

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



**ITEM: 3.49
(ID # 21173)**

MEETING DATE:
Tuesday, June 27, 2023

FROM : HOUSING AND WORKFORCE SOLUTIONS:

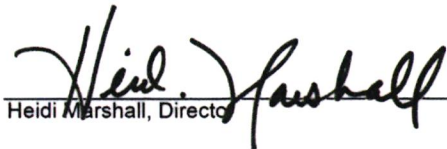
SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Forms of Loan Agreement and Covenant Agreement for the Use of American Rescue Plan Act (ARPA) Funds in the Amount of \$5,000,000 Derived from County's ARPA Allocation; and Authorize the Director of HWS to Execute the ARPA Loan Agreement and Covenant Agreement for the Corona Del Rey Apartments, Located in the City of Corona; District 2. [\$5,050,000 – 100% American Rescue Plan Act (ARPA) Funds] (4/5 Vote Required)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve a loan in the amount of \$5,000,000 derived from County's ARPA allocation to pay a portion of the rehabilitation costs related to the Corona Del Rey Apartments Housing Project, located in the City of Corona to assist low-income households and individuals affected by the COVID-19 pandemic;

Continued on Page 2

ACTION:Policy, 4/5 Vote Required


Heidi Marshall, Director 2/21/2023

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: June 27, 2023
xc: HWS

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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RECOMMENDED MOTION: That the Board of Supervisors:

2. Approve the attached forms of Loan Agreement for the Use of ARPA Funds, including all attachments thereto (ARPA Loan Agreement), the Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (ARPA Deed of Trust), Promissory Note and Covenant Agreement;
3. Approve the allocation of Approximately \$50,000 derived from ARPA Funds to be used to pay direct County Staff related costs and delivery for the Project;
4. Authorize the Director of Housing and Workforce Solutions (HWS), or designee, to execute the ARPA Loan Agreement and Covenant Agreement, each conforming in form and substance to the attached ARPA Loan Agreement and Covenant Agreement, subject to approval as to form by County Counsel;
5. Authorize the Director of HWS, or designee, to execute the ARPA Loan Agreement and Covenant Agreement with National Community Renaissance of California, a California nonprofit public benefit corporation, substantially conforming in form and substance to the attached ARPA Loan Agreement and Covenant Agreement, to provide a loan in the total amount of \$5,000,000 with the term commencing upon signature of the parties and terminating the later of December 31, 2078, or fifty-five (55) years from the recordation of the Covenant Agreement, subject to approval as to form by County Counsel; and
6. Authorize the Director of the HWS, or designee, to negotiate and execute a Subordination Agreement, conforming form and substance to the attached Subordination Agreement, subordinating to the City of Corona Loan for a not to exceed the amount of \$5,500,000, subject to approval as to form by County Counsel; and
7. Approve and direct the Auditor-Controller to make the budget adjustment as detailed in the attached Schedule A.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$5,050,000	\$ 0	\$5,050,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: American Rescue Plan Act (ARPA) Funds (100%)			Budget Adjustment:	Yes
			For Fiscal Year:	2022/23

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On October 19, 2021 (Minute Order 3.5), the Board of Supervisors allocated \$50,000,000 in ARPA funds for the purpose of addressing housing and homelessness through the development of affordable housing and sheltering programs. The \$50,000,000 Board allocation was distributed equally to all five supervisorial districts. The funding allocated by the Board was the

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State and Local Fiscal Recovery Funds (SLFRF) that the County was allocated as part of the American Rescue Plan Act (ARPA) of 2021 (Pub. L 117-2). These ARPA funds are to focus on projects and/or programs that serve as a pathway to create affordable housing with necessary supporting infrastructure to assist low-income communities disproportionately affected by the COVID-19 pandemic. One of the eligible uses of ARPA funds includes the increase in the supply of affordable housing which is critical to addressing the lack of affordable housing for low-income residents. The project proposed below is one of several projects in the City of Corona's pipeline to address homelessness and housing instability. The Department of Housing and Workforce Solutions (HWS) has played an active role in supporting the City of Corona's homeless strategy including the leveraging of county funding to expand sheltering beds and affordable housing units. City-County partnerships such as this are critical to meeting the housing and service needs of unsheltered residents.

National Community Renaissance of California, a California nonprofit public benefit corporation (Developer) has applied to the County of Riverside (County) for ARPA funding allocated from California's direct allocation of federal ARPA funds in the amount of \$5,000,000 (ARPA Loan) to pay a portion of the costs to rehabilitate the existing Corona Del Rey Apartments Housing Project, an affordable multi-family low-income housing project (Proposed Project). If approved, the ARPA Loan will be evidenced by a Promissory Note in favor of the County (ARPA Loan Note), which would be secured by a Deed of Trust with Assignment of Leases and Rents, Security Agreement and Fixture Filing for the benefit of the County (ARPA Loan Deed of Trust). The proposed ARPA Loan Deed of Trust and ARPA Loan Note are exhibited to the Loan Agreement attached hereto.

The Proposed Project is located on an approximately 9.96 acres site, located at 1148 D Street, in the City of Corona within Riverside County. Also, identified as APNs 118-183-034 through 118-183-043, 118-0183-049-1; 118-183-051-2; 118-183-053-4; 118-171-019 to 118-171-046 through 118-171-046, 118-171-046; 118-171-054 to 118-171-056 (Property). The Proposed Project consists of 160 2-bedroom (1,118 sq. ft.) affordable rental units divided into 40 four-unit townhomes, two-story buildings, which have the following amenities: a community center, laundry facility, three playgrounds, covered parking, 24-Hour emergency maintenance, and controlled access & gated entrances. Under the County's ARPA Program, 61 units will be restricted to ARPA units of which 30 households whose incomes do not exceed 50% of the area median income for the County of Riverside, 31 units will be restricted to households whose incomes do not exceed 60% of the Area Median Income (AMI). Additionally, the Housing Authority of the County of Riverside is placing eight (8) Section 8 Project-Based Vouchers on the Proposed Project which will be limited to households whose incomes do not exceed 50% of AMI for the County of Riverside.

Permanent Sources

National Community Renaissance	\$ 7,000,000
Riverside County ARPA Loan (D)	\$ 5,000,000
City of Corona Loan	\$ 5,500,000

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Existing County HOME Loan	\$ 77,063
Existing City of Corona RDA Loan	\$ 1,467,565
Existing NCRC Property Reserves (A)	\$ 1,488,930
Existing NCRC Loans to the Property	\$ 1,057,756
Total	\$ 21,591,314

Staff recommends approval of ARPA funds for the Proposed Project to pay a portion of the development and construction costs for the Proposed Project and direct project staffing costs in an amount not to exceed 1% of ARPA funds approved for the Proposed Project as follows:

Corona Del Rey Apartments	\$5,000,000	Riverside County ARPA Project Funding
<u>Corona Del Rey Apartments</u>	<u>\$50,000</u>	Riverside County ARPA Direct Staffing (5%)
Total	\$5,050,000	

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

Impact on Citizens and Businesses

The rehabilitation of Corona Del Rey Apartments will have a positive impact on residents and businesses as it will provide needed affordable housing and mitigate health and safety issues affecting the property making it a decent and safe place for qualified families to live. The project is also expected to create jobs in construction, property maintenance, and property management.

**SUPPLEMENTAL:
Additional Fiscal Information**

No impact upon the County's General Fund; the County's contribution to the Project will be fully funded with American Rescue Plan Act (ARPA) funds allocated from California's direct allocation of federal ARPA funds. A budget adjustment is required for FY 2022/23 (see Schedule A attachment).

Attachments:

- Form of the Loan Agreement for the Use of ARPA Funds, including all exhibits; forms of the ARPA Loan Deed of Trust, ARPA Loan Promissory Note, and ARPA Covenant Agreement
- Schedule A

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Heydee Koury
Heydee Koury, Sr Accountant - Auditor 6/5/2023

Kristine Bell-Valdez
Kristine Bell-Valdez, Supervising Deputy County Counsel 5/31/2023

1 NO FEE FOR RECORDING PURSUANT
2 TO GOVERNMENT CODE SECTION 6103

3 Order No.
4 Escrow No.

5 RECORDING REQUESTED BY AND
6 WHEN RECORDED MAIL TO:

7 County of Riverside
8 Housing and Workforce Solutions
9 3403 10th Street, Suite 300
10 Riverside, CA 92501
11 Attn: Alicia Jaimes

12 SPACE ABOVE THIS LINE FOR RECORDER'S USE

13 LOAN AGREEMENT FOR THE USE OF
14 AMERICAN RESCUE PLAN ACT (ARPA) FUNDS
15 (Corona Del Rey Apartments)

16 This LOAN AGREEMENT FOR THE USE OF AMERICAN RESCUE PLAN ACT
17 FUNDS (Corona Del Rey Apartments) ("Agreement") is made and entered into this _____
18 day of _____, 2023 by and between the COUNTY OF RIVERSIDE, a political
19 subdivision of the State of California ("COUNTY"), and NATIONAL COMMUNITY
20 RENAISSANCE OF CALIFORNIA, a California nonprofit public benefit corporation
21 ("BORROWER"). The COUNTY and BORROWER may be individually referred to herein as
22 a "Party" and collectively as the "Parties." This Agreement is for the use of U.S. Department of
23 the Treasury ("U.S. Treasury") Coronavirus State and Local Fiscal Recovery Funds ("SLRF")
24 under the American Rescue Plan Act of 2021 (Pub. L. 117-2), amending Title VI of the Social
25 Security Act (42 U.S.C. 801 et seq.) (the "Act") and the implementing regulations thereto (31
26 CFR Part 35) (collectively, "ARPA"), is made and entered into as of the Effective Date (defined
27 herein).

28 RECITALS:

WHEREAS, on March 11, 2021, to address the negative economic impacts of the COVID-
19 pandemic, President Joseph R. Biden into law the Act, and on January 6, 2022, the U.S.
Treasury adopted a Final Rule implementing SLFRF; and

1 WHEREAS, state, territorial, local and tribal governments were required to comply with
2 the Final Rule by April 1, 2022 when the Final Rule took effect; and

3 WHEREAS, the Act, regulations promulgated thereunder in 31 CFR Part 35, and the Final
4 Rule (collectively, “ARPA Rules”) provides that the SLFRF may be used to cover costs that are
5 necessary expenditures incurred due to the public health emergency with respect to the COVID-
6 19 pandemic; and

7 WHEREAS, the Act states that SLFRF funds may be used “to respond to the public health
8 emergency with respect to COVID-19 and its negative economic impacts, including assistance
9 to households, small businesses and nonprofits”; and

10 WHEREAS, pursuant to 31 CFR Part 35.6(b)(3)(ii)(A)(5), one of the Eligible Uses (as
11 defined under ARPA Rules) of the SLFRF is to respond to the public health emergency or its
12 negative economic impacts for the purpose of assisting low-income households and individuals
13 disproportionately impacted by the COVID-19 pandemic through the development, repair and
14 operation of affordable housing and services or programs to increase long-term housing security;
15 and

16 WHEREAS, on October 19, 2021, via Minute Order 3.5, the Board of Supervisors of the
17 County of Riverside approved allocating \$50,000,000 in ARPA funds to increase shelter
18 capacity, permanent supportive housing units and affordable housing to help address
19 homelessness; and

20 WHEREAS, BORROWER is proposing to utilize SLFRF funds for the rehabilitation of a
21 multi-family affordable rental housing project consisting of one hundred sixty (160) rental
22 housing units, including two (2) residential manager’s units to be rented and occupied by low-
23 income households (“Project”), situated on D Street, Magdalena Circle and Isabella Way in the
24 City of Corona, also identified as APNs: 118-183-034, 118-183-035, 118-183-036, 118-183-
25 037, 118-183-038, 118-183-039, 118-183-040, 118-183-041, 118-183-042, 118-183-043, 118-
26 183-049-1, 118-183-051-2, 118-183-053-4, 118-171-019, 118-171-020, 118-171-021, 118-171-
27 022, 118-171-023, 118-171-024, 118-171-025, 118-171-026, 118-171-027, 118-171-028, 118-
28

1 171-029, 118-171-030, 118-171-031, 118-171-032, 118-171-033, 118-171-034, 118-171-035,
2 118-171-036, 118-171-037, 118-171-038, 118-171-039, 118-171-040, 118-171-041, 118-171-
3 042, 118-171-043, 118-171-044, 118-171-045, 118-171-046, 118-171-054, 118-171-055 and
4 118-171-056, as more specifically described in the legal description attached hereto as **Exhibit**
5 **A** and incorporated herein by this reference (“Property”); and

6 WHEREAS, the purpose of this Agreement is, among other things, for COUNTY to
7 provide financial assistance to BORROWER in the maximum amount of FIVE MILLION AND
8 00/100 DOLLARS (\$5,000,000) (the “Loan Amount”), to pay a portion of the rehabilitation
9 costs related to the Project, as more fully described herein; and

10 WHEREAS, pursuant to 31 CFR Part 35.6, one of the Eligible Uses of the SLFRF is to
11 respond to the public health emergency or its negative economic impacts for the purpose of
12 assisting low-income households and individuals disproportionately impacted by the COVID-19
13 pandemic through the development, repair and operation of affordable housing and services or
14 programs to increase long-term housing security, and therefore the ARPA assisted activities
15 described herein comply with the objectives required under ARPA;

16 WHEREAS, a total of sixty one (61) of the units will be reserved as ARPA-Assisted Units
17 (as defined below), of which (i) thirty (30) shall be Qualified Very Low Income Units (as defined
18 below) and (ii) thirty one (31) shall be Qualified Low Income Units (as defined below).

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

22 1. PURPOSE. The aforementioned Recitals are true and correct and incorporated
23 herein by this reference. COUNTY has agreed to lend up to a maximum total of FIVE MILLION
24 AND 00/100 DOLLARS (\$5,000,000) (the “ARPA Loan”) to BORROWER upon the
25 satisfaction of the terms and conditions set forth herein, including but not limited to the
26 conditions precedent to distribution of ARPA Loan funds set forth in **Section 12** below.
27 BORROWER shall undertake and complete the ARPA activities required herein and as set forth
28

1 in **Exhibit A**, and shall utilize the ARPA fund as required herein and pursuant to the Act and
2 ARPA rules and regulations. The Project will serve people that are experiencing housing
3 insecurity, with a total of sixty one (61) units reserved as ARPA-Assisted Units. During the
4 Affordability Period (as defined in **Section 15** below), thirty (30) of the ARPA-Assisted Units
5 (“Qualified Very Low Income Units”) shall be rented to and occupied by households that qualify
6 as very low income households pursuant to 24 CFR Section 92.2 whose incomes do not exceed
7 50% of the area median income for the County of Riverside as determined by the United States
8 Department of Housing and Urban Development (“HUD”) (“Qualified Very Low Income
9 Households”), and thirty one (31) of the ARPA-Assisted Units (the “Qualified Low Income
10 Units”) shall be rented to and occupied by households that qualify as low income households
11 pursuant to 24 CFR Section 92.2 whose incomes do not exceed 60% of the area median income
12 for the County of Riverside as determined by HUD (“Qualified Low Income Households”) for
13 an affordable rent pursuant to 24 CFR Section 92.252, **Sections 19 and 20** below, **Exhibit A**,
14 and the Covenant Agreement attached hereto as **Exhibit G** and incorporated herein by this
15 reference. To remain a Qualified Very Low Income Household or Qualified Low Income
16 Household, such household shall occupy their respective unit within the Project as their principal
17 residence.

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

- 21 a. Satisfy the conditions precedent to distribution of the ARPA Loan funds set
22 forth in **Section 12** below.
- 23 b. Rehabilitate the Project in accordance with the timeline set forth in **Exhibit A**.
- 24 c. Operate the Project in such a manner so that it will remain affordable to
25 Qualified Very Low Income Households and Qualified Low Income
26 Households for the Affordability Period as defined in **Section 15** below
27 without regard to (i) the term of the promissory note or (ii) any transfer of
28

1 ownership.

2 d. Maintain the Project in compliance with applicable local, state, federal laws,
3 codes and regulations as further described in **Section 18** below until the
4 expiration of the Term of this Agreement set forth in **Section 7** below and the
5 Affordability Period set forth in **Section 15** below.

6 e. The SLFRF funds must be obligated by BORROWER by December 31, 2024,
7 and must be requisitioned by BORROWER and disbursed by COUNTY by
8 December 31, 2026 (the “ARPA Loan Funds Deadline”). BORROWER shall
9 demonstrate to the COUNTY, in the COUNTY’s sole and absolute discretion,
10 that the SLFRF funds is deemed fully expended in compliance with the ARPA
11 Rules that relate to loans.

12 3. RESERVED.

13 4. ARPA LOAN. Subject to BORROWER’s satisfaction of the conditions precedent
14 to disbursement of the Loan set forth in **Section 12** below, COUNTY shall distribute the ARPA
15 Loan to BORROWER, pursuant to the following terms and conditions:

16 a. Term of ARPA Loan. The maturity date of the ARPA Loan shall be the later
17 to occur of (i) December 31, 2078 or (ii) fifty-five (55) years from the
18 recordation of the Covenant Agreement in the Official Records for the last
19 building for which construction is completed for the Project (the “ARPA Loan
20 Term”). The term, “Official Records” used herein shall mean the Official
21 Records of the Recorder’s Office of the County of Riverside.

22 b. Principal. The total amount of the ARPA Loan shall not exceed the ARPA
23 Loan Amount, and shall be evidenced by a Promissory Note, substantially
24 conforming in form and substance to the Promissory Note attached hereto as
25 **Exhibit C** and incorporated herein by this reference (“Note”), which note shall
26 be secured by a Deed of Trust and Assignment of Rents, substantially
27 conforming in form and substance to the Deed of Trust and Assignment of
28

1 Rents attached hereto as **Exhibit B** and incorporated herein by this reference
2 (“Deed of Trust”).

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

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

6 i. That the ARPA Loan will accrue simple interest at a rate of three percent
7 (3%) per annum, except in the case of an event of default as hereinafter
8 provided wherein a higher default interest rate shall apply as more
9 specifically set forth in the Note, and shall be repaid on an annual basis
10 from the Project’s Residual Receipts (defined in Section 4 (d)(3) below).

11 ii. Fifty percent (50%) of the Project’s Residual Receipts shall be used
12 towards the payment of the City Loan (as defined in **Section 5**).

13 iii. Twenty five percent (25%) of the Project’s Residual Receipts shall be used
14 towards the payment of the ARPA Loan until the Note is repaid in full.

15 iv. The remaining twenty-five percent (25%) of the Project’s Residual
16 Receipts shall be paid to BORROWER.

17 v. The term “Residual Receipts” used herein shall mean all money and
18 income from the Project remaining annually after the payment of all
19 normal and necessary expenses of operation of the Project, including but
20 not limited to the following:

21 (1) Payments of principal and interest and other mandatory payments on
22 amortized loans and indebtedness senior to the ARPA Loan, which
23 have been approved in writing by COUNTY (collectively, the “Senior
24 Debt”);

25 (2) utility fees and costs not paid by tenants;

26 (3) insurance on the Project;

27 (4) ad valorem taxes and assessment payments;

28

1 (5) management fees, expenses and costs, as well as the cost of social
2 programs at the Project and compliance monitoring/reporting, which
3 shall total initially \$75 per Unit per month, which management fee
4 shall be adjusted annually by a percentage equal to the annual increase
5 in rents permitted by HUD and may be deferred and accrued;

6 (6) reserves for repair and replacement of the Project, in an annual amount
7 of \$300 per rental unit per year;

8 (7) all other fees and expenses which may be permitted by the annual
9 budget approved by the COUNTY;

10 (8) a \$4,000 per year owner's overhead and administrative overhead fee
11 paid to BORROWER pursuant to that certain Affordable Housing
12 Agreement entered into by and among the City of Corona Housing
13 Authority, the City of Corona and BORROWER, dated as of the date
14 hereof; and

15 (9) Operating expenses will be considered "normal and necessary" if
16 incurred generally for similarly structured, financed, and restricted
17 rental properties operated by similar entities.

18 e. At such time, payment of twenty-five percent (25%) of the Residual Receipts
19 produced from the Project shall be made by the BORROWER to the COUNTY
20 annually on July 15th of each year. Payment shall be applied first to accrued
21 interest and thereafter to principal. BORROWER shall annually provide the
22 COUNTY with an accounting acceptable to the COUNTY, documenting the
23 calculation of Residual Receipts for the previous calendar year ending
24 December 31. This accounting shall be made on or before July 15, together
25 with the payment of Residual Receipts. Notwithstanding anything to the
26 contrary contained herein, no Residual Receipts shall be payable on the City
27 Loan or the ARPA Loan until the funding in full on an annual basis of the
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1 “Capital Replacement Reserve Account” in accordance with the terms of and
2 as further detailed in that certain Amended and Restated Operation and
3 Maintenance Agreement entered into by and among BORROWER, the City of
4 Corona (“City”), a California municipal corporation, and City of Corona
5 Housing Authority (“City Housing Authority”), a public body, corporate and
6 politic, organized under the laws of the State of California, as the successor to
7 the former City of Corona Redevelopment Agency, dated concurrently
8 herewith.

9 f. Prepayment. Prepayment of principal and/or interest under the Note may occur
10 at any time without penalty; provided, however (i) the requirements of **Section**
11 **18**, Compliance with Laws and Regulations, shall remain in full force and
12 effect for the term of the Agreement specified in **Section 7** below; and (ii) the
13 affordability requirements set forth in the ARPA Covenant Agreement,
14 attached hereto as **Exhibit G** (the “ARPA Covenant Agreement”), shall remain
15 in effect until the expiration of the Affordability Period.

16 g. Compliance and Affordability Period. The requirements of **Section 18**,
17 Compliance with Laws and Regulations, shall remain in full force and effect
18 for the Term of the Agreement if the BORROWER has complied with the
19 terms of the ARPA Loan.

20 h. Security. The full and timely payment and performance of the obligations of
21 BORROWER in connection with the ARPA Loan, including its obligations
22 under this Agreement and the ARPA Covenant Agreement, shall be secured
23 by, among other things, a Deed of Trust, Assignment of Leases and Rents,
24 Security Agreement and Fixture Filing substantially conforming in form and
25 substance to the Deed of Trust, Assignment of Leases and Rents, Security
26 Agreement and Fixture Filing (“ARPA Deed of Trust”) attached hereto as
27 **Exhibit B** and incorporated herein by this reference to be recorded in the
28

1 Official Records. The ARPA Deed of Trust shall be in a ninth priority lien
2 position. Lien priority at the close of construction financing, including
3 applicable regulatory agreements, shall be as follows:

4 (1) first priority shall be an Amended and Restated Affordable Housing
5 Agreement by and among the City, City Housing Authority and
6 BORROWER in connection with a former Redevelopment Agency loan
7 in the original principal amount of \$1,200,000, approximately
8 \$1,200,000 in accrued interest on that former Redevelopment Agency
9 loan, and State Budget Appropriation Loan in the new principal amount
10 of new \$5,500,000 (the “Amended and Restated Affordable Housing
11 Agreement);

12 (2) second priority shall be an Amended and Restated Regulatory
13 Agreement by and among the City, City Housing Authority and
14 BORROWER in connection with the Amended and Restated
15 Affordable Housing Agreement (the “City Amended and Restated
16 Regulatory Agreement”);

17 (3) third priority shall be an Amended and Restated Operating and
18 Maintenance Agreement by and among the City, City Housing
19 Authority and BORROWER in connection with the Amended and
20 Restated Affordable Housing Agreement (the “City Amended and
21 Restated Operating and Maintenance Agreement”);

22 (4) fourth priority shall be an Amended and Restated Deed of Trust
23 securing a loan for the benefit of the City and City Housing Authority
24 in the principal amount of approximately \$7,900,000 (the “City
25 Amended and Restated Deed of Trust”);

26 (5) fifth priority shall be a HOME Deed of Trust between the County of
27 Riverside and BORROWER in connection with the County HOME
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1 Loan in the original principal amount of \$275,000 (the “County HOME
2 DOT”);

3 (6) sixth priority shall be the HOME Covenant Agreement between
4 COUNTY and BORROWER in connection with the HOME Loan;

5 (7) seventh priority shall be the ARPA Covenant Agreement between
6 COUNTY and BORROWER in connection with the ARPA Loan;

7 (8) eighth priority shall be a deed of trust securing a loan for the benefit of
8 Southern California Housing Development Corporation of the Inland
9 Empire (“SCHDCIE”) in the new principal amount up to \$7,450,000
10 (the “Construction Loan”);

11 (9) ninth priority shall be the ARPA Deed of Trust securing the ARPA
12 Loan for the benefit of COUNTY in the principal amount up to
13 \$5,000,000;

14 (10) tenth priority shall be a deed of trust securing a sponsor loan for the
15 benefit of NCRC in the principal amount up to \$2,500,000 (the
16 “Sponsor Loan”).

17 The City Loan, the City Amended and Restated Deed of Trust and the Construction
18 Bond Loan shall be referenced as “Senior Lien” or “Senior Liens.”

19 5. RESERVED.

20 6. PRIOR COUNTY APPROVAL.

- 21 a. Except as otherwise expressly provided in this Agreement, approvals required
22 of the COUNTY shall be deemed granted by the written approval of the
23 Director of Housing and Workforce Solutions or designee (“Director”).
24 Notwithstanding the foregoing, the Director may, in their sole discretion, refer
25 to the governing body of the COUNTY any item requiring COUNTY
26 approval; otherwise, “COUNTY approval” means and refers to approval by
27 the Director or designee.
28

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

4 7. TERM OF AGREEMENT. This Agreement shall become effective upon the
5 Effective Date, as defined in **Section 55** below, and unless terminated earlier pursuant to the
6 terms hereof, shall continue in full force and effect until the later to occur of (i) December 31,
7 2078 or (ii) fifty-five (55) years from the recordation of the Covenant Agreement in the Official
8 Records for the last building for which rehabilitation is completed for the Project (“Term of
9 Agreement”).

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

12 a. Authority. BORROWER is a duly organized nonprofit public benefit
13 corporation in good standing under the laws of the State of California. The
14 copies of the documents evidencing the organization of BORROWER, which
15 have been delivered to COUNTY, are true and complete copies of the
16 originals, amended to the date of this Agreement. BORROWER has full right,
17 power and lawful authority to enter into this Agreement and accept the Loan
18 and undertake all obligations as provided herein. The execution, performance,
19 and delivery of this Agreement by BORROWER have been fully authorized
20 by all requisite actions on the part of BORROWER.

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

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

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

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

10 10. FORCE MAJEURE DELAYS. “Force Majeure” means event(s) beyond the
11 reasonable control of BORROWER, and which could not have been reasonably anticipated,
12 which prevent(s) BORROWER from complying with any of its obligations under this
13 Agreement, including, but not limited to: acts of God, acts of war, acts or threats of terrorism,
14 civil disorders, strikes, labor disputes, pandemics such as COVID-19, flood, fire, explosion,
15 earthquake or other similar acts.

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

5 11. EXTENSION OF TIME. COUNTY may grant an extension to the
6 Implementation Schedule set forth in **Exhibit A** for the purpose of completing BORROWER's
7 activities which cannot be completed as outlined in **Exhibit A**, subject to the ARPA Rules, in its
8 sole and absolute discretion. BORROWER shall request said extension in writing, stating the
9 reasons therefore, which extension must be first approved in writing by the COUNTY in its
10 reasonable discretion. The Director or designee, on behalf of the COUNTY and without referring
11 such matter to the County's Board of Supervisors may extend all pending deadlines in the
12 Implementation Schedule on two (2) or fewer occasions, so long as the aggregate duration of
13 such administrative time extensions is no greater than ninety (90) days and so long as the
14 extension complies with ARPA Rules. Every term, condition, covenant, and requirement of this
15 Agreement shall continue in full force and effect during the period of any such extension.

16 12. CONDITIONS PRECEDENT TO DISTRIBUTION OF LOAN FUNDS.
17 COUNTY, through its Housing and Workforce Solutions ("HWS"), shall: (1) make
18 disbursements of the ARPA Loan to BORROWER subject to BORROWER's satisfaction of the
19 conditions precedent set forth below, and (2) monitor the Project to ensure compliance with
20 applicable federal regulations and the terms of this Agreement. COUNTY shall not disburse any
21 ARPA Loan funds pursuant to this Agreement until the following conditions precedent have
22 been satisfied:

- 23 a. BORROWER executes this Agreement and delivers it to COUNTY for
24 recordation in the Official Records;
 - 25 b. BORROWER executes the Note, substantially conforming in form and
26 substance to the Promissory Note attached hereto as **Exhibit C** and delivers to
27 COUNTY;
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- 1 c. BORROWER submits written evidence to COUNTY that BORROWER has
2 obtained sufficient financing commitments necessary to undertake the
3 rehabilitation of the project as required herein;
- 4 d. BORROWER provides COUNTY with evidence of insurance as required
5 herein;
- 6 e. BORROWER executes the Deed of Trust, substantially conforming in form
7 and substance to the Deed of Trust attached hereto as **Exhibit B**, in recordable
8 form, and delivers such document to the County of Riverside for recordation
9 in the Official Records;
- 10 f. BORROWER executes the ARPA Covenant Agreement, substantially
11 conforming in form and substance to the ARPA Covenant Agreement attached
12 hereto as **Exhibit G** and incorporated herein by this reference, in recordable
13 form, and delivers it to the County of Riverside for recordation in the Official
14 Records;
- 15 g. COUNTY executes and records the Requests for Notice of Default conforming
16 in form and substance to **Exhibit H** attached hereto;
- 17 h. BORROWER provides, at its expense, an ALTA lender's policy in favor of
18 COUNTY, insuring the Deed of Trust as a ninth priority lien against the
19 Property junior only to the Senior Liens identified in **Section 4(h)**;
- 20 i. BORROWER provides satisfactory evidence that it has all the financing
21 documents required to cause the proceeds of the Senior Liens, when combined
22 with the ARPA Loan, to pay for all development and rehabilitation costs for
23 the Project;
- 24 j. BORROWER is not in default under the terms of this Agreement or any other
25 agreement related to the financing of the Project;
- 26 k. BORROWER agrees to verify that BORROWER, and its principals, or any/all
27 persons, contractors, subcontractors, consultants, businesses, etc. ("Developer
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1 Associates”), with whom BORROWER is conducting business with respect to
2 the Project, are not presently debarred, proposed for debarment, suspended,
3 declared ineligible, or voluntarily excluded from participation or from
4 receiving federal contracts or federally approved subcontracts or from certain
5 types of federal financial and nonfinancial assistance and benefits with the
6 Excluded Parties Listing System (“EPLS”). EPLS records are located at
7 www.sam.gov; and

- 8 1. BORROWER shall search and provide a single comprehensive list of
9 Developer Associates (individuals and firms) and print and maintain evidence
10 of the search results of each Developer Associate as verification of compliance
11 with this requirement as provided in **Exhibit I**, Contractor Debarment
12 Certification Form, which is attached hereto and incorporated herein by this
13 reference.

14 13. REALLOCATION OF FUNDS. If BORROWER fails to meet (1) the ARPA
15 Loan Funds Deadline as set forth in **Section 2(e)**, (2) the Construction Start Deadline as set forth
16 in **Exhibit A**, (3) the Completion Deadline as set forth in **Section 49** (collectively, the
17 “Performance Deadlines”), all of which are subject to the notice and cure periods set forth in
18 **Section 33** herein, then BORROWER shall be instructed to return the ARPA Loan funds and the
19 ARPA Loan funds may be reallocated by COUNTY after at least thirty (30) days’ prior written
20 notice is given to BORROWER. Upon such reallocation and repayment of funds, this Agreement
21 shall be terminated and be of no further force and effect and BORROWER shall be released and
22 discharged from any obligations hereunder, except as to those obligations which by their terms
23 survive termination of this Agreement.

24 14. DISTRIBUTION OF FUNDS. COUNTY’S Board of Supervisors shall determine
25 the final disbursement and distribution of all ARPA funds received by COUNTY under ARPA.
26 Disbursement of SLFRF funds shall occur upon the satisfaction of conditions set forth in **Section**
27 **12**. COUNTY shall pay BORROWER in the form of funding draw requests with supporting
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1 documents which specifically state how such funds will be expended. COUNTY shall promptly
2 review the funding draw request and supporting documentation, but in no event later than thirty
3 (30) days. COUNTY may require additional information from BORROWER as may be
4 necessary and appropriate for COUNTY to make its determination as to allowable costs.
5 COUNTY shall deposit the sum specified in the funding draw requests into BORROWER'S
6 bank account upon receipt of wire instructions.

7 15. TERMS OF AFFORDABILITY. The ARPA-Assisted Units shall remain
8 occupied and rented to Qualified Low Income Households for an affordable rent pursuant to
9 **Sections 19** and **20** below, **Exhibit A**, and the ARPA Covenant Agreement attached hereto as
10 **Exhibit G** until fifty-five (55) years from the recordation of the ARPA Covenant Agreement in
11 the Official Records ("Affordability Period").

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

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

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

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

6 d. Vehicle Liability Insurance. If vehicles or mobile equipment are used in the
7 performance of the obligations under this Agreement, then BORROWER shall
8 maintain liability insurance for all owned, non-owned or hired vehicles so used
9 in an amount not less than \$1,000,000 per occurrence combined single limit.
10 If such insurance contains a general aggregate limit, it shall apply separately
11 to this agreement or be no less than two (2) times the occurrence limit. Policy
12 shall name the County of Riverside, its Agencies, Boards, Districts, Special
13 Districts, and Departments, their respective directors, officers, Board of
14 Supervisors, employees, elected or appointed officials, agents or
15 representatives as Additional Insured or provide similar evidence of coverage
16 approved by COUNTY's Risk Manager.

17 e. General Insurance Provisions – All Lines.

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

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

7 iii. BORROWER shall cause BORROWER's insurance carrier(s) to furnish
8 the County of Riverside with copies of the Certificate(s) of Insurance and
9 Endorsements effecting coverage as required herein, and 2) if requested to
10 do so orally or in writing by COUNTY's Risk Manager, provide copies of
11 policies including all Endorsements and all attachments thereto, showing
12 such insurance is in full force and effect. Further, said Certificate(s) and
13 policies of insurance shall contain the covenant of the insurance carrier(s)
14 that thirty (30) days written notice shall be given to the County of Riverside
15 prior to any material modification, cancellation, expiration or reduction in
16 coverage of such insurance. In the event of a material modification,
17 cancellation, expiration, or reduction in coverage, this Agreement shall
18 terminate forthwith, unless the County of Riverside receives, prior to such
19 effective date, another Certificate of Insurance and copies of endorsements,
20 including all endorsements and attachments thereto evidencing coverage's
21 set forth herein and the insurance required herein is in full force and effect.
22 BORROWER shall not commence operations until COUNTY has been
23 furnished Certificate(s) of Insurance and copies of endorsements and if
24 requested, copies of policies of insurance including all endorsements and
25 any and all other attachments as required in this Section. An individual
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1 authorized by the insurance carrier on its behalf shall sign the original
2 endorsements for each policy and the Certificate of Insurance.

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

7 v. If, during the term of this Agreement or any extension thereof, there is a
8 material change in the scope of services; or, there is a material change in
9 the equipment to be used in the performance of the scope of work which
10 will add additional exposures (such as the use of aircraft, watercraft,
11 cranes, etc.); or, the term of this Agreement, including any extensions
12 thereof, exceeds five (5) years COUNTY reserves the right to adjust the
13 types of insurance required under this Agreement and the monetary limits
14 of liability for the insurance coverage's currently required herein, if; in
15 COUNTY's Risk Manager's reasonable judgment, the amount or type of
16 insurance carried by BORROWER has become inadequate.

17 vi. BORROWER shall pass down the insurance obligations contained herein
18 to all tiers of subcontractors working under this Agreement.

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

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

24 17. FINANCIAL AND PROJECT RECORDS. BORROWER shall maintain
25 financial, programmatic, statistical, and other supporting records of its operations and financial
26 activities sufficient to establish compliance with subsection 601(d) of the Social Security Act, as
27 amended (42 U.S.C. 801(d)), in accordance with the requirements of ARPA, and the regulations
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1 as amended and promulgated thereunder, which records shall be open to inspection and audit by
2 authorized representatives of COUNTY, the California Department of Finance, and the United
3 States Department of the Treasury (the "Treasury") Office of Inspector General, during regular
4 working hours. COUNTY, state, and federal representatives have the right of access, with at
5 least forty-eight (48) hours prior notice, to any pertinent books, documents, papers, or other
6 records of BORROWER, in order to make audits, examinations, excerpts, and transcripts. Said
7 records shall be retained for such time as may be required by ARPA, but in no event no less than
8 five (5) years after the Project completion date as evidenced by recordation of the Notice of
9 Completion; except that records of individual tenant income verifications, Project rents, and
10 Project inspections must be retained for the most recent five (5) year period, until five (5) years
11 after the Affordability Period terminates. If any litigation, claim, negotiation, audit, or other
12 action has been started before the expiration of the regular period specified, the records must be
13 retained until completion of the action and resolution of all issues which arise from it, or until
14 the end of the regular period, whichever is later.

15 18. COMPLIANCE WITH LAWS AND REGULATIONS. By executing this
16 Agreement, BORROWER hereby certifies that it will adhere to and comply with all federal, state
17 and local laws, regulations and ordinances. In particular, BORROWER shall comply with the
18 following as they may be applicable to BORROWER in connection with the ARPA Loan:

- 19 a. Compliance with Executive Order 11246 of September 24, 1965, entitled
20 "Equal Employment Opportunity", as amended by Executive Order 11375 of
21 October 13, 1967, and as supplemented in Department of Labor Regulations
22 (41 CFR Part 60). The BORROWER will not discriminate against any
23 employee or applicant for employment because of race, color, religion, sex, or
24 national origin. BORROWER shall ensure that all qualified applicants will
25 receive consideration for employment without regard to race, color, religion,
26 sex or national origin. The BORROWER will take affirmative action to ensure
27 that applicants are employed and the employees are treated during
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1 employment, without regard to their race color, religion, sex, or national origin.
2 Such actions shall include, but are not limited to, the following: employment,
3 up-grading, demotion, or transfer; recruitment or recruitment advertising; rates
4 of pay or other forms of compensation; and selection for training, including
5 apprenticeship. The BORROWER agrees to post in a conspicuous place,
6 available to employees and applicants for employment, notices to be provided
7 by the County setting forth the provisions of this non-discrimination clause;

- 8 b. Executive Order 11063, as amended by Executive Order 12259, and
9 implementing regulations at 24 CFR Part 107;
- 10 c. Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended,
11 and implementing regulations;
- 12 d. The Age Discrimination Act of 1975 (Pub. L. 94-135), as amended, and
13 implementing regulations;
- 14 e. The regulations, policies, guidelines and requirements of the Uniform
15 Administrative Requirements, Cost Principles, and Audit Requirements for
16 Federal Awards (2 CFR Part 200) as they relate to the acceptance and use of
17 granted or loaned federal funds under the federally-assigned program;
- 18 f. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352) and implementing
19 regulations issued at 24 CFR Part 1;
- 20 g. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284) as amended;
- 21 h. *Rights to Data and Copyrights*: Contractors and consultants agree to comply
22 with all applicable provisions pertaining to the use of data and copyrights
23 pursuant to 48 CFR Part 27.404-3, Federal Acquisition Regulations (FAR).
- 24 i. *Air Pollution Prevention and Control* (formally known as the *Clean Air Act*)
25 (*42 U.S.C.A. 7401 et seq.*) and the *Federal Water Pollution Control Act* (*33*
26 *U.S.C.A. Section 1251 et seq.*), as amended: Contracts and subgrants of
27 amounts in excess of \$100,000 shall contain a provision that requires the
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1 recipient to agree to comply with all applicable standards, orders or regulations
2 issued pursuant to the *Clean Air Act* (42 U.S.C.A. 7401 *et seq.*) and the *Federal*
3 *Water Pollution Control Act* as amended (33 U.S.C.A. Section 1251 *et seq.*).
4 Violations shall be reported to the Federal awarding agency and the Regional
5 Office of the Environmental Protection Agency (EPA).

6 j. *Anti-Lobbying Certification (31 U.S.C.A. 1352)*: The language of the
7 certification set forth below shall be required in all contracts or subcontracts
8 entered into in connection with this loan activity and all BORROWERS shall
9 certify and disclose accordingly. This certification is a material representation
10 of fact upon which reliance was placed when this transaction was made or
11 entered into. Submission of this certification is a prerequisite for making or
12 entering into this transaction imposed by Section 1352, Title 31, U.S. code. Any
13 person who fails to file the required certification shall be subject to a civil
14 penalty of not less than \$10,000 and no more than \$100,000 for such failure.

15 “The undersigned certifies, to the best of his or her knowledge or belief, that:
16 No Federal appropriated funds have been paid or will be paid, by or on behalf
17 of it, to any person for influencing or attempting to influence an officer or
18 employee of any agency, a Member of Congress, an officer or employee of
19 Congress, or an employee of a Member of Congress in connection with the
20 awarding of any Federal contract, the making of any Federal grant, the making
21 of any Federal loan, the entering into of any cooperative agreement, and the
22 extension, continuation, renewal, amendment, or modification of any Federal
23 contract, grant, loan, or cooperative agreement;

24 If any funds other than Federal appropriated funds have been paid or will be
25 paid to any person for influencing or attempting to influence an officer or
26 employee of any agency, a Member of Congress, an officer or employee of
27 Congress, or an employee of a Member of Congress in connection with this
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1 Federal contract, grant loan or cooperative agreement, he/she will complete and
2 submit Standard Form – LLL, “Disclosure Form to Report Lobbying,” in
3 accordance with its instructions.”

4 k. *Debarment and Suspension (Executive Orders (E.O.) 12549 and 12689):* No
5 contract award shall be made to parties listed on the governmentwide exclusions
6 in the System for Award Management (SAM), in accordance with OMB
7 guidelines at 2 CFR 180 that implement Executive Orders (E.O.s) 12549 and
8 12689, “Debarment and Suspension.” SAM Exclusions contains the names of
9 parties debarred, suspended, or otherwise excluded by agencies, as well as
10 parties declared ineligible under statutory or regulatory authority other than
11 E.O. 12549. Contractors with awards that exceed the small purchase threshold
12 shall provide the required certification regarding its exclusion status and that of
13 its principal employees.

14 l. *Drug-Free Workplace Requirements:* The Anti-Drug Abuse Act of 1988 (41
15 U.S.C.A. Section 8101-8103) requires grantees (including individuals) of
16 federal agencies, as a prior condition of being awarded a grant, to certify that
17 they will provide drug-free workplaces. Each potential recipient must certify
18 that it will comply with drug-free workplace requirements in accordance with
19 the Act and with HUD's rules at 2 CFR Part 2424.

20 m. *Access to Records and Records Retention:* The BORROWER or Contractor,
21 and any sub-consultants or sub-contractors, shall allow all duly authorized
22 Federal, State, and/or County officials or authorized representatives access to
23 the work area, as well as all books, documents, materials, papers, and records
24 of the BORROWER or Contractor, and any sub-consultants or sub-contractors,
25 that are directly pertinent to a specific program for the purpose of making
26 audits, examinations, excerpts, and transcriptions. The BORROWER or
27 Contractor, and any sub-consultants or sub-contractors, further agree to
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1 maintain and keep such books, documents, materials, papers, and records, on a
2 current basis, recording all transactions pertaining to this Agreement in a form
3 in accordance with generally acceptable accounting principles. All such books
4 and records shall be retained for such periods of time as required by law,
5 provided, however, notwithstanding any shorter periods of retention, all books,
6 records, and supporting detail shall be retained for a period of at least five (5)
7 years after the expiration of the term of this Agreement, or final payment is
8 made, whichever is later.

9 n. *Federal Employee Benefit Clause*: No member of or delegate to the Congress
10 of the United States, and no Resident Commissioner shall be admitted to any
11 share or part of this Agreement or to any benefit to arise from the same.

12 o. *Energy Efficiency*: Mandatory standards and policies relating to energy
13 efficiency which are contained in the State energy conservation plan issued in
14 compliance with the Energy Policy and Conservation Act (Pub. L. 94 - 163,
15 Dec. 22, 1975; 42 U.S.C.A. Section 6201, et. seq., 89 Stat.871).

16 p. *Procurement of Recovered Materials (2 CFR 200.322.)*: A non-Federal entity
17 that is a state agency or agency of a political subdivision of a state and its
18 contractors must comply with 42 U.S.C. Section 6002 of the Solid Waste
19 Disposal Act, as amended by the Resource Conservation and Recovery Act.
20 The requirements of Section 6002 include procuring only items designated in
21 guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247
22 that contain the highest percentage of recovered materials practicable,
23 consistent with maintaining a satisfactory level of competition, where the
24 purchase price of the item exceeds \$10,000 or the value of the quantity acquired
25 by the preceding fiscal year exceeded \$10,000; procuring solid waste
26 management services in a manner that maximizes energy and resource
27 recovery; and establishing an affirmative procurement program for
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1 procurement of recovered materials identified in the EPA guidelines. The
2 requirements of 2 CFR 200.322, as amended effective November 12, 2020, are
3 hereby included in this Agreement as appropriate and to the extent consistent
4 with law.

- 5 q. Contract Work Hours and Safety Standards Act (CWHSA) (30 U.S.C. 3701-
6 3708): BORROWER shall comply with all applicable provisions of the
7 CWHSA.
- 8 r. Other Federal requirements and nondiscrimination. As set forth in 2 CFR 200,
9 Appendix II, BORROWER is required to include the following requirements
10 as they relate to the acceptance and use of loaned federal funds under the
11 federally assigned program: nondiscrimination and equal opportunity;
12 disclosure; debarred, suspended, or ineligible contractors; and drug-free
13 workplace.
- 14 s. Displacement, relocation, and acquisition. The relocation requirements of
15 Title II and the acquisition requirements of Title III of the Uniform Relocation
16 Assistance and Real Property Acquisition Policies Act of 1970, and the
17 implementing regulations at 24 CFR Part 42. BORROWER must ensure that
18 it has taken all reasonable steps to minimize the displacement of persons as a
19 result of this Project.
- 20 t. Lead-based paint. The ARPA-Assisted Units are subject to the lead-based
21 paint requirements of 24 CFR Part 35 issued pursuant to the Lead-Based Paint
22 Poisoning Prevention Act (42 U.S.C. 4821, et seq.). The lead-based paint
23 provisions of 24 CFR 982.401 (j), except 24 CFR 982.401 (j)(1)(i), also apply,
24 irrespective of the applicable property standard under §92.251.
- 25 u. Labor. BORROWER shall comply with any applicable labor regulations and
26 all other State and Federal laws in connection with the construction of the
27 improvements which comprise the Project, including if applicable,
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1 requirements relating to Davis Bacon. BORROWER agrees and acknowledges
2 that it is the responsibility of BORROWER to obtain a legal determination, at
3 BORROWER's sole cost and expenses as to whether Davis Bacon wages must
4 be paid for during the construction of the Project. BORROWER agrees to
5 indemnify, defend, and hold COUNTY harmless from and against any and all
6 liability arising out of a related to BORROWER's failure to comply with any
7 and applicable State and Federal prevailing wage requirements.

- 8 v. Model Energy Code published by the Council of American Building Officials.
- 9 w. Consultant Activities. No person providing consultant services in an employer-
10 employee type relationship shall receive more than a reasonable rate of
11 compensation for personal services paid with ARPA funds.
- 12 x. Uniform Administrative Requirements of 2 CFR Part 200 as now in effect and
13 as may be amended from time to time as they relate to the acceptance and use
14 of loaned federal funds under the federally assigned program. Federal awards
15 expended as a recipient or a subrecipient, as defined therein, would be subject
16 to single audit. The payments received for goods or services provided as a
17 vendor would not be considered Federal awards.
- 18 y. BORROWER shall include written agreements that include all provisions of
19 **Section 18** if BORROWER provides ARPA funds to for-profit owners or
20 developers, non-profit owners or developers, sub-recipients, homeowners,
21 homebuyers, tenants receiving tenant-based rental assistance, or contractors.
- 22 z. BORROWER shall comply with all applicable local, state and federal laws in
23 addition to the above-mentioned laws.
- 24 aa. PROJECT TARGETING REQUIREMENTS. BORROWER shall make the
25 Project available to the Qualified Low Income Households and Qualified Very
26 Low Income Households and shall ensure that the Project remains in
27 compliance with all ARPA Rules.
- 28

1 bb. ENVIRONMENTAL CLEARANCES. BORROWER shall be responsible for
2 obtaining any and all approvals subsequent approvals permits, environmental
3 clearances in connection with the Project funded with SLFRF, including but not
4 limited to, any and all applicable federal and state environmental laws and
5 regulations.

6 19. INCOME TARGETING REQUIREMENTS. BORROWER shall set aside sixty-
7 one (61) units to be designated as ARPA-Assisted Units of which (i) thirty (30) units shall be
8 rented to and occupied by Qualified Very Low Income Households, and (ii) thirty one (31) units
9 shall be rented to and occupied by Qualified Low Income Households.

10 20. RENT LIMITATIONS. BORROWER shall comply with the rent limitations set
11 forth under 24 CFR 92.252 of the HOME Investment Partnerships Act and HOME Investment
12 Partnerships (“HOME”) program, which was enacted under Title II of the Cranston-Gonzalez
13 National Affordable Housing Act (the “HOME Act”), as amended (commencing at 42 U.S.C.
14 12701 et seq.), and the implementing regulations thereto (24 CFR Part 92) (collectively, the
15 “HOME Program”). The units reserved for Qualified Very Low Income Households shall be
16 rented at Low HOME rent levels as published by HUD and the units reserved for Qualified Low
17 Income Households shall be rented at High HOME rent levels as published by HUD. The ARPA-
18 Assisted Units shall be a “floating” designation on the Property such that the requirements of
19 this Agreement will be satisfied so long as the total number of ARPA-Assisted Units and
20 bedroom size remains the same throughout the Affordability Period. The maximum monthly
21 allowances for utilities and services (excluding telephone) shall not exceed the utility allowance
22 as described below. Rent limitations hereunder shall apply to the portion of rent paid by a tenant,
23 and nothing herein shall limit BORROWER from accepting rental assistance in excess of such
24 tenant-paid rent, to the extent permitted by the applicable rental assistance program and federal
25 law.

26 The ARPA-Assisted Units are not specifically assigned to any qualifying income category (i.e.,
27 Qualified Low Income Units or Qualified Very Low Income Units). The restricted income level
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1 of each ARPA-Assisted Unit may change as ARPA-Assisted Units become vacant, a Qualifying
2 Low Income Household's or Qualifying Very Low Income Household's income changes or other
3 ARPA-Assisted Units are occupied by Qualifying Low Income Households or Qualifying Very
4 Low Income Households. In all circumstances, though, the rent for each ARPA-Assisted Unit
5 shall be an affordable rent as required for the ARPA-Assisted Unit as necessary to maintain the
6 restricted income tenant mix required under **Section 18**. In any event, if the income category of
7 a Qualifying Low Income Households or Qualifying Very Low Income Households upon
8 recertification is different from the previous income of the Qualifying Low Income Households
9 or Qualifying Very Low Income Household, the Owner shall rent the next available ARPA-
10 Assisted Unit to a Qualifying Low Income Households or Qualifying Very Low Income
11 Households such the tenant income level mix set forth in **Section 18** shall be maintained.

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

- 16 (i) HUD Utility Schedule Model (HUSM), UA based on HUD's model.
17 (ii) Utility Company Estimate, UA based on estimated obtained from a local utility
18 company for each of the utilities used in the project.
19 (iii) LIHTC Agency Estimate, UA approved by the LIHTC agency based on its actual
20 usage methodology.
21 (iv) Energy Consumption Model (Engineer Model), UA based upon on an energy and
22 water and sewage consumption and analysis model prepared by a third party licensed engineer or
23 to qualified professional.

24 b. HOME Rent Limitations: Effective July 1, 2021, HUD published HOME Rent Limits for
25 the County of Riverside. In order to calculate net rent to be charged, an applicable utility
26 allowance must be subtracted from the gross rents listed. The BORROWER shall use the
27 HUD Utility Schedule Model ("HUSM") to establish maximum monthly allowances for
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1 utilities and services to be used by the BORROWER in calculating Rents. The HUSM
2 and use instructions can be found at:

3 <https://www.huduser.gov/portal/resources/utilallowance.html>.

4 c. Approval: The BORROWER shall submit to the COUNTY for review and written
5 approval, all proposed rents for the ARPA-Assisted Units prior to lease-up. Low HOME rent
6 limitations for ARPA-Assisted Units shall be as set forth under 24 CFR 92.252 and such units
7 shall be rented and occupied by income qualified applicants at the HOME rent levels for the
8 County of Riverside, which are published periodically by HUD. If during the re-certification
9 process a household income falls between 51% and 80% Area Median Income then the High
10 HOME rent limit shall apply. If during the recertification process a household income falls above
11 80% of the Area Median Income then household shall pay the lesser of 30% of the adjusted
12 income or Market rent.

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

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

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

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

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

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

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

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

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

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

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

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

23 c. Violence Against Women Reauthorization Act of 2013. (Pub. L. 113-4, 127 Stat.
24 54) ("VAWA 2013"). VAWA 2013 reauthorizes and amends the Violence Against Women Act
25 of 1994, as previously amended, (title IV, sec. 40001-40703 of Pub. L. 103-322, 42 U.S.C. 13925
26 et seq.) VAWA 2013, among other things, bars eviction and termination due to a tenant's status
27 as a victim of domestic violence, dating violence, or stalking, and requires landlords to maintain
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1 survivor-tenant confidentiality. VAWA 2013 prohibits a tenant who is a survivor of domestic
2 violence, dating violence, sexual assault, and stalking from being denied assistance, tenancy, or
3 occupancy rights based solely on criminal activity related to an act of violence committed against
4 them. It extends housing protections to survivors of sexual assault, and adds “intimate partner” to
5 the list of eligible relationships in the domestic violence definition. Protections also now cover an
6 “affiliated individual,” which includes any lawful occupant living in the survivor’s household, or
7 related to the survivor by blood or marriage including the survivor’s spouse, parent, brother, sister,
8 child, or any person to whom the survivor stands in loco parentis. VAWA 2013 allows a lease
9 bifurcation so a tenant or lawful occupant who engages in criminal activity directly relating to
10 domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or
11 other individual, or others may be evicted or removed without evicting or removing or otherwise
12 penalizing a victim who is a tenant or lawful occupant. If victim cannot establish eligibility,
13 BORROWER must give a reasonable amount of time to find new housing or establish eligibility
14 under another covered housing program. A Notice of Rights under VAWA 2013 for tenants must
15 be provided at the time a person applies for housing, when a person is admitted as a tenant of a
16 housing unit, and when a tenant is threatened with eviction or termination of housing benefits.
17 Tenants must request an emergency transfer and reasonably believe that they are threatened with
18 imminent harm from further violence if the tenant remains in the same unit. The provisions of
19 VAWA 2013 that are applicable to HUD programs are found in title VI of VAWA 2013, which
20 is entitled “Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault, and
21 Stalking.” Section 601 of VAWA 2013 amends subtitle N of VAWA (42 U.S.C. 14043e et seq.)
22 to add a new chapter entitled “Housing Rights.”

23 22. FEDERAL REQUIREMENTS. BORROWER shall comply with the provisions of
24 ARPA and any amendments thereto and all applicable federal regulations and guidelines now or
25 hereafter enacted pursuant to the Act in addition to the federal provisions set forth above in
26 Section 17.

1 23. SALE, ASSIGNMENT OR OTHER TRANSFER OF THE PROJECT.

2 BORROWER hereby covenants and agrees not to sell, assign, transfer or otherwise dispose of
3 the Project or any portion thereof without obtaining the prior written consent of the COUNTY,
4 which consent shall be conditioned solely upon receipt by the COUNTY of reasonable evidence
5 satisfactory to the COUNTY in its sole discretion, that transferee has assumed in writing and in
6 full, and is reasonably capable of performing and complying with the BORROWER's duties and
7 obligations under this Agreement, provided, however BORROWER shall not be released of all
8 obligations hereunder which accrue from and after the date of such sale. Notwithstanding
9 anything to the contrary contained herein, upon written notice to COUNTY, BORROWER may
10 (i) admit limited partners or non-manager members to BORROWER, and provide for the
11 purchase of any such partnership interest, membership interest or interests by BORROWER or
12 BORROWER's board of directors, general partner or manager; (ii) remove for cause any general
13 partner or manager of BORROWER by a partner or member of the BORROWER, and the
14 replacement thereof, pursuant to the BORROWER'S Operating Agreement or By-Laws,
15 provided COUNTY receives 5 business days advance written notice of such removal. Without
16 limiting BORROWER's obligation to provide advance notice of such removal for cause of any
17 general partner or manager by a partner or member and the replacement thereof set forth in the
18 immediately preceding sentence, amendments to BORROWER's Operating Agreement or By-
19 Laws required to effectuate the Permitted Transfer set forth in this clause (ii) shall not require
20 the consent of the COUNTY; provided, however, BORROWER shall provide COUNTY with
21 an executed copy of such amended agreement within 10 days of execution thereof; (iii) the lease
22 for occupancy of all or any of the ARPA-Assisted Units; (iv) the granting of easements or permits
23 to facilitate the development of the Property in accordance with this Agreement; and (v) the
24 withdrawal and/or replacement of any member of BORROWER, (collectively a "Permitted
25 Transfer"). All Permitted Transfers shall be subject to reasonable review of documentation by
26 the COUNTY. The parties hereto acknowledge that "Affiliate" for purposes of this section
27 means, as to any Person (as defined below), any general partnership, limited partnership,
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1 corporation, joint venture, trust, business trust, cooperative, association, limited liability
2 company or individual (collectively, a “Person”) that (A) directly or indirectly controls or is
3 controlled by (such as any partnership or limited liability company in which the Person, directly
4 or indirectly, serves as a general partner or managing member, respectively) or is under common
5 control with the specified Person; (B) is an officer or director of, commissioner of, partner in,
6 member of or trustee of, or serves in a similar capacity with respect to, the specified Person or
7 of which the Specified Person is an officer, director, member, partner or trustee, or with respect
8 to which the specified Person serves in a similar capacity; or (C) is the beneficial owner, directly
9 or indirectly, of 10% or more of any class of equity securities of the specified Person or of which
10 the specified Person is directly or indirectly the owner of 10% or more of any class of equity
11 securities. The term “control” (including the term “controlled by” and “under common control
12 with”) means the possession, direct or indirect, of the power to direct or cause the direction of
13 the management and policies of a Person, whether through the ownership of voting securities,
14 by contract or otherwise.

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

19 25. NONDISCRIMINATION. BORROWER shall not discriminate on the basis of
20 race, gender, religion, national origin, ethnicity, sexual orientation, age or disability in the
21 solicitation, selection, hiring or treatment of any contractors or consultants, to participate in
22 subcontracting/subconsulting opportunities. BORROWER understands and agrees that violation
23 of this clause shall be considered a material breach of this Agreement and may result in
24 termination, debarment or other sanctions. This language shall be incorporated into all contracts
25 between BORROWER and any contractor, consultant, subcontractor, subconsultants, vendors
26 and suppliers. BORROWER shall comply with the provisions of the California Fair Employment
27 and Housing Act (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of
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1 1964 (P.L. 88-352), as amended, and all Administrative Rules and Regulations issued pursuant
2 to said Acts and Orders with respect to its use of the Property.

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

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

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

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

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

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

9 26. PROHIBITION AGAINST CONFLICTS OF INTEREST:

- 10 a. BORROWER and its assigns, employees, agents, consultants, officers and
11 elected and appointed officials shall become familiar with and shall comply
12 with the conflict of interest provisions of the ARPA Rules, attached hereto as
13 **Exhibit E** and by this reference incorporated herein, to the extent that any such
14 provisions apply by their terms to a non-Federal borrower of a loan of federal
15 funds.
- 16 b. Reserved.
- 17 c. Prior to any funding under this Agreement, BORROWER shall provide
18 COUNTY with a list of all employees, agents, consultants, officers and elected
19 and appointed officials who are in a position to participate in a decision-making
20 process, exercise any functions or responsibilities, or gain inside information
21 with respect to the ARPA activities funded under this Agreement.
22 BORROWER shall also promptly disclose to COUNTY any potential conflict,
23 including even the appearance of conflict that may arise with respect to the
24 ARPA activities funded under this Agreement.
- 25 d. Any violation of this section shall be deemed a material breach of this
26 Agreement, and the Agreement shall be immediately terminated by COUNTY.

27 27. RESERVED.

1 28. PROJECT MONITORING AND EVALUATION.

2 a. Tenant Checklist. BORROWER shall submit a Tenant Checklist Form to
3 COUNTY, as shown in **Exhibit F** which is attached hereto and by this reference
4 is incorporated herein and may be revised by COUNTY, summarizing the
5 racial/ethnic composition, number and percentage of very low-income and low-
6 income households who are tenants of the COUNTY ARPA-Assisted Units. The
7 Tenant Checklist Form shall be submitted upon completion of the construction and
8 thereafter, on a semi-annual basis on or before March 31st and September 30th.
9 BORROWER shall maintain financial, programmatic, statistical and other
10 supporting records of its operations and financial activities in accordance with the
11 requirements of the ARPA Program under 32 CFR 35.4, including the submission
12 of Tenant Checklist Form. Except as otherwise provided for in this Agreement,
13 BORROWER shall maintain and submit records to COUNTY within ten business
14 days of COUNTY's request which clearly documents BORROWER's
15 performance under each requirement of the ARPA Program. A list of document
16 submissions and timeline are shown in **Exhibit A** and such list may be amended
17 from time to time subject to Treasury and COUNTY reporting requirements.

18 b. Inspections. During the Affordability Period, COUNTY may perform on-site
19 inspections of COUNTY ARPA-Assisted Units to determine compliance with the
20 property standards and to verify the information submitted by the owners in
21 accordance with requirements. The on-site inspections must occur within 12
22 months after the Covenant Agreement and at least once every 3 years thereafter
23 during the Affordability Period. If there are observed deficiencies for any of the
24 inspectable items in the property standards established by COUNTY, a follow-up
25 on-site inspection to verify that deficiencies are corrected must occur within 12
26 months. COUNTY may establish a list of non-hazardous deficiencies for which
27 correction can be verified by third party documentation (e.g., paid invoice for work
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1 order) rather than re-inspection. Health and safety deficiencies must be corrected
2 immediately. COUNTY must adopt a more frequent inspection schedule for
3 properties that have been found to have health and safety deficiencies .

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

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

10 30. ACCESS TO PROJECT SITE. COUNTY, state and/or federal awarding agencies
11 shall have the right to access the Project site and the Property at all reasonable times, and upon
12 completion of the Project upon reasonable written notice to BORROWER, to review the
13 operation of the Project in accordance with this Agreement.

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

16 a. Monetary Default. (1) BORROWER's failure to pay when due any sums
17 payable under this Agreement or the Covenant Agreement; (2) BORROWER's
18 or any agent of BORROWER's use of ARPA Loan Funds or other Loan funds
19 for uses other than those uses permitted under this Agreement or for uses
20 inconsistent with terms and restrictions set forth in this Agreement; (3)
21 BORROWER's or any agent of BORROWER's failure to make any other
22 payment of any assessment or tax due under this Agreement, and /or (4) default
23 under the terms of any Senior Lien documents or any other instrument or
24 document secured against the Property;

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

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

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

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

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

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

13 32. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. Formal notices,
14 demands and communications between the COUNTY and the BORROWER shall be sufficiently
15 given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to
16 the principal offices of the COUNTY and the BORROWER, as designated in **Section 53** below.
17 Such written notices, demands and communications may be sent in the same manner to such
18 other addresses as either party may from time to time designate by mail as provided in this
19 **Section 32**. Any notice that is transmitted by electronic facsimile transmission followed by
20 delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is
21 personally delivered (including by means of professional messenger service, courier service such
22 as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received
23 on the documented date of receipt by the recipient; and any notice that is sent by registered or
24 certified mail, postage prepaid, return receipt required shall be deemed received on the date of
25 delivery thereof.

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

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

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

18 d. If a non-monetary event of default occurs, prior to exercising any remedies
19 hereunder, COUNTY shall give BORROWER written notice of such default.
20 If the default is reasonably capable of being cured within thirty (30) days,
21 BORROWER shall have such period to effect a cure prior to exercise of
22 remedies by COUNTY. If the default is such that it is not reasonably capable
23 of being cured within thirty (30) days, and BORROWER (i) initiates corrective
24 action within said period, and (ii) diligently, continually, and in good faith
25 works to effect a cure as soon as possible, then BORROWER shall have such
26 additional time as is reasonably necessary to cure the default prior to exercise
27 of any remedies by the injured party, but in no event no more than sixty (60)
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1 days from the date of the notice of default. In no event shall COUNTY be
2 precluded from exercising remedies if its security becomes or is about to
3 become materially jeopardized by any failure to cure a default or the default is
4 not cured within sixty (60) days after the first notice of default is given.

5 e. Any cure tendered by BORROWER's affiliate shall be accepted or rejected on
6 the same basis as if tendered by BORROWER.

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

- 12 a. Terminate this Agreement, in which event the entire Loan amount as well as
13 any other monies advanced to BORROWER by COUNTY under this
14 Agreement including administrative costs, shall immediately become due and
15 payable to COUNTY at the option of COUNTY.
- 16 b. Bring an action in equitable relief (1) seeking the specific performance by
17 BORROWER of the terms and conditions of this Agreement, and/or (2)
18 enjoining, abating, or preventing any violation of said terms and conditions,
19 and/or (3) seeking declaratory relief.
- 20 c. Accelerate the Loan and demand immediate full payment of the principal
21 payment outstanding and all accrued interest under the Note, as well as any
22 other monies advanced to BORROWER by COUNTY under this Agreement.
- 23 d. Enter the Project and take any remedial actions necessary in its judgment with
24 respect to hazardous materials that COUNTY deems necessary to comply with
25 hazardous materials laws or to render the Project suitable for occupancy, which
26 costs shall be due and payable by BORROWER to COUNTY.
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1 e. Enter upon, take possession of, and manage the Project, either in person, by
2 agent, or by a receiver appointed by a court, and collect rents and other amounts
3 specified in the assignment of rents in the Deed of Trust and apply them to
4 operate the Project or to pay off the Loan or any advances made under this
5 Agreement, as provided for by the Deed of Trust.

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

7 34. RESERVED.

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

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

20 a. No federally appropriated funds have been paid or will be paid, by or on behalf
21 of the undersigned, to any person for influencing or attempting to influence an
22 officer or employee of any agency, a member of Congress, an officer or
23 employee of Congress, or an employee of a member of Congress in connection
24 with the awarding of any federal contract, the making of any federal grant, the
25 making of any federal loan, the entering into of any cooperative agreement, and
26 the extension, continuation, review, amendment, or modification of any federal
27 contract, grant, loan, or cooperative agreement.
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1 b. If any funds other than federally appropriated funds have been paid or will be
2 paid to any person for influencing or attempting to influence an officer or
3 employee of any agency, a member of Congress, an officer or employee of
4 Congress, or an employee of a member of Congress in connection with this
5 federal contract, grant, loan, or cooperative agreement, the undersigned shall
6 complete and submit Standard Form-LLL, "Disclosure Form to Report
7 Lobbying," in accordance with its instructions.

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

14 37. HOLD HARMLESS AND INDEMNIFICATION. BORROWER shall indemnify
15 and hold harmless the County of Riverside, its Agencies, Boards, Districts, Special Districts and
16 Departments, their respective directors, officers, Board of Supervisors, elected and appointed
17 officials, employees, agents and representatives (collectively the "Indemnified Parties") from
18 any liability whatsoever, based or asserted upon any services of BORROWER, its officers,
19 employees, subcontractors, agents or representatives arising out of their performance under this
20 Agreement, including but not limited to property damage, bodily injury, or death or any other
21 element of any kind or nature whatsoever arising from the performance of BORROWER, its
22 officers, agents, employees, subcontractors, agents or representatives under this Agreement,
23 except in the event of the gross negligence or willful misconduct of the Indemnified parties;
24 provided however, any gross negligence or willful misconduct of Indemnitees will only affect
25 the duty to indemnify for the specific act found to be gross negligence or willful misconduct, and
26 will not preclude a duty to indemnify for any act or omission of BORROWER. BORROWER
27 shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees,
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1 cost of investigation, defense and settlements or awards, the County of Riverside, its Agencies,
2 Districts, Special Districts and Departments, their respective directors, officers, Board of
3 Supervisors, elected and appointed officials, employees, agents and representatives in any claim
4 or action based upon such alleged acts or omissions.

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

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

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

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

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

22 38. TERMINATION.

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

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

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

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

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

23 39. AFFORDABILITY RESTRICTIONS. COUNTY and BORROWER, on behalf of
24 its successors and assigns, hereby declare their express intent that the restrictions set forth in this
25 Agreement shall continue in full force and effect for the duration of the Affordability Period (as
26 defined in **Section 15** above). Each and every contract, deed or other instrument hereafter
27 executed covering and conveying the Property or any portion thereof shall be held conclusively
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1 to have been executed, delivered and accepted subject to such restrictions, regardless of whether
2 such restrictions are set forth in such contract, deed or other instrument. BORROWER shall
3 execute and record as a lien against the Property, a Covenant Agreement, substantially
4 conforming in form and substance to the Covenant Agreement attached hereto as **Exhibit G** and
5 incorporated herein by this reference, setting forth the affordability use and income restriction
6 required in this Agreement.

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

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

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

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

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

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

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

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

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

3 49. CONDITIONAL COMMITMENT.

4 a. Completion. The Project must be completed no later than September 31, 2024
5 (the "Completion Deadline"). BORROWER may request a one year extension
6 of the Completion Deadline from COUNTY ("Extension"), which may be
7 granted in COUNTY's sole but reasonable discretion, if the BORROWER can
8 provide proof that the circumstances that led to the failure to complete the
9 Project by the Completion Deadline were beyond the BORROWER's control.
10 Extension is subject to COUNTY's approval and not guaranteed. The Director
11 of Housing and Workforce Solutions, or designee, has the authority, at his or
12 her discretion, to consent to such Extension. If BORROWER is unable to meet
13 the condition as required by this **Section 49** including Extension, then
14 COUNTY and BORROWER mutually agree that this Agreement will self-
15 terminate and any Loan funds disbursed to BORROWER to date shall be
16 returned to COUNTY within thirty (30) calendar days of such termination.
17 Upon such termination, this Agreement shall become null and void. COUNTY
18 and BORROWER shall be released and discharged respectively from their
19 obligations under this Agreement, except for those provisions which by their
20 terms survive termination. All costs incurred by each party on the Project will
21 be assumed respectively.

22 50. INTENTIONALLY OMITTED.

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

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

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

COUNTY
Director, Riverside County
Housing and Workforce
Solutions
3403 10th Street, Suite 300
Riverside, CA 92501
ATTN: Heidi Marshall

BORROWER
National Community Renaissance
of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attention: CEO/CFO

Email: spontell@nationalcore.org,
mfinn@nationalcore.org

and:

National Community Renaissance
of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attention: General Counsel
Email: rdiaz@nationalcore.org

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

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

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

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

10 58. CONSTRUCTION AND INTERPRETATION OF AGREEMENT.

11 a. The language in all parts of this Agreement shall in all cases be construed
12 simply, as a whole and in accordance with its fair meaning and not strictly for
13 or against any party. The parties hereto acknowledge and agree that this
14 Agreement has been prepared jointly by the parties and has been the subject of
15 arm's length and careful negotiation over a considerable period of time, that
16 each party has been given the opportunity to independently review this
17 Agreement with legal counsel, and that each party has the requisite experience
18 and sophistication to understand, interpret, and agree to the particular language
19 of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute
20 regarding the interpretation of this Agreement, this Agreement shall not be
21 interpreted or construed against the party preparing it, and instead other rules
22 of interpretation and construction shall be utilized.

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

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

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

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

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

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

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

3 62. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.

- 4 a. This Agreement shall be executed in three duplicate originals each of which is
5 deemed to be an original. This Agreement, including all attachments hereto
6 and exhibits appended to such attachments shall constitute the entire
7 understanding and agreement of the parties.
- 8 b. This Agreement integrates all of the terms and conditions mentioned herein or
9 incidental hereto, and supersedes all negotiations or previous agreements
10 between the parties with respect to all or any part of the Property.
- 11 c. All waivers of the provisions of this Agreement must be in writing and signed
12 by the appropriate authorities of the COUNTY or the BORROWER, and all
13 amendments hereto must be in writing and signed by the appropriate authorities
14 of the COUNTY and the BORROWER. This Agreement and any provisions
15 hereof may be amended by mutual written agreement by the BORROWER and
16 the COUNTY.

17
18 (SIGNATURES ON THE NEXT PAGE)
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IN WITNESS WHEREOF, COUNTY and BORROWER have executed this Agreement as of the dates written below.

COUNTY:

BORROWER:

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

NATIONAL COMMUNITY RENAISSANCE OF
CALIFORNIA
a California nonprofit public benefit corporation

By: form - do not sign
Heidi Marshall, Director


By: form - do not sign
Michael Finn, Chief Financial Officer

Date: _____

Date: _____

APPROVED AS TO FORM:

MINH C. TRAN, County Counsel

By: 
Amrit P. Dhillon,
Deputy County Counsel

(Signatures need to be notarized)

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENTS>

EXHIBIT “A”

Borrower: National Community Renaissance of California
Address: 1148 D Street; 204, 205, 216, 217, 228, 229, 240, 241, 253, 254, 264, 265, 276, 277, 310, 315, 320, 325, 330, 335, 340, 345 Magdalena Circle; 204, 205, 216, 217, 228, 229, 240, 241, 252, 253, 264, 265, 276, 277, 310, 320, 330, 340 Isabella Way, City of Corona, California
Project Title: Corona Del Rey Apartments
Location: D Street, Magdalena Circle and Isabella Way in the City of Corona also identified as APNs 118-183-034, 118-183-035, 118-183-036, 118-183-037, 118-183-038, 118-183-039, 118-183-040, 118-183-041, 118-183-042, 118-183-043, 118-183-049-1, 118-183-051-2, 118-183-053-4, 118-171-019, 118-171-020, 118-171-021, 118-171-022, 118-171-023, 118-171-024, 118-171-025, 118-171-026, 118-171-027, 118-171-028, 118-171-029, 118-171-030, 118-171-031, 118-171-032, 118-171-033, 118-171-034, 118-171-035, 118-171-036, 118-171-037, 118-171-038, 118-171-039, 118-171-040, 118-171-041, 118-171-042, 118-171-043, 118-171-044, 118-171-045, 118-171-046, 118-171-054, 118-171-055 and 118-171-056.

Project Description:

National Community Renaissance of California shall rehabilitate a multi-family affordable rental housing project consisting of one hundred sixty (160) rental units including two (2) residential manager’s unit (“Project”) on real property located on D Street, Magdalena Circle and Isabella Way also identified as APNs 118-183-034, 118-183-035, 118-183-036, 118-183-037, 118-183-038, 118-183-039, 118-183-040, 118-183-041, 118-183-042, 118-183-043, 118-183-049-1, 118-183-051-2, 118-183-053-4, 118-171-019, 118-171-020, 118-171-021, 118-171-022, 118-171-023, 118-171-024, 118-171-025, 118-171-026, 118-171-027, 118-171-028, 118-171-029, 118-171-030, 118-171-031, 118-171-032, 118-171-033, 118-171-034, 118-171-035, 118-171-036, 118-171-037, 118-171-038, 118-171-039, 118-171-040, 118-171-041, 118-171-042, 118-171-043, 118-171-044, 118-171-045, 118-171-046, 118-171-054, 118-171-055 and 118-171-056 (“Property”).

A total of thirty (30) units shall be reserved for Qualified Very Low Income Households and rented at Low HOME rent levels as published by HUD. A total of thirty one (31) units shall be reserved for Qualified Low Income Households and rented at High HOME rent levels as published by HUD. The ARPA assisted units shall be “floating” designation on the Property and shall be rented to and occupied by households whose incomes do not exceed sixty percent (60%) of the area median income for the County of Riverside, adjusted by family size at the time of occupancy as determined and published by HUD, for a period of twenty (20) years. The Project is comprised of affordable units in addition to the ARPA Assisted Units financed through the United States Department of Agriculture and HOME Loan. The Project shall include a total of 160 rental units as follows:

160	Two Bedroom	1,118	sq.ft.
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IMPLEMENTATION SCHEDULE

Milestone

Completion Date; September 31, 2024

- | | |
|--|--------------------|
| (1) Rehabilitation Start Deadline | January 31, 2023 |
| (2) Completion Deadline | July 31, 2024 |
| (3) Submission of income & ethnic characteristics report | September 30, 2024 |

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 1 THROUGH 41 INCLUSIVE OF [TRACT NO. 2687](#), IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 48, PAGES 65 AND 66 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM PORTIONS LOTS 40 AND 41 HEREIN, AS CONVEYED TO RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT BY GRANT DEED RECORDED FEBRUARY 16, 1993 AS [INSTRUMENT NO. 57453 OFFICIAL RECORDS](#).

ALSO EXCEPTING THEREFROM THOSE PORTIONS OF SAID LAND ACQUIRED BY THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION BEING DESCRIBED AND DELINEATED AS CALTRANS PARCEL NO. 221891 AND CALTRANS PARCEL NO. 221901 IN THE FINAL ORDER OF CONDEMNATION RECORDED SEPTEMBER 25, 2017 AS [INSTRUMENT NO. 20170396392 OFFICIAL RECORDS](#).

TOGETHER WITH PORTIONS GARFIELD AVENUE, GRANT AVENUE, "C" STREET AND THE ADJACENT ALLEYS OFF OF "D" STREET LOCATED SOUTH OF STATE ROUTE 91 AND WEST OF LINCOLN AVENUE, BEING PORTIONS OF LETTERED LOTS B THROUGH J INCLUSIVE OF SAID [TRACT NO. 2687](#), AS VACATED BY RESOLUTION NO. 97-43 RECORDED JUNE 24, 1997 AS [INSTRUMENT NO. 222392 OFFICIAL RECORDS](#).

APN(s): [118-183-034](#) THROUGH [118-183-043](#), INCLUSIVE; [118-183-049](#); [118-183-051](#); [118-183-053](#); [118-171-019](#) THROUGH [118-171-024](#), INCLUSIVE, [118-171-027](#) THROUGH [118-171-038](#), INCLUSIVE AND [118-171-040](#) THROUGH [118-171-046](#), INCLUSIVE, AND [118-171-054](#) THROUGH [118-171-056](#), INCLUSIVE.

EXHIBIT “B”

EXEMPT RECORDING FEE CODE 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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

This DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING is made this day of _____, 2023 by National Community Renaissance of California (“Trustor”), whose address is 9421 Haven Avenue, Rancho Cucamonga, CA 91730. The trustee is Fidelity National Title Company (“Trustee”). The beneficiary is the County of Riverside, a political subdivision of the State of California, (hereinafter called “Beneficiary”), whose address is 3403 10th Street, Suite 300, Riverside, CA 92501

RECITALS

A. Trustor is the owner of the real property located in the City of Corona, 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. Country made a Loan to Trustor in the amount of \$5,000,000 (the “Loan”), consisting of funds made available pursuant to the American Rescue Plan Act of 2021 (Title VI of the Social Security Act Section 602 et seq.) (the “Act”) and the implementing regulations thereto (31 CFR Part 35) (collectively, “ARPA”), evidenced by that certain Loan Agreement for the Use of ARPA Program Funds by and between Trustor and Beneficiary, dated as of the date hereof (the “Loan Agreement”).

C. In connection with the Loan, Beneficiary and Trustor entered into a Covenant Agreement dated as of the date hereof (the “Covenant Agreement”), pursuant to which, Trustor is obligated, among other requirements, to restrict a portion of the Subject Property’s use and occupancy to "low-income housing" within the meaning of the Title II of the Cranston-Gonzalez National Affordable Housing Act (the “HOME 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”).

NOW, THEREFORE, TRUSTOR IRREVOCABLY GRANTS, TRANSFERS
AND ASSIGNS to Trustee, its successors and assigns, in Trust, with POWER OF SALE

TOGETHER WITH RIGHT OF ENTRY AND POSSESSION the following property (the "Trust Estate"):

- (A) The Subject Property;
- (B) All buildings, structures and other improvements now or in the future located or to be constructed on the Subject Property (the "Improvements");
- (C) All tenements, hereditaments, appurtenances, privileges, franchises and other rights and interests now or in the future benefiting or otherwise relating to the Subject Property or the Improvements, including easements, rights-of-way and development rights (the "Appurtenances"). (The Appurtenances, together with the Subject Property and the Improvements, are hereafter referred to as the "Real Property");
- (D) All rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the ownership, use, management, operation leasing or occupancy of the Trust Estate, including those past due and unpaid (the "Rents");
- (E) All present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code (the "UCC"), and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, theater equipment, seating, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property, but not including personal property that is donated to Trustor (the "Goods," and together with the Real Property, the "Property"); and
- (F) All present and future right, title and interest of Trustor in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written material (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Property or any other part of the Trust Estate or the Ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the property or any other part of the Trust Estate, including (to the extent applicable to the Property or any other portion of the Trust Estate) (i) permits, approvals and other governmental authorizations, (ii) improvement plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers, supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) takeout, refinancing and permanent loan commitments, (v) warranties, guaranties, indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (vi) claims, demands, awards, settlements, and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage

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

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estates described above in which a security interest may be created under the UCC (collectively, the "Personal Property"). This Deed of Trust constitutes a security agreement under the UCC, conveying a security interest in the Personal Property to Trustee and Beneficiary. Trustee and Beneficiary shall have, in addition to all rights and remedies provided herein, all the rights and remedies of a "secured party" under the UCC and other applicable California law. Trustor covenants and agrees that this Deed of Trust constitutes a fixture filing under Section 9334 and 9502(b) of the UCC.

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

1. 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 \$5,000,000;
 - (b) that certain Loan Agreement for the Use of ARPA 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 "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").
2. payment of indebtedness of the Trustor to the Beneficiary not to exceed \$5,000,000 (the "Loan") according to the terms of the Note.

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

and include the Note, Loan Agreement and Covenant Agreement, as well as any riders, exhibits, addenda, implementation agreements, amendments, or attachments thereto (which are hereby incorporated herein by this reference). Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Loan Agreement.

The Loan evidenced by the Note and secured by this Deed of Trust is being made pursuant to the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF” or “ARPA Funds”). Pursuant to the Loan Agreement, the maturity date of the Loan shall be the later to occur of (i) December 31, 2078 or (ii) fifty-five (55) years from years from recordation of the Covenant Agreement (“Loan Term”).

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

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

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

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

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

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

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

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

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

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

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

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

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

9. **Priority of Deed of Trust.** The ARPA Deed of Trust shall be in a ninth priority lien position. Lien priority at the close of construction financing, including applicable regulatory agreements, shall be as follows:

1. first priority shall be an Amended and Restated Affordable Housing Agreement by and among the City, City Housing Authority and BORROWER in connection with a former Redevelopment Agency loan in the original principal amount of \$1,200,000, approximately \$1,200,000 in accrued interest on that former Redevelopment Agency loan, and State

- Budget Appropriation Loan in the new principal amount of new \$5,500,000 (the “Amended and Restated Affordable Housing Agreement;
2. second priority shall be an Amended and Restated Regulatory Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the “City Amended and Restated Regulatory Agreement”);
 3. third priority shall be an Amended and Restated Operating and Maintenance Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the “City Amended and Restated Operating and Maintenance Agreement”);
 4. fourth priority shall be an Amended and Restated Deed of Trust securing a loan for the benefit of the City and City Housing Authority in the principal amount of approximately \$7,900,000 (the “City Amended and Restated Deed of Trust”);
 5. fifth priority shall be a HOME Deed of Trust between the County of Riverside and BORROWER in connection with the County HOME Loan in the original principal amount of \$275,000 (the “County HOME DOT”);
 6. sixth priority shall be the HOME Covenant Agreement between COUNTY and BORROWER in connection with the HOME Loan;
 7. seventh priority shall be the ARPA Covenant Agreement between COUNTY and BORROWER in connection with the ARPA Loan;
 8. eighth priority shall be a deed of trust securing a loan for the benefit of Southern California Housing Development Corporation of the Inland Empire (“SCHDCIE”) in the new principal amount up to \$7,450,000 (the “Construction Loan”);
 9. ninth priority shall be the ARPA Deed of Trust securing the ARPA Loan for the benefit of COUNTY in the principal amount up to \$5,000,000;
 10. tenth priority shall be a deed of trust securing a sponsor loan for the benefit of NCRC in the principal amount up to \$2,500,000 (the “Sponsor Loan”).

The City Loan, the City Amended and Restated Deed of Trust and the Construction Bond Loan shall be referenced as “Senior Lien” or “Senior Liens.”

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

a. All insurance policies and renewals shall be reasonably acceptable to Beneficiary and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Trustor complies with the insurance requirements under this Deed

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

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

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

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

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

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

land records where the Property is located), limiting the Property's use to "low-income housing." The use and occupancy restrictions may limit the Trustor's ability to rent the Property. The violation of any use and occupancy restrictions may, if not prohibited by federal law, entitle the Beneficiary to the remedies provided in **Section 27** hereof.

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

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

13. **Reserved.**

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

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

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

as the value of Beneficiary's lien is not impaired, any condemnation proceeds may be used by Trustor for repair and/or restoration of the Project.

- a. If the Property is abandoned by Trustor, or if, after notice by Beneficiary to Trustor that the condemner offers to make an award or settle a claim for damages, Trustor fails to respond to Beneficiary within 30 days after the date the notice is given, Beneficiary is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due.
- b. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to in **Sections 5 and 6** or change the amount of such payments.

16. **Forbearance By Beneficiary Not a Waiver.** Any forbearance by Beneficiary in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

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

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

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

20. **Governing Law; Severability.** This Deed of Trust shall be governed by federal law and the laws of the State of California. In the event that any provision or clause of this Deed of Trust, the Note or Covenant Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust, the Note or the Covenant Agreement which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust, the Note and the Covenant Agreement are declared to be severable. Any action at law or in equity arising under this Deed of Trust or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed in the Superior Court of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

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

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

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

b. Notwithstanding anything to the contrary contained herein, upon written notice to Beneficiary, Trustor may (i) admit non-manager members to Trustor, and provide for the purchase of any such membership interest or interests by Trustor's Manager; (ii) remove for cause any Manager by a member of the Trustor, and the replacement thereof, pursuant to the Operating Agreement or By-Laws, 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 Manager by a member and the replacement thereof set forth in the immediately preceding sentence, amendments to the Operating Agreement required to effectuate the Permitted Transfer set forth in this clause (ii) shall not require the consent of the Beneficiary; provided, however, Trustor shall provide Beneficiary with an executed copy of such amended agreement within 10 days of execution thereof; (iii) the lease for occupancy of all or any of the ARPA-Assisted Units; (iv) the granting of easements or permits to facilitate the development of the Property in accordance with the Loan Agreement; and (v) the withdrawal and/or replacement of

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

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

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

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

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

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

27. **Acceleration; Remedies.** Beneficiary shall give notice to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this Deed of Trust. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, which shall not be more than ten (10) calendar days from the date of the mailing of the notice for a monetary default, or a date, which shall not be more than thirty (30) calendar days from the mailing of the notice for a non-monetary default, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the Secured Obligations secured by this Deed of Trust and sale of the Property. The notice shall further inform Trustor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Trustor to acceleration and sale. If the default is not cured by the Trustor on or before the date specified in the notice, and the Senior Lien Holder or the investor limited partner have not cured the default within that same period, subject to any non-recourse provisions set forth in Section 8 of the Note, then Beneficiary at its option may require immediate payment in full of all Secured Obligations secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Section 27**, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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

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

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

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

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

30. **Modifications of Senior Loan Documents.** Any agreement or arrangement, in which a Senior Lender waives, postpones, extends, reduces, or modifies any provisions of the Senior Lien Holder Deed of Trust or any other Senior Lien Holder loan documents, including any provisions requiring the payment of money, shall require the prior written approval of Beneficiary.

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

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

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

[Remainder of Page Blank]

[Signatures on Following Page]

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

TRUSTOR:

National Community Renaissance of California,
a California nonprofit public benefit corporation

By: form - do not sign
Michael Finn, Chief Financial Officer

Date: _____

(Signature needs to be notarized)

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENTS>

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 1 THROUGH 41 INCLUSIVE OF [TRACT NO. 2687](#), IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 48, PAGES 65 AND 66 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM PORTIONS LOTS 40 AND 41 HEREIN, AS CONVEYED TO RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT BY GRANT DEED RECORDED FEBRUARY 16, 1993 AS [INSTRUMENT NO. 57453 OFFICIAL RECORDS](#).

ALSO EXCEPTING THEREFROM THOSE PORTIONS OF SAID LAND ACQUIRED BY THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION BEING DESCRIBED AND DELINEATED AS CALTRANS PARCEL NO. 221891 AND CALTRANS PARCEL NO. 221901 IN THE FINAL ORDER OF CONDEMNATION RECORDED SEPTEMBER 25, 2017 AS [INSTRUMENT NO. 20170396392 OFFICIAL RECORDS](#).

TOGETHER WITH PORTIONS GARFIELD AVENUE, GRANT AVENUE, "C" STREET AND THE ADJACENT ALLEYS OFF OF "D" STREET LOCATED SOUTH OF STATE ROUTE 91 AND WEST OF LINCOLN AVENUE, BEING PORTIONS OF LETTERED LOTS B THROUGH J INCLUSIVE OF SAID [TRACT NO. 2687](#), AS VACATED BY RESOLUTION NO. 97-43 RECORDED JUNE 24, 1997 AS [INSTRUMENT NO. 222392 OFFICIAL RECORDS](#).

APN(s): [118-183-034 THROUGH 118-183-043, INCLUSIVE](#); [118-183-049](#); [118-183-051](#); [118-183-053](#); [118-171-019 THROUGH 118-171-024, INCLUSIVE](#), [118-171-027 THROUGH 118-171-038, INCLUSIVE](#) AND [118-171-040 THROUGH 118-171-046, INCLUSIVE](#), AND [118-171-054 THROUGH 118-171-056, INCLUSIVE](#).

EXHIBIT “C”

PROMISSORY NOTE

\$5,000,000

Riverside, CA

In installments as hereafter stated, for value received, NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, a California nonprofit public benefit corporation (“Borrower”), promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), or order, at 3403 10th Street, Suite 300, Riverside, CA 92501, the sum of FIVE MILLION AND NO/100 DOLLARS (U.S. \$5,000,000) (the “Loan” or “Note Amount”) which at the time of payment is lawful for the payment of public and private debts.

This Promissory Note (“Note”) is given in accordance with that certain Loan Agreement for the Use of ARPA 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 “Loan Agreement”). Except to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings ascribed to such terms in the Loan Agreement. The Note is secured by a Deed of Trust and Assignment of Rents executed by Borrower for the benefit of the County dated _____ and recorded on or about the date hereof in the Official Records (the “Deed of Trust”). The rights and obligations of the Borrower and COUNTY under this Note shall be governed by the Loan Agreement and the following terms:

- (2) The Loan evidenced by this Note and secured by the Deed of Trust is being made pursuant to the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF” or “ARPA Funds”), and the implementing regulations thereto (31 CFR Part 35) (“ARPA”). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on rent and occupancy required under the 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"), the Loan Agreement and that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Borrower and the COUNTY).
- (3) That the Loan will accrue simple interest at a rate of three percent (3%) per annum, except in the case of default as hereinafter provided.
- (4) This Note shall be repaid according to the following: Twenty five percent (25%) of the Project’s Residual Receipts shall be used towards the payment of the Loan until the Note is repaid in full. Notwithstanding anything to the contrary contained herein, no Residual Receipts shall be payable on the Loan until the funding in full on an annual basis of the “Capital Replacement Reserve Account” in accordance with the terms of and as further detailed in that certain Amended and Restated Operation and Maintenance Agreement entered into by and among BORROWER, the City of Corona and the City of Corona Housing Authority dated concurrently herewith.
- (5) The term “Residual Receipts” used herein shall mean all money and income from the Project remaining annually after the payment of all normal and necessary expenses of operation of the Project, including but not limited to the following:

- (i) payments of principal and interest and other mandatory payments on amortized loans and indebtedness senior to the ARPA Loan, which have been approved in writing by COUNTY (collectively, the “Senior Debt”);
 - (ii) utility fees and costs not paid by tenants;
 - (iii) insurance on the Project;
 - (iv) ad valorem taxes and assessment payments;
 - (v) management fees, expenses and costs, as well as the cost of social programs at the Project and compliance monitoring/reporting, which shall total initially \$75 per unit per month, which management fee shall be adjusted annually by a percentage equal to the annual increase in rents permitted by HUD and may be deferred and accrued;
 - (vi) reserves for repair and replacement of the Project, in an annual amount of \$300 per rental unit per year;
 - (vii) all other fees and expenses which may be permitted by the annual budget approved by the COUNTY;
 - (viii) a \$4,000 per year owner’s overhead and administrative overhead fee paid to BORROWER pursuant to that certain Affordable Housing Agreement entered into by and among the City of Corona Housing Authority, the City of Corona and BORROWER, dated as of the date hereof; and
 - (ix) operating expenses will be considered "normal and necessary" if incurred generally for similarly structured, financed, and restricted rental properties operated by similar entities.
- (6) At such time, payment of twenty-five percent (25%) of the Residual Receipts produced from the Project shall be made by the BORROWER to the COUNTY annually on July 15th of each year. Payment shall be applied first to accrued interest and thereafter to principal. BORROWER shall annually provide the COUNTY with an accounting acceptable to the COUNTY, documenting the calculation of Residual Receipts for the previous calendar year ending December 31. This accounting shall be made on or before July 15, together with the payment of Residual Receipts. Notwithstanding anything to the contrary contained herein, no Residual Receipts shall be payable on the City Loan or the ARPA Loan until the funding in full on an annual basis of the “Capital Replacement Reserve Account” in accordance with the terms of and as further detailed in that certain Amended and Restated Operation and Maintenance Agreement entered into by and among BORROWER, the City of Corona (“City”), a California municipal corporation, and City of Corona Housing Authority (“City Housing Authority”), a public body, corporate and politic, organized under the laws of the State of California, as the successor to the former City of Corona Redevelopment Agency, dated concurrently herewith.
- (7) All outstanding principal along with accrued interest shall be due upon maturity of the Loan Agreement, which shall be the later to occur of (i) December 31, 2078 or (ii) fifty-five (55) years from and after the recordation of the Covenant Agreement (the “Loan Term”). All outstanding principal along with accrued interest shall be due upon the maturity date of the Note and the expiration of the Loan Term.
- (8) The Loan evidenced by this Note is secured by that certain Deed of Trust and Assignment of Rents executed by Borrower for the benefit of the County, dated on or about the date hereof and recorded in the Official Records of the County of Riverside on or about the date hereof (“Deed of Trust”).

- (9) 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.
- (10) Subject to the provisions and limitations of this Section 10, 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 Section 10. The sole recourse of the County shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the Loan; provided, however, that the foregoing shall not (i) constitute a waiver of any other obligation evidenced by this Note or the Deed of Trust; (ii) limit the right of the COUNTY to name Borrower as a party defendant in any action or suit for judicial foreclosure and sale under this Note and the Deed of Trust or any action or proceeding hereunder so long as no judgment in the nature of a deficiency judgment shall be asked for or taken against Borrower; (iii) release or impair either this Note or the Deed of Trust; (iv) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, any other remedy against the mortgaged Property or any other instrument securing this Note or as prescribed by law or in equity in case of default; (v) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, its remedies in respect of any deposits, insurance proceeds, condemnation awards or other monies or other collateral or letters of credit securing this Note; or (vi) affect in any way the validity of any guarantee or indemnity from any person of all or any of the obligations evidenced and secured by this Note and the Deed of Trust. Notwithstanding the first sentence of this Section 10, the COUNTY may recover directly from Borrower or, unless otherwise prohibited by any applicable law, from any other party: (a) any damages, costs and expenses incurred by the COUNTY as a result of fraud, misrepresentation or any criminal act or acts of Borrower or any general partner, shareholder, officer, director or employee of Borrower, or of any member or general partner of Borrower, or of any general partner of such member or general partner; (b) any damages, costs and expenses incurred by the COUNTY as a result of any misappropriation of funds provided to pay costs as described in the Loan Agreement, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; (c) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the Deed of Trust; (d) the fair market value of any personal property or fixtures removed or disposed of by the Borrower other than in accordance with the Deed of Trust; (e) any and all amounts owing by Borrower pursuant to any indemnity set forth in the Loan Agreement and/or Deed of Trust or the indemnification regarding Hazardous Substances pursuant to the Loan Agreement and/or Deed of Trust, and (f) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.
- (11) The occurrence of any of the following events shall constitute an "Event of Default" under this Note after notice and opportunity to cure pursuant to the terms set forth in the Loan Agreement:
- a. Monetary Default. (1) Borrower's failure to pay when due any sums

payable under the Note or any advances made by COUNTY under this Agreement, (2) Borrower's or any agent of Borrower's use of Loan funds for costs other than those costs permitted under the Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, (3) Borrower's or any agent of Borrower's failure to make any other payment of any assessment or tax due under the Loan Agreement, and /or (4) default past any applicable notice and cure period under the terms of (i) first priority shall be an Amended and Restated Affordable Housing Agreement by and among the City, City Housing Authority and BORROWER in connection with a former Redevelopment Agency loan in the original principal amount of \$1,200,000, approximately \$1,200,000 in accrued interest on that former Redevelopment Agency loan, and State Budget Appropriation Loan in the new principal amount of new \$5,500,000 (the "Amended and Restated Affordable Housing Agreement; (ii)) second priority shall be an Amended and Restated Regulatory Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the "City Amended and Restated Regulatory Agreement"); (iii) third priority shall be an Amended and Restated Operating and Maintenance Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the "City Amended and Restated Operating and Maintenance Agreement") (iv) fourth priority shall be an Amended and Restated Deed of Trust securing a loan for the benefit of the City and City Housing Authority in the principal amount of approximately \$7,900,000 (the "City Amended and Restated Deed of Trust"); (v) fifth priority shall be a HOME Deed of Trust between the County of Riverside and BORROWER in connection with the County HOME Loan in the original principal amount of \$275,000 (the "County HOME DOT"); (vi) sixth priority shall be the HOME Covenant Agreement between COUNTY and BORROWER in connection with the HOME Loan; (vii) seventh priority shall be the ARPA Covenant Agreement between COUNTY and BORROWER in connection with the ARPA Loan; (viii) eighth priority shall be a deed of trust securing a loan for the benefit of Southern California Housing Development Corporation of the Inland Empire ("SCHDCIE") in the new principal amount up to \$7,450,000 (the "Construction Loan"); (ix) ninth priority shall be the ARPA Deed of Trust securing the ARPA Loan for the benefit of COUNTY in the principal amount up to \$5,000,000; (x) tenth priority shall be a deed of trust securing a sponsor loan for the benefit of NCRC in the principal amount up to \$2,500,000 (the "Sponsor Loan").

- b. Non-Monetary Default - Operation. (1) Discrimination by Borrower or Borrower's agent on the basis of characteristics prohibited by this Agreement or applicable law, (2) the imposition of any encumbrances or liens on the Project without COUNTY's prior written approval that are prohibited under this agreement or that have the effect of reducing the priority or invalidating the lien of the Deed of Trust, (3) Borrower's failure to obtain and maintain the insurance coverage required under the Loan

Agreement, (4) any material default under the Loan Agreement, Deed of Trust with Assignment of Rents, Covenant Agreement, Note, or any document executed by the County in connection with this Agreement, and/or (4) default past any applicable notice and cure period under the terms of the Deed of Trust or any other instrument or document secured against the Property;

- c. General Performance of Loan Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on Borrower imposed in the Loan Agreement; and
 - d. General Performance of Other Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on the Project imposed by any other agreement with respect to the financing, development, or operation of the Project; whether or not COUNTY is a party to such agreement.
- (12) COUNTY shall give written notice of default to Borrower, specifying the default complained of by the COUNTY. Borrower shall have ten (10) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.
- (13) 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.
- (14) 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.
- (15) 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.
- (16) 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 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.

- (17) 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.
- (18) 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.
- (19) 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.
- (20) In no event shall Borrower assign or transfer any portion of this Note or any rights herein without the prior express written consent of the COUNTY, which consent the COUNTY may give or withhold in its sole and absolute discretion. In the absence of specific written agreement by the COUNTY, no unauthorized assignment or transfer, or approval thereof by the COUNTY, shall be deemed to relieve Borrower or any other party from any obligations under the Loan Agreement or this Note. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.
- (21) Except as to the permitted deeds of trust identified herein, Borrower shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion.
- (22) 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.
- (23) (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, Ste. 300, Riverside, California 92501, Attention: Director of Housing and Workforce Solutions. The facsimile number for the COUNTY's receipt of notices is (951) 374-3098.
- (c) The address of Borrower for purposes of receiving notices pursuant to this Note is National Community Renaissance of California, 9421 Haven Avenue, Rancho Cucamonga, CA 91730, Attention: CEO/CFO (spontell@nationalcore.org/mfinn@nationalcore.org), with a copy to National Community Renaissance of California, 9421 Haven Avenue, Rancho Cucamonga, CA 91730, Attention: General Counsel (rdiaz@nationalcore.org).
- (24) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
- (25) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
- (26) This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURES ON FOLLOWING PAGE]

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

BORROWER:

TRUSTOR:

National Community Renaissance of California
National Community Renaissance of California
National Community Renaissance of California
a California nonprofit public benefit corporation

By: _____ By: form - do not sign
Michael F. Miller, Chief Financial Officer

Date: _____
Date: _____

EXHIBIT “D”

RESERVED.

EXHIBIT E

Prohibition Against Conflicts of Interest

Policy Manual, I.D. # A-11

TOPIC: CONFLICT OF INTEREST CODE
RIVERSIDE COUNTY
Housing & Workforce Solutions
DATE: MARCH 1999

This Conflict of Interest Code is written to comply with Federal Regulations (2 C.F.R. § 200.318(c) and 2 C.F.R. § 200.112).

- 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

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

Project Name:

Address:

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, Alicia Jaimes at 951.955.0783.

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

EXHIBIT “G”

Covenant Agreement

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

Order No.
Escrow No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDERS USE

**COVENANT AGREEMENT
(Corona Del Rey Apartments)**

This Covenant Agreement (Corona Del Rey Apartments) (“Covenant”) is made and entered into as of the day of _____, 2023 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), and NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, a California nonprofit public benefit corporation (“OWNER”).

RECITALS

WHEREAS, OWNER owns that certain real property located on located on D Street, Magdalena Circle and Isabella Way in the City of Corona also identified as APNs 118-183-034, 118-183-035, 118-183-036, 118-183-037, 118-183-038, 118-183-039, 118-183-040, 118-183-041, 118-183-042, 118-183-043, 118-183-049-1, 118-183-051-2, 118-183-053-4, 118-171-019, 118-171-020, 118-171-021, 118-171-022, 118-171-023, 118-171-024, 118-171-025, 118-171-026, 118-171-027, 118-171-028, 118-171-029, 118-171-030, 118-171-031, 118-171-032, 118-171-033, 118-171-034, 118-171-035, 118-171-036, 118-171-037, 118-171-038, 118-171-039, 118-171-040, 118-171-041, 118-171-042, 118-171-043, 118-171-044, 118-171-045, 118-171-046, 118-171-054, 118-171-055 and 118-171-056 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 ARPA Funds dated _____ and recorded in the Official Records of the County of Riverside (“Official Records”) concurrently herewith (the “Loan Agreement” or “Agreement”) which provides for, among other things, the rehabilitation of the Property, also known as “Corona Del Rey Apartments,” a multi-family affordable housing project consisting of one hundred sixty (160) rental housing units, including two (2) which shall be designated as a managers unit, of which (i) thirty (30) units of which shall be rented to and occupied by Qualified Very Low Income Households (as defined below), and (ii) thirty one (31) units of which shall be rented to and occupied by Qualified Low Income Households (as defined below) ((i) and (ii) collectively, “ARPA-Assisted Units”) (collectively the “Project”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Loan Agreement;

WHEREAS, the County is providing funding under the American Rescue Plan Act of 2021 (Title VI of the Social Security Act Section 602 et seq.) (the “Act”) and the implementing regulations (31 CFR Part 35) and rules (4338 Fed. Reg. 87 18) thereto (collectively, “ARPA”), for the purposes of addressing housing insecurity and lack of affordable housing;

WHEREAS, pursuant to the Loan Agreement, COUNTY loaned to OWNER \$5,000,000 derived from ARPA funds (“Loan”), to pay a portion of the costs to develop and rehabilitate the Project, as more fully described in the Loan Agreement. The Loan is evidenced by a Promissory Note executed by OWNER, in favor of COUNTY dated on or about the date hereof (“Loan Note”) and secured by that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing executed by OWNER, for the benefit of COUNTY and recorded in the Official Records concurrently herewith (“Deed of Trust”); and

WHEREAS, COUNTY is providing funding under ARPA for the purposes of assisting low-income households and individuals disproportionately impacted by the COVID-19 pandemic through the development, repair and operation of affordable housing and services or programs to increase long-term housing security; and

WHEREAS, OWNER warrants that the use of funds complies with an Eligible Use of

ARPA;

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

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

1) RESTRICTIONS. The recitals set forth above are true and correct and incorporated herein. This Covenant shall continue in full force and effect for fifty-five (55) years from the recordation of the Covenant Agreement for the last building for which construction is completed for the Project on the Property (“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 (30) rental units within the Project shall be restricted as ARPA-Assisted -Units rented to and occupied by qualified very low income households whose incomes do not exceed 50% of the area median income for the County of Riverside as determined by HUD (“Qualified Very Low Income Households”), and thirty one (31) rental units shall be restricted as ARPA-Assisted-Units rented to and occupied by qualified low income households whose incomes do not exceed 60% of the area median income for the County of Riverside as determined by HUD (“Qualified Low Income Households”) (collectively “ARPA-Assisted Units”). The ARPA-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 ARPA-Assisted Units remains the same throughout the Affordability Period and the substituted ARPA-Assisted Unit is comparable in terms of size, features, and number of bedrooms to the originally designates ARPA -Assisted Unit;

b) ARPA-Assisted Units shall be rented to and occupied by Qualified Very Low Income Households or Qualified Low Income 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 Qualified Very Low Income Households shall be the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit. COUNTY shall review and approve proposed rents to the extent required under this section. Affordable rents including utility allowance for Qualified Low Income Households, shall be the product of 30 percent times 60 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. OWNER shall ensure the ARPA-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: Owners are required to complete initial Utility Allowance (UA) calculations and submit their calculations for review and approval to the County prior to implementation, annually by June 1st. The following methods below are acceptable methodologies for calculating UA’s:

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

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

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

2) SENIOR PRIORITY. [TO BE UPDATED UPON CONFIRMATION OF FINAL LIEN ORDER] Notwithstanding anything to the contrary contained in the Loan Agreement, including any of its attachments, this Covenant Agreement shall be in the seventh priority lien position as follows: (1) Amended and Restated Affordable Housing Agreement by and among the City, City Housing Authority and BORROWER in connection with a former Redevelopment Agency loan in the original principal amount of \$1,200,000, approximately \$1,200,000 in accrued interest on that former Redevelopment Agency loan, and State Budget Appropriation Loan in the new principal amount of new \$5,500,000 (the “Amended and Restated Affordable Housing Agreement; (2)) Amended and Restated Regulatory Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the “City Amended and Restated Regulatory Agreement”); (3) Amended and Restated Operating and Maintenance Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the “City Amended and Restated Operating and Maintenance Agreement”); (4) Amended and Restated Deed of Trust securing a loan for the benefit of the City and City Housing Authority in the principal amount of approximately \$7,900,000 (the “City Amended and Restated Deed of Trust”); (5) HOME Deed of Trust between the County of Riverside and BORROWER in connection with the County HOME Loan in the original principal amount of \$275,000 (the “County HOME DOT”); (6) HOME Covenant Agreement between COUNTY and BORROWER in connection with the HOME Loan; (7) ARPA Covenant Agreement between COUNTY and BORROWER in connection with the ARPA Loan; (8) a deed of trust securing a loan for the benefit of Southern California Housing Development Corporation of the Inland Empire

(“SCHDCIE”) in the new principal amount up to \$7,450,000 (the “Construction Loan”); (9) ARPA Deed of Trust securing the ARPA Loan for the benefit of COUNTY in the principal amount up to \$5,000,000; (10) a deed of trust securing a sponsor loan for the benefit of NCRC in the principal amount up to \$2,500,000 (the “Sponsor Loan”).

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 Coronavirus State and Local Fiscal Recovery Funds (“SLFRF” or “ARPA Funds”);
- b) Other Federal requirements and nondiscrimination. As set forth in the ARPA Rules and the Loan Agreement.

4) TENANT PROTECTIONS. OWNER shall provide protection to the tenants of the COUNTY ARPA-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."

5) MAINTENANCE OF THE IMPROVEMENTS. OWNER, on behalf of itself and its successors, assigns, and each successor in interest to the Property and Project or any part thereof hereby covenants to and shall protect, maintain, and preserve the Property in compliance with all applicable federal and state law and regulations and local ordinances. In addition, OWNER, its successors and assigns, shall maintain the improvements on the Property in the same aesthetic and

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

6) 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.

7) 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.

- (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 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.
- (2) 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.
- (3) 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.

- (4) 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 retentions or self-insured programs shall not be construed as contributory.
- (5) 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.

- (6) OWNER shall pass down the insurance obligations contained herein to all tiers of subcontractors.
- (7) 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.
- 8) HOLD HARMLESS/INDEMNIFICATION. OWNER shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability whatsoever, based or asserted upon any services of OWNER, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of OWNER, its officers, employees, subcontractors, agents or representatives Indemnitors from this Agreement, except in the event of the gross negligence or willful misconduct of the Indemnities; provided however, any gross negligence or willful misconduct of the Indemnitees will only affect OWNER's duty to indemnify for the specific act found to be gross negligence or willful misconduct, and will not preclude a duty to indemnify for any act or omission of OWNER. OWNER shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions. With respect to any action or claim subject to indemnification herein by OWNER shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes OWNER's indemnification to

Indemnitees as set forth herein. OWNER's obligation hereunder shall be satisfied when OWNER has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved. The specified insurance limits required in this Agreement shall in no way limit or circumscribe OWNER's obligations to indemnify and hold harmless the Indemnitees herein from third party claims. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve OWNER from indemnifying the Indemnitees to the fullest extent allowed by law. The indemnification set forth in this paragraph 14 shall survive the expiration and earlier termination of this Covenant.

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

COUNTY
Director, Riverside County
Housing and Workforce
Solutions
3404 10th Street Suite 300
Riverside, CA 92501
Attn: Heidi Marshall

OWNER
National Community Renaissance
of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attention: CEO/CFO
Email: spontell@nationalcore.org
mfinn@nationalcore.org

and:

National Community Renaissance
of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attention: General Counsel
Email: rdiaz@nationalcore.org

- 10) 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.
- 11) TERM. The non-discrimination covenants, conditions and restrictions contained in **Section 6** of this Covenant shall remain in effect in perpetuity. Every other covenant, condition and restriction contained in this Covenant shall continue in full force and effect for the Term, as defined in **Section 1** of this Covenant.
- 12) NOTICE AND CURE. Prior to exercising any remedies hereunder, the COUNTY shall give OWNER notice of such default pursuant to **Section 9** above. Any monetary default shall be cured within 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 sixty (60) days from delivery of such notice of default, subject to force majeure (including government restrictions, pandemics, and acts of God). COUNTY, upon providing OWNER with any notice of default under this Covenant, shall, within a reasonable time, provide a copy of such default notice to a Permitted Lender who has given written notice to COUNTY of its interest in the Property and Project. From and after such notice has been delivered to a Permitted Lender and the Owner's limited partner, such Permitted Lender shall have the same period for remedying the default complained of as the cure period provided to OWNER pursuant to this **Section 12**.

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 12**, 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.

13) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY.

OWNER hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the Project, the Property or any portion thereof, without obtaining the prior written consent of COUNTY, 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 Loan Agreement and this Covenant, provided, however OWNER shall not be released of all obligations under the Loan Agreement and this Covenant.

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

15) 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

16) 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.

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

18) 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.

19) PROJECT MONITORING AND EVALUATION.

a) Tenant Checklist. OWNER shall submit a Tenant Checklist Form to COUNTY, as shown in **Exhibit F** of the Loan Agreement, which form may be revised by COUNTY, summarizing the racial/ethnic composition, number and percentage of very low-income households who are tenants of the ARPA-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 ARPA, including the submission of Tenant Checklist Form. Except as otherwise provided for in this Covenant and in the Loan Agreement, OWNER shall maintain and submit records to COUNTY within ten (10) business days of COUNTY's request which clearly documents OWNER's performance under each requirement of ARPA.

b) Inspections. During the Affordability Period, COUNTY must perform on-site inspections of ARPA-Assisted Units to determine compliance with the property standards required by ARPA. The on-site inspections shall occur within 12 months after the effective date of this Covenant Agreement 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, a follow-up on-site inspection to verify that deficiencies are corrected may occur within 12 months. COUNTY must establish a list of non-hazardous deficiencies for which correction can be verified by third party documentation (e.g., paid invoice for work order) rather than re-inspection. Health and safety deficiencies must be corrected immediately. COUNTY must adopt a more frequent inspection schedule for properties that have been found to have health and safety deficiencies. OWNER must annually certify to the COUNTY that each building and all ARPA 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.

11) ACCESS TO PROJECT SITE. Representatives of the COUNTY 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 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.

12) 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.

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

14) 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]

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENTS>

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 1 THROUGH 41 INCLUSIVE OF [TRACT NO. 2687](#), IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 48, PAGES 65 AND 66 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM PORTIONS LOTS 40 AND 41 HEREIN, AS CONVEYED TO RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT BY GRANT DEED RECORDED FEBRUARY 16, 1993 AS [INSTRUMENT NO. 57453 OFFICIAL RECORDS](#).

ALSO EXCEPTING THEREFROM THOSE PORTIONS OF SAID LAND ACQUIRED BY THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION BEING DESCRIBED AND DELINEATED AS CALTRANS PARCEL NO. 221891 AND CALTRANS PARCEL NO. 221901 IN THE FINAL ORDER OF CONDEMNATION RECORDED SEPTEMBER 25, 2017 AS [INSTRUMENT NO. 20170396392 OFFICIAL RECORDS](#).

TOGETHER WITH PORTIONS GARFIELD AVENUE, GRANT AVENUE, "C" STREET AND THE ADJACENT ALLEYS OFF OF "D" STREET LOCATED SOUTH OF STATE ROUTE 91 AND WEST OF LINCOLN AVENUE, BEING PORTIONS OF LETTERED LOTS B THROUGH J INCLUSIVE OF SAID [TRACT NO. 2687](#), AS VACATED BY RESOLUTION NO. 97-43 RECORDED JUNE 24, 1997 AS [INSTRUMENT NO. 222392 OFFICIAL RECORDS](#).

APN(s): [118-183-034](#) THROUGH [118-183-043](#), INCLUSIVE; [118-183-049](#); [118-183-051](#); [118-183-053](#); [118-171-019](#) THROUGH [118-171-024](#), INCLUSIVE, [118-171-027](#) THROUGH [118-171-038](#), INCLUSIVE AND [118-171-040](#) THROUGH [118-171-046](#), INCLUSIVE, AND [118-171-054](#) THROUGH [118-171-056](#), INCLUSIVE.

EXHIBIT “B”

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 Solutions
3403 Tenth Street, Suite 300
Riverside, CA 92501
Attn: Alicia Jaimes

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 _____, 2023 and recorded concurrently herewith in the Official Records of the County of Riverside, California, executed by NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, a California nonprofit public benefit corporation, as Trustor in which Citizens Business Bank, a national banking association is named as Beneficiary, and Fidelity National Title Company as Trustee, and describing land referred to in this Report is situated in the County of Riverside, City of Corona, State of California, and is described as follows:

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

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 1 THROUGH 41 INCLUSIVE OF **TRACT NO. 2687**, IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN **BOOK 48, PAGES 65 AND 66 OF MAPS**, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM PORTIONS LOTS 40 AND 41 HEREIN, AS CONVEYED TO RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT BY GRANT DEED RECORDED FEBRUARY 16, 1993 AS **INSTRUMENT NO. 57453 OFFICIAL RECORDS**.

ALSO EXCEPTING THEREFROM THOSE PORTIONS OF SAID LAND ACQUIRED BY THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION BEING DESCRIBED AND DELINEATED AS CALTRANS PARCEL NO. 221891 AND CALTRANS PARCEL NO. 221901 IN THE FINAL ORDER OF CONDEMNATION RECORDED SEPTEMBER 25, 2017 AS **INSTRUMENT NO. 20170396392 OFFICIAL RECORDS**.

TOGETHER WITH PORTIONS GARFIELD AVENUE, GRANT AVENUE, "C" STREET AND THE ADJACENT ALLEYS OFF OF "D" STREET LOCATED SOUTH OF STATE ROUTE 91 AND WEST OF LINCOLN AVENUE, BEING PORTIONS OF LETTERED LOTS B THROUGH J INCLUSIVE OF SAID **TRACT NO. 2687**, AS VACATED BY RESOLUTION NO. 97-43 RECORDED JUNE 24, 1997 AS **INSTRUMENT NO. 222392 OFFICIAL RECORDS**.

APN(s): **118-183-034 THROUGH 118-183-043, INCLUSIVE; 118-183-049; 118-183-051; 118-183-053; 118-171-019 THROUGH 118-171-024, INCLUSIVE, 118-171-027 THROUGH 118-171-038, INCLUSIVE AND 118-171-040 THROUGH 118-171-046, INCLUSIVE, AND 118-171-054 THROUGH 118-171-056, INCLUSIVE.**

All notices to be mailed to:

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

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

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

RIVERSIDE COUNTY
HOUSING, and WORKFORCE SOLUTIONS

Michael F. Walsh, Deputy Director

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 ARPA 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

1 NO FEE FOR RECORDING PURSUANT
2 TO GOVERNMENT CODE SECTION 6103

3 Order No.
4 Escrow No.

5 RECORDING REQUESTED BY AND
6 WHEN RECORDED MAIL TO:

7 County of Riverside
8 Housing and Workforce Solutions
9 3403 10th Street, Suite 300
10 Riverside, CA 92501
11 Attn: Alicia Jaimes

12 SPACE ABOVE THIS LINE FOR RECORDER'S USE

13 LOAN AGREEMENT FOR THE USE OF
14 AMERICAN RESCUE PLAN ACT (ARPA) FUNDS
15 (Corona Del Rey Apartments)

16 This LOAN AGREEMENT FOR THE USE OF AMERICAN RESCUE PLAN ACT
17 FUNDS (Corona Del Rey Apartments) ("Agreement") is made and entered into this _____
18 day of _____, 2023 by and between the COUNTY OF RIVERSIDE, a political
19 subdivision of the State of California ("COUNTY"), and NATIONAL COMMUNITY
20 RENAISSANCE OF CALIFORNIA, a California nonprofit public benefit corporation
21 ("BORROWER"). The COUNTY and BORROWER may be individually referred to herein as
22 a "Party" and collectively as the "Parties." This Agreement is for the use of U.S. Department of
23 the Treasury ("U.S. Treasury") Coronavirus State and Local Fiscal Recovery Funds ("SLRF")
24 under the American Rescue Plan Act of 2021 (Pub. L. 117-2), amending Title VI of the Social
25 Security Act (42 U.S.C. 801 et seq.) (the "Act") and the implementing regulations thereto (31
26 CFR Part 35) (collectively, "ARPA"), is made and entered into as of the Effective Date (defined
27 herein).

28 RECITALS:

WHEREAS, on March 11, 2021, to address the negative economic impacts of the COVID-
19 pandemic, President Joseph R. Biden into law the Act, and on January 6, 2022, the U.S.
Treasury adopted a Final Rule implementing SLFRF; and

1 WHEREAS, state, territorial, local and tribal governments were required to comply with
2 the Final Rule by April 1, 2022 when the Final Rule took effect; and

3 WHEREAS, the Act, regulations promulgated thereunder in 31 CFR Part 35, and the Final
4 Rule (collectively, “ARPA Rules”) provides that the SLFRF may be used to cover costs that are
5 necessary expenditures incurred due to the public health emergency with respect to the COVID-
6 19 pandemic; and

7 WHEREAS, the Act states that SLFRF funds may be used “to respond to the public health
8 emergency with respect to COVID-19 and its negative economic impacts, including assistance
9 to households, small businesses and nonprofits”; and

10 WHEREAS, pursuant to 31 CFR Part 35.6(b)(3)(ii)(A)(5), one of the Eligible Uses (as
11 defined under ARPA Rules) of the SLFRF is to respond to the public health emergency or its
12 negative economic impacts for the purpose of assisting low-income households and individuals
13 disproportionately impacted by the COVID-19 pandemic through the development, repair and
14 operation of affordable housing and services or programs to increase long-term housing security;
15 and

16 WHEREAS, on October 19, 2021, via Minute Order 3.5, the Board of Supervisors of the
17 County of Riverside approved allocating \$50,000,000 in ARPA funds to increase shelter
18 capacity, permanent supportive housing units and affordable housing to help address
19 homelessness; and

20 WHEREAS, BORROWER is proposing to utilize SLFRF funds for the rehabilitation of a
21 multi-family affordable rental housing project consisting of one hundred sixty (160) rental
22 housing units, including two (2) residential manager’s units to be rented and occupied by low-
23 income households (“Project”), situated on D Street, Magdalena Circle and Isabella Way in the
24 City of Corona, also identified as APNs: 118-183-034, 118-183-035, 118-183-036, 118-183-
25 037, 118-183-038, 118-183-039, 118-183-040, 118-183-041, 118-183-042, 118-183-043, 118-
26 183-049-1, 118-183-051-2, 118-183-053-4, 118-171-019, 118-171-020, 118-171-021, 118-171-
27 022, 118-171-023, 118-171-024, 118-171-025, 118-171-026, 118-171-027, 118-171-028, 118-
28

1 171-029, 118-171-030, 118-171-031, 118-171-032, 118-171-033, 118-171-034, 118-171-035,
2 118-171-036, 118-171-037, 118-171-038, 118-171-039, 118-171-040, 118-171-041, 118-171-
3 042, 118-171-043, 118-171-044, 118-171-045, 118-171-046, 118-171-054, 118-171-055 and
4 118-171-056, as more specifically described in the legal description attached hereto as **Exhibit**
5 **A** and incorporated herein by this reference (“Property”); and

6 WHEREAS, the purpose of this Agreement is, among other things, for COUNTY to
7 provide financial assistance to BORROWER in the maximum amount of FIVE MILLION AND
8 00/100 DOLLARS (\$5,000,000) (the “Loan Amount”), to pay a portion of the rehabilitation
9 costs related to the Project, as more fully described herein; and

10 WHEREAS, pursuant to 31 CFR Part 35.6, one of the Eligible Uses of the SLFRF is to
11 respond to the public health emergency or its negative economic impacts for the purpose of
12 assisting low-income households and individuals disproportionately impacted by the COVID-19
13 pandemic through the development, repair and operation of affordable housing and services or
14 programs to increase long-term housing security, and therefore the ARPA assisted activities
15 described herein comply with the objectives required under ARPA;

16 WHEREAS, a total of sixty one (61) of the units will be reserved as ARPA-Assisted Units
17 (as defined below), of which (i) thirty (30) shall be Qualified Very Low Income Units (as defined
18 below) and (ii) thirty one (31) shall be Qualified Low Income Units (as defined below).

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

22 1. PURPOSE. The aforementioned Recitals are true and correct and incorporated
23 herein by this reference. COUNTY has agreed to lend up to a maximum total of FIVE MILLION
24 AND 00/100 DOLLARS (\$5,000,000) (the “ARPA Loan”) to BORROWER upon the
25 satisfaction of the terms and conditions set forth herein, including but not limited to the
26 conditions precedent to distribution of ARPA Loan funds set forth in **Section 12** below.
27 BORROWER shall undertake and complete the ARPA activities required herein and as set forth
28

1 in **Exhibit A**, and shall utilize the ARPA fund as required herein and pursuant to the Act and
2 ARPA rules and regulations. The Project will serve people that are experiencing housing
3 insecurity, with a total of sixty one (61) units reserved as ARPA-Assisted Units. During the
4 Affordability Period (as defined in **Section 15** below), thirty (30) of the ARPA-Assisted Units
5 (“Qualified Very Low Income Units”) shall be rented to and occupied by households that qualify
6 as very low income households pursuant to 24 CFR Section 92.2 whose incomes do not exceed
7 50% of the area median income for the County of Riverside as determined by the United States
8 Department of Housing and Urban Development (“HUD”) (“Qualified Very Low Income
9 Households”), and thirty one (31) of the ARPA-Assisted Units (the “Qualified Low Income
10 Units”) shall be rented to and occupied by households that qualify as low income households
11 pursuant to 24 CFR Section 92.2 whose incomes do not exceed 60% of the area median income
12 for the County of Riverside as determined by HUD (“Qualified Low Income Households”) for
13 an affordable rent pursuant to 24 CFR Section 92.252, **Sections 19 and 20** below, **Exhibit A**,
14 and the Covenant Agreement attached hereto as **Exhibit G** and incorporated herein by this
15 reference. To remain a Qualified Very Low Income Household or Qualified Low Income
16 Household, such household shall occupy their respective unit within the Project as their principal
17 residence.

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

- 21 a. Satisfy the conditions precedent to distribution of the ARPA Loan funds set
22 forth in **Section 12** below.
- 23 b. Rehabilitate the Project in accordance with the timeline set forth in **Exhibit A**.
- 24 c. Operate the Project in such a manner so that it will remain affordable to
25 Qualified Very Low Income Households and Qualified Low Income
26 Households for the Affordability Period as defined in **Section 15** below
27 without regard to (i) the term of the promissory note or (ii) any transfer of
28

1 ownership.

2 d. Maintain the Project in compliance with applicable local, state, federal laws,
3 codes and regulations as further described in **Section 18** below until the
4 expiration of the Term of this Agreement set forth in **Section 7** below and the
5 Affordability Period set forth in **Section 15** below.

6 e. The SLFRF funds must be obligated by BORROWER by December 31, 2024,
7 and must be requisitioned by BORROWER and disbursed by COUNTY by
8 December 31, 2026 (the “ARPA Loan Funds Deadline”). BORROWER shall
9 demonstrate to the COUNTY, in the COUNTY’s sole and absolute discretion,
10 that the SLFRF funds is deemed fully expended in compliance with the ARPA
11 Rules that relate to loans.

12 3. RESERVED.

13 4. ARPA LOAN. Subject to BORROWER’s satisfaction of the conditions precedent
14 to disbursement of the Loan set forth in **Section 12** below, COUNTY shall distribute the ARPA
15 Loan to BORROWER, pursuant to the following terms and conditions:

16 a. Term of ARPA Loan. The maturity date of the ARPA Loan shall be the later
17 to occur of (i) December 31, 2078 or (ii) fifty-five (55) years from the
18 recordation of the Covenant Agreement in the Official Records for the last
19 building for which construction is completed for the Project (the “ARPA Loan
20 Term”). The term, “Official Records” used herein shall mean the Official
21 Records of the Recorder’s Office of the County of Riverside.

22 b. Principal. The total amount of the ARPA Loan shall not exceed the ARPA
23 Loan Amount, and shall be evidenced by a Promissory Note, substantially
24 conforming in form and substance to the Promissory Note attached hereto as
25 **Exhibit C** and incorporated herein by this reference (“Note”), which note shall
26 be secured by a Deed of Trust and Assignment of Rents, substantially
27 conforming in form and substance to the Deed of Trust and Assignment of
28

1 Rents attached hereto as **Exhibit B** and incorporated herein by this reference
2 (“Deed of Trust”).

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

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

6 i. That the ARPA Loan will accrue simple interest at a rate of three percent
7 (3%) per annum, except in the case of an event of default as hereinafter
8 provided wherein a higher default interest rate shall apply as more
9 specifically set forth in the Note, and shall be repaid on an annual basis
10 from the Project’s Residual Receipts (defined in Section 4 (d)(3) below).

11 ii. Fifty percent (50%) of the Project’s Residual Receipts shall be used
12 towards the payment of the City Loan (as defined in **Section 5**).

13 iii. Twenty five percent (25%) of the Project’s Residual Receipts shall be used
14 towards the payment of the ARPA Loan until the Note is repaid in full.

15 iv. The remaining twenty-five percent (25%) of the Project’s Residual
16 Receipts shall be paid to BORROWER.

17 v. The term “Residual Receipts” used herein shall mean all money and
18 income from the Project remaining annually after the payment of all
19 normal and necessary expenses of operation of the Project, including but
20 not limited to the following:

21 (1) Payments of principal and interest and other mandatory payments on
22 amortized loans and indebtedness senior to the ARPA Loan, which
23 have been approved in writing by COUNTY (collectively, the “Senior
24 Debt”);

25 (2) utility fees and costs not paid by tenants;

26 (3) insurance on the Project;

27 (4) ad valorem taxes and assessment payments;

28

1 (5) management fees, expenses and costs, as well as the cost of social
2 programs at the Project and compliance monitoring/reporting, which
3 shall total initially \$75 per Unit per month, which management fee
4 shall be adjusted annually by a percentage equal to the annual increase
5 in rents permitted by HUD and may be deferred and accrued;

6 (6) reserves for repair and replacement of the Project, in an annual amount
7 of \$300 per rental unit per year;

8 (7) all other fees and expenses which may be permitted by the annual
9 budget approved by the COUNTY;

10 (8) a \$4,000 per year owner's overhead and administrative overhead fee
11 paid to BORROWER pursuant to that certain Affordable Housing
12 Agreement entered into by and among the City of Corona Housing
13 Authority, the City of Corona and BORROWER, dated as of the date
14 hereof; and

15 (9) Operating expenses will be considered "normal and necessary" if
16 incurred generally for similarly structured, financed, and restricted
17 rental properties operated by similar entities.

18 e. At such time, payment of twenty-five percent (25%) of the Residual Receipts
19 produced from the Project shall be made by the BORROWER to the COUNTY
20 annually on July 15th of each year. Payment shall be applied first to accrued
21 interest and thereafter to principal. BORROWER shall annually provide the
22 COUNTY with an accounting acceptable to the COUNTY, documenting the
23 calculation of Residual Receipts for the previous calendar year ending
24 December 31. This accounting shall be made on or before July 15, together
25 with the payment of Residual Receipts. Notwithstanding anything to the
26 contrary contained herein, no Residual Receipts shall be payable on the City
27 Loan or the ARPA Loan until the funding in full on an annual basis of the
28

1 “Capital Replacement Reserve Account” in accordance with the terms of and
2 as further detailed in that certain Amended and Restated Operation and
3 Maintenance Agreement entered into by and among BORROWER, the City of
4 Corona (“City”), a California municipal corporation, and City of Corona
5 Housing Authority (“City Housing Authority”), a public body, corporate and
6 politic, organized under the laws of the State of California, as the successor to
7 the former City of Corona Redevelopment Agency, dated concurrently
8 herewith.

9 f. Prepayment. Prepayment of principal and/or interest under the Note may occur
10 at any time without penalty; provided, however (i) the requirements of **Section**
11 **18**, Compliance with Laws and Regulations, shall remain in full force and
12 effect for the term of the Agreement specified in **Section 7** below; and (ii) the
13 affordability requirements set forth in the ARPA Covenant Agreement,
14 attached hereto as **Exhibit G** (the “ARPA Covenant Agreement”), shall remain
15 in effect until the expiration of the Affordability Period.

16 g. Compliance and Affordability Period. The requirements of **Section 18**,
17 Compliance with Laws and Regulations, shall remain in full force and effect
18 for the Term of the Agreement if the BORROWER has complied with the
19 terms of the ARPA Loan.

20 h. Security. The full and timely payment and performance of the obligations of
21 BORROWER in connection with the ARPA Loan, including its obligations
22 under this Agreement and the ARPA Covenant Agreement, shall be secured
23 by, among other things, a Deed of Trust, Assignment of Leases and Rents,
24 Security Agreement and Fixture Filing substantially conforming in form and
25 substance to the Deed of Trust, Assignment of Leases and Rents, Security
26 Agreement and Fixture Filing (“ARPA Deed of Trust”) attached hereto as
27 **Exhibit B** and incorporated herein by this reference to be recorded in the
28

1 Official Records. The ARPA Deed of Trust shall be in a ninth priority lien
2 position. Lien priority at the close of construction financing, including
3 applicable regulatory agreements, shall be as follows:

4 (1) first priority shall be an Amended and Restated Affordable Housing
5 Agreement by and among the City, City Housing Authority and
6 BORROWER in connection with a former Redevelopment Agency loan
7 in the original principal amount of \$1,200,000, approximately
8 \$1,200,000 in accrued interest on that former Redevelopment Agency
9 loan, and State Budget Appropriation Loan in the new principal amount
10 of new \$5,500,000 (the “Amended and Restated Affordable Housing
11 Agreement;

12 (2) second priority shall be an Amended and Restated Regulatory
13 Agreement by and among the City, City Housing Authority and
14 BORROWER in connection with the Amended and Restated
15 Affordable Housing Agreement (the “City Amended and Restated
16 Regulatory Agreement”);

17 (3) third priority shall be an Amended and Restated Operating and
18 Maintenance Agreement by and among the City, City Housing
19 Authority and BORROWER in connection with the Amended and
20 Restated Affordable Housing Agreement (the “City Amended and
21 Restated Operating and Maintenance Agreement”);

22 (4) fourth priority shall be an Amended and Restated Deed of Trust
23 securing a loan for the benefit of the City and City Housing Authority
24 in the principal amount of approximately \$7,900,000 (the “City
25 Amended and Restated Deed of Trust”);

26 (5) fifth priority shall be a HOME Deed of Trust between the County of
27 Riverside and BORROWER in connection with the County HOME
28

1 Loan in the original principal amount of \$275,000 (the “County HOME
2 DOT”);

3 (6) sixth priority shall be the HOME Covenant Agreement between
4 COUNTY and BORROWER in connection with the HOME Loan;

5 (7) seventh priority shall be the ARPA Covenant Agreement between
6 COUNTY and BORROWER in connection with the ARPA Loan;

7 (8) eighth priority shall be a deed of trust securing a loan for the benefit of
8 Southern California Housing Development Corporation of the Inland
9 Empire (“SCHDCIE”) in the new principal amount up to \$7,450,000
10 (the “Construction Loan”);

11 (9) ninth priority shall be the ARPA Deed of Trust securing the ARPA
12 Loan for the benefit of COUNTY in the principal amount up to
13 \$5,000,000;

14 (10) tenth priority shall be a deed of trust securing a sponsor loan for the
15 benefit of NCRC in the principal amount up to \$2,500,000 (the
16 “Sponsor Loan”).

17 The City Loan, the City Amended and Restated Deed of Trust and the Construction
18 Bond Loan shall be referenced as “Senior Lien” or “Senior Liens.”

19 5. RESERVED.

20 6. PRIOR COUNTY APPROVAL.

- 21 a. Except as otherwise expressly provided in this Agreement, approvals required
22 of the COUNTY shall be deemed granted by the written approval of the
23 Director of Housing and Workforce Solutions or designee (“Director”).
24 Notwithstanding the foregoing, the Director may, in their sole discretion, refer
25 to the governing body of the COUNTY any item requiring COUNTY
26 approval; otherwise, “COUNTY approval” means and refers to approval by
27 the Director or designee.
28

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

4 7. TERM OF AGREEMENT. This Agreement shall become effective upon the
5 Effective Date, as defined in **Section 55** below, and unless terminated earlier pursuant to the
6 terms hereof, shall continue in full force and effect until the later to occur of (i) December 31,
7 2078 or (ii) fifty-five (55) years from the recordation of the Covenant Agreement in the Official
8 Records for the last building for which rehabilitation is completed for the Project (“Term of
9 Agreement”).

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

12 a. Authority. BORROWER is a duly organized nonprofit public benefit
13 corporation in good standing under the laws of the State of California. The
14 copies of the documents evidencing the organization of BORROWER, which
15 have been delivered to COUNTY, are true and complete copies of the
16 originals, amended to the date of this Agreement. BORROWER has full right,
17 power and lawful authority to enter into this Agreement and accept the Loan
18 and undertake all obligations as provided herein. The execution, performance,
19 and delivery of this Agreement by BORROWER have been fully authorized
20 by all requisite actions on the part of BORROWER.

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

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

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

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

10 10. FORCE MAJEURE DELAYS. “Force Majeure” means event(s) beyond the
11 reasonable control of BORROWER, and which could not have been reasonably anticipated,
12 which prevent(s) BORROWER from complying with any of its obligations under this
13 Agreement, including, but not limited to: acts of God, acts of war, acts or threats of terrorism,
14 civil disorders, strikes, labor disputes, pandemics such as COVID-19, flood, fire, explosion,
15 earthquake or other similar acts.

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

5 11. EXTENSION OF TIME. COUNTY may grant an extension to the
6 Implementation Schedule set forth in **Exhibit A** for the purpose of completing BORROWER's
7 activities which cannot be completed as outlined in **Exhibit A**, subject to the ARPA Rules, in its
8 sole and absolute discretion. BORROWER shall request said extension in writing, stating the
9 reasons therefore, which extension must be first approved in writing by the COUNTY in its
10 reasonable discretion. The Director or designee, on behalf of the COUNTY and without referring
11 such matter to the County's Board of Supervisors may extend all pending deadlines in the
12 Implementation Schedule on two (2) or fewer occasions, so long as the aggregate duration of
13 such administrative time extensions is no greater than ninety (90) days and so long as the
14 extension complies with ARPA Rules. Every term, condition, covenant, and requirement of this
15 Agreement shall continue in full force and effect during the period of any such extension.

16 12. CONDITIONS PRECEDENT TO DISTRIBUTION OF LOAN FUNDS.
17 COUNTY, through its Housing and Workforce Solutions ("HWS"), shall: (1) make
18 disbursements of the ARPA Loan to BORROWER subject to BORROWER's satisfaction of the
19 conditions precedent set forth below, and (2) monitor the Project to ensure compliance with
20 applicable federal regulations and the terms of this Agreement. COUNTY shall not disburse any
21 ARPA Loan funds pursuant to this Agreement until the following conditions precedent have
22 been satisfied:

- 23 a. BORROWER executes this Agreement and delivers it to COUNTY for
24 recordation in the Official Records;
 - 25 b. BORROWER executes the Note, substantially conforming in form and
26 substance to the Promissory Note attached hereto as **Exhibit C** and delivers to
27 COUNTY;
- 28

- 1 c. BORROWER submits written evidence to COUNTY that BORROWER has
2 obtained sufficient financing commitments necessary to undertake the
3 rehabilitation of the project as required herein;
- 4 d. BORROWER provides COUNTY with evidence of insurance as required
5 herein;
- 6 e. BORROWER executes the Deed of Trust, substantially conforming in form
7 and substance to the Deed of Trust attached hereto as **Exhibit B**, in recordable
8 form, and delivers such document to the County of Riverside for recordation
9 in the Official Records;
- 10 f. BORROWER executes the ARPA Covenant Agreement, substantially
11 conforming in form and substance to the ARPA Covenant Agreement attached
12 hereto as **Exhibit G** and incorporated herein by this reference, in recordable
13 form, and delivers it to the County of Riverside for recordation in the Official
14 Records;
- 15 g. COUNTY executes and records the Requests for Notice of Default conforming
16 in form and substance to **Exhibit H** attached hereto;
- 17 h. BORROWER provides, at its expense, an ALTA lender's policy in favor of
18 COUNTY, insuring the Deed of Trust as a ninth priority lien against the
19 Property junior only to the Senior Liens identified in **Section 4(h)**;
- 20 i. BORROWER provides satisfactory evidence that it has all the financing
21 documents required to cause the proceeds of the Senior Liens, when combined
22 with the ARPA Loan, to pay for all development and rehabilitation costs for
23 the Project;
- 24 j. BORROWER is not in default under the terms of this Agreement or any other
25 agreement related to the financing of the Project;
- 26 k. BORROWER agrees to verify that BORROWER, and its principals, or any/all
27 persons, contractors, subcontractors, consultants, businesses, etc. ("Developer
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1 Associates”), with whom BORROWER is conducting business with respect to
2 the Project, are not presently debarred, proposed for debarment, suspended,
3 declared ineligible, or voluntarily excluded from participation or from
4 receiving federal contracts or federally approved subcontracts or from certain
5 types of federal financial and nonfinancial assistance and benefits with the
6 Excluded Parties Listing System (“EPLS”). EPLS records are located at
7 www.sam.gov; and

- 8 1. BORROWER shall search and provide a single comprehensive list of
9 Developer Associates (individuals and firms) and print and maintain evidence
10 of the search results of each Developer Associate as verification of compliance
11 with this requirement as provided in **Exhibit I**, Contractor Debarment
12 Certification Form, which is attached hereto and incorporated herein by this
13 reference.

14 13. REALLOCATION OF FUNDS. If BORROWER fails to meet (1) the ARPA
15 Loan Funds Deadline as set forth in **Section 2(e)**, (2) the Construction Start Deadline as set forth
16 in **Exhibit A**, (3) the Completion Deadline as set forth in **Section 49** (collectively, the
17 “Performance Deadlines”), all of which are subject to the notice and cure periods set forth in
18 **Section 33** herein, then BORROWER shall be instructed to return the ARPA Loan funds and the
19 ARPA Loan funds may be reallocated by COUNTY after at least thirty (30) days’ prior written
20 notice is given to BORROWER. Upon such reallocation and repayment of funds, this Agreement
21 shall be terminated and be of no further force and effect and BORROWER shall be released and
22 discharged from any obligations hereunder, except as to those obligations which by their terms
23 survive termination of this Agreement.

24 14. DISTRIBUTION OF FUNDS. COUNTY’S Board of Supervisors shall determine
25 the final disbursement and distribution of all ARPA funds received by COUNTY under ARPA.
26 Disbursement of SLFRF funds shall occur upon the satisfaction of conditions set forth in **Section**
27 **12**. COUNTY shall pay BORROWER in the form of funding draw requests with supporting
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1 documents which specifically state how such funds will be expended. COUNTY shall promptly
2 review the funding draw request and supporting documentation, but in no event later than thirty
3 (30) days. COUNTY may require additional information from BORROWER as may be
4 necessary and appropriate for COUNTY to make its determination as to allowable costs.
5 COUNTY shall deposit the sum specified in the funding draw requests into BORROWER'S
6 bank account upon receipt of wire instructions.

7 15. TERMS OF AFFORDABILITY. The ARPA-Assisted Units shall remain
8 occupied and rented to Qualified Low Income Households for an affordable rent pursuant to
9 **Sections 19** and **20** below, **Exhibit A**, and the ARPA Covenant Agreement attached hereto as
10 **Exhibit G** until fifty-five (55) years from the recordation of the ARPA Covenant Agreement in
11 the Official Records ("Affordability Period").

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

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

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

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

6 d. Vehicle Liability Insurance. If vehicles or mobile equipment are used in the
7 performance of the obligations under this Agreement, then BORROWER shall
8 maintain liability insurance for all owned, non-owned or hired vehicles so used
9 in an amount not less than \$1,000,000 per occurrence combined single limit.
10 If such insurance contains a general aggregate limit, it shall apply separately
11 to this agreement or be no less than two (2) times the occurrence limit. Policy
12 shall name the County of Riverside, its Agencies, Boards, Districts, Special
13 Districts, and Departments, their respective directors, officers, Board of
14 Supervisors, employees, elected or appointed officials, agents or
15 representatives as Additional Insured or provide similar evidence of coverage
16 approved by COUNTY's Risk Manager.

17 e. General Insurance Provisions – All Lines.

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

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

7 iii. BORROWER shall cause BORROWER's insurance carrier(s) to furnish
8 the County of Riverside with copies of the Certificate(s) of Insurance and
9 Endorsements effecting coverage as required herein, and 2) if requested to
10 do so orally or in writing by COUNTY's Risk Manager, provide copies of
11 policies including all Endorsements and all attachments thereto, showing
12 such insurance is in full force and effect. Further, said Certificate(s) and
13 policies of insurance shall contain the covenant of the insurance carrier(s)
14 that thirty (30) days written notice shall be given to the County of Riverside
15 prior to any material modification, cancellation, expiration or reduction in
16 coverage of such insurance. In the event of a material modification,
17 cancellation, expiration, or reduction in coverage, this Agreement shall
18 terminate forthwith, unless the County of Riverside receives, prior to such
19 effective date, another Certificate of Insurance and copies of endorsements,
20 including all endorsements and attachments thereto evidencing coverage's
21 set forth herein and the insurance required herein is in full force and effect.
22 BORROWER shall not commence operations until COUNTY has been
23 furnished Certificate(s) of Insurance and copies of endorsements and if
24 requested, copies of policies of insurance including all endorsements and
25 any and all other attachments as required in this Section. An individual
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1 authorized by the insurance carrier on its behalf shall sign the original
2 endorsements for each policy and the Certificate of Insurance.

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

7 v. If, during the term of this Agreement or any extension thereof, there is a
8 material change in the scope of services; or, there is a material change in
9 the equipment to be used in the performance of the scope of work which
10 will add additional exposures (such as the use of aircraft, watercraft,
11 cranes, etc.); or, the term of this Agreement, including any extensions
12 thereof, exceeds five (5) years COUNTY reserves the right to adjust the
13 types of insurance required under this Agreement and the monetary limits
14 of liability for the insurance coverage's currently required herein, if; in
15 COUNTY's Risk Manager's reasonable judgment, the amount or type of
16 insurance carried by BORROWER has become inadequate.

17 vi. BORROWER shall pass down the insurance obligations contained herein
18 to all tiers of subcontractors working under this Agreement.

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

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

24 17. FINANCIAL AND PROJECT RECORDS. BORROWER shall maintain
25 financial, programmatic, statistical, and other supporting records of its operations and financial
26 activities sufficient to establish compliance with subsection 601(d) of the Social Security Act, as
27 amended (42 U.S.C. 801(d)), in accordance with the requirements of ARPA, and the regulations
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1 as amended and promulgated thereunder, which records shall be open to inspection and audit by
2 authorized representatives of COUNTY, the California Department of Finance, and the United
3 States Department of the Treasury (the "Treasury") Office of Inspector General, during regular
4 working hours. COUNTY, state, and federal representatives have the right of access, with at
5 least forty-eight (48) hours prior notice, to any pertinent books, documents, papers, or other
6 records of BORROWER, in order to make audits, examinations, excerpts, and transcripts. Said
7 records shall be retained for such time as may be required by ARPA, but in no event no less than
8 five (5) years after the Project completion date as evidenced by recordation of the Notice of
9 Completion; except that records of individual tenant income verifications, Project rents, and
10 Project inspections must be retained for the most recent five (5) year period, until five (5) years
11 after the Affordability Period terminates. If any litigation, claim, negotiation, audit, or other
12 action has been started before the expiration of the regular period specified, the records must be
13 retained until completion of the action and resolution of all issues which arise from it, or until
14 the end of the regular period, whichever is later.

15 18. COMPLIANCE WITH LAWS AND REGULATIONS. By executing this
16 Agreement, BORROWER hereby certifies that it will adhere to and comply with all federal, state
17 and local laws, regulations and ordinances. In particular, BORROWER shall comply with the
18 following as they may be applicable to BORROWER in connection with the ARPA Loan:

- 19 a. Compliance with Executive Order 11246 of September 24, 1965, entitled
20 "Equal Employment Opportunity", as amended by Executive Order 11375 of
21 October 13, 1967, and as supplemented in Department of Labor Regulations
22 (41 CFR Part 60). The BORROWER will not discriminate against any
23 employee or applicant for employment because of race, color, religion, sex, or
24 national origin. BORROWER shall ensure that all qualified applicants will
25 receive consideration for employment without regard to race, color, religion,
26 sex or national origin. The BORROWER will take affirmative action to ensure
27 that applicants are employed and the employees are treated during
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1 employment, without regard to their race color, religion, sex, or national origin.
2 Such actions shall include, but are not limited to, the following: employment,
3 up-grading, demotion, or transfer; recruitment or recruitment advertising; rates
4 of pay or other forms of compensation; and selection for training, including
5 apprenticeship. The BORROWER agrees to post in a conspicuous place,
6 available to employees and applicants for employment, notices to be provided
7 by the County setting forth the provisions of this non-discrimination clause;

- 8 b. Executive Order 11063, as amended by Executive Order 12259, and
9 implementing regulations at 24 CFR Part 107;
- 10 c. Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended,
11 and implementing regulations;
- 12 d. The Age Discrimination Act of 1975 (Pub. L. 94-135), as amended, and
13 implementing regulations;
- 14 e. The regulations, policies, guidelines and requirements of the Uniform
15 Administrative Requirements, Cost Principles, and Audit Requirements for
16 Federal Awards (2 CFR Part 200) as they relate to the acceptance and use of
17 granted or loaned federal funds under the federally-assigned program;
- 18 f. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352) and implementing
19 regulations issued at 24 CFR Part 1;
- 20 g. Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284) as amended;
- 21 h. *Rights to Data and Copyrights*: Contractors and consultants agree to comply
22 with all applicable provisions pertaining to the use of data and copyrights
23 pursuant to 48 CFR Part 27.404-3, Federal Acquisition Regulations (FAR).
- 24 i. *Air Pollution Prevention and Control* (formally known as the *Clean Air Act*)
25 (*42 U.S.C.A. 7401 et seq.*) and the *Federal Water Pollution Control Act* (*33*
26 *U.S.C.A. Section 1251 et seq.*), as amended: Contracts and subgrants of
27 amounts in excess of \$100,000 shall contain a provision that requires the
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1 recipient to agree to comply with all applicable standards, orders or regulations
2 issued pursuant to the *Clean Air Act* (42 U.S.C.A. 7401 *et seq.*) and the *Federal*
3 *Water Pollution Control Act* as amended (33 U.S.C.A. Section 1251 *et seq.*).
4 Violations shall be reported to the Federal awarding agency and the Regional
5 Office of the Environmental Protection Agency (EPA).

6 j. *Anti-Lobbying Certification (31 U.S.C.A. 1352)*: The language of the
7 certification set forth below shall be required in all contracts or subcontracts
8 entered into in connection with this loan activity and all BORROWERS shall
9 certify and disclose accordingly. This certification is a material representation
10 of fact upon which reliance was placed when this transaction was made or
11 entered into. Submission of this certification is a prerequisite for making or
12 entering into this transaction imposed by Section 1352, Title 31, U.S. code. Any
13 person who fails to file the required certification shall be subject to a civil
14 penalty of not less than \$10,000 and no more than \$100,000 for such failure.

15 “The undersigned certifies, to the best of his or her knowledge or belief, that:
16 No Federal appropriated funds have been paid or will be paid, by or on behalf
17 of it, to any person for influencing or attempting to influence an officer or
18 employee of any agency, a Member of Congress, an officer or employee of
19 Congress, or an employee of a Member of Congress in connection with the
20 awarding of any Federal contract, the making of any Federal grant, the making
21 of any Federal loan, the entering into of any cooperative agreement, and the
22 extension, continuation, renewal, amendment, or modification of any Federal
23 contract, grant, loan, or cooperative agreement;

24 If any funds other than Federal appropriated funds have been paid or will be
25 paid to any person for influencing or attempting to influence an officer or
26 employee of any agency, a Member of Congress, an officer or employee of
27 Congress, or an employee of a Member of Congress in connection with this
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1 Federal contract, grant loan or cooperative agreement, he/she will complete and
2 submit Standard Form – LLL, “Disclosure Form to Report Lobbying,” in
3 accordance with its instructions.”

4 k. *Debarment and Suspension (Executive Orders (E.O.) 12549 and 12689):* No
5 contract award shall be made to parties listed on the governmentwide exclusions
6 in the System for Award Management (SAM), in accordance with OMB
7 guidelines at 2 CFR 180 that implement Executive Orders (E.O.s) 12549 and
8 12689, “Debarment and Suspension.” SAM Exclusions contains the names of
9 parties debarred, suspended, or otherwise excluded by agencies, as well as
10 parties declared ineligible under statutory or regulatory authority other than
11 E.O. 12549. Contractors with awards that exceed the small purchase threshold
12 shall provide the required certification regarding its exclusion status and that of
13 its principal employees.

14 l. *Drug-Free Workplace Requirements:* The Anti-Drug Abuse Act of 1988 (41
15 U.S.C.A. Section 8101-8103) requires grantees (including individuals) of
16 federal agencies, as a prior condition of being awarded a grant, to certify that
17 they will provide drug-free workplaces. Each potential recipient must certify
18 that it will comply with drug-free workplace requirements in accordance with
19 the Act and with HUD's rules at 2 CFR Part 2424.

20 m. *Access to Records and Records Retention:* The BORROWER or Contractor,
21 and any sub-consultants or sub-contractors, shall allow all duly authorized
22 Federal, State, and/or County officials or authorized representatives access to
23 the work area, as well as all books, documents, materials, papers, and records
24 of the BORROWER or Contractor, and any sub-consultants or sub-contractors,
25 that are directly pertinent to a specific program for the purpose of making
26 audits, examinations, excerpts, and transcriptions. The BORROWER or
27 Contractor, and any sub-consultants or sub-contractors, further agree to
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1 maintain and keep such books, documents, materials, papers, and records, on a
2 current basis, recording all transactions pertaining to this Agreement in a form
3 in accordance with generally acceptable accounting principles. All such books
4 and records shall be retained for such periods of time as required by law,
5 provided, however, notwithstanding any shorter periods of retention, all books,
6 records, and supporting detail shall be retained for a period of at least five (5)
7 years after the expiration of the term of this Agreement, or final payment is
8 made, whichever is later.

9 n. *Federal Employee Benefit Clause*: No member of or delegate to the Congress
10 of the United States, and no Resident Commissioner shall be admitted to any
11 share or part of this Agreement or to any benefit to arise from the same.

12 o. *Energy Efficiency*: Mandatory standards and policies relating to energy
13 efficiency which are contained in the State energy conservation plan issued in
14 compliance with the Energy Policy and Conservation Act (Pub. L. 94 - 163,
15 Dec. 22, 1975; 42 U.S.C.A. Section 6201, et. seq., 89 Stat.871).

16 p. *Procurement of Recovered Materials (2 CFR 200.322.)*: A non-Federal entity
17 that is a state agency or agency of a political subdivision of a state and its
18 contractors must comply with 42 U.S.C. Section 6002 of the Solid Waste
19 Disposal Act, as amended by the Resource Conservation and Recovery Act.
20 The requirements of Section 6002 include procuring only items designated in
21 guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247
22 that contain the highest percentage of recovered materials practicable,
23 consistent with maintaining a satisfactory level of competition, where the
24 purchase price of the item exceeds \$10,000 or the value of the quantity acquired
25 by the preceding fiscal year exceeded \$10,000; procuring solid waste
26 management services in a manner that maximizes energy and resource
27 recovery; and establishing an affirmative procurement program for
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1 procurement of recovered materials identified in the EPA guidelines. The
2 requirements of 2 CFR 200.322, as amended effective November 12, 2020, are
3 hereby included in this Agreement as appropriate and to the extent consistent
4 with law.

- 5 q. Contract Work Hours and Safety Standards Act (CWHSA) (30 U.S.C. 3701-
6 3708): BORROWER shall comply with all applicable provisions of the
7 CWHSA.
- 8 r. Other Federal requirements and nondiscrimination. As set forth in 2 CFR 200,
9 Appendix II, BORROWER is required to include the following requirements
10 as they relate to the acceptance and use of loaned federal funds under the
11 federally assigned program: nondiscrimination and equal opportunity;
12 disclosure; debarred, suspended, or ineligible contractors; and drug-free
13 workplace.
- 14 s. Displacement, relocation, and acquisition. The relocation requirements of
15 Title II and the acquisition requirements of Title III of the Uniform Relocation
16 Assistance and Real Property Acquisition Policies Act of 1970, and the
17 implementing regulations at 24 CFR Part 42. BORROWER must ensure that
18 it has taken all reasonable steps to minimize the displacement of persons as a
19 result of this Project.
- 20 t. Lead-based paint. The ARPA-Assisted Units are subject to the lead-based
21 paint requirements of 24 CFR Part 35 issued pursuant to the Lead-Based Paint
22 Poisoning Prevention Act (42 U.S.C. 4821, et seq.). The lead-based paint
23 provisions of 24 CFR 982.401 (j), except 24 CFR 982.401 (j)(1)(i), also apply,
24 irrespective of the applicable property standard under §92.251.
- 25 u. Labor. BORROWER shall comply with any applicable labor regulations and
26 all other State and Federal laws in connection with the construction of the
27 improvements which comprise the Project, including if applicable,
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1 requirements relating to Davis Bacon. BORROWER agrees and acknowledges
2 that it is the responsibility of BORROWER to obtain a legal determination, at
3 BORROWER's sole cost and expenses as to whether Davis Bacon wages must
4 be paid for during the construction of the Project. BORROWER agrees to
5 indemnify, defend, and hold COUNTY harmless from and against any and all
6 liability arising out of a related to BORROWER's failure to comply with any
7 and applicable State and Federal prevailing wage requirements.

- 8 v. Model Energy Code published by the Council of American Building Officials.
- 9 w. Consultant Activities. No person providing consultant services in an employer-
10 employee type relationship shall receive more than a reasonable rate of
11 compensation for personal services paid with ARPA funds.
- 12 x. Uniform Administrative Requirements of 2 CFR Part 200 as now in effect and
13 as may be amended from time to time as they relate to the acceptance and use
14 of loaned federal funds under the federally assigned program. Federal awards
15 expended as a recipient or a subrecipient, as defined therein, would be subject
16 to single audit. The payments received for goods or services provided as a
17 vendor would not be considered Federal awards.
- 18 y. BORROWER shall include written agreements that include all provisions of
19 **Section 18** if BORROWER provides ARPA funds to for-profit owners or
20 developers, non-profit owners or developers, sub-recipients, homeowners,
21 homebuyers, tenants receiving tenant-based rental assistance, or contractors.
- 22 z. BORROWER shall comply with all applicable local, state and federal laws in
23 addition to the above-mentioned laws.
- 24 aa. **PROJECT TARGETING REQUIREMENTS**. BORROWER shall make the
25 Project available to the Qualified Low Income Households and Qualified Very
26 Low Income Households and shall ensure that the Project remains in
27 compliance with all ARPA Rules.
- 28

1 bb. ENVIRONMENTAL CLEARANCES. BORROWER shall be responsible for
2 obtaining any and all approvals subsequent approvals permits, environmental
3 clearances in connection with the Project funded with SLFRF, including but not
4 limited to, any and all applicable federal and state environmental laws and
5 regulations.

6 19. INCOME TARGETING REQUIREMENTS. BORROWER shall set aside sixty-
7 one (61) units to be designated as ARPA-Assisted Units of which (i) thirty (30) units shall be
8 rented to and occupied by Qualified Very Low Income Households, and (ii) thirty one (31) units
9 shall be rented to and occupied by Qualified Low Income Households.

10 20. RENT LIMITATIONS. BORROWER shall comply with the rent limitations set
11 forth under 24 CFR 92.252 of the HOME Investment Partnerships Act and HOME Investment
12 Partnerships (“HOME”) program, which was enacted under Title II of the Cranston-Gonzalez
13 National Affordable Housing Act (the “HOME Act”), as amended (commencing at 42 U.S.C.
14 12701 et seq.), and the implementing regulations thereto (24 CFR Part 92) (collectively, the
15 “HOME Program”). The units reserved for Qualified Very Low Income Households shall be
16 rented at Low HOME rent levels as published by HUD and the units reserved for Qualified Low
17 Income Households shall be rented at High HOME rent levels as published by HUD. The ARPA-
18 Assisted Units shall be a “floating” designation on the Property such that the requirements of
19 this Agreement will be satisfied so long as the total number of ARPA-Assisted Units and
20 bedroom size remains the same throughout the Affordability Period. The maximum monthly
21 allowances for utilities and services (excluding telephone) shall not exceed the utility allowance
22 as described below. Rent limitations hereunder shall apply to the portion of rent paid by a tenant,
23 and nothing herein shall limit BORROWER from accepting rental assistance in excess of such
24 tenant-paid rent, to the extent permitted by the applicable rental assistance program and federal
25 law.

26 The ARPA-Assisted Units are not specifically assigned to any qualifying income category (i.e.,
27 Qualified Low Income Units or Qualified Very Low Income Units). The restricted income level
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1 of each ARPA-Assisted Unit may change as ARPA-Assisted Units become vacant, a Qualifying
2 Low Income Household's or Qualifying Very Low Income Household's income changes or other
3 ARPA-Assisted Units are occupied by Qualifying Low Income Households or Qualifying Very
4 Low Income Households. In all circumstances, though, the rent for each ARPA-Assisted Unit
5 shall be an affordable rent as required for the ARPA-Assisted Unit as necessary to maintain the
6 restricted income tenant mix required under **Section 18**. In any event, if the income category of
7 a Qualifying Low Income Households or Qualifying Very Low Income Households upon
8 recertification is different from the previous income of the Qualifying Low Income Households
9 or Qualifying Very Low Income Household, the Owner shall rent the next available ARPA-
10 Assisted Unit to a Qualifying Low Income Households or Qualifying Very Low Income
11 Households such the tenant income level mix set forth in **Section 18** shall be maintained.

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

- 16 (i) HUD Utility Schedule Model (HUSM), UA based on HUD's model.
17 (ii) Utility Company Estimate, UA based on estimated obtained from a local utility
18 company for each of the utilities used in the project.
19 (iii) LIHTC Agency Estimate, UA approved by the LIHTC agency based on its actual
20 usage methodology.
21 (iv) Energy Consumption Model (Engineer Model), UA based upon on an energy and
22 water and sewage consumption and analysis model prepared by a third party licensed engineer or
23 to qualified professional.

24 b. HOME Rent Limitations: Effective July 1, 2021, HUD published HOME Rent Limits for
25 the County of Riverside. In order to calculate net rent to be charged, an applicable utility
26 allowance must be subtracted from the gross rents listed. The BORROWER shall use the
27 HUD Utility Schedule Model ("HUSM") to establish maximum monthly allowances for
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1 utilities and services to be used by the BORROWER in calculating Rents. The HUSM
2 and use instructions can be found at:

3 <https://www.huduser.gov/portal/resources/utilallowance.html>.

4 c. Approval: The BORROWER shall submit to the COUNTY for review and written
5 approval, all proposed rents for the ARPA-Assisted Units prior to lease-up. Low HOME rent
6 limitations for ARPA-Assisted Units shall be as set forth under 24 CFR 92.252 and such units
7 shall be rented and occupied by income qualified applicants at the HOME rent levels for the
8 County of Riverside, which are published periodically by HUD. If during the re-certification
9 process a household income falls between 51% and 80% Area Median Income then the High
10 HOME rent limit shall apply. If during the recertification process a household income falls above
11 80% of the Area Median Income then household shall pay the lesser of 30% of the adjusted
12 income or Market rent.

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

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

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

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

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

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

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

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

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

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

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

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

23 c. Violence Against Women Reauthorization Act of 2013. (Pub. L. 113-4, 127 Stat.
24 54) ("VAWA 2013"). VAWA 2013 reauthorizes and amends the Violence Against Women Act
25 of 1994, as previously amended, (title IV, sec. 40001-40703 of Pub. L. 103-322, 42 U.S.C. 13925
26 et seq.) VAWA 2013, among other things, bars eviction and termination due to a tenant's status
27 as a victim of domestic violence, dating violence, or stalking, and requires landlords to maintain
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1 survivor-tenant confidentiality. VAWA 2013 prohibits a tenant who is a survivor of domestic
2 violence, dating violence, sexual assault, and stalking from being denied assistance, tenancy, or
3 occupancy rights based solely on criminal activity related to an act of violence committed against
4 them. It extends housing protections to survivors of sexual assault, and adds “intimate partner” to
5 the list of eligible relationships in the domestic violence definition. Protections also now cover an
6 “affiliated individual,” which includes any lawful occupant living in the survivor’s household, or
7 related to the survivor by blood or marriage including the survivor’s spouse, parent, brother, sister,
8 child, or any person to whom the survivor stands in loco parentis. VAWA 2013 allows a lease
9 bifurcation so a tenant or lawful occupant who engages in criminal activity directly relating to
10 domestic violence, dating violence, sexual assault, or stalking against an affiliated individual or
11 other individual, or others may be evicted or removed without evicting or removing or otherwise
12 penalizing a victim who is a tenant or lawful occupant. If victim cannot establish eligibility,
13 BORROWER must give a reasonable amount of time to find new housing or establish eligibility
14 under another covered housing program. A Notice of Rights under VAWA 2013 for tenants must
15 be provided at the time a person applies for housing, when a person is admitted as a tenant of a
16 housing unit, and when a tenant is threatened with eviction or termination of housing benefits.
17 Tenants must request an emergency transfer and reasonably believe that they are threatened with
18 imminent harm from further violence if the tenant remains in the same unit. The provisions of
19 VAWA 2013 that are applicable to HUD programs are found in title VI of VAWA 2013, which
20 is entitled “Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault, and
21 Stalking.” Section 601 of VAWA 2013 amends subtitle N of VAWA (42 U.S.C. 14043e et seq.)
22 to add a new chapter entitled “Housing Rights.”

23 22. FEDERAL REQUIREMENTS. BORROWER shall comply with the provisions of
24 ARPA and any amendments thereto and all applicable federal regulations and guidelines now or
25 hereafter enacted pursuant to the Act in addition to the federal provisions set forth above in
26 Section 17.

1 23. SALE, ASSIGNMENT OR OTHER TRANSFER OF THE PROJECT.

2 BORROWER hereby covenants and agrees not to sell, assign, transfer or otherwise dispose of
3 the Project or any portion thereof without obtaining the prior written consent of the COUNTY,
4 which consent shall be conditioned solely upon receipt by the COUNTY of reasonable evidence
5 satisfactory to the COUNTY in its sole discretion, that transferee has assumed in writing and in
6 full, and is reasonably capable of performing and complying with the BORROWER's duties and
7 obligations under this Agreement, provided, however BORROWER shall not be released of all
8 obligations hereunder which accrue from and after the date of such sale. Notwithstanding
9 anything to the contrary contained herein, upon written notice to COUNTY, BORROWER may
10 (i) admit limited partners or non-manager members to BORROWER, and provide for the
11 purchase of any such partnership interest, membership interest or interests by BORROWER or
12 BORROWER's board of directors, general partner or manager; (ii) remove for cause any general
13 partner or manager of BORROWER by a partner or member of the BORROWER, and the
14 replacement thereof, pursuant to the BORROWER'S Operating Agreement or By-Laws,
15 provided COUNTY receives 5 business days advance written notice of such removal. Without
16 limiting BORROWER's obligation to provide advance notice of such removal for cause of any
17 general partner or manager by a partner or member and the replacement thereof set forth in the
18 immediately preceding sentence, amendments to BORROWER's Operating Agreement or By-
19 Laws required to effectuate the Permitted Transfer set forth in this clause (ii) shall not require
20 the consent of the COUNTY; provided, however, BORROWER shall provide COUNTY with
21 an executed copy of such amended agreement within 10 days of execution thereof; (iii) the lease
22 for occupancy of all or any of the ARPA-Assisted Units; (iv) the granting of easements or permits
23 to facilitate the development of the Property in accordance with this Agreement; and (v) the
24 withdrawal and/or replacement of any member of BORROWER, (collectively a "Permitted
25 Transfer"). All Permitted Transfers shall be subject to reasonable review of documentation by
26 the COUNTY. The parties hereto acknowledge that "Affiliate" for purposes of this section
27 means, as to any Person (as defined below), any general partnership, limited partnership,
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1 corporation, joint venture, trust, business trust, cooperative, association, limited liability
2 company or individual (collectively, a “Person”) that (A) directly or indirectly controls or is
3 controlled by (such as any partnership or limited liability company in which the Person, directly
4 or indirectly, serves as a general partner or managing member, respectively) or is under common
5 control with the specified Person; (B) is an officer or director of, commissioner of, partner in,
6 member of or trustee of, or serves in a similar capacity with respect to, the specified Person or
7 of which the Specified Person is an officer, director, member, partner or trustee, or with respect
8 to which the specified Person serves in a similar capacity; or (C) is the beneficial owner, directly
9 or indirectly, of 10% or more of any class of equity securities of the specified Person or of which
10 the specified Person is directly or indirectly the owner of 10% or more of any class of equity
11 securities. The term “control” (including the term “controlled by” and “under common control
12 with”) means the possession, direct or indirect, of the power to direct or cause the direction of
13 the management and policies of a Person, whether through the ownership of voting securities,
14 by contract or otherwise.

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

19 25. NONDISCRIMINATION. BORROWER shall not discriminate on the basis of
20 race, gender, religion, national origin, ethnicity, sexual orientation, age or disability in the
21 solicitation, selection, hiring or treatment of any contractors or consultants, to participate in
22 subcontracting/subconsulting opportunities. BORROWER understands and agrees that violation
23 of this clause shall be considered a material breach of this Agreement and may result in
24 termination, debarment or other sanctions. This language shall be incorporated into all contracts
25 between BORROWER and any contractor, consultant, subcontractor, subconsultants, vendors
26 and suppliers. BORROWER shall comply with the provisions of the California Fair Employment
27 and Housing Act (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of
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1 1964 (P.L. 88-352), as amended, and all Administrative Rules and Regulations issued pursuant
2 to said Acts and Orders with respect to its use of the Property.

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

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

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

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

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

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

9 26. PROHIBITION AGAINST CONFLICTS OF INTEREST:

- 10 a. BORROWER and its assigns, employees, agents, consultants, officers and
11 elected and appointed officials shall become familiar with and shall comply
12 with the conflict of interest provisions of the ARPA Rules, attached hereto as
13 **Exhibit E** and by this reference incorporated herein, to the extent that any such
14 provisions apply by their terms to a non-Federal borrower of a loan of federal
15 funds.
- 16 b. Reserved.
- 17 c. Prior to any funding under this Agreement, BORROWER shall provide
18 COUNTY with a list of all employees, agents, consultants, officers and elected
19 and appointed officials who are in a position to participate in a decision-making
20 process, exercise any functions or responsibilities, or gain inside information
21 with respect to the ARPA activities funded under this Agreement.
22 BORROWER shall also promptly disclose to COUNTY any potential conflict,
23 including even the appearance of conflict that may arise with respect to the
24 ARPA activities funded under this Agreement.
- 25 d. Any violation of this section shall be deemed a material breach of this
26 Agreement, and the Agreement shall be immediately terminated by COUNTY.

27 27. RESERVED.

1 28. PROJECT MONITORING AND EVALUATION.

- 2 a. Tenant Checklist. BORROWER shall submit a Tenant Checklist Form to
3 COUNTY, as shown in **Exhibit F** which is attached hereto and by this reference
4 is incorporated herein and may be revised by COUNTY, summarizing the
5 racial/ethnic composition, number and percentage of very low-income and low-
6 income households who are tenants of the COUNTY ARPA-Assisted Units. The
7 Tenant Checklist Form shall be submitted upon completion of the construction and
8 thereafter, on a semi-annual basis on or before March 31st and September 30th.
9 BORROWER shall maintain financial, programmatic, statistical and other
10 supporting records of its operations and financial activities in accordance with the
11 requirements of the ARPA Program under 32 CFR 35.4, including the submission
12 of Tenant Checklist Form. Except as otherwise provided for in this Agreement,
13 BORROWER shall maintain and submit records to COUNTY within ten business
14 days of COUNTY's request which clearly documents BORROWER's
15 performance under each requirement of the ARPA Program. A list of document
16 submissions and timeline are shown in **Exhibit A** and such list may be amended
17 from time to time subject to Treasury and COUNTY reporting requirements.
- 18 b. Inspections. During the Affordability Period, COUNTY may perform on-site
19 inspections of COUNTY ARPA-Assisted Units to determine compliance with the
20 property standards and to verify the information submitted by the owners in
21 accordance with requirements. The on-site inspections must occur within 12
22 months after the Covenant Agreement and at least once every 3 years thereafter
23 during the Affordability Period. If there are observed deficiencies for any of the
24 inspectable items in the property standards established by COUNTY, a follow-up
25 on-site inspection to verify that deficiencies are corrected must occur within 12
26 months. COUNTY may establish a list of non-hazardous deficiencies for which
27 correction can be verified by third party documentation (e.g., paid invoice for work
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1 order) rather than re-inspection. Health and safety deficiencies must be corrected
2 immediately. COUNTY must adopt a more frequent inspection schedule for
3 properties that have been found to have health and safety deficiencies .

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

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

10 30. ACCESS TO PROJECT SITE. COUNTY, state and/or federal awarding agencies
11 shall have the right to access the Project site and the Property at all reasonable times, and upon
12 completion of the Project upon reasonable written notice to BORROWER, to review the
13 operation of the Project in accordance with this Agreement.

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

16 a. Monetary Default. (1) BORROWER's failure to pay when due any sums
17 payable under this Agreement or the Covenant Agreement; (2) BORROWER's
18 or any agent of BORROWER's use of ARPA Loan Funds or other Loan funds
19 for uses other than those uses permitted under this Agreement or for uses
20 inconsistent with terms and restrictions set forth in this Agreement; (3)
21 BORROWER's or any agent of BORROWER's failure to make any other
22 payment of any assessment or tax due under this Agreement, and /or (4) default
23 under the terms of any Senior Lien documents or any other instrument or
24 document secured against the Property;

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

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

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

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

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

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

13 32. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. Formal notices,
14 demands and communications between the COUNTY and the BORROWER shall be sufficiently
15 given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to
16 the principal offices of the COUNTY and the BORROWER, as designated in **Section 53** below.
17 Such written notices, demands and communications may be sent in the same manner to such
18 other addresses as either party may from time to time designate by mail as provided in this
19 **Section 32**. Any notice that is transmitted by electronic facsimile transmission followed by
20 delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is
21 personally delivered (including by means of professional messenger service, courier service such
22 as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received
23 on the documented date of receipt by the recipient; and any notice that is sent by registered or
24 certified mail, postage prepaid, return receipt required shall be deemed received on the date of
25 delivery thereof.

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

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

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

18 d. If a non-monetary event of default occurs, prior to exercising any remedies
19 hereunder, COUNTY shall give BORROWER written notice of such default.
20 If the default is reasonably capable of being cured within thirty (30) days,
21 BORROWER shall have such period to effect a cure prior to exercise of
22 remedies by COUNTY. If the default is such that it is not reasonably capable
23 of being cured within thirty (30) days, and BORROWER (i) initiates corrective
24 action within said period, and (ii) diligently, continually, and in good faith
25 works to effect a cure as soon as possible, then BORROWER shall have such
26 additional time as is reasonably necessary to cure the default prior to exercise
27 of any remedies by the injured party, but in no event no more than sixty (60)
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1 days from the date of the notice of default. In no event shall COUNTY be
2 precluded from exercising remedies if its security becomes or is about to
3 become materially jeopardized by any failure to cure a default or the default is
4 not cured within sixty (60) days after the first notice of default is given.

5 e. Any cure tendered by BORROWER's affiliate shall be accepted or rejected on
6 the same basis as if tendered by BORROWER.

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

- 12 a. Terminate this Agreement, in which event the entire Loan amount as well as
13 any other monies advanced to BORROWER by COUNTY under this
14 Agreement including administrative costs, shall immediately become due and
15 payable to COUNTY at the option of COUNTY.
- 16 b. Bring an action in equitable relief (1) seeking the specific performance by
17 BORROWER of the terms and conditions of this Agreement, and/or (2)
18 enjoining, abating, or preventing any violation of said terms and conditions,
19 and/or (3) seeking declaratory relief.
- 20 c. Accelerate the Loan and demand immediate full payment of the principal
21 payment outstanding and all accrued interest under the Note, as well as any
22 other monies advanced to BORROWER by COUNTY under this Agreement.
- 23 d. Enter the Project and take any remedial actions necessary in its judgment with
24 respect to hazardous materials that COUNTY deems necessary to comply with
25 hazardous materials laws or to render the Project suitable for occupancy, which
26 costs shall be due and payable by BORROWER to COUNTY.
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1 e. Enter upon, take possession of, and manage the Project, either in person, by
2 agent, or by a receiver appointed by a court, and collect rents and other amounts
3 specified in the assignment of rents in the Deed of Trust and apply them to
4 operate the Project or to pay off the Loan or any advances made under this
5 Agreement, as provided for by the Deed of Trust.

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

7 34. RESERVED.

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

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

20 a. No federally appropriated funds have been paid or will be paid, by or on behalf
21 of the undersigned, to any person for influencing or attempting to influence an
22 officer or employee of any agency, a member of Congress, an officer or
23 employee of Congress, or an employee of a member of Congress in connection
24 with the awarding of any federal contract, the making of any federal grant, the
25 making of any federal loan, the entering into of any cooperative agreement, and
26 the extension, continuation, review, amendment, or modification of any federal
27 contract, grant, loan, or cooperative agreement.
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1 b. If any funds other than federally appropriated funds have been paid or will be
2 paid to any person for influencing or attempting to influence an officer or
3 employee of any agency, a member of Congress, an officer or employee of
4 Congress, or an employee of a member of Congress in connection with this
5 federal contract, grant, loan, or cooperative agreement, the undersigned shall
6 complete and submit Standard Form-LLL, "Disclosure Form to Report
7 Lobbying," in accordance with its instructions.

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

14 37. HOLD HARMLESS AND INDEMNIFICATION. BORROWER shall indemnify
15 and hold harmless the County of Riverside, its Agencies, Boards, Districts, Special Districts and
16 Departments, their respective directors, officers, Board of Supervisors, elected and appointed
17 officials, employees, agents and representatives (collectively the "Indemnified Parties") from
18 any liability whatsoever, based or asserted upon any services of BORROWER, its officers,
19 employees, subcontractors, agents or representatives arising out of their performance under this
20 Agreement, including but not limited to property damage, bodily injury, or death or any other
21 element of any kind or nature whatsoever arising from the performance of BORROWER, its
22 officers, agents, employees, subcontractors, agents or representatives under this Agreement,
23 except in the event of the gross negligence or willful misconduct of the Indemnified parties;
24 provided however, any gross negligence or willful misconduct of Indemnitees will only affect
25 the duty to indemnify for the specific act found to be gross negligence or willful misconduct, and
26 will not preclude a duty to indemnify for any act or omission of BORROWER. BORROWER
27 shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees,
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1 cost of investigation, defense and settlements or awards, the County of Riverside, its Agencies,
2 Districts, Special Districts and Departments, their respective directors, officers, Board of
3 Supervisors, elected and appointed officials, employees, agents and representatives in any claim
4 or action based upon such alleged acts or omissions.

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

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

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

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

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

22 38. TERMINATION.

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

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

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

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

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

23 39. AFFORDABILITY RESTRICTIONS. COUNTY and BORROWER, on behalf of
24 its successors and assigns, hereby declare their express intent that the restrictions set forth in this
25 Agreement shall continue in full force and effect for the duration of the Affordability Period (as
26 defined in **Section 15** above). Each and every contract, deed or other instrument hereafter
27 executed covering and conveying the Property or any portion thereof shall be held conclusively
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1 to have been executed, delivered and accepted subject to such restrictions, regardless of whether
2 such restrictions are set forth in such contract, deed or other instrument. BORROWER shall
3 execute and record as a lien against the Property, a Covenant Agreement, substantially
4 conforming in form and substance to the Covenant Agreement attached hereto as **Exhibit G** and
5 incorporated herein by this reference, setting forth the affordability use and income restriction
6 required in this Agreement.

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

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

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

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

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

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

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

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

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

3 49. CONDITIONAL COMMITMENT.

4 a. Completion. The Project must be completed no later than September 31, 2024
5 (the "Completion Deadline"). BORROWER may request a one year extension
6 of the Completion Deadline from COUNTY ("Extension"), which may be
7 granted in COUNTY's sole but reasonable discretion, if the BORROWER can
8 provide proof that the circumstances that led to the failure to complete the
9 Project by the Completion Deadline were beyond the BORROWER's control.
10 Extension is subject to COUNTY's approval and not guaranteed. The Director
11 of Housing and Workforce Solutions, or designee, has the authority, at his or
12 her discretion, to consent to such Extension. If BORROWER is unable to meet
13 the condition as required by this **Section 49** including Extension, then
14 COUNTY and BORROWER mutually agree that this Agreement will self-
15 terminate and any Loan funds disbursed to BORROWER to date shall be
16 returned to COUNTY within thirty (30) calendar days of such termination.
17 Upon such termination, this Agreement shall become null and void. COUNTY
18 and BORROWER shall be released and discharged respectively from their
19 obligations under this Agreement, except for those provisions which by their
20 terms survive termination. All costs incurred by each party on the Project will
21 be assumed respectively.

22 50. INTENTIONALLY OMITTED.

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

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

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

COUNTY
Director, Riverside County
Housing and Workforce
Solutions
3403 10th Street, Suite 300
Riverside, CA 92501
ATTN: Heidi Marshall

BORROWER
National Community Renaissance
of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attention: CEO/CFO

Email: spontell@nationalcore.org,
mfinn@nationalcore.org

and:

National Community Renaissance
of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attention: General Counsel
Email: rdiaz@nationalcore.org

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

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

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

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

10 58. CONSTRUCTION AND INTERPRETATION OF AGREEMENT.

11 a. The language in all parts of this Agreement shall in all cases be construed
12 simply, as a whole and in accordance with its fair meaning and not strictly for
13 or against any party. The parties hereto acknowledge and agree that this
14 Agreement has been prepared jointly by the parties and has been the subject of
15 arm's length and careful negotiation over a considerable period of time, that
16 each party has been given the opportunity to independently review this
17 Agreement with legal counsel, and that each party has the requisite experience
18 and sophistication to understand, interpret, and agree to the particular language
19 of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute
20 regarding the interpretation of this Agreement, this Agreement shall not be
21 interpreted or construed against the party preparing it, and instead other rules
22 of interpretation and construction shall be utilized.

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

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

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

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

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

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

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

3 62. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.

- 4 a. This Agreement shall be executed in three duplicate originals each of which is
5 deemed to be an original. This Agreement, including all attachments hereto
6 and exhibits appended to such attachments shall constitute the entire
7 understanding and agreement of the parties.
- 8 b. This Agreement integrates all of the terms and conditions mentioned herein or
9 incidental hereto, and supersedes all negotiations or previous agreements
10 between the parties with respect to all or any part of the Property.
- 11 c. All waivers of the provisions of this Agreement must be in writing and signed
12 by the appropriate authorities of the COUNTY or the BORROWER, and all
13 amendments hereto must be in writing and signed by the appropriate authorities
14 of the COUNTY and the BORROWER. This Agreement and any provisions
15 hereof may be amended by mutual written agreement by the BORROWER and
16 the COUNTY.

17
18 (SIGNATURES ON THE NEXT PAGE)
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IN WITNESS WHEREOF, COUNTY and BORROWER have executed this Agreement as of the dates written below.

COUNTY:

BORROWER:

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

NATIONAL COMMUNITY RENAISSANCE OF
CALIFORNIA
a California nonprofit public benefit corporation

By: form - do not sign
Heidi Marshall, Director


By: form - do not sign
Michael Finn, Chief Financial Officer

Date: _____

Date: _____

APPROVED AS TO FORM:

MINH C. TRAN, County Counsel

By: 
Amrit P. Dhillon,
Deputy County Counsel

(Signatures need to be notarized)

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENTS>

EXHIBIT “A”

Borrower: National Community Renaissance of California
Address: 1148 D Street; 204, 205, 216, 217, 228, 229, 240, 241, 253, 254, 264, 265, 276, 277, 310, 315, 320, 325, 330, 335, 340, 345 Magdalena Circle; 204, 205, 216, 217, 228, 229, 240, 241, 252, 253, 264, 265, 276, 277, 310, 320, 330, 340 Isabella Way, City of Corona, California
Project Title: Corona Del Rey Apartments
Location: D Street, Magdalena Circle and Isabella Way in the City of Corona also identified as APNs 118-183-034, 118-183-035, 118-183-036, 118-183-037, 118-183-038, 118-183-039, 118-183-040, 118-183-041, 118-183-042, 118-183-043, 118-183-049-1, 118-183-051-2, 118-183-053-4, 118-171-019, 118-171-020, 118-171-021, 118-171-022, 118-171-023, 118-171-024, 118-171-025, 118-171-026, 118-171-027, 118-171-028, 118-171-029, 118-171-030, 118-171-031, 118-171-032, 118-171-033, 118-171-034, 118-171-035, 118-171-036, 118-171-037, 118-171-038, 118-171-039, 118-171-040, 118-171-041, 118-171-042, 118-171-043, 118-171-044, 118-171-045, 118-171-046, 118-171-054, 118-171-055 and 118-171-056.

Project Description:

National Community Renaissance of California shall rehabilitate a multi-family affordable rental housing project consisting of one hundred sixty (160) rental units including two (2) residential manager’s unit (“Project”) on real property located on D Street, Magdalena Circle and Isabella Way also identified as APNs 118-183-034, 118-183-035, 118-183-036, 118-183-037, 118-183-038, 118-183-039, 118-183-040, 118-183-041, 118-183-042, 118-183-043, 118-183-049-1, 118-183-051-2, 118-183-053-4, 118-171-019, 118-171-020, 118-171-021, 118-171-022, 118-171-023, 118-171-024, 118-171-025, 118-171-026, 118-171-027, 118-171-028, 118-171-029, 118-171-030, 118-171-031, 118-171-032, 118-171-033, 118-171-034, 118-171-035, 118-171-036, 118-171-037, 118-171-038, 118-171-039, 118-171-040, 118-171-041, 118-171-042, 118-171-043, 118-171-044, 118-171-045, 118-171-046, 118-171-054, 118-171-055 and 118-171-056 (“Property”).

A total of thirty (30) units shall be reserved for Qualified Very Low Income Households and rented at Low HOME rent levels as published by HUD. A total of thirty one (31) units shall be reserved for Qualified Low Income Households and rented at High HOME rent levels as published by HUD. The ARPA assisted units shall be “floating” designation on the Property and shall be rented to and occupied by households whose incomes do not exceed sixty percent (60%) of the area median income for the County of Riverside, adjusted by family size at the time of occupancy as determined and published by HUD, for a period of twenty (20) years. The Project is comprised of affordable units in addition to the ARPA Assisted Units financed through the United States Department of Agriculture and HOME Loan. The Project shall include a total of 160 rental units as follows:

160	Two Bedroom	1,118	sq.ft.
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IMPLEMENTATION SCHEDULE

Milestone

Completion Date; September 31, 2024

- | | |
|--|--------------------|
| (1) Rehabilitation Start Deadline | January 31, 2023 |
| (2) Completion Deadline | July 31, 2024 |
| (3) Submission of income & ethnic characteristics report | September 30, 2024 |

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 1 THROUGH 41 INCLUSIVE OF [TRACT NO. 2687](#), IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 48, PAGES 65 AND 66 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM PORTIONS LOTS 40 AND 41 HEREIN, AS CONVEYED TO RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT BY GRANT DEED RECORDED FEBRUARY 16, 1993 AS [INSTRUMENT NO. 57453 OFFICIAL RECORDS](#).

ALSO EXCEPTING THEREFROM THOSE PORTIONS OF SAID LAND ACQUIRED BY THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION BEING DESCRIBED AND DELINEATED AS CALTRANS PARCEL NO. 221891 AND CALTRANS PARCEL NO. 221901 IN THE FINAL ORDER OF CONDEMNATION RECORDED SEPTEMBER 25, 2017 AS [INSTRUMENT NO. 20170396392 OFFICIAL RECORDS](#).

TOGETHER WITH PORTIONS GARFIELD AVENUE, GRANT AVENUE, "C" STREET AND THE ADJACENT ALLEYS OFF OF "D" STREET LOCATED SOUTH OF STATE ROUTE 91 AND WEST OF LINCOLN AVENUE, BEING PORTIONS OF LETTERED LOTS B THROUGH J INCLUSIVE OF SAID [TRACT NO. 2687](#), AS VACATED BY RESOLUTION NO. 97-43 RECORDED JUNE 24, 1997 AS [INSTRUMENT NO. 222392 OFFICIAL RECORDS](#).

APN(s): [118-183-034](#) THROUGH [118-183-043](#), INCLUSIVE; [118-183-049](#); [118-183-051](#); [118-183-053](#); [118-171-019](#) THROUGH [118-171-024](#), INCLUSIVE, [118-171-027](#) THROUGH [118-171-038](#), INCLUSIVE AND [118-171-040](#) THROUGH [118-171-046](#), INCLUSIVE, AND [118-171-054](#) THROUGH [118-171-056](#), INCLUSIVE.

EXHIBIT “B”

EXEMPT RECORDING FEE CODE 6103

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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

This DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING is made this day of _____, 2023 by National Community Renaissance of California (“Trustor”), whose address is 9421 Haven Avenue, Rancho Cucamonga, CA 91730. The trustee is Fidelity National Title Company (“Trustee”). The beneficiary is the County of Riverside, a political subdivision of the State of California, (hereinafter called “Beneficiary”), whose address is 3403 10th Street, Suite 300, Riverside, CA 92501

RECITALS

A. Trustor is the owner of the real property located in the City of Corona, 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. Country made a Loan to Trustor in the amount of \$5,000,000 (the “Loan”), consisting of funds made available pursuant to the American Rescue Plan Act of 2021 (Title VI of the Social Security Act Section 602 et seq.) (the “Act”) and the implementing regulations thereto (31 CFR Part 35) (collectively, “ARPA”), evidenced by that certain Loan Agreement for the Use of ARPA Program Funds by and between Trustor and Beneficiary, dated as of the date hereof (the “Loan Agreement”).

C. In connection with the Loan, Beneficiary and Trustor entered into a Covenant Agreement dated as of the date hereof (the “Covenant Agreement”), pursuant to which, Trustor is obligated, among other requirements, to restrict a portion of the Subject Property’s use and occupancy to "low-income housing" within the meaning of the Title II of the Cranston-Gonzalez National Affordable Housing Act (the “HOME 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”).

NOW, THEREFORE, TRUSTOR IRREVOCABLY GRANTS, TRANSFERS
AND ASSIGNS to Trustee, its successors and assigns, in Trust, with POWER OF SALE

TOGETHER WITH RIGHT OF ENTRY AND POSSESSION the following property (the “Trust Estate”):

- (A) The Subject Property;
- (B) All buildings, structures and other improvements now or in the future located or to be constructed on the Subject Property (the “Improvements”);
- (C) All tenements, hereditaments, appurtenances, privileges, franchises and other rights and interests now or in the future benefiting or otherwise relating to the Subject Property or the Improvements, including easements, rights-of-way and development rights (the “Appurtenances”). (The Appurtenances, together with the Subject Property and the Improvements, are hereafter referred to as the “Real Property”);
- (D) All rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the ownership, use, management, operation leasing or occupancy of the Trust Estate, including those past due and unpaid (the “Rents”);
- (E) All present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California Uniform Commercial Code (the “UCC”), and whether existing now or in the future) now or in the future located at, upon or about, or affixed or attached to or installed in, the Real Property, or used or to be used in connection with or otherwise relating to the Real Property or the ownership, use, development, construction, maintenance, management, operation, marketing, leasing or occupancy of the Real Property, including furniture, furnishings, theater equipment, seating, machinery, appliances, building materials and supplies, generators, boilers, furnaces, water tanks, heating ventilating and air conditioning equipment and all other types of tangible personal property of any kind or nature, and all accessories, additions, attachments, parts, proceeds, products, repairs, replacements and substitutions of or to any of such property, but not including personal property that is donated to Trustor (the “Goods,” and together with the Real Property, the “Property”); and
- (F) All present and future right, title and interest of Trustor in and to all accounts, general intangibles, chattel paper, deposit accounts, money, instruments and documents (as those terms are defined in the UCC) and all other agreements, obligations, rights and written material (in each case whether existing now or in the future) now or in the future relating to or otherwise arising in connection with or derived from the Property or any other part of the Trust Estate or the Ownership, use, development, construction, maintenance, management, operation, marketing, leasing, occupancy, sale or financing of the property or any other part of the Trust Estate, including (to the extent applicable to the Property or any other portion of the Trust Estate) (i) permits, approvals and other governmental authorizations, (ii) improvement plans and specifications and architectural drawings, (iii) agreements with contractors, subcontractors, suppliers, project managers, supervisors, designers, architects, engineers, sales agents, leasing agents, consultants and property managers, (iv) takeout, refinancing and permanent loan commitments, (v) warranties, guaranties, indemnities and insurance policies, together with insurance payments and unearned insurance premiums, (vi) claims, demands, awards, settlements, and other payments arising or resulting from or otherwise relating to any insurance or any loss or destruction of, injury or damage

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

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estates described above in which a security interest may be created under the UCC (collectively, the "Personal Property"). This Deed of Trust constitutes a security agreement under the UCC, conveying a security interest in the Personal Property to Trustee and Beneficiary. Trustee and Beneficiary shall have, in addition to all rights and remedies provided herein, all the rights and remedies of a "secured party" under the UCC and other applicable California law. Trustor covenants and agrees that this Deed of Trust constitutes a fixture filing under Section 9334 and 9502(b) of the UCC.

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

1. 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 \$5,000,000;
 - (b) that certain Loan Agreement for the Use of ARPA 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 "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").
2. payment of indebtedness of the Trustor to the Beneficiary not to exceed \$5,000,000 (the "Loan") according to the terms of the Note.

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

and include the Note, Loan Agreement and Covenant Agreement, as well as any riders, exhibits, addenda, implementation agreements, amendments, or attachments thereto (which are hereby incorporated herein by this reference). Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Loan Agreement.

The Loan evidenced by the Note and secured by this Deed of Trust is being made pursuant to the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF” or “ARPA Funds”). Pursuant to the Loan Agreement, the maturity date of the Loan shall be the later to occur of (i) December 31, 2078 or (ii) fifty-five (55) years from years from recordation of the Covenant Agreement (“Loan Term”).

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

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

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

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

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

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

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

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

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

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

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

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

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

9. **Priority of Deed of Trust.** The ARPA Deed of Trust shall be in a ninth priority lien position. Lien priority at the close of construction financing, including applicable regulatory agreements, shall be as follows:

1. first priority shall be an Amended and Restated Affordable Housing Agreement by and among the City, City Housing Authority and BORROWER in connection with a former Redevelopment Agency loan in the original principal amount of \$1,200,000, approximately \$1,200,000 in accrued interest on that former Redevelopment Agency loan, and State

- Budget Appropriation Loan in the new principal amount of new \$5,500,000 (the “Amended and Restated Affordable Housing Agreement;
2. second priority shall be an Amended and Restated Regulatory Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the “City Amended and Restated Regulatory Agreement”);
 3. third priority shall be an Amended and Restated Operating and Maintenance Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the “City Amended and Restated Operating and Maintenance Agreement”);
 4. fourth priority shall be an Amended and Restated Deed of Trust securing a loan for the benefit of the City and City Housing Authority in the principal amount of approximately \$7,900,000 (the “City Amended and Restated Deed of Trust”);
 5. fifth priority shall be a HOME Deed of Trust between the County of Riverside and BORROWER in connection with the County HOME Loan in the original principal amount of \$275,000 (the “County HOME DOT”);
 6. sixth priority shall be the HOME Covenant Agreement between COUNTY and BORROWER in connection with the HOME Loan;
 7. seventh priority shall be the ARPA Covenant Agreement between COUNTY and BORROWER in connection with the ARPA Loan;
 8. eighth priority shall be a deed of trust securing a loan for the benefit of Southern California Housing Development Corporation of the Inland Empire (“SCHDCIE”) in the new principal amount up to \$7,450,000 (the “Construction Loan”);
 9. ninth priority shall be the ARPA Deed of Trust securing the ARPA Loan for the benefit of COUNTY in the principal amount up to \$5,000,000;
 10. tenth priority shall be a deed of trust securing a sponsor loan for the benefit of NCRC in the principal amount up to \$2,500,000 (the “Sponsor Loan”).

The City Loan, the City Amended and Restated Deed of Trust and the Construction Bond Loan shall be referenced as “Senior Lien” or “Senior Liens.”

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

a. All insurance policies and renewals shall be reasonably acceptable to Beneficiary and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Trustor complies with the insurance requirements under this Deed

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

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

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

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

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

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

land records where the Property is located), limiting the Property's use to "low-income housing." The use and occupancy restrictions may limit the Trustor's ability to rent the Property. The violation of any use and occupancy restrictions may, if not prohibited by federal law, entitle the Beneficiary to the remedies provided in **Section 27** hereof.

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

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

13. **Reserved.**

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

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

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

as the value of Beneficiary's lien is not impaired, any condemnation proceeds may be used by Trustor for repair and/or restoration of the Project.

- a. If the Property is abandoned by Trustor, or if, after notice by Beneficiary to Trustor that the condemner offers to make an award or settle a claim for damages, Trustor fails to respond to Beneficiary within 30 days after the date the notice is given, Beneficiary is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due.
- b. Unless Beneficiary and Trustor otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to in **Sections 5 and 6** or change the amount of such payments.

16. **Forbearance By Beneficiary Not a Waiver.** Any forbearance by Beneficiary in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

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

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

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

20. **Governing Law; Severability.** This Deed of Trust shall be governed by federal law and the laws of the State of California. In the event that any provision or clause of this Deed of Trust, the Note or Covenant Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust, the Note or the Covenant Agreement which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust, the Note and the Covenant Agreement are declared to be severable. Any action at law or in equity arising under this Deed of Trust or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed in the Superior Court of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

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

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

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

b. Notwithstanding anything to the contrary contained herein, upon written notice to Beneficiary, Trustor may (i) admit non-manager members to Trustor, and provide for the purchase of any such membership interest or interests by Trustor's Manager; (ii) remove for cause any Manager by a member of the Trustor, and the replacement thereof, pursuant to the Operating Agreement or By-Laws, 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 Manager by a member and the replacement thereof set forth in the immediately preceding sentence, amendments to the Operating Agreement required to effectuate the Permitted Transfer set forth in this clause (ii) shall not require the consent of the Beneficiary; provided, however, Trustor shall provide Beneficiary with an executed copy of such amended agreement within 10 days of execution thereof; (iii) the lease for occupancy of all or any of the ARPA-Assisted Units; (iv) the granting of easements or permits to facilitate the development of the Property in accordance with the Loan Agreement; and (v) the withdrawal and/or replacement of

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

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

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

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

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

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

27. **Acceleration; Remedies.** Beneficiary shall give notice to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this Deed of Trust. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, which shall not be more than ten (10) calendar days from the date of the mailing of the notice for a monetary default, or a date, which shall not be more than thirty (30) calendar days from the mailing of the notice for a non-monetary default, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the Secured Obligations secured by this Deed of Trust and sale of the Property. The notice shall further inform Trustor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Trustor to acceleration and sale. If the default is not cured by the Trustor on or before the date specified in the notice, and the Senior Lien Holder or the investor limited partner have not cured the default within that same period, subject to any non-recourse provisions set forth in Section 8 of the Note, then Beneficiary at its option may require immediate payment in full of all Secured Obligations secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Section 27**, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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

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

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

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

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

30. **Modifications of Senior Loan Documents.** Any agreement or arrangement, in which a Senior Lender waives, postpones, extends, reduces, or modifies any provisions of the Senior Lien Holder Deed of Trust or any other Senior Lien Holder loan documents, including any provisions requiring the payment of money, shall require the prior written approval of Beneficiary.

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

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

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

[Remainder of Page Blank]

[Signatures on Following Page]

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

TRUSTOR:

National Community Renaissance of California,
a California nonprofit public benefit corporation

By: form - do not sign
Michael Finn, Chief Financial Officer

Date: _____

(Signature needs to be notarized)

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENTS>

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 1 THROUGH 41 INCLUSIVE OF [TRACT NO. 2687](#), IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 48, PAGES 65 AND 66 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM PORTIONS LOTS 40 AND 41 HEREIN, AS CONVEYED TO RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT BY GRANT DEED RECORDED FEBRUARY 16, 1993 AS [INSTRUMENT NO. 57453 OFFICIAL RECORDS](#).

ALSO EXCEPTING THEREFROM THOSE PORTIONS OF SAID LAND ACQUIRED BY THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION BEING DESCRIBED AND DELINEATED AS CALTRANS PARCEL NO. 221891 AND CALTRANS PARCEL NO. 221901 IN THE FINAL ORDER OF CONDEMNATION RECORDED SEPTEMBER 25, 2017 AS [INSTRUMENT NO. 20170396392 OFFICIAL RECORDS](#).

TOGETHER WITH PORTIONS GARFIELD AVENUE, GRANT AVENUE, "C" STREET AND THE ADJACENT ALLEYS OFF OF "D" STREET LOCATED SOUTH OF STATE ROUTE 91 AND WEST OF LINCOLN AVENUE, BEING PORTIONS OF LETTERED LOTS B THROUGH J INCLUSIVE OF SAID [TRACT NO. 2687](#), AS VACATED BY RESOLUTION NO. 97-43 RECORDED JUNE 24, 1997 AS [INSTRUMENT NO. 222392 OFFICIAL RECORDS](#).

APN(s): [118-183-034 THROUGH 118-183-043, INCLUSIVE](#); [118-183-049](#); [118-183-051](#); [118-183-053](#); [118-171-019 THROUGH 118-171-024, INCLUSIVE](#), [118-171-027 THROUGH 118-171-038, INCLUSIVE](#) AND [118-171-040 THROUGH 118-171-046, INCLUSIVE](#), AND [118-171-054 THROUGH 118-171-056, INCLUSIVE](#).

EXHIBIT “C”

PROMISSORY NOTE

\$5,000,000

Riverside, CA

In installments as hereafter stated, for value received, NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, a California nonprofit public benefit corporation (“Borrower”), promises to pay the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), or order, at 3403 10th Street, Suite 300, Riverside, CA 92501, the sum of FIVE MILLION AND NO/100 DOLLARS (U.S. \$5,000,000) (the “Loan” or “Note Amount”) which at the time of payment is lawful for the payment of public and private debts.

This Promissory Note (“Note”) is given in accordance with that certain Loan Agreement for the Use of ARPA 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 “Loan Agreement”). Except to the extent otherwise expressly defined in this Note, all capitalized terms shall have the meanings ascribed to such terms in the Loan Agreement. The Note is secured by a Deed of Trust and Assignment of Rents executed by Borrower for the benefit of the County dated _____ and recorded on or about the date hereof in the Official Records (the “Deed of Trust”). The rights and obligations of the Borrower and COUNTY under this Note shall be governed by the Loan Agreement and the following terms:

- (2) The Loan evidenced by this Note and secured by the Deed of Trust is being made pursuant to the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF” or “ARPA Funds”), and the implementing regulations thereto (31 CFR Part 35) (“ARPA”). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on rent and occupancy required under the 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”), the Loan Agreement and that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Borrower and the COUNTY).
- (3) That the Loan will accrue simple interest at a rate of three percent (3%) per annum, except in the case of default as hereinafter provided.
- (4) This Note shall be repaid according to the following: Twenty five percent (25%) of the Project’s Residual Receipts shall be used towards the payment of the Loan until the Note is repaid in full. Notwithstanding anything to the contrary contained herein, no Residual Receipts shall be payable on the Loan until the funding in full on an annual basis of the “Capital Replacement Reserve Account” in accordance with the terms of and as further detailed in that certain Amended and Restated Operation and Maintenance Agreement entered into by and among BORROWER, the City of Corona and the City of Corona Housing Authority dated concurrently herewith.
- (5) The term “Residual Receipts” used herein shall mean all money and income from the Project remaining annually after the payment of all normal and necessary expenses of operation of the Project, including but not limited to the following:

- (i) payments of principal and interest and other mandatory payments on amortized loans and indebtedness senior to the ARPA Loan, which have been approved in writing by COUNTY (collectively, the “Senior Debt”);
 - (ii) utility fees and costs not paid by tenants;
 - (iii) insurance on the Project;
 - (iv) ad valorem taxes and assessment payments;
 - (v) management fees, expenses and costs, as well as the cost of social programs at the Project and compliance monitoring/reporting, which shall total initially \$75 per unit per month, which management fee shall be adjusted annually by a percentage equal to the annual increase in rents permitted by HUD and may be deferred and accrued;
 - (vi) reserves for repair and replacement of the Project, in an annual amount of \$300 per rental unit per year;
 - (vii) all other fees and expenses which may be permitted by the annual budget approved by the COUNTY;
 - (viii) a \$4,000 per year owner’s overhead and administrative overhead fee paid to BORROWER pursuant to that certain Affordable Housing Agreement entered into by and among the City of Corona Housing Authority, the City of Corona and BORROWER, dated as of the date hereof; and
 - (ix) operating expenses will be considered “normal and necessary” if incurred generally for similarly structured, financed, and restricted rental properties operated by similar entities.
- (6) At such time, payment of twenty-five percent (25%) of the Residual Receipts produced from the Project shall be made by the BORROWER to the COUNTY annually on July 15th of each year. Payment shall be applied first to accrued interest and thereafter to principal. BORROWER shall annually provide the COUNTY with an accounting acceptable to the COUNTY, documenting the calculation of Residual Receipts for the previous calendar year ending December 31. This accounting shall be made on or before July 15, together with the payment of Residual Receipts. Notwithstanding anything to the contrary contained herein, no Residual Receipts shall be payable on the City Loan or the ARPA Loan until the funding in full on an annual basis of the “Capital Replacement Reserve Account” in accordance with the terms of and as further detailed in that certain Amended and Restated Operation and Maintenance Agreement entered into by and among BORROWER, the City of Corona (“City”), a California municipal corporation, and City of Corona Housing Authority (“City Housing Authority”), a public body, corporate and politic, organized under the laws of the State of California, as the successor to the former City of Corona Redevelopment Agency, dated concurrently herewith.
- (7) All outstanding principal along with accrued interest shall be due upon maturity of the Loan Agreement, which shall be the later to occur of (i) December 31, 2078 or (ii) fifty-five (55) years from and after the recordation of the Covenant Agreement (the “Loan Term”). All outstanding principal along with accrued interest shall be due upon the maturity date of the Note and the expiration of the Loan Term.
- (8) The Loan evidenced by this Note is secured by that certain Deed of Trust and Assignment of Rents executed by Borrower for the benefit of the County, dated on or about the date hereof and recorded in the Official Records of the County of Riverside on or about the date hereof (“Deed of Trust”).

- (9) 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.
- (10) Subject to the provisions and limitations of this Section 10, 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 Section 10. The sole recourse of the County shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the Loan; provided, however, that the foregoing shall not (i) constitute a waiver of any other obligation evidenced by this Note or the Deed of Trust; (ii) limit the right of the COUNTY to name Borrower as a party defendant in any action or suit for judicial foreclosure and sale under this Note and the Deed of Trust or any action or proceeding hereunder so long as no judgment in the nature of a deficiency judgment shall be asked for or taken against Borrower; (iii) release or impair either this Note or the Deed of Trust; (iv) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, any other remedy against the mortgaged Property or any other instrument securing this Note or as prescribed by law or in equity in case of default; (v) prevent or in any way hinder the COUNTY from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, its remedies in respect of any deposits, insurance proceeds, condemnation awards or other monies or other collateral or letters of credit securing this Note; or (vi) affect in any way the validity of any guarantee or indemnity from any person of all or any of the obligations evidenced and secured by this Note and the Deed of Trust. Notwithstanding the first sentence of this Section 10, the COUNTY may recover directly from Borrower or, unless otherwise prohibited by any applicable law, from any other party: (a) any damages, costs and expenses incurred by the COUNTY as a result of fraud, misrepresentation or any criminal act or acts of Borrower or any general partner, shareholder, officer, director or employee of Borrower, or of any member or general partner of Borrower, or of any general partner of such member or general partner; (b) any damages, costs and expenses incurred by the COUNTY as a result of any misappropriation of funds provided to pay costs as described in the Loan Agreement, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; (c) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Project and that are payable or applicable prior to any foreclosure under the Deed of Trust; (d) the fair market value of any personal property or fixtures removed or disposed of by the Borrower other than in accordance with the Deed of Trust; (e) any and all amounts owing by Borrower pursuant to any indemnity set forth in the Loan Agreement and/or Deed of Trust or the indemnification regarding Hazardous Substances pursuant to the Loan Agreement and/or Deed of Trust, and (f) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.
- (11) The occurrence of any of the following events shall constitute an "Event of Default" under this Note after notice and opportunity to cure pursuant to the terms set forth in the Loan Agreement:
- a. Monetary Default. (1) Borrower's failure to pay when due any sums

payable under the Note or any advances made by COUNTY under this Agreement, (2) Borrower's or any agent of Borrower's use of Loan funds for costs other than those costs permitted under the Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, (3) Borrower's or any agent of Borrower's failure to make any other payment of any assessment or tax due under the Loan Agreement, and /or (4) default past any applicable notice and cure period under the terms of (i) first priority shall be an Amended and Restated Affordable Housing Agreement by and among the City, City Housing Authority and BORROWER in connection with a former Redevelopment Agency loan in the original principal amount of \$1,200,000, approximately \$1,200,000 in accrued interest on that former Redevelopment Agency loan, and State Budget Appropriation Loan in the new principal amount of new \$5,500,000 (the "Amended and Restated Affordable Housing Agreement; (ii)) second priority shall be an Amended and Restated Regulatory Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the "City Amended and Restated Regulatory Agreement"); (iii) third priority shall be an Amended and Restated Operating and Maintenance Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the "City Amended and Restated Operating and Maintenance Agreement") (iv) fourth priority shall be an Amended and Restated Deed of Trust securing a loan for the benefit of the City and City Housing Authority in the principal amount of approximately \$7,900,000 (the "City Amended and Restated Deed of Trust"); (v) fifth priority shall be a HOME Deed of Trust between the County of Riverside and BORROWER in connection with the County HOME Loan in the original principal amount of \$275,000 (the "County HOME DOT"); (vi) sixth priority shall be the HOME Covenant Agreement between COUNTY and BORROWER in connection with the HOME Loan; (vii) seventh priority shall be the ARPA Covenant Agreement between COUNTY and BORROWER in connection with the ARPA Loan; (viii) eighth priority shall be a deed of trust securing a loan for the benefit of Southern California Housing Development Corporation of the Inland Empire ("SCHDCIE") in the new principal amount up to \$7,450,000 (the "Construction Loan"); (ix) ninth priority shall be the ARPA Deed of Trust securing the ARPA Loan for the benefit of COUNTY in the principal amount up to \$5,000,000; (x) tenth priority shall be a deed of trust securing a sponsor loan for the benefit of NCRC in the principal amount up to \$2,500,000 (the "Sponsor Loan").

- b. Non-Monetary Default - Operation. (1) Discrimination by Borrower or Borrower's agent on the basis of characteristics prohibited by this Agreement or applicable law, (2) the imposition of any encumbrances or liens on the Project without COUNTY's prior written approval that are prohibited under this agreement or that have the effect of reducing the priority or invalidating the lien of the Deed of Trust, (3) Borrower's failure to obtain and maintain the insurance coverage required under the Loan

Agreement, (4) any material default under the Loan Agreement, Deed of Trust with Assignment of Rents, Covenant Agreement, Note, or any document executed by the County in connection with this Agreement, and/or (4) default past any applicable notice and cure period under the terms of the Deed of Trust or any other instrument or document secured against the Property;

- c. General Performance of Loan Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on Borrower imposed in the Loan Agreement; and
 - d. General Performance of Other Obligations. Any substantial or continuous or repeated breach by Borrower or Borrower's agents of any material obligations on the Project imposed by any other agreement with respect to the financing, development, or operation of the Project; whether or not COUNTY is a party to such agreement.
- (12) COUNTY shall give written notice of default to Borrower, specifying the default complained of by the COUNTY. Borrower shall have ten (10) calendar days from the mailing of the notice for a monetary default, by which such action to cure must be taken. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.
- (13) 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.
- (14) 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.
- (15) 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.
- (16) 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 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.

- (17) 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.
- (18) 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.
- (19) 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.
- (20) In no event shall Borrower assign or transfer any portion of this Note or any rights herein without the prior express written consent of the COUNTY, which consent the COUNTY may give or withhold in its sole and absolute discretion. In the absence of specific written agreement by the COUNTY, no unauthorized assignment or transfer, or approval thereof by the COUNTY, shall be deemed to relieve Borrower or any other party from any obligations under the Loan Agreement or this Note. This provision shall not affect or diminish the COUNTY's assignment rights under this Note.
- (21) Except as to the permitted deeds of trust identified herein, Borrower shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Deed of Trust without the prior written approval of the COUNTY in its sole and absolute discretion.
- (22) 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.
- (23) (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, Ste. 300, Riverside, California 92501, Attention: Director of Housing and Workforce Solutions. The facsimile number for the COUNTY's receipt of notices is (951) 374-3098.
 - (c) The address of Borrower for purposes of receiving notices pursuant to this Note is National Community Renaissance of California, 9421 Haven Avenue, Rancho Cucamonga, CA 91730, Attention: CEO/CFO (spontell@nationalcore.org/mfinn@nationalcore.org), with a copy to National Community Renaissance of California, 9421 Haven Avenue, Rancho Cucamonga, CA 91730, Attention: General Counsel (rdiaz@nationalcore.org).
- (24) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
 - (25) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
 - (26) This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit the COUNTY and its successors and assigns.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURES ON FOLLOWING PAGE]

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

BORROWER:

TRUSTOR:

National Community Renaissance of California
National Community Renaissance of California
National Community Renaissance of California
a California nonprofit public benefit corporation

By: _____ By: form - do not sign
Michael F. Miller, Chief Financial Officer

Date: _____
Date: _____

EXHIBIT “D”

RESERVED.

EXHIBIT E

Prohibition Against Conflicts of Interest

Policy Manual, I.D. # A-11

TOPIC: CONFLICT OF INTEREST CODE
RIVERSIDE COUNTY
Housing & Workforce Solutions
DATE: MARCH 1999

This Conflict of Interest Code is written to comply with Federal Regulations (2 C.F.R. § 200.318(c) and 2 C.F.R. § 200.112).

- 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

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

Project Name:

Address:

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, Alicia Jaimes at 951.955.0783.

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

EXHIBIT “G”

Covenant Agreement

NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

Order No.
Escrow No.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDERS USE

**COVENANT AGREEMENT
(Corona Del Rey Apartments)**

This Covenant Agreement (Corona Del Rey Apartments) (“Covenant”) is made and entered into as of the day of _____, 2023 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State of California (“COUNTY”), and NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, a California nonprofit public benefit corporation (“OWNER”).

RECITALS

WHEREAS, OWNER owns that certain real property located on located on D Street, Magdalena Circle and Isabella Way in the City of Corona also identified as APNs 118-183-034, 118-183-035, 118-183-036, 118-183-037, 118-183-038, 118-183-039, 118-183-040, 118-183-041, 118-183-042, 118-183-043, 118-183-049-1, 118-183-051-2, 118-183-053-4, 118-171-019, 118-171-020, 118-171-021, 118-171-022, 118-171-023, 118-171-024, 118-171-025, 118-171-026, 118-171-027, 118-171-028, 118-171-029, 118-171-030, 118-171-031, 118-171-032, 118-171-033, 118-171-034, 118-171-035, 118-171-036, 118-171-037, 118-171-038, 118-171-039, 118-171-040, 118-171-041, 118-171-042, 118-171-043, 118-171-044, 118-171-045, 118-171-046, 118-171-054, 118-171-055 and 118-171-056 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 ARPA Funds dated _____ and recorded in the Official Records of the County of Riverside (“Official Records”) concurrently herewith (the “Loan Agreement” or “Agreement”) which provides for, among other things, the rehabilitation of the Property, also known as “Corona Del Rey Apartments,” a multi-family affordable housing project consisting of one hundred sixty (160) rental housing units, including two (2) which shall be designated as a managers unit, of which (i) thirty (30) units of which shall be rented to and occupied by Qualified Very Low Income Households (as defined below), and (ii) thirty one (31) units of which shall be rented to and occupied by Qualified Low Income Households (as defined below) ((i) and (ii) collectively, “ARPA-Assisted Units”) (collectively the “Project”). Capitalized terms not defined herein shall have the meaning ascribed to them in the Loan Agreement;

WHEREAS, the County is providing funding under the American Rescue Plan Act of 2021 (Title VI of the Social Security Act Section 602 et seq.) (the “Act”) and the implementing regulations (31 CFR Part 35) and rules (4338 Fed. Reg. 87 18) thereto (collectively, “ARPA”), for the purposes of addressing housing insecurity and lack of affordable housing;

WHEREAS, pursuant to the Loan Agreement, COUNTY loaned to OWNER \$5,000,000 derived from ARPA funds (“Loan”), to pay a portion of the costs to develop and rehabilitate the Project, as more fully described in the Loan Agreement. The Loan is evidenced by a Promissory Note executed by OWNER, in favor of COUNTY dated on or about the date hereof (“Loan Note”) and secured by that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing executed by OWNER, for the benefit of COUNTY and recorded in the Official Records concurrently herewith (“Deed of Trust”); and

WHEREAS, COUNTY is providing funding under ARPA for the purposes of assisting low-income households and individuals disproportionately impacted by the COVID-19 pandemic through the development, repair and operation of affordable housing and services or programs to increase long-term housing security; and

WHEREAS, OWNER warrants that the use of funds complies with an Eligible Use of

ARPA;

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

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

1) RESTRICTIONS. The recitals set forth above are true and correct and incorporated herein. This Covenant shall continue in full force and effect for fifty-five (55) years from the recordation of the Covenant Agreement for the last building for which construction is completed for the Project on the Property (“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 (30) rental units within the Project shall be restricted as ARPA-Assisted -Units rented to and occupied by qualified very low income households whose incomes do not exceed 50% of the area median income for the County of Riverside as determined by HUD (“Qualified Very Low Income Households”), and thirty one (31) rental units shall be restricted as ARPA-Assisted-Units rented to and occupied by qualified low income households whose incomes do not exceed 60% of the area median income for the County of Riverside as determined by HUD (“Qualified Low Income Households”) (collectively “ARPA-Assisted Units”). The ARPA-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 ARPA-Assisted Units remains the same throughout the Affordability Period and the substituted ARPA-Assisted Unit is comparable in terms of size, features, and number of bedrooms to the originally designates ARPA -Assisted Unit;

b) ARPA-Assisted Units shall be rented to and occupied by Qualified Very Low Income Households or Qualified Low Income 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 Qualified Very Low Income Households shall be the product of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit. COUNTY shall review and approve proposed rents to the extent required under this section. Affordable rents including utility allowance for Qualified Low Income Households, shall be the product of 30 percent times 60 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. OWNER shall ensure the ARPA-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: Owners are required to complete initial Utility Allowance (UA) calculations and submit their calculations for review and approval to the County prior to implementation, annually by June 1st. The following methods below are acceptable methodologies for calculating UA’s:

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

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

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

2) SENIOR PRIORITY. [TO BE UPDATED UPON CONFIRMATION OF FINAL LIEN ORDER] Notwithstanding anything to the contrary contained in the Loan Agreement, including any of its attachments, this Covenant Agreement shall be in the seventh priority lien position as follows: (1) Amended and Restated Affordable Housing Agreement by and among the City, City Housing Authority and BORROWER in connection with a former Redevelopment Agency loan in the original principal amount of \$1,200,000, approximately \$1,200,000 in accrued interest on that former Redevelopment Agency loan, and State Budget Appropriation Loan in the new principal amount of new \$5,500,000 (the “Amended and Restated Affordable Housing Agreement; (2)) Amended and Restated Regulatory Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the “City Amended and Restated Regulatory Agreement”); (3) Amended and Restated Operating and Maintenance Agreement by and among the City, City Housing Authority and BORROWER in connection with the Amended and Restated Affordable Housing Agreement (the “City Amended and Restated Operating and Maintenance Agreement”); (4) Amended and Restated Deed of Trust securing a loan for the benefit of the City and City Housing Authority in the principal amount of approximately \$7,900,000 (the “City Amended and Restated Deed of Trust”); (5) HOME Deed of Trust between the County of Riverside and BORROWER in connection with the County HOME Loan in the original principal amount of \$275,000 (the “County HOME DOT”); (6) HOME Covenant Agreement between COUNTY and BORROWER in connection with the HOME Loan; (7) ARPA Covenant Agreement between COUNTY and BORROWER in connection with the ARPA Loan; (8) a deed of trust securing a loan for the benefit of Southern California Housing Development Corporation of the Inland Empire

(“SCHDCIE”) in the new principal amount up to \$7,450,000 (the “Construction Loan”); (9) ARPA Deed of Trust securing the ARPA Loan for the benefit of COUNTY in the principal amount up to \$5,000,000; (10) a deed of trust securing a sponsor loan for the benefit of NCRC in the principal amount up to \$2,500,000 (the “Sponsor Loan”).

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 Coronavirus State and Local Fiscal Recovery Funds (“SLFRF” or “ARPA Funds”);
- b) Other Federal requirements and nondiscrimination. As set forth in the ARPA Rules and the Loan Agreement.

4) TENANT PROTECTIONS. OWNER shall provide protection to the tenants of the COUNTY ARPA-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."

5) MAINTENANCE OF THE IMPROVEMENTS. OWNER, on behalf of itself and its successors, assigns, and each successor in interest to the Property and Project or any part thereof hereby covenants to and shall protect, maintain, and preserve the Property in compliance with all applicable federal and state law and regulations and local ordinances. In addition, OWNER, its successors and assigns, shall maintain the improvements on the Property in the same aesthetic and

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

6) 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.

7) 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.

- (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 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.
- (2) 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.
- (3) 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.

- (4) 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 retentions or self-insured programs shall not be construed as contributory.
- (5) 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.

- (6) OWNER shall pass down the insurance obligations contained herein to all tiers of subcontractors.
- (7) 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.
- 8) HOLD HARMLESS/INDEMNIFICATION. OWNER shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability whatsoever, based or asserted upon any services of OWNER, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of OWNER, its officers, employees, subcontractors, agents or representatives Indemnitors from this Agreement, except in the event of the gross negligence or willful misconduct of the Indemnities; provided however, any gross negligence or willful misconduct of the Indemnitees will only affect OWNER's duty to indemnify for the specific act found to be gross negligence or willful misconduct, and will not preclude a duty to indemnify for any act or omission of OWNER. OWNER shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions. With respect to any action or claim subject to indemnification herein by OWNER shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes OWNER's indemnification to

Indemnitees as set forth herein. OWNER's obligation hereunder shall be satisfied when OWNER has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved. The specified insurance limits required in this Agreement shall in no way limit or circumscribe OWNER's obligations to indemnify and hold harmless the Indemnitees herein from third party claims. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve OWNER from indemnifying the Indemnitees to the fullest extent allowed by law. The indemnification set forth in this paragraph 14 shall survive the expiration and earlier termination of this Covenant.

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

COUNTY
Director, Riverside County
Housing and Workforce
Solutions
3404 10th Street Suite 300
Riverside, CA 92501
Attn: Heidi Marshall

OWNER
National Community Renaissance
of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attention: CEO/CFO
Email: spontell@nationalcore.org
mfinn@nationalcore.org

and:

National Community Renaissance
of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attention: General Counsel
Email: rdiaz@nationalcore.org

- 10) 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.
- 11) TERM. The non-discrimination covenants, conditions and restrictions contained in **Section 6** of this Covenant shall remain in effect in perpetuity. Every other covenant, condition and restriction contained in this Covenant shall continue in full force and effect for the Term, as defined in **Section 1** of this Covenant.
- 12) NOTICE AND CURE. Prior to exercising any remedies hereunder, the COUNTY shall give OWNER notice of such default pursuant to **Section 9** above. Any monetary default shall be cured within 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 sixty (60) days from delivery of such notice of default, subject to force majeure (including government restrictions, pandemics, and acts of God). COUNTY, upon providing OWNER with any notice of default under this Covenant, shall, within a reasonable time, provide a copy of such default notice to a Permitted Lender who has given written notice to COUNTY of its interest in the Property and Project. From and after such notice has been delivered to a Permitted Lender and the Owner's limited partner, such Permitted Lender shall have the same period for remedying the default complained of as the cure period provided to OWNER pursuant to this **Section 12**.

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 12**, 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.

13) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY.

OWNER hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the Project, the Property or any portion thereof, without obtaining the prior written consent of COUNTY, 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 Loan Agreement and this Covenant, provided, however OWNER shall not be released of all obligations under the Loan Agreement and this Covenant.

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

15) 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

16) 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.

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

18) 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.

19) PROJECT MONITORING AND EVALUATION.

a) Tenant Checklist. OWNER shall submit a Tenant Checklist Form to COUNTY, as shown in **Exhibit F** of the Loan Agreement, which form may be revised by COUNTY, summarizing the racial/ethnic composition, number and percentage of very low-income households who are tenants of the ARPA-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 ARPA, including the submission of Tenant Checklist Form. Except as otherwise provided for in this Covenant and in the Loan Agreement, OWNER shall maintain and submit records to COUNTY within ten (10) business days of COUNTY's request which clearly documents OWNER's performance under each requirement of ARPA.

b) Inspections. During the Affordability Period, COUNTY must perform on-site inspections of ARPA-Assisted Units to determine compliance with the property standards required by ARPA. The on-site inspections shall occur within 12 months after the effective date of this Covenant Agreement 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, a follow-up on-site inspection to verify that deficiencies are corrected may occur within 12 months. COUNTY must establish a list of non-hazardous deficiencies for which correction can be verified by third party documentation (e.g., paid invoice for work order) rather than re-inspection. Health and safety deficiencies must be corrected immediately. COUNTY must adopt a more frequent inspection schedule for properties that have been found to have health and safety deficiencies. OWNER must annually certify to the COUNTY that each building and all ARPA 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.

11) ACCESS TO PROJECT SITE. Representatives of the COUNTY 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 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.

12) 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.

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

14) 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]

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENTS>

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 1 THROUGH 41 INCLUSIVE OF [TRACT NO. 2687](#), IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 48, PAGES 65 AND 66 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM PORTIONS LOTS 40 AND 41 HEREIN, AS CONVEYED TO RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT BY GRANT DEED RECORDED FEBRUARY 16, 1993 AS [INSTRUMENT NO. 57453 OFFICIAL RECORDS](#).

ALSO EXCEPTING THEREFROM THOSE PORTIONS OF SAID LAND ACQUIRED BY THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION BEING DESCRIBED AND DELINEATED AS CALTRANS PARCEL NO. 221891 AND CALTRANS PARCEL NO. 221901 IN THE FINAL ORDER OF CONDEMNATION RECORDED SEPTEMBER 25, 2017 AS [INSTRUMENT NO. 20170396392 OFFICIAL RECORDS](#).

TOGETHER WITH PORTIONS GARFIELD AVENUE, GRANT AVENUE, "C" STREET AND THE ADJACENT ALLEYS OFF OF "D" STREET LOCATED SOUTH OF STATE ROUTE 91 AND WEST OF LINCOLN AVENUE, BEING PORTIONS OF LETTERED LOTS B THROUGH J INCLUSIVE OF SAID [TRACT NO. 2687](#), AS VACATED BY RESOLUTION NO. 97-43 RECORDED JUNE 24, 1997 AS [INSTRUMENT NO. 222392 OFFICIAL RECORDS](#).

APN(s): [118-183-034](#) THROUGH [118-183-043](#), INCLUSIVE; [118-183-049](#); [118-183-051](#); [118-183-053](#); [118-171-019](#) THROUGH [118-171-024](#), INCLUSIVE, [118-171-027](#) THROUGH [118-171-038](#), INCLUSIVE AND [118-171-040](#) THROUGH [118-171-046](#), INCLUSIVE, AND [118-171-054](#) THROUGH [118-171-056](#), INCLUSIVE.

EXHIBIT “B”

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 Solutions
3403 Tenth Street, Suite 300
Riverside, CA 92501
Attn: Alicia Jaimes

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 _____, 2023 and recorded concurrently herewith in the Official Records of the County of Riverside, California, executed by NATIONAL COMMUNITY RENAISSANCE OF CALIFORNIA, a California nonprofit public benefit corporation, as Trustor in which Citizens Business Bank, a national banking association is named as Beneficiary, and Fidelity National Title Company as Trustee, and describing land referred to in this Report is situated in the County of Riverside, City of Corona, State of California, and is described as follows:

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

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 1 THROUGH 41 INCLUSIVE OF **TRACT NO. 2687**, IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN **BOOK 48, PAGES 65 AND 66 OF MAPS**, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM PORTIONS LOTS 40 AND 41 HEREIN, AS CONVEYED TO RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT BY GRANT DEED RECORDED FEBRUARY 16, 1993 AS **INSTRUMENT NO. 57453 OFFICIAL RECORDS**.

ALSO EXCEPTING THEREFROM THOSE PORTIONS OF SAID LAND ACQUIRED BY THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION BEING DESCRIBED AND DELINEATED AS CALTRANS PARCEL NO. 221891 AND CALTRANS PARCEL NO. 221901 IN THE FINAL ORDER OF CONDEMNATION RECORDED SEPTEMBER 25, 2017 AS **INSTRUMENT NO. 20170396392 OFFICIAL RECORDS**.

TOGETHER WITH PORTIONS GARFIELD AVENUE, GRANT AVENUE, "C" STREET AND THE ADJACENT ALLEYS OFF OF "D" STREET LOCATED SOUTH OF STATE ROUTE 91 AND WEST OF LINCOLN AVENUE, BEING PORTIONS OF LETTERED LOTS B THROUGH J INCLUSIVE OF SAID **TRACT NO. 2687**, AS VACATED BY RESOLUTION NO. 97-43 RECORDED JUNE 24, 1997 AS **INSTRUMENT NO. 222392 OFFICIAL RECORDS**.

APN(s): **118-183-034 THROUGH 118-183-043, INCLUSIVE; 118-183-049; 118-183-051; 118-183-053; 118-171-019 THROUGH 118-171-024, INCLUSIVE, 118-171-027 THROUGH 118-171-038, INCLUSIVE AND 118-171-040 THROUGH 118-171-046, INCLUSIVE, AND 118-171-054 THROUGH 118-171-056, INCLUSIVE.**

All notices to be mailed to:

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

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

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

RIVERSIDE COUNTY
HOUSING, and WORKFORCE SOLUTIONS

Michael F. Walsh, Deputy Director

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 ARPA 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

SCHEDULE A
Housing and Workforce Solutions
Budget Adjustment
Fiscal Year 2022/2023
Corona Del Rey Apartments – ARPA Funds

Increase in Appropriations:

21735-5501000000-525500	Salary Reimbursement	\$	50,000
21735-5501000000-536200	Contrib. To Non-County Agency	\$	5,000,000

Increase in Estimated Revenues:

21735-5501000000-763520	Fed-American Rescue Plan Act	\$	5,050,000
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Riverside County Board of Supervisors Request to Speak

Submit request to Clerk of Board (right of podium), Speakers are entitled to three (3) minutes, subject to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: Jacki McCreary

Address: 17865 Gardner Ln

City: Riverside Zip: 92504

Phone #: 951-237-2077

Date: 6-27-23 Agenda # 3141

PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

 Support Oppose Neutral

Note: If you are here for an agenda item that is filed for "Appeal", please state separately your position on the appeal below:

 Support Oppose Neutral

I give my 3 minutes to: _____

BOARD RULES

Requests to Address Board on "Agenda" Items:

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

Requests to Address Board on items that are "NOT" on the Agenda/Public Comment:

Notwithstanding any other provisions of these rules, a member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES. Donated time is not permitted during Public Comment.

Power Point Presentations/Printed Material:

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please ensure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

Individual Speaker Limits:

Individual speakers are limited to a maximum of three (3) minutes. Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin to flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. ***Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.***

Group/Organized Presentations:

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chairman's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the bottom of the form.

Addressing the Board & Acknowledgement by Chairman:

The Chairman will determine what order the speakers will address the Board, and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles in order to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the general public and/or meeting participants. Such behavior, at the discretion of the Board Chairman, may result in removal from the Board Chambers by Sheriff Deputies.