default of which Subordinate Lender has actual knowledge (or is deemed to have actual knowledge as provided in Section 4(c)) or has been given Notice, such will be received and held in trust for Senior Lender:

(A) Any payment, property, or asset of any kind or in any form in connection with the Subordinate Indebtedness.

(B) Any proceeds from any Enforcement Action.

(C) Any payment, property, or asset in or in connection with any Bankruptcy Proceeding.

(iii) Subordinate Lender will promptly remit, in kind and properly endorsed as necessary, all such payments, properties, and assets described in Section 3(d)(ii) to Senior Lender. Senior Lender will apply any payment, asset, or property so received from Subordinate 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 determines in its sole and absolute discretion.

(e) Bankruptcy. Without the prior written consent of Senior Lender, Subordinate Lender will not commence, or join with any other creditor in commencing, any Bankruptcy Proceeding. In the event of a Bankruptcy Proceeding, Subordinate Lender will not vote affirmatively in favor of any plan of reorganization or liquidation unless Senior Lender has also voted affirmatively in favor of such plan.

4. Default Under Subordinate Loan Documents.

(a) Notice of Subordinate Mortgage Default and Cure Rights.

(i) Subordinate Lender will deliver to Senior Lender and Funding Lender a copy of each Notice delivered by Subordinate Lender pursuant to the Subordinate Loan Documents within 5 Business Days of sending such Notice to Borrower. Neither giving nor failing to give a Notice to Senior Lender or Funding Lender pursuant to this Section 4(a) will affect the validity of any Notice given by Subordinate Lender to Borrower.

(ii) For a period of 90 days following delivery to Senior Lender of an Enforcement Action Notice, Senior Lender will have the right, but not the obligation, to cure any Subordinate Mortgage Default. However, if such Subordinate Mortgage Default is a non-monetary default and is not capable of being cured within such 90-day period and Senior Lender has commenced and is diligently pursuing such cure to completion, Senior Lender will have such additional period of time as may be required to cure such Subordinate Mortgage Default or until such time, if ever, as Senior Lender takes either of the following actions:

(A) Discontinues its pursuit of any cure.

(B) Delivers to Subordinate Lender Senior Lender's written consent to the Enforcement Action described in the Enforcement Action Notice.

(iii) Senior Lender will not be subrogated to the rights of Subordinate Lender under the Subordinate Loan Documents as a result of Senior Lender having cured any Subordinate Mortgage Default.

(iv) Subordinate Lender acknowledges that all amounts advanced or expended by Senior Lender in accordance with the Senior Loan Documents or to cure a Subordinate Mortgage Default will be added to and become a part of the Senior Indebtedness and will be secured by the lien of the Senior Mortgage.

(b) Subordinate Lender's Exercise of Remedies After Notice to Senior Lender.

(i) In the event of a Subordinate Mortgage Default, Subordinate Lender will not commence any Enforcement Action until 90 days after Subordinate Lender has delivered to Senior Lender and Funding Lender an Enforcement Action Notice. During such 90-day period or such longer period as provided in Section 4(a), Subordinate Lender will be entitled to seek specific performance to enforce covenants and agreements of Borrower relating to income, rent, or affordability restrictions contained in

the Regulatory Agreement, subject to Senior Lender's right to cure a Subordinate Mortgage Default set forth in Section 4(a).

(ii) Subordinate Lender may not commence any other Enforcement Action, including any foreclosure action under the Subordinate Loan Documents, until the earlier of:

(A) The expiration of such 90-day period or such longer period as provided in Section 4(a).

(B) The delivery by Senior Lender to Subordinate Lender of Senior Lender's written consent to such Enforcement Action by Subordinate Lender.

(iii) Subordinate Lender acknowledges that Senior Lender may grant or refuse consent to Subordinate Lender's Enforcement Action in Senior Lender's sole and absolute discretion. At the expiration of such 90-day period or such longer period as provided in Section 4(a) and, subject to Senior Lender's right to cure set forth in Section 4(a), Subordinate Lender may commence any Enforcement Action.

(iv) 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 Subordinate Lender. No action or failure to act on the part of Senior Lender in the event of a Subordinate Mortgage Default or commencement of an Enforcement Action will constitute a waiver on the part of Senior Lender of any provision of the Senior Loan Documents or this Agreement.

(c) Cross Default. Subordinate Lender acknowledges that a Subordinate Mortgage Default constitutes a Senior Mortgage Default. Accordingly, upon the occurrence of a Subordinate Mortgage Default, Subordinate Lender will be deemed to have actual knowledge of a Senior Mortgage Default. If Subordinate Lender notifies Senior Lender and Funding Lender in writing that any Subordinate Mortgage Default of which Senior Lender has received Notice has been cured or waived, as determined by Subordinate Lender in its sole discretion, then provided that Senior Lender has not conducted a sale of the Mortgaged Property pursuant to its rights under the Senior Loan Documents, any Senior Mortgage Default under the Senior Loan Documents arising solely from such Subordinate Mortgage Default will be deemed cured, and the Senior Loan will be reinstated.

5. Default Under Senior Loan Documents.

(a) Notice of Senior Mortgage Default and Cure Rights.

(i) Senior Lender or Funding Lender will deliver to Subordinate Lender a copy of any Notice sent by Senior Lender or Funding Lender to Borrower of a Senior Mortgage Default within 5 Business Days of sending such Notice to Borrower. Failure of Senior Lender or Funding Lender to send Notice to Subordinate Lender will not prevent the exercise of Senior Lender's rights and remedies under the Senior Loan Documents.

(ii) Subordinate Lender will have the right, but not the obligation, to cure any monetary Senior Mortgage Default within 30 days following the date of such Notice. During such 30-day period Senior Lender will be entitled to continue to pursue its remedies under the Senior Loan Documents.

(iii) Subordinate Lender may, within 90 days after the date of the Notice, cure a non-monetary Senior Mortgage Default if during such 90-day period, Subordinate Lender keeps current all payments required under the Senior Loan Documents. If such a non-monetary Senior Mortgage Default creates an unacceptable level of risk relative to the Mortgaged Property, or Senior Lender's secured position relative to the Mortgaged Property, as determined by Senior Lender in its sole discretion, then during such 90-day period Senior Lender may exercise all available rights and remedies to protect and preserve the Mortgaged Property and the Rents, revenues and other proceeds from the Mortgaged Property.

(iv) All amounts paid by Subordinate Lender to Senior Lender to cure a Senior Mortgage Default will be deemed to have been advanced by Subordinate Lender pursuant to, and will be secured by the lien of, the Subordinate Mortgage. Notwithstanding anything in this Section 5(a) to the contrary, Subordinate Lender's right to cure any Senior Mortgage Default will terminate immediately upon the occurrence of any Bankruptcy Proceeding.

(b) Release of Mortgaged Property.

(i) Subordinate Lender consents to and authorizes any future release by Senior Lender of all or any portion of the Mortgaged Property from the lien, operation, and effect of the Senior Loan Documents. Subordinate Lender waives to the fullest extent permitted by law, all equitable or other rights it may have in connection with the release of all or any portion of the Mortgaged Property, including any right to require Senior Lender to do any of the following:

(A) To conduct a separate sale of any portion of the Mortgaged Property.

(B) To exhaust its remedies against all or any portion of the Mortgaged Property or any combination of portions of the Mortgaged Property or any other collateral for the Senior Indebtedness.

(C) To proceed against Borrower, any other party that may be liable for any of the Senior Indebtedness (including any general partner of Borrower if Borrower is a partnership), all or any portion of the Mortgaged Property or combination of portions of the Mortgaged Property or any other collateral, before proceeding against all or such portions or combination of portions of the Mortgaged Property as Senior Lender determines. Subordinate Lender waives to the fullest extent permitted by law any and all benefits under California Civil Code Sections 2845, 2849 and 2850.

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(ii) Subordinate Lender consents to and authorizes, at the option of Senior Lender, the sale, either separately or together, of all or any portion of the Mortgaged Property. Subordinate Lender acknowledges that without Notice to Subordinate Lender and without affecting any of the provisions of this Agreement, Senior Lender may do any of the following:

(A) Extend the time for or waive any payment or performance under the Senior Loan Documents.

(B) Modify or amend in any respect any provision of the Senior Loan Documents.

(C) Modify, exchange, surrender, release, and otherwise deal with any additional collateral for the Senior Indebtedness.

(c) Termination Upon Foreclosure. The lien of the Subordinate Loan Documents will automatically terminate upon the acquisition by Senior Lender or by a third-party purchaser of title to the Mortgaged Property pursuant to a foreclosure of, deed in lieu of foreclosure, or trustee's sale or other exercise of a power of sale or similar disposition under the Senior Mortgage.

6. **Conflicts.** If there is any conflict or inconsistency between the terms of the Subordinate Loan Documents and the terms of this Agreement, then the terms of this Agreement will control. Borrower acknowledges that the terms and provisions of this Agreement will not, and will not be deemed to do any of the following:

(a) Extend Borrower's time to cure any Senior Mortgage Default or Subordinate Mortgage Default.

(b) Give Borrower the right to receive notice of any Senior Mortgage Default or Subordinate Mortgage Default, other than that, if any, provided, respectively under the Senior Loan Documents or the Subordinate Loan Documents.

(c) Create any other right or benefit for Borrower as against Senior Lender or Subordinate Lender.

7. **Rights and Obligations of Subordinate Lender Under the Subordinate Loan Documents and of Senior Lender under the Senior Loan Documents.**

(a) Insurance.

(i) All requirements pertaining to insurance under the Subordinate Loan Documents (including requirements relating to amounts and types of coverages, deductibles and special endorsements) will be deemed satisfied if Borrower complies with the insurance requirements under the Senior Loan Documents and of Senior Lender and Funding Lender.

(ii) All original policies of insurance required pursuant to the Senior Loan Documents will be held by Senior Lender or Funding Lender.

(iii) Nothing in this Section 7(a) will preclude Subordinate Lender from requiring that it be named as a mortgagee and loss payee, as its interest may appear, under all policies of property damage insurance maintained by Borrower with respect to the Mortgaged Property, provided such action does not affect the priority of payment of Loss Proceeds, or that Subordinate Lender be named as an additional insured under all policies of liability insurance maintained by Borrower with respect to the Mortgaged Property.

(b) Condemnation or Casualty.

In the event of a Condemnation or a Casualty, the following provisions will apply:

(i) The rights of Subordinate Lender (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a Condemnation or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Condemnation or a Casualty, will be and remain subordinate in all respects to Senior Lender's rights under the Senior Loan Documents, and Subordinate Lender will be bound by any settlement or adjustment of a claim resulting from a Condemnation or a Casualty made by Senior Lender.

(ii) All Loss Proceeds will be applied either to payment of the costs and expenses of Restoration or to payment on account of the Senior Indebtedness, as and in the manner determined by Senior Lender in its sole discretion; provided however, Senior Lender agrees to consult with Subordinate Lender in determining the application of Casualty proceeds. In the event of any disagreement between Senior Lender and Subordinate Lender over the application of Casualty proceeds, the decision of Senior Lender, in its sole discretion, will prevail.

(iii) If Senior Lender or Funding Lender holds Loss Proceeds, or monitors the disbursement of Loss Proceeds, Subordinate Lender will not do so. Nothing contained in this Agreement will be deemed to require Senior Lender to act for or on behalf of Subordinate Lender in connection with any Restoration or to hold or monitor any Loss Proceeds in trust for or otherwise on behalf of Subordinate Lender, and all or any Loss Proceeds may be commingled with any funds of Senior Lender.

(iv) If Senior Lender elects to apply Loss Proceeds to payment on account of the Senior Indebtedness, and if the application of such Loss Proceeds results in the payment in full of the entire Senior Indebtedness, any remaining Loss Proceeds held by Senior Lender will be paid to Subordinate Lender unless another party has asserted a claim to the remaining Loss Proceeds.

(c) Modification of Subordinate Loan Documents. Subordinate Lender agrees that, until the principal of, interest on and all other amounts payable under the Senior Loan Documents have been paid in full, it will not, without the prior written consent of Senior Lender, increase the amount of the Subordinate Loan, increase the required payments due under the Subordinate Loan, decrease the term of the Subordinate Loan, increase the interest rate on the Subordinate Loan, or otherwise amend the Subordinate Loan terms in a manner that creates an adverse effect upon Senior Lender or Funding Lender under the Senior Loan Documents. If Subordinate Lender either (i) amends the Subordinate Loan Documents in the manner set forth above or (ii) assigns the Subordinate Loan without Senior Lender's consent, then such amendment or assignment will be void ab initio and of no effect whatsoever.

(d) Modification of Senior Loan Documents. Senior Lender may amend, waive, postpone, extend, renew, replace, reduce or otherwise modify any provisions of the Senior Loan Documents without the necessity of obtaining the consent of or providing Notice to Subordinate Lender, and without affecting any of the provisions of this Agreement. Notwithstanding the foregoing, Senior Lender may not modify any provision of the Senior Loan Documents that increases the Senior Indebtedness, except for increases in the Senior Indebtedness that result from advances made by Senior Lender to protect the security or lien priority of Senior Lender under the Senior Loan Documents or to cure defaults under the Subordinate Loan Documents.

(e) Commercial or Retail Leases. If requested, Subordinate Lender will enter into attornment and non-disturbance agreements with all tenants under commercial or retail Leases, if any, to whom Senior Lender has granted attornment and non-disturbance, on the same terms and conditions given by Senior Lender.

(f) Consent Rights. Whenever the Subordinate Loan Documents give Subordinate Lender approval or consent rights with respect to any matter, and a right of

approval or consent for the same or substantially the same matter is also granted to Senior Lender or Funding Lender pursuant to the Senior Loan Documents or otherwise, Senior Lender's or Funding Lender's approval or consent or failure to approve or consent will be binding on Subordinate Lender. None of the other provisions of Section 7 are intended to be in any way in limitation of the provisions of this Section 7(f).

(g) Escrows. Except as provided in this Section 7(g), and regardless of any contrary provision in the Subordinate Loan Documents, Subordinate Lender will not collect any escrows for any cost or expense related to the Mortgaged Property or for any portion of the Subordinate Indebtedness. However, if Senior Lender or Funding Lender is not collecting escrow payments for one or more Impositions, Subordinate Lender may collect escrow payments for such Impositions; provided that all payments so collected by Subordinate Lender will be held in trust by Subordinate Lender to be applied only to the payment of such Impositions.

(h) Certification. Within 10 days after request by Senior Lender or Funding Lender, Subordinate Lender will furnish Senior Lender and Funding Lender with a statement, duly acknowledged and certified setting forth the then-current amount and terms of the Subordinate Indebtedness, confirming that there exists no default under the Subordinate Loan Documents (or describing any default that does exist), and certifying to such other information with respect to the Subordinate Indebtedness as Senior Lender may request.

8. **Refinancing.** Subordinate Lender agrees that its agreement to subordinate under this Agreement will extend to any new mortgage debt which is for the purpose of refinancing all or any part of the Senior Indebtedness (including reasonable and necessary costs associated with the closing and/or the refinancing, and any reasonable increase in proceeds for rehabilitation in the context of a preservation transaction). All terms and covenants of this Agreement will inure to the benefit of any holder of any such refinanced debt, and all references to the Senior Loan Documents and Senior Lender will mean, respectively, the refinance loan documents and the holder of such refinanced debt.

9. **Governmental Powers.** Nothing in this Agreement is intended, nor will it be construed, to in any way limit the exercise by Subordinate Lender of its governmental powers (including police, regulatory and taxing powers) with respect to Borrower or the Mortgaged Property to the same extent as if it were not a party to this Agreement or the transactions contemplated by this Agreement.

10. **Notices.**

(a) Any Notice required or permitted to be given pursuant to this Agreement will be in writing and will be deemed to have been duly and sufficiently given if (i) personally delivered with proof of delivery (any Notice so delivered will be deemed to have been received at the time so delivered), or (ii) sent by a national overnight courier service (such as FedEx) designating earliest available delivery

(any Notice so delivered will be deemed to have been received on the next Business Day following receipt by the courier), or (iii) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any Notice so sent will be deemed to have been received on the date of delivery as confirmed by the return receipt), addressed to the respective parties as follows:

Notices intended for Senior Lender will be addressed to:

U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust
Email: [_____@usbank.com]

Notices intended for Subordinate Lender will be addressed to:

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

Notices intended for Funding Lender prior to Conversion will be addressed to:

Wells Fargo Bank, National Association
550 S. Tryon Street
23rd Floor, MAC# D1086-239
Charlotte, North Carolina 28202-4200
Attention: Manager, CLI Deal Management

With a copy to (which copy will not constitute notice to Funding Lender):

Wells Fargo Bank, National Association
Community Lending and Investment
MAC# A0119-182
333 Market Street, 18th Floor
San Francisco, CA 94105
Attention: Jeff Bennett

Notices intended for Funding Lender following Conversion will be addressed to:

Wells Fargo Bank, National Association
1751 Pinnacle Drive, 8th Floor
McLean, Virginia 22102
Attention: Servicing Department
Email: WFMCServicing@wellsfargo.com

And to:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive
McLean, Virginia 22102
Attention: Multifamily Operations - Loan Accounting
Email: mfla@freddiemac.com
Telephone: (703) 714-4177

And to:

Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive
McLean, Virginia 22102
Attention: Managing Associate General Counsel – Multifamily Legal Division
Email: Jennifer_davila@freddiemac.com
Telephone: (703) 903-2000

(b) Any party, by Notice given pursuant to this Section 10, may change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses, for its Notices, but Notice of a change of address will only be effective upon receipt. Neither party will refuse or reject delivery of any Notice given in accordance with this Section 10.

11. Reserved.

12. Miscellaneous Provisions.

(a) Assignments/Successors. This Agreement will be binding upon and will inure to the benefit of the respective legal successors and permitted assigns of the parties to this Agreement. Without prior notice to or the consent of the Subordinate Lender or the Borrower, the Senior Lender may freely transfer or assign the Senior Loan and the Senior Loan Documents, including this Agreement, in whole or in part, and the Subordinate Lender acknowledges and agrees that any future legal holder of the Senior Note will automatically be a legal successor and permitted assignee of Senior Lender hereunder, without the necessity of any further action or instrument. Except for Funding Lender, no other party will be entitled to any benefits under this Agreement, whether as a third-party beneficiary or otherwise.

(b) No Partnership or Joint Venture. Nothing in this Agreement or in any of the Senior Loan Documents or Subordinate Loan Documents will be deemed to

constitute Senior Lender or Funding Lender as a joint venturer or partner of Subordinate Lender.

(c) Further Assurances. Upon Notice from Senior Lender or Funding Lender, Subordinate Lender will execute and deliver such additional instruments and documents, and will take such actions, as are required by Senior Lender or Funding Lender to further evidence or implement the provisions and intent of this Agreement.

(d) Amendment. This Agreement may be amended, changed, modified, altered or terminated only by a written instrument signed by the parties to this Agreement or their successors or assigns.

(e) Governing Law. This Agreement will be governed by the laws of the State in which the Land is located.

(f) Severable Provisions. If any one or more of the provisions contained in this Agreement, or any application of any such provisions, is invalid, illegal, or unenforceable in any respect, the validity, legality, enforceability, and application of the remaining provisions contained in this Agreement will not in any way be affected or impaired.

(g) Term. The term of this Agreement will commence on the date of this Agreement and will continue until the earliest to occur of the following events:

(i) The payment of all the Senior Indebtedness; provided that this Agreement will be reinstated in the event any payment on account of the Senior Indebtedness is avoided, set aside, rescinded or repaid by Senior Lender or Funding Lender.

(ii) The payment of all the Subordinate Indebtedness other than by reason of payments which Subordinate Lender is obligated to remit to Senior Lender pursuant to this Agreement.

(iii) The acquisition by Senior Lender or by a third-party purchaser of title to the Mortgaged Property pursuant to a foreclosure of, deed in lieu of foreclosure, or trustee's sale or other exercise of a power of sale or similar disposition under the Senior Mortgage.

(iv) With the prior written consent of Senior Lender, without limiting the provisions of Section 4(b)(iv), the acquisition by Subordinate Lender of title to the Mortgaged Property subject to the Senior Mortgage pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale under) the Subordinate Mortgage.

(h) Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

(i) Entire Agreement. This Agreement represents the entire understanding and agreement between the parties regarding the matters addressed in this Agreement, and will supersede and cancel any prior agreements regarding such matters.

(j) Authority. Each person executing this Agreement on behalf of a party to this Agreement represents and warrants that such person is duly and validly authorized to do so on behalf of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations under this Agreement.

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(k) No Waiver. No failure or delay on the part of any party to this Agreement in exercising any right, power, or remedy under this Agreement will operate as a waiver of such right, power, or remedy, nor will any single or partial exercise of any such right, power or remedy preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power or remedy under this Agreement.

(l) Remedies. Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other parties will 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.

(m) Funding Lender's Rights to Control. Notwithstanding anything herein to the contrary, pursuant to the Senior Mortgage and Section 6.03 of the Funding Loan Agreement, all acts, consents, approvals and undertakings of Senior Lender hereunder must be solely at the written direction of the Funding Lender. The parties hereto acknowledge and agree that Funding Lender is a third-party beneficiary of this Agreement, with full rights as such.

13. Attached Riders. The following Riders are attached to this Agreement:

- Regulatory Agreement Primes Mortgage (Revised 8-28-2024)

14. Attached Exhibits. The following Exhibits, if marked with an "X" in the space provided, are attached to this Agreement:

|X| Exhibit A Description of the Land (required)
|X| Exhibit B Ground Lease Description (if applicable)

[SIGNATURE AND ACKNOWLEDGMENT PAGES FOLLOW]

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

SENIOR LENDER:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association

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

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, or validity of that document.

STATE OF CALIFORNIA)
)
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

_____
Notary Public

(SEAL)

SUBORDINATE LENDER:

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

By: FORM COPY - DO NOT SIGN
Name: Heidi Marshall
Title: Director

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

By: _____
Paula S. Salcido, Deputy County Counsel

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, or validity of that document.

STATE OF CALIFORNIA)
)
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

_____
Notary Public

(SEAL)

CONSENT OF BORROWER

Borrower acknowledges receipt of a copy of this Subordination Agreement, dated _____, 2025, by and between **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association and the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California and consents to the agreement of the parties set forth in this Agreement.

BORROWER:

MULBERRY GARDENS FAMILY, L.P.,
a California limited partnership

By: Mulberry Gardens Family LLC,
a California limited liability company,
its managing general partner

By: Eden Housing, Inc.,
a California nonprofit public benefit corporation,
its sole/member manager

By: FORM COPY - DO NOT SIGN
Aruna Doddapaneni
Senior Vice President of Development

[ACKNOWLEDGMENT OCCURS ON FOLLOWING PAGE]

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, or validity of that document.

STATE OF CALIFORNIA)
)
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

_____
Notary Public

(SEAL)

RIDER TO SUBORDINATION AGREEMENT – GOVERNMENTAL ENTITY

REGULATORY AGREEMENT PRIMES MORTGAGE

(Revised 8-28-2024)

The following changes are made to the Agreement which precedes this Rider:

A. Section 1 is modified as follows:

(A) The definition of Subordinate Loan Documents is modified to add the following:

"**Subordinate Loan Documents**" means the Subordinate Mortgage, the Subordinate Note, the Subordinate Loan Agreement and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Subordinate Indebtedness, as such documents may be amended; provided, however, that the Regulatory Agreement is specifically **excluded** from the definition of Subordinate Loan Documents.

(B) The following definitions are added:

"**First Transfer**" has the meaning set forth in Section 11 of this Agreement.

"**Foreclosure Action**" has the meaning set forth in Section 11 of this Agreement.

"**Regulatory Agreement Default**" means any act, failure to act, event, condition, or occurrence which (but for any contrary provision of this Agreement) is a default under the Regulatory Agreement, which continues beyond the giving of notice and expiration of any applicable cure period as provided in the Regulatory Agreement.

"**Regulatory Agreement Enforcement Action**" means the exercise of any rights or remedies under the Regulatory Agreement following a Regulatory Agreement Default.

"**Regulatory Agreement Enforcement Action Notice**" means a Notice given from Subordinate Lender to Senior Lender following one or more Regulatory Agreement Default(s), setting forth in reasonable detail the Regulatory Agreement Default(s) and the Regulatory Agreement Enforcement Actions proposed to be taken by Subordinate Lender.

B. Section 11 is deleted and replaced with the following:

11. Regulatory Agreement.

(a) Representations and Warranties.

(i) Subordinate Lender represents and warrants that each of the following is true with respect to the Regulatory Agreement as of the date of this Agreement:

(A) Subordinate Lender is the owner and holder of the Regulatory Agreement.

(B) No Regulatory Agreement Default has occurred and is continuing.

(ii) Without the prior written consent of Senior Lender, Subordinate Lender will not do any of the following:

(A) Pledge, assign, transfer, convey, or sell any interest in the Regulatory Agreement.

(B) Amend the Regulatory Agreement in any manner.

(b) Agreement to Subordinate.

(i) The Senior Indebtedness is and will at all times continue to be subject and subordinate in priority to the Regulatory Agreement. Each of the Senior Loan Documents is, and will at all times remain, subject and subordinate in all respects to the lien of the Regulatory Agreement. Therefore, following a foreclosure under the Senior Mortgage, or the acceptance by Senior Lender of a deed to the Mortgaged Property in lieu of such a foreclosure (each, a "**Foreclosure Action**"), the Regulatory Agreement will survive and the successor owner of the Mortgaged Property will acquire the Mortgaged Property subject to the Regulatory Agreement, except that, notwithstanding anything to the contrary set forth in the Regulatory Agreement:

(A) Senior Lender (or its nominee) will have the right, without further consent of Subordinate Lender, to commence a Foreclosure Action and transfer (or cause the transfer of) the Mortgaged Property pursuant a Foreclosure Action and, following such Foreclosure Action, in the event Senior Lender (or its nominee) acquires title to the Mortgaged

Property, transfer the Mortgaged Property to any third-party (the "**First Transfer**").

(B) No limitation on creation of indebtedness or creation of any lien securing indebtedness will apply to any third-party acquiring title to the Mortgaged Property in connection with a Foreclosure Action or the First Transfer.

(C) Any remedies in the Regulatory Agreement, other than specific performance or injunctive relief, will terminate after the Foreclosure Action.

(ii) Subordinate Lender agrees that:

(A) Subordinate Lender will look to Senior Lender (or its nominee) and any third-party acquiring title to the Mortgaged Property in connection with a Foreclosure Action or the First Transfer to perform the obligations of owner of the Mortgaged Property accruing only from and after the date of foreclosure or possession. Subordinate Lender will not hold Senior Lender (or its nominee) or any third-party acquiring title to the Mortgaged Property in connection with a Foreclosure Action or the First Transfer responsible for the past actions or inactions of Borrower or any prior owner of the Mortgaged Property.

(B) Neither Senior Lender nor any third-party acquiring title to the Mortgaged Property in connection with a Foreclosure Action or the First Transfer will be obligated to pay, or otherwise have any liability for or in connection with, (1) any rents or other payments received by Borrower prior to foreclosure in excess of what Borrower is permitted to charge and receive under the Regulatory Agreement or (2) any claim by Subordinate Lender for liquidated damages, for indemnification or for damages in connection with any breach of any term or provision of the Regulatory Agreement first occurring prior to the date upon which Senior Lender or such third-party acquired title to the Mortgaged Property.

(c) Notice of Regulatory Agreement Default and Cure Rights.

(i) Subordinate Lender will deliver to Senior Lender a copy of each Notice of a Regulatory Agreement Default delivered by Subordinate Lender pursuant to the Regulatory Agreement within 5 Business Days of sending such Notice to Borrower. Neither

giving nor failing to give a Notice to Senior Lender pursuant to this Section 11(c) will affect the validity of any Notice given by Subordinate Lender to Borrower.

(ii) Senior Lender will have the right, but not the obligation, to cure any Regulatory Agreement Default, until such time, if ever, as Senior Lender delivers to Subordinate Lender written consent to proceed with the Regulatory Agreement Enforcement Action described in the Regulatory Agreement Enforcement Action Notice.

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(iii) Subordinate Lender acknowledges that all amounts advanced or expended by Senior Lender in accordance with the Senior Loan Documents or to cure a Regulatory Agreement Default will be added to and become a part of the Senior Indebtedness and will be secured by the lien of the Senior Mortgage.

(d) Exercise of Remedies following Notice of Regulatory Agreement Enforcement Action.

(i) Subordinate Lender will not commence any Regulatory Agreement Enforcement Action until:

(A) Subordinate Lender has delivered to Senior Lender a Regulatory Agreement Enforcement Action Notice with respect to such Regulatory Agreement Enforcement Action.

(B) The delivery by Senior Lender to Subordinate Lender of Senior Lender's written consent to such Regulatory Agreement Enforcement Action by Subordinate Lender.

(ii) Senior Lender will advise Subordinate Lender whether Senior Lender consents to the Regulatory Agreement Enforcement Action by Subordinate Lender within 90 days following Senior Lender's receipt of the Regulatory Agreement Enforcement Action Notice. Failure of Senior Lender to provide written consent to the Regulatory Agreement Enforcement Action within such 90-day period constitutes Senior Lender's refusal of such consent. Subordinate Lender acknowledges that Senior Lender may grant or refuse consent to Subordinate Lender's Regulatory Agreement Enforcement Action in Senior Lender's sole and absolute discretion.

(iii) Notwithstanding the forgoing, at all times following delivery to Senior Lender of a Regulatory Agreement Enforcement Action Notice, Subordinate Lender may exercise only the remedies of

specific performance or injunctive relief subject to Senior Lender's right to cure a Regulatory Agreement Default set forth in this Section 11(d).

(iv) Senior Lender may pursue all rights and remedies available to it under the Senior Loan Documents, at law, or in equity, regardless of any Regulatory Agreement Enforcement Action Notice or Regulatory Agreement Enforcement Action by Subordinate Lender. No action or failure to act on the part of Senior Lender in the event of a Regulatory Agreement Default or commencement of any enforcement action with respect to such a default will constitute a waiver on the part of Senior Lender of any provision of the Senior Loan Documents or this Agreement.

(e) Operating Covenants. With respect to the operating covenants under the Regulatory Agreement, if any, Subordinate Lender acknowledges and agrees as follows:

(i) Subordinate Lender will not require the removal of the property manager for the Mortgaged Property or changes to the management plan or management agreement in respect of the Mortgaged Property under the Regulatory Agreement, without the prior written consent of the Senior Lender; and such provisions of the Regulatory Agreement will be suspended at any time that a Senior Mortgage Default shall be continuing or at any time that the Senior Lender becomes or is the owner of the Mortgaged Property; and

(ii) that:

(A) reserve requirements imposed by the Regulatory Agreement, if any, will be deferred so long as adequate deposits to the same or similar reserves required by the Senior Loan Documents are made by Borrower;

(B) insurance requirements imposed by the Regulatory Agreement, if any, will be deemed satisfied if Borrower complies with the insurance requirements under the Senior Loan Documents and of Senior Lender and all Loss Proceeds will be paid to Senior Lender and applied in accordance with Section 7(b) of this Agreement; and

(C) Subordinate Lender will have no claim to or security interest in reserve funds or accounts as required under the Senior Loan Documents, which will be owned and controlled as set forth in the Senior Loan Documents;

provided however that this section will not be construed to allow Borrower or its partners or members, as applicable, to distribute any amount remaining in such reserve funds or accounts as part of a sale or refinancing transaction prior to the expiration of the Regulatory Agreement.

(f) Written Statement. Within 30 days after a written request by Senior Lender, Subordinate Lender will furnish Senior Lender with a statement confirming that no Regulatory Agreement Default exists (or describing any default that does exist).

(g) Cross Default. Borrower and Subordinate Lender acknowledge that a Regulatory Agreement Default constitutes a Senior Mortgage Default. Accordingly, upon the occurrence of a Regulatory Agreement Default, Subordinate Lender will be deemed to have actual knowledge of a Senior Mortgage Default. If Subordinate Lender notifies Senior Lender in writing that a Regulatory Agreement Default of which Senior Lender has received Notice has been cured or waived, then provided that Senior Lender has not conducted a sale of the Mortgaged Property pursuant to its rights under the Senior Loan Documents, any Senior Mortgage Default under the Senior Loan Documents arising solely from such Subordinate Mortgage Default will be deemed cured, and the Senior Loan will be reinstated.

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT B

GROUND LEASE DESCRIPTION

That certain Development Ground Lease dated as of _____, 2025, by and between the State of California, as lessor, acting by and through the Director of the Department of General Services, with the consent of the Department of Housing and Community Development, and Mulberry Gardens Family, L.P., a California limited partnership, as lessee, as evidenced by that certain Memorandum of Development Ground Lease dated as of _____, 2025, and recorded _____, 20__, as Instrument No. _____, in the land records of Riverside County, California.