

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



ITEM: 3.11
(ID # 17503)

MEETING DATE:

Tuesday, April 12, 2022

FROM : HOUSING AND WORKFORCE SOLUTIONS:

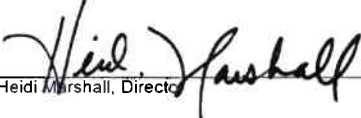
SUBJECT: HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Form of the Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds and Authorize the Director of HWS to Execute an ARPA Loan Agreement, Covenant Agreement and Subsequent Subordination Agreement with Sigma Beta Xi Inc. for the Moreno Valley Youth Village Permanent Supportive Housing Community Development Project; District 5. [\$3,914,633 – 100% Federal ARPA Funds] (4/5 Vote Required)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the Projects are exempt from California Environmental Quality Act (CEQA) pursuant to California Health and Safety Code Section 15061 (b)(3);
2. Approve the attached forms of the Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds including all attachments thereto (ARPA Loan Agreement), the ARPA Loan Deed of Trust, Security Agreement and Fixture Filing, the ARPA Loan Promissory Note, and the ARPA Covenant Agreement providing a loan derived from the ARPA Allocation to pay construction, development and renovation costs to existing single family residences and buildings for the Moreno Valley Youth Village project for Transition Age Youth (TAY) and Families with Children in the City of Moreno Valley Permanent Supportive Housing Community Development Project;

Continued on page 2

ACTION:Policy, 4/5 Vote Required

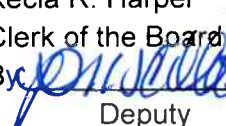

Heidi Marshall, Director 3/18/2022


Cynthia M. Gurnel, Chief Deputy County Counsel 3/29/2022

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: April 12, 2022
xc: HWS

Kecia R. Harper
Clerk of the Board
By 
Deputy

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RECOMMENDED MOTION: That the Board of Supervisors:

3. Authorize the Director of the Housing and Workforce Solutions (HWS), or designee, to execute a loan agreement and covenant agreement with Sigma Beta Xi Inc., substantially conforming in form and substance to the attached ARPA Loan Agreement and ARPA Covenant Agreement, to provide a loan in the total amount of \$3,914,633 with the term commencing upon signature of the parties and terminating the later of May 1, 2077 or fifty-five (55) years from the recordation of the Covenant Agreement, subject to approval as to form by County Counsel;
4. Authorize the Director of the HWS, or designee, to take all necessary steps to implement the loan agreement and covenant agreement with Sigma Beta Xi Inc., including but not limited to, negotiating, approving, and signing subsequent necessary and relevant documents, and to exercise the options of the agreements that conform to the intent of the agreements, subject to availability of fiscal funds and as approved as to form by County Counsel;
5. Approve and direct the Auditor-Controller to make the budget adjustment as detailed in the attached Schedule A; and
6. Direct staff to file the Notice of Exemption within five days of approval by the Board.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$3,000,000	\$ 914,633	\$3,914,633	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: American Rescue Plan Act (ARPA) Funds (100%)			Budget Adjustment:	Yes
			For Fiscal Year:	
			2021/2022 – 2022/2023	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Sigma Beta Xi Inc., a domestic nonprofit corporation (“Developer” or “SBX”), is proposing to acquire property to provide a Permanent Supportive Housing (PSH) community development with all available dwelling units dedicated to serving Transition Age Youth (TAY), and Families with Children who are homeless or at risk of homelessness and impacted by COVID-19 through the provision of housing, youth-focused mentorship, vocational training, and other community activities, and space to provide comprehensive support.

Sigma Beta Xi Inc. proposes to utilize \$3,914,633.00 in American Rescue Plan Act (ARPA) Funds to pay the cost to acquire a 3.79-acre property comprised of five (5) contiguous parcels to convert into a permanent supportive housing development for transition age youth, foster care youth transitioning out of foster care, and families with children known as the Moreno Valley Youth Village (“Project”) located at 16675, 16659, and 16641 Perris Blvd., in the City of Moreno Valley, Riverside County, CA 92553 (“Property”). Developer proposes to use ARPA

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funds for the purpose of acquiring the Property, and financing the conversion of two (2) existing single family homes on the Property into eight (8) Single Room Occupancy (“SRO”) units; the conversion of a third existing 4-bedroom single family home located on the Property into space for resident services for the tenants; if allowed by the service provider, four (4) additional SROs will be made available to qualified target population at this site; an accessory dwelling unit (“ADU”) will be constructed on the Property for an onsite manager; and an existing metal shed on the Property will be converted into a youth technology lab (Projects).

The single-family home located at 16675 Perris Blvd. will offer four (4) SRO units restricted as ARPA-assisted units for occupancy by homeless, at-risk of homelessness Transition Age Youth (TAY), foster care youth transitioning out of foster care whose incomes are at or below 30% of the area median income for the County of Riverside. The single-family home located at 16659 Perris Blvd. will offer four (4) SRO units restricted as ARPA-assisted units for occupancy by families with children whose incomes are at or below 30% of the area median income for the County of Riverside. The single family home located at 16641 Perris Blvd. will offer four (4) SRO units which will be made available to TAY, foster care youth transitioning out of foster care at or below 30% of the area median income for Riverside County, if the service provider allows the rooms to be occupied because this property will also be used for wrap around supportive services for the residents. The Project will take a whole-person approach to provide supportive services to stabilize the tenants. Supportive services include mental health services, substance use counseling, pre-apprenticeship employment training, soft skills employment training, and case management services for system navigation.

The use and occupancy of the ARPA-assisted units will be restricted until the later to occur of (i) July 1, 2077, or (ii) 55 years from the recordation of the Covenant Agreement. The aforementioned use and occupancy restrictions will be set forth in a recorded ARPA Covenant Agreement (see attached).

All units will have individual bathrooms, living space area, and kitchens. Each kitchen will include a sink, refrigerator, storage, and range/oven combination. Other features include refinished cabinets, laundry appliance, patio, home and site security system, as well as on-site office for residential staff serving as TAY Operator. On-site services include housing and social services coordination, youth-focused mentorship, vocational training and overall comprehensive support. The technology center will be available to the youth in the community to utilize as well as residents. Job training services will include pre-apprenticeship programs and soft skills development to promote self-sufficiency.

Scope of work more specifically described as below.

Parcel 1 – APN 316110027 – 0.46 acres – 16641 Perris Blvd.
Existing four-bedroom single family residence with pool and outbuildings in the rear. The residence will be renovated (non-structural) to upgrade finishes, exterior envelope, site landscaping, and mechanical, electric, and plumbing (MEP) equipment, fixtures, and systems to

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provide minimum 15 year usable life. Rear yard pool and pool building facility may be separated from residence with secure fencing for community use by all clients and SBX activities. General landscaping improvements including shade trees and other plantings.

Parcel 2 – APN 316110026 – 0.46 acres – 16659 Perris Blvd.

Existing four-bedroom single family residence with outbuildings in the rear. The residence will be renovated (non-structural) to upgrade finishes, exterior envelope, site landscaping, and MEP equipment, fixtures, and systems to provide minimum 15 year usable life. Landscaping improvements will be completed to convert existing tractor repair yard into a typical residential landscaping project, with turf, outdoor seating, shade trees, and fencing improvements to clearly delineate between community access areas adjacent to rear parcel, and residential area to be part of master site lease to TAY operator.

Parcel 3 – APN 316110028 – 0.46 acres – 16675 Perris Blvd.

Existing four-bedroom single family residence with outbuildings in the rear. The residence will be renovated (non-structural) to upgrade finishes, exterior envelope, site landscaping, and MEP equipment, fixtures, and systems to provide minimum 15 year usable life. Front and rear yard landscaping improvements to provide typical residential landscaping project with turf, outdoor seating, shade trees, and fencing improvements for privacy and clear delineation between primary home, ADU, and community access areas adjacent to rear parcel. New construction and development of one 3-bedroom and 2-bathroom Accessory Dwelling Unit (ADU) to serve as on-site residence for PSH operator on rear of lot. New construction improvements are described as, manufactured home with permanent slab on grad foundation at rear of Parcel 3; Off-site work to extend sewer to ADU; upgrades to existing water/electrical systems to new ADU

Parcel 4 – APN 316110025 – 0.34 acres – Entry Drive Aisle south of 16675

Secure gated entrance and security booth near Perris Blvd entry aisle. Minor landscaping improvements and hardscape repairs. All access to the SBX-controlled facilities will be through the Parcel 4 access road to the rear parcel, and all SBX activities will be separated from TAY operator affordable housing facilities with clear fences, gates, and controlled access.

Parcel 5 – APN 316110010 – 2.07 acres – West of 16641/16659/16675 Perris Blvd.

Renovations to existing metal shop buildings to build-out youth technology lab educational facility and SBX administrative offices, and associated parking and site improvements. Demolition and removal of existing single wide trailer in disrepair, removal of detritus and any other outbuildings, facilities, or materials remaining on site. Landscaping improvements for park-like atmosphere to serve SBX and TAY operated facilities and clients.

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 Rents for the benefit of the County (ARPA Loan Deed of Trust). The proposed ARPA Loan Deed of Trust and ARPA Loan Note are exhibits to the Loan Agreement attached hereto. The County ARPA

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funds will be provided in the form of a deferred loan, no payments will be made and forgiven after 55 years if Moreno Valley Youth Village remains in compliance with the County ARPA Loan and Covenant Agreement.

On October 19, 2021, the Board of Supervisors allocated \$50,000,000 for the purpose of addressing homelessness through development of affordable housing and providing shelter. The \$50,000,000 allocated by the Board will be further divided into five \$10,000,000 investments to each Supervisorial District. The funding allocated by the Board was funding the County expects to receive as part of the American Rescue Plan Act of 2021 (Pub. L 117-2). These funds are to focus on projects and/or programs that serve as a pathway to transition into permanent housing with the necessary supporting infrastructure. The allowable uses of ARPA funds include increasing transitional housing.

Project timeline is planned for a 9-month renovation, development and construction duration, tentatively commencing in Summer 2022 through Winter/Spring 2023.

The total development cost for the Proposed Project is estimated to be \$3,914,633 which will be funded solely by the ARPA Loan. The County Covenant Agreement will be recorded on the Property to preserve affordability of the Proposed Project for 55 years. The terms of the proposed ARPA Loan and obligations of the Developer are memorialized in the proposed Loan Agreement for the Use of ARPA Funds, including all exhibits, attached hereto (ARPA Loan Agreement).

Pursuant to the California Environmental Quality Act (CEQA), the American Rescue Plan Act (ARPA) funding for the Proposed Project have been adequately analyzed and determined to be categorically exempt from CEQA under State CEQA Guideline 15061(b)(3), General Rule or "Common Sense" Exemption. There is no possibility that the allocation of ARPA funds will have a significant effect on the environment because it will only have financial effects and will not lead to any direct or reasonably indirect physical environmental impacts. A Notice of Exemption will be filed with the County Clerk upon approval of the resolutions.

County Counsel has reviewed and approved as to form the attached forms of the Loan Agreement for the Use of ARPA Funds, ARPA Loan Deed of Trust, ARPA Loan Promissory Note, and ARPA Covenant Agreement. Staff recommends that the Board approve the 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 renovation of the property at 16675, 16659, and 16647 Perris Blvd., will have a positive impact on residents and businesses as it will provide needed affordable housing to homeless, at-risk of homelessness, and chronically homeless individuals. The Project is also expected to create jobs in construction, property maintenance and property management.

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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.

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
- Notice of Exemption (NOE)



Heydee Koury, Sr Accountant - Auditor 3/31/2022



Eriqania Lontajo, Principal Management Analyst 4/6/2022

1 NO FEE FOR RECORDING PURSUANT

2 TO GOVERNMENT CODE SECTION 6103

3 Order No.

4 Escrow No.

5 Loan No.

COPY

6 RECORDING REQUESTED BY AND
7 WHEN RECORDED MAIL TO:

8 County of Riverside

9 Housing and Workforce Solutions

10 3403 10th Street, Suite 300

11 Riverside, CA 92501

12 Attn: Juan Garcia

13 SPACE ABOVE THIS LINE FOR RECORDER'S USE

14 LOAN AGREEMENT FOR THE USE OF
15 AMERICAN RESCUE PLAN ACT (ARPA) FUNDS

16 This LOAN AGREEMENT FOR THE USE OF AMERICAN RESCUE PLAN ACT FUNDS
17 (“**Agreement**”) is made and entered into this 20th day of April 2022 by and between the
18 COUNTY OF RIVERSIDE, a political subdivision of the State of California (“**COUNTY**”) and
19 SIGMA BETA XI INC., a California public benefit corporation (“**BORROWER**”). COUNTY
20 and BORROWER may be individually referred to herein as a “**Party**” and collectively as the
21 “**Parties.**” This Agreement, for the use of funding under the American Rescue Plan Act of 2021
22 (Title VI of the Social Security Act Section 602 et seq.), hereinafter “**ARPA,**” or “**Act**” is made
23 and entered into as of the Effective Date (defined herein).

24 WITNESSETH:

25 WHEREAS, on March 11, 2021, the Act was signed into law which established the
26 Coronavirus State and Local Fiscal Recover Funds (“SLFRF” or “ARPA Funds”); and

27 WHEREAS, on January 6, 2022, the U.S. Department of Treasury (“U.S. Treasury”)
28 adopted a final rule implementing SLFRF which take effect on April 1, 2022 (“Final Rule”),
however BORROWER may generally take actions and use funds in a manner consistent with
the terms of the Final Rule prior to April 1, 2022, to the extent they are more restrictive than
those in the interim final rule, issued on May 10, 2021; and

1 WHEREAS, ARPA provides that ARPA funds may be used to cover costs that are
2 necessary expenditures incurred due to the public health emergency with respect to the COVID-
3 19 pandemic; and

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

8 WHEREAS funding for development and construction activities described herein complies
9 with APRA-eligible uses, including acquisition of property, renovation of three existing single-
10 family residence, site improvements and landscaping adjacent to existing homes, and future
11 construction of accessory dwelling unit all dedicated to serving TAY ages 14-24, and foster care
12 youth transitioning out of foster care, and families with children who are very low income,
13 homeless or at-risk of homelessness and have been impacted by COVID-19 pursuant to
14 American Rescue Plan Act of 2021; and

15 WHEREAS, BORROWER is proposing to utilize ARPA Funds to pay for the cost to
16 acquire 3.79-acre property comprised of 5 contiguous parcels (the
17 “Property”) and convert into a permanent supportive housing development for transitional age
18 youth, foster care youth transitioning out of foster care, and families with children known as the
19 Moreno Valley Youth Village in the City of Moreno Valley; and

20 WHEREAS, ARPA Funds will more specifically be used for the purpose of acquiring the
21 Property and financing the conversion of two (2) existing single family homes on the Property
22 into eight (8) Single Room Occupancy (“SRO”) units; the conversion of a third existing four (4)
23 bedroom single family home on the Property into space for resident services for the tenants; (if
24 allowed by the service provider) an additional four (4) SROs will be made available to Qualified
25 Population (defined below); an accessory dwelling unit (“ADU”) will be constructed on the
26 Property for an onsite manager; and an existing metal shed on the Property will be converted
27 into a youth technology lab (Project); a total of eight (8) SRO units will be restricted as ARPA-
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1 assisted units for occupancy and rent by transition age youth, foster care youth transitioning out
2 of foster care, and families with children who are homeless, at-risk of homelessness and whose
3 incomes are at or below 30% of the area median income for the County of Riverside (collectively,
4 the “Project”); and

5 WHEREAS, the Project will provide permanent supportive housing for transition age
6 youth, foster care youth transitioning out of foster care, and families with children, including a
7 full suite of support services designed to end individual’s homelessness and youth-focused
8 mentorship, vocational training, community activities and, administrative space to provide
9 comprehensive support; and is located at 16641, 16659, and 16675 Perris Blvd, Moreno Valley,
10 CA 92551, also identified as Assessor’s Parcel Number (“APN”) 316-110-010, 316-110-025,
11 316-110-026, 316-110-027, and 316-110-028 and as further set forth in the legal description
12 attached hereto and incorporated herein as **Exhibit A** (the “**Property**”); and

13 WHEREAS, BORROWER understands and agrees to follow the Act and all relevant
14 provisions of the Final Rule;

15 WHEREAS, the purpose of this Agreement is, among other things, for COUNTY to
16 provide financial assistance to BORROWER in the maximum amount of Three Million Nine
17 Hundred Fourteen Thousand Six Hundred Thirty Three Dollars (\$3,914,633.00) consisting of
18 ARPA Funds, to fund the Project as more fully described herein;

19 WHEREAS, the ARPA-eligible activities described herein comply with the objectives
20 required under the ARPA in that they are necessary to assist populations experiencing housing
21 insecurity as result of impacts due do to the COVID-19 public health emergency.

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

25 1. PURPOSE. The aforementioned Recitals are true and correct and incorporated
26 herein by this reference. COUNTY has agreed to lend up to a maximum total amount of Three
27 Million Nine Hundred Fourteen Thousand Six Hundred Thirty Three Dollars (\$3,914,633.00) in
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1 ARPA Funds (the “**ARPA Loan**”) to BORROWER upon the satisfaction of the terms and
2 conditions set forth herein, including but not limited to the conditions precedent to distribution
3 of the ARPA Loan set forth in **Section 11** below. Subject also to **Sections 48** below,
4 BORROWER shall undertake and complete the ARPA eligible activities required herein and as
5 set forth in **Exhibits A and A-1**, and shall utilize the ARPA Loan, as required herein and
6 pursuant to the Final Rule that become effective April 1, 2022. Moreno Valley Youth Village
7 will serve foster care youth transitioning out of foster care, and families with children that are
8 experiencing homelessness, at risk of homelessness, or experiencing housing insecurity
9 (“**Qualified Population(s)**”).

10 2. **BORROWER’S OBLIGATIONS.** Upon the commencement of the Effective Date
11 (defined in **Section 55** below), BORROWER hereby agrees to undertake and complete the
12 following activities within the time period(s) set forth herein and in **Exhibit A-1**:

- 13 a. Satisfy the conditions precedent to distribution of the ARPA Loan set forth in
14 **Section 11** below.
- 15 b. Fund the Project in accordance with the timeline set forth in **Exhibit A and A-**
16 **1**.
- 17 c. Operate the Project in such a manner so that it will remain available to
18 Qualified Populations for the Affordability Period as defined in **Section 14**
19 below without regard to (i) the term of the promissory note or (ii) transfer of
20 ownership.
- 21 d. Maintain the Project in compliance with applicable local, state, federal laws,
22 codes and regulations as further described in **Section 17** below until the
23 expiration of the Term of this Agreement set forth in **Section 6** below, and the
24 Affordability Period set forth in **Section 14** below.

25 3. **RESERVED.**

26 4. **ARPA LOAN.** Subject to BORROWER’s satisfaction of the conditions precedent
27 to disbursement of the ARPA Loan set forth in **Section 11** below, COUNTY shall provide
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1 financing to BORROWER in the form of a loan in the amount of \$3,914,633.00 (“**ARPA**
2 **Loan**”), pursuant to the following terms and conditions:

- 3 a. Term of ARPA Loan. The maturity date of the ARPA Loan shall be the later
4 to occur of (i) July 1, 2077 or (ii) fifty-five (55) years from the recordation of
5 the Covenant Agreement in the Official Records for the Project (the “**ARPA**
6 **Loan Term**”). The term, “**Official Records**” used herein shall mean the
7 Official Records of the Recorder’s Office of the County of Riverside.
- 8 b. Principal. The total amount of the ARPA Loan shall not exceed
9 \$3,914,633.00, and shall be evidenced by a Promissory Note, substantially
10 conforming in form and substance to the Promissory Note attached hereto and
11 incorporated herein as **Exhibit C** (the “**ARPA Note**”), which note shall be
12 secured by a Deed of Trust, Security Agreement and Fixture Filing (with
13 Assignment of Rents), substantially conforming in form and substance to the
14 Deed of Trust, Security Agreement and Fixture Filing (with Assignment of
15 Rents) attached hereto and incorporated herein as **Exhibit B** (the “**ARPA Deed**
16 **of Trust**”).
- 17 c. Interest. The interest rate shall be zero percent (0%) simple interest per annum.
- 18 d. Repayment. The terms of the ARPA Note shall be as follows:
- 19 i. That the ARPA Loan will accrue simple interest at a rate of zero
20 percent (0%) per annum, as more specifically set forth in the ARPA
21 Note.
- 22 ii. The ARPA Note shall be deferred and forgiven at the end of the Term
23 of the Agreement if BORROWER has complied with the terms of the
24 ARPA Loan.
- 25 iii. Security. The Covenant Agreement, ARPA Deed of Trust and this
26 Agreement shall be respectively in a first, second and third lien priority
27 position for the benefit of COUNTY, securing a loan in the amount of
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1 \$3,914,633.00 (the “**ARPA Loan**”).

2 e. Prepayment. Prepayment of principal and/or interest under the ARPA Note
3 may occur at any time without penalty; provided, however (i) the requirements
4 of **Section 17**, “Compliance with Laws and Regulations”, shall remain in full
5 force and effect for the term of the Agreement specified in **Section 6** below;
6 and (ii) the affordability requirements set forth in the Covenant Agreement,
7 attached hereto as **Exhibit F**, shall remain in effect until the expiration of the
8 Affordability Period.

9 5. PRIOR COUNTY APPROVAL.

10 a. Except as otherwise expressly provided in this Agreement, approvals required
11 of COUNTY shall be deemed granted by the written approval of the Director
12 of Housing and Workforce Solutions (“**HWS**”), or designee. Notwithstanding
13 the foregoing, the Director may, in their sole discretion, refer to the governing
14 body of the COUNTY any item requiring COUNTY approval; otherwise,
15 “COUNTY approval” means and refers to approval by the Director of HWS,
16 or designee.

17 b. The Director of HWS, or designee, shall have the right to make changes to the
18 attachments to this Agreement in order to ensure that all such attachments are
19 consistent with the terms and provisions of this Agreement.

20 6. TERM OF AGREEMENT. This Agreement shall become effective upon the
21 Effective Date, as defined in **Section 55** below, and unless terminated earlier pursuant to the
22 terms hereof, shall continue in full force and effect until the later to occur of (i) May 1, 2077 or
23 (ii) fifty-five (55) years from recordation of the Covenant Agreement in the Official Records for
24 the Project (the “**Term of Agreement**”).

25 7. BORROWER’S REPRESENTATIONS. BORROWER represents and warrants
26 to COUNTY as follows:

27 a. Authority. BORROWER has full right, power and lawful authority to enter
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1 into this Agreement and accept the ARPA Loan and undertake all obligations
2 as provided herein. The execution, performance, and delivery of this
3 Agreement by BORROWER have been fully authorized by all requisite
4 actions on the part of BORROWER.

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

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

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

18 e. Experience and Capacity to Develop and Implement. BORROWER has (1) the
19 experience and the capacity as the developer (including the entity staff and
20 project team) to implement the Project and (2) the fiscal soundness as the
21 developer to meet its financial obligations and risks of the Project.

22 8. COMPLETION SCHEDULE. BORROWER shall proceed consistent with the
23 Implementation Schedule set forth in **Exhibit A-1**, as such schedule may be amended pursuant
24 to **Section 10**, and subject to Force Majeure Delays as defined in **Section 9**.

25 9. FORCE MAJEURE DELAYS. "**Force Majeure**" means event(s) beyond the
26 reasonable control of BORROWER, and which could not have been reasonably anticipated,
27 which prevent(s) BORROWER from complying with any of its obligations under this
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1 Agreement, including, but not limited to: acts of God, acts of war, acts or threats of terrorism,
2 civil disorders, strikes, labor disputes, pandemics such as COVID-19, flood, fire, explosion,
3 earthquake or other similar acts.

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

20 10. EXTENSION OF TIME. COUNTY may grant an extension to the
21 Implementation Schedule set forth in **Exhibit A-1** for the purpose of completing BORROWER's
22 activities which cannot be completed as outlined in **Exhibit A-1**. BORROWER shall request
23 said extension in writing, stating the reasons therefore, which extension must be first approved
24 in writing by the COUNTY in its reasonable discretion. The Director of HWS, or designee, may
25 extend all pending deadlines in the Implementation Schedule on two (2) or fewer occasions, so
26 long as the aggregate duration of such administrative time extensions is no greater than ninety
27
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1 (90) days. Every term, condition, covenant, and requirement of this Agreement shall continue
2 in full force and effect during the period of any such extension.

3 11. CONDITIONS PRECEDENT TO DISTRIBUTION OF ARPA LOAN FUNDS.

4 COUNTY, through its Department of HWS, shall: (1) Disburse ARPA Loan funds directly into
5 escrow for the Project purposes. COUNTY shall not disburse any ARPA Loan funds pursuant
6 to this Agreement until the following conditions precedent have been satisfied:

- 7 a. BORROWER executes this Agreement and delivers to COUNTY for
8 recordation in the Official Records;
- 9 b. BORROWER provides COUNTY with evidence of insurance as required
10 herein;
- 11 c. BORROWER executes the ARPA Deed of Trust, substantially conforming in
12 form and substance to the Deed of Trust, Security Agreement and Fixture
13 Filing (with Assignment of Rents) attached hereto as **Exhibit B**, in recordable
14 form, and delivers such document to the County of Riverside for recordation
15 in the Official Records;
- 16 d. BORROWER executes the ARPA Note, substantially conforming in form and
17 substance to the Promissory Note attached hereto as **Exhibit C** and delivers to
18 COUNTY;
- 19 e. BORROWER executes the Covenant Agreement, substantially conforming in
20 form and substance to the Covenant Agreement attached hereto and
21 incorporated herein as **Exhibit F**, in recordable form, and delivers to the
22 County of Riverside for recordation in the Official Records;
- 23 f. COUNTY executes and records the Requests for Notice of Default,
24 conforming in form and substance to **Exhibit G** attached hereto;
- 25 g. BORROWER provides, at its expense, an American Land Title Association
26 (ALTA) lender's policy in favor of COUNTY, insuring the Covenant
27 Agreement as a first priority lien against the property and the ARPA Deed of
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1 Trust as a second priority lien against the Property, junior only to any later
2 senior liens on the Property, with the exception of the Covenant Agreement;

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

5 i. If Davis Bacon and/or prevailing wages are required to be paid, BORROWER
6 hires a qualified professional firm to review and monitor Davis Bacon and/or
7 prevailing wage compliance for all submissions of contractors certified
8 payrolls to COUNTY. In the event that the Project requires prevailing wages,
9 BORROWER shall comply with, and shall require its contractors and
10 subcontractors performing work on the Project, to pay prevailing wages, use a
11 skilled and trained workforce, and adhere to any applicable labor regulations
12 and all State laws in connection with the construction of the Project, including
13 but not limited to Chapter 1 (commencing with Section 1720) of Part 7 of
14 Division 2 of the Labor Code, and Chapter 2.9 (commencing with Section
15 2600) of Part 1 of Division 2 of the Public Contract Code. BORROWER
16 agrees and acknowledges that it is the responsibility of BORROWER to obtain
17 a legal determination, at BORROWER's sole cost and expense, as to whether
18 prevailing wages must be paid during the construction of the Project. If the
19 Project is subject to prevailing wages, then BORROWER shall be solely
20 responsible to pay its contractors and subcontractors the required prevailing
21 wage rates. BORROWER agrees to indemnify, defend, and hold COUNTY
22 harmless from and against any and all liability arising out of and related to
23 BORROWER's failure to comply with any and all applicable Davis Bacon
24 and/or prevailing wage requirements;

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

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

12 BORROWER agrees to submit the following documentation to COUNTY, 180 days from
13 close of escrow:

- 14 1) Service Plan;
15 2) Management Plan; and
16 3) Funding commitments and sources and uses for the proposed modifications to
17 the existing buildings for the proposed intended use.

18 12. REALLOCATION OF FUNDS. If BORROWER fails to utilize the Project funds
19 by June 1, 2022, then escrow shall be instructed to return the ARPA Loan funds back to the
20 COUNTY after at least ten (10) days’ prior written notice to BORROWER. Upon such
21 reallocation and repayment of funds, this Agreement shall be terminated and be of no further
22 force and effect and BORROWER shall be released and discharged from any obligations
23 hereunder, except as to those obligations which by their terms survive termination of this
24 Agreement.



1 13. DISTRIBUTION OF FUNDS. COUNTY'S Board of Supervisors shall determine
2 the final disbursement and distribution of all funds received by COUNTY under the ARPA.
3 Disbursement of ARPA Funds shall occur upon the satisfactory receipt of copies of invoices for
4 eligible Project costs to be paid with the proceeds of the ARPA Loan. Any disbursement of funds
5 is expressly conditioned upon the satisfaction of conditions set forth in **Section 11.** For
6 acquisition of the Property the COUNTY will only deposit the appraised value of the Property,
7 plus closing costs into escrow upon receipt of escrow instructions and wire.

8 14. TERMS OF AFFORDABILITY. The COUNTY ARPA-Assisted Units shall
9 remain occupied and available to Qualified Populations, pursuant to **Section 18** below, **Exhibit**
10 **A**, and the Covenant Agreement attached hereto as **Exhibit F**, until the later of (i) fifty-five (55)
11 years from the recordation of the Covenant Agreement in the Official Records, or (ii) July 1,
12 2077 (“**Affordability Period**”).

13 15. INSURANCE. Without limiting or diminishing BORROWER’S obligation to
14 indemnify or hold COUNTY harmless, BORROWER or its general contractor for the Project
15 (“**General Contractor**”), shall procure and maintain or cause to be maintained, at its sole cost
16 and expense, the following insurance coverages during the Term of this Agreement.

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

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

24 c. Commercial General Liability Insurance. Borrower shall maintain
25 Commercial General Liability insurance coverage, including but not limited
26 to, premises liability, unmodified contractual liability, products and completed
27 operations liability, personal and advertising injury, and cross liability
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1 coverage, covering claims which may arise from or out of CONTRACTOR'S
2 performance of its obligations hereunder. Policy shall name the COUNTY as
3 Additional Insured. Policy's limit of liability shall not be less than \$2,000,000
4 per occurrence combined single limit. If such insurance contains a general
5 aggregate limit, it shall apply separately to this agreement or be no less than
6 two (2) times the occurrence limit. Policy shall name the COUNTY as
7 Additional Insureds.

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

15 e. General Insurance Provisions – All Lines.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 q. Other Federal requirements and nondiscrimination. As set forth in 24 CFR part
8 5, sub part A, BORROWER is required to include the following requirements:
9 nondiscrimination and equal opportunity under Section 282 of the Act;
10 disclosure; debarred, suspended, or ineligible contractors; and drug-free
11 workplace.

12 r. Affirmative marketing and minority outreach program. BORROWER must
13 adopt affirmative marketing procedures and requirements. These must include:

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

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

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

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

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

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

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

25 (2) Assuring that small and minority businesses, and women's
26 business enterprises are solicited whenever they are potential
27 sources.
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- 1 (3) Dividing total requirements, when economically feasible, into
2 smaller tasks or quantities to permit maximum participation by
3 small and minority business, and women's business enterprises.
4 (4) Establishing delivery schedules, where the requirement
5 permits, which encourage participation by small and minority
6 business, and women's business enterprises.
7 (5) Using the services and assistance of the Small Business
8 Administration, and the Minority Business Development
9 Agency of the Department of Commerce.
10 (6) Requiring the prime contractor, if subcontracts are to be let, to
11 take the affirmative steps listed in (1) through (5) above of this
12 Section.

- 13 s. Displacement, relocation, and acquisition. The relocation requirements of
14 Title II and the acquisition requirements of Title III of the Uniform Relocation
15 Assistance and Real Property Acquisition Policies Act of 1970, and the
16 implementing regulations at 24 CFR Part 42. BORROWER must ensure that
17 it has taken all reasonable steps to minimize the displacement of persons as a
18 result of this Project.
- 19 t. Lead-based paint. The ARPA-Assisted Units are subject to the lead-based
20 paint requirements of 24 CFR Part 35 issued pursuant to the Lead-Based Paint
21 Poisoning Prevention Act (42 U.S.C. 4821, et seq.). The lead-based paint
22 provisions of 24 CFR 982.401 (j), except 24 CFR 982.401 (j)(1)(i), also apply,
23 irrespective of the applicable property standard under §92.251.
- 24 u. Labor. BORROWER shall comply with any applicable labor regulations and
25 all other State and Federal laws in connection with the construction of the
26 improvements which comprise the Project, including if applicable,
27 requirements relating to Davis Bacon. BORROWER agrees and acknowledges
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1 that it is the responsivity of BORROWER to obtain a legal determination, at
2 BORROWERS sole cost and expenses as to whether Davis Bacon wages must
3 be paid for during the construction of the Project. BORROWER agrees to
4 indemnify, defend, and hold COUNTY harmless from and against any and all
5 liability arising out of a related to BORROWER's failure to comply with any
6 and applicable prevailing wage requirements.

- 7 v. Model Energy Code published by the Council of American Building Officials.
- 8 w. Consultant Activities. No person providing consultant services in an employer-
9 employee type relationship shall receive more than a reasonable rate of
10 compensation for personal services paid with ARPA funds.
- 11 x. Uniform Administrative Requirements of 2 CFR Part 200 as now in effect and
12 as may be amended from time to time. Federal awards expended as a recipient
13 or a subrecipient, as defined therein, would be subject to single audit. The
14 payments received for goods or services provided as a vendor would not be
15 considered Federal awards.
- 16 y. BORROWER shall include written agreements that include all provisions of
17 **Section 17** if BORROWER provides ARPA funds to for-profit owners or
18 developers, non-profit owners or developers, sub-recipients, homeowners,
19 homebuyers, tenants receiving tenant-based rental assistance, or contractors.
- 20 z. Immigration requirements of Federal Register, Vol. 62, No. 221, Department
21 of Justice Interim Guidance on Verification of Citizenship, Qualified Alien
22 Status and Eligibility Under Title IV of the Personal Responsibility and Work
23 Opportunity Reconciliation Act of 1996 ("PRWORA"). Final Attorney
24 General's Order issued pursuant to PRWORA is specified under Federal
25 Register Vol. 66, No. 10, Department of Justice Final Specification of
26 Community Programs Necessary for Protection of Life or Safety Under Welfare
27 Reform Legislation.
- 28

1 aa. BORROWER shall comply with all applicable local, state and federal laws in
2 addition to the above-mentioned laws.

3 18. PROJECT TARGETING REQUIREMENTS. BORROWER shall make the
4 Project available to transition age youth and families with children individuals at risk of
5 homelessness, or experiencing housing insecurity (“**Qualified Populations**”). If the Project is
6 not used to provide permanent supportive housing and services to the Qualified Populations, then
7 COUNTY and BORROWER mutually agree that this Agreement will self-terminate and any
8 ARPA Loan funds drawn shall be returned within thirty (30) calendar days. Upon such
9 termination, this Agreement shall become null and void. COUNTY and BORROWER shall be
10 released and discharged respectively from their obligations under this Agreement. All cost
11 incurred by each party on the Project will be assumed respectively.

12 If BORROWER intends to use the Project for a use other than to provide permanent
13 supportive housing and services to the Qualified Populations, BORROWER shall utilize the
14 Property for another ARPA-eligible activity. BORROWER shall provide COUNTY with sixty
15 (60) days’ notice of conversion for another ARPA-eligible activity. The approval of the alternate
16 ARPA- eligible activity shall not be unreasonably withheld by COUNTY. If the Project is not
17 used to provide shelter and services to the Qualified Populations and BORROWER does not
18 intend to use the Property for another ARPA-eligible activity, then COUNTY and BORROWER
19 mutually agree that this Agreement will self-terminate and any ARPA Loan funds drawn shall be
20 returned within thirty (30) calendar days. Upon such termination, this Agreement shall become
21 null and void. COUNTY and BORROWER shall be released and discharged respectively from
22 their obligations under this Agreement. All cost incurred by each party on the Project will be
23 assumed respectively.

24 19. RENT RESTRICTIONS. Rents shall be calculated according to the California
25 Department of Housing and Community Development rent limits as restricted to individuals as
26 follows: ARPA funds will be used for the purpose of financing construction of up to twelve (12)
27 Single Room Occupancy (“SRO”) units; a total of eight (8) SRO units will be restricted as ARPA-
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1 assisted units for occupancy and rent by Transition Age Youth (“TAY”), foster care youth
2 transitioning out of foster care, and families with children individuals whose incomes are at or
3 below 30% of the area median income for the County of Riverside. The remaining four (4) SRO
4 units will be made available to Transition Age Youth (TAY), foster care youth transitioning out
5 of foster care at or below 30% of the area median income if the service provider allows the rooms
6 at this building to be occupied. Rent including utilities shall not exceed 30% of the household
7 income.

8 20. INTENTIONALLY OMITTED.

9 21. FEDERAL REQUIREMENTS. BORROWER shall comply with the provisions of
10 the ARPA, and any amendments thereto, the Final Rule, and all applicable federal regulations
11 and guidelines now or hereafter enacted pursuant to the Act in addition to the federal provisions
12 attached hereto as **Exhibit I**.

13 22. SALE, ASSIGNMENT OR OTHER TRANSFER OF THE PROJECT.
14 BORROWER hereby covenants and agrees not to sell, assign, transfer or otherwise dispose of
15 the Project or any portion thereof, without obtaining the prior written consent of COUNTY, which
16 consent shall be conditioned upon receipt by COUNTY of reasonable evidence satisfactory to
17 COUNTY in its sole discretion, that transferee has assumed in writing and in full, and is
18 reasonably capable of performing and complying with BORROWER’s duties and obligations
19 under this Agreement, provided, however Borrower shall not be released of all obligations
20 hereunder which accrue from and after the date of such sale.

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

25 24. NONDISCRIMINATION. Borrower shall abide by 24 CFR 570.602 which
26 requires that no person in the United States shall on the grounds of race, color, national origin,
27 religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to
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1 discrimination under any program or activity receiving Federal financial assistance made
2 available pursuant to the Act. Under the Act, Section 109 directs that the prohibitions against
3 discrimination of the basis of age under the Age Discrimination Act and the prohibitions against
4 discrimination of the basis of disability under Section 504 shall apply to programs or activities
5 receiving Federal financial assistance under Title I programs. The policies and procedures
6 necessary to ensure enforcement of Section 109 are codified in 24 CFR Part 6. In addition,
7 BORROWER shall not discriminate on the basis of race, gender, religion, national origin,
8 ethnicity, sexual orientation, age or disability in the solicitation, selection, hiring or treatment of
9 any contractors or consultants, to participate in subcontracting/subconsulting opportunities.
10 BORROWER understands and agrees that violation of this clause shall be considered a material
11 breach of this Agreement and may result in termination, debarment or other sanctions. This
12 language shall be incorporated into all contracts between BORROWER and any contractor,
13 consultant, subcontractor, subconsultants, vendors and suppliers. BORROWER shall comply
14 with the provisions of the California Fair Employment and Housing Act (Government Code
15 Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended, and all
16 Administrative Rules and Regulations issued pursuant to said Acts and Orders with respect to its
17 use of the Property.

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

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

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

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

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

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

23 25. PROHIBITION AGAINST CONFLICTS OF INTEREST:

- 24 a. BORROWER and its assigns, employees, agents, consultants, officers and
25 elected and appointed officials shall become familiar with and shall comply
26 with the conflict of interest provisions in OMB Circular A-110, 24 CFR 85.36,
27 24 CFR 84.42, 24 CFR 92.356 and Policy Manual #A-11, attached hereto as
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1 **Exhibit E** and by this reference incorporated herein.

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

9 c. Prior to any funding under this Agreement, BORROWER shall provide
10 COUNTY with a list of all employees, agents, consultants, officers and elected
11 and appointed officials who are in a position to participate in a decision-making
12 process, exercise any functions or responsibilities, or gain inside information
13 with respect to the ARPA activities funded under this Agreement.
14 BORROWER shall also promptly disclose to COUNTY any potential conflict,
15 including even the appearance of conflict that may arise with respect to the
16 ARPA activities funded under this Agreement.

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

19 26. INTENTIONALLY OMITTED.

20 27. PROJECT MONITORING AND EVALUATION.

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

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

10 29. 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 30. EVENTS OF DEFAULT. The occurrence of any of the following events, after
15 the expiration of any applicable notice and cure periods, shall constitute an “**Event of Default**”
16 under this Agreement:

- 17 a. Monetary Default. (1) BORROWER’s failure to pay when due any sums
18 payable under this Agreement, the Covenant Agreement, the ARPA Note or
19 any advances made by COUNTY under this Agreement; (2) BORROWER’s or
20 any agent of BORROWER’s use of ARPA funds for costs other than those costs
21 permitted under this Agreement or for uses inconsistent with terms and
22 restrictions set forth in this Agreement; (3) BORROWER’s or any agent of
23 BORROWER’s failure to make any other payment of any assessment or tax
24 due under this Agreement, and /or (4) default under the terms of any loan
25 documents or any other instrument or document secured against the Property;
- 26 b. Non-Monetary Default. (1) Discrimination by BORROWER or BORROWER’s
27 agent(s) on the basis of characteristics prohibited by this Agreement or
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1 applicable law; (2) the imposition of any encumbrances or liens on the Project
2 without COUNTY's prior written approval that are prohibited under this
3 Agreement or that have the effect of reducing the priority or invalidating the
4 lien of the ARPA Deed of Trust; (3) BORROWER's failure to obtain and
5 maintain the insurance coverage required under this Agreement; (4) any
6 material default under this Agreement, the ARPA Deed of Trust, Covenant
7 Agreement, ARPA Note or any document executed by the County in connection
8 with this Agreement, and /or (5) a default under the terms of any loan
9 documents or any other instrument or document secured against the Property or
10 the Project;

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

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

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

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

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

16 31. NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. Formal notices,
17 demands and communications between the COUNTY and BORROWER shall be sufficiently
18 given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to
19 the principal offices of the COUNTY and BORROWER, as designated in **Section 53**, below.
20 Such written notices, demands and communications may be sent in the same manner to such
21 other addresses as either party may from time to time designate by mail as provided in this
22 **Section 31**. Any notice that is transmitted by electronic facsimile transmission followed by
23 delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is
24 personally delivered (including by means of professional messenger service, courier service
25 such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed
26 received on the documented date of receipt by the recipient; and any notice that is sent by
27 registered or certified mail, postage prepaid, return receipt required shall be deemed received
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1 on the date of delivery thereof.

- 2 a. Subject to the Force Majeure Delay, as provided in **Section 9**, failure or delay
3 by BORROWER to perform any term or provision of this Agreement
4 constitutes a default under this Agreement. BORROWER must immediately
5 commence to cure, correct or remedy such failure or delay and shall complete
6 such cure, correction or remedy with reasonable diligence.
- 7 b. COUNTY shall give written notice of default to BORROWER, specifying the
8 default complained of by COUNTY. Failure or delay in giving such notice
9 shall not constitute a waiver of any default, nor shall it change the time of
10 default. Except as otherwise expressly provided in this Agreement, any failures
11 or delays by COUNTY in asserting any of its rights and remedies as to any
12 default shall not operate as a waiver of any default or of any such rights or
13 remedies. Delays by COUNTY in asserting any of its rights and remedies shall
14 not deprive COUNTY of its right to institute and maintain any actions or
15 proceedings which it may deem necessary to protect, assert or enforce any such
16 rights or remedies.
- 17 c. If a monetary event of default occurs, prior to exercising any remedies
18 hereunder, COUNTY shall give BORROWER written notice of such default.
19 BORROWER shall have a period of ten (10) days after such notice is given
20 within which to cure the default prior to exercise of remedies by COUNTY.
- 21 d. If a non-monetary event of default occurs, prior to exercising any remedies
22 hereunder, COUNTY shall give BORROWER written notice of such default.
23 If the default is reasonably capable of being cured within thirty (30) days,
24 BORROWER shall have such period to effect a cure prior to exercise of
25 remedies by COUNTY. If the default is such that it is not reasonably capable
26 of being cured within thirty (30) days, and BORROWER (i) initiates corrective
27 action within said period, and (ii) diligently, continually, and in good faith
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1 works to effect a cure as soon as possible, then BORROWER shall have such
2 additional time as is reasonably necessary to cure the default prior to exercise
3 of any remedies by the injured party, but in no event no more than sixty (60)
4 days from the date of the notice of default. In no event shall COUNTY be
5 precluded from exercising remedies if its security becomes or is about to
6 become materially jeopardized by any failure to cure a default or the default is
7 not cured within sixty (60) days after the first notice of default is given.

8 e. Any cure tendered by BORROWER'S Affiliate shall be accepted or rejected on
9 the same basis as if tendered by BORROWER.

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

- 15 a. Terminate this Agreement, in which event the entire ARPA Loan amount as
16 well as any other monies advanced to BORROWER by COUNTY under this
17 Agreement including administrative costs, shall immediately become due and
18 payable to COUNTY at the option of COUNTY.
- 19 b. Bring an action in equitable relief (1) seeking the specific performance by
20 BORROWER of the terms and conditions of this Agreement, and/or (2)
21 enjoining, abating, or preventing any violation of said terms and conditions,
22 and/or (3) seeking declaratory relief.
- 23 c. Accelerate the ARPA Loan and demand immediate full payment of the
24 principal payment outstanding and all accrued interest under the ARPA Note,
25 as well as any other monies advanced to BORROWER by COUNTY under this
26 Agreement.

- 1 d. Enter the Project and take any remedial actions necessary in its judgment with
2 respect to hazardous materials that COUNTY deems necessary to comply with
3 hazardous materials laws or to render the Project suitable for occupancy, which
4 costs shall be due and payable by BORROWER to COUNTY.
- 5 e. Enter upon, take possession of, and manage the Project, either in person, by
6 agent, or by a receiver appointed by a court, and collect rents and other amounts
7 specified in the assignment of rents in the ARPA Deed of Trust and apply them
8 to operate the Project or to pay off the ARPA Loan or any advances made under
9 this Agreement, as provided for by the ARPA Deed of Trust.
- 10 f. Pursue any other remedies allowed at law or in equity.

11 33. RESERVED.

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

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

- 24 a. No federally appropriated funds have been paid or will be paid, by or on behalf
25 of the undersigned, to any person for influencing or attempting to influence an
26 officer or employee of any agency, a member of Congress, an officer or
27 employee of Congress, or an employee of a member of Congress in connection
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1 with the awarding of any federal contract, the making of any federal grant, the
2 making of any federal loan, the entering into of any cooperative agreement, and
3 the extension, continuation, review, amendment, or modification of any federal
4 contract, grant, loan, or cooperative agreement.

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

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

18 36. HOLD HARMLESS AND INDEMNIFICATION. BORROWER shall indemnify
19 and hold harmless the County of Riverside, its Agencies, Boards, Districts, Special Districts and
20 Departments, their respective directors, officers, Board of Supervisors, elected and appointed
21 officials, employees, agents and representatives (collectively the "**Indemnified Parties**") from
22 any liability whatsoever, based or asserted upon any services of BORROWER, its officers,
23 employees, subcontractors, agents or representatives arising out of their performance under this
24 Agreement, including but not limited to property damage, bodily injury, or death or any other
25 element of any kind or nature whatsoever arising from the performance of BORROWER, its
26 officers, agents, employees, subcontractors, agents or representatives under this Agreement.
27 BORROWER shall defend, at its sole expense, all costs and fees including, but not limited, to
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1 attorney fees, cost of investigation, defense and settlements or awards, the County of Riverside,
2 its Agencies, Districts, Special Districts and Departments, their respective directors, officers,
3 Board of Supervisors, elected and appointed officials, employees, agents and representatives in
4 any claim 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 36** shall survive the expiration or
21 earlier termination of this Agreement.

22 37. TERMINATION.

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

26 b. COUNTY. Notwithstanding the provisions of **Section 32(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 (i) 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 (ii) 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 (iii) In the event the ARPA funding identified in **Section 1** above is
10 terminated or 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 38. 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 14** 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 F** and
5 incorporated herein by this reference, setting forth the use and income restriction required in this
6 Agreement.

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

14 40. 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 41. 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 42. 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 43. 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 44. 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 Court 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 45. 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 46. MINISTERIAL ACTS. COUNTY's Director of HWS, or designee, is authorized
17 to take such ministerial actions as may be necessary or appropriate to implement the terms,
18 provisions, and conditions of this Agreement as it may be amended from time to time by both
19 parties.

20 47. 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
28

1 this Agreement, is in writing, is signed and acknowledged by duly authorized representatives of
2 all parties, and approved by the COUNTY.

3 48. CONDITIONAL COMMITMENT.

- 4 a. Acquisiton. BORROWER must acquire the Property by June 1, 2022.
- 5 b. Completion. BORROWER must demonstrate that it is performing in
6 accordance with the scheduled Completion Deadline.
- 7 c. Lease-Up. The Project must be ninety percent (90%) leased-up no later than
8 one (1) year from the Effective Date of this Agreement (the “**Completion**
9 **Deadline**”). If BORROWER is unable to meet the condition as required by this
10 **Section 48** including Extension, then COUNTY and BORROWER mutually
11 agree that this Agreement will self-terminate and any ARPA Loan funds
12 disbursed to BORROWER to date shall be returned to COUNTY within thirty
13 (30) calendar days of such termination. Upon such termination, this Agreement
14 shall become null and void. COUNTY and BORROWER shall be released and
15 discharged respectively from their obligations under this Agreement, except for
16 those provisions which by their terms survive termination. All costs incurred by
17 each party on the Project will be assumed respectively.

18 49. INTENTIONALLY OMITTED.

19 50. INTENTIONALLY OMITTED.

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

22 52. MEDIA RELEASES. BORROWER agrees to allow COUNTY to provide input
23 regarding all media releases regarding the Project. Any publicity generated by BORROWER for
24 the Project must make reference to the contribution of COUNTY in making the Project possible.
25 COUNTY’s name shall be prominently displayed in all pieces of publicity generated by
26 BORROWER, including flyers, press releases, posters, signs, brochures, and public service
27
28

1 announcements. BORROWER agrees to cooperate with COUNTY in any COUNTY-generated
2 publicity or promotional activities with respect to the Project.

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

8 COUNTY
9 Director HWS
10 County of Riverside
11 3403 10th Street, Suite 300
12 Riverside, CA 92501

BORROWER
13 SIGMA BETA XI INC
14 c/o Moreno Valley Youth Village
15 14340 Elsworth Street, Suite B104
16 Moreno Valley CA 92553

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

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

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

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

58. CONSTRUCTION AND INTERPRETATION OF AGREEMENT.

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

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

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

26 d. References in this instrument to this Agreement mean, refer to and include this
27 instrument as well as any riders, exhibits, addenda and attachments hereto
28

1 (which are hereby incorporated herein by this reference) or other documents
2 expressly incorporated by reference in this instrument. Any references to any
3 covenant, condition, obligation, and/or undertaking “herein,” “hereunder,” or
4 “pursuant hereto” (or language of like import) means, refer to, and include the
5 covenants, obligations, and undertakings existing pursuant to this instrument
6 and any riders, exhibits, addenda, and attachments or other documents affixed
7 to or expressly incorporated by reference in this instrument.

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

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

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

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

20 62. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS.

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

25 b. This Agreement integrates all of the terms and conditions mentioned herein or
26 incidental hereto, and supersedes all negotiations or previous agreements
27 between the parties with respect to all or any part of the Property.
28

1 c. All waivers of the provisions of this Agreement must be in writing and signed
2 by the appropriate authorities of COUNTY or BORROWER, and all
3 amendments hereto must be in writing and signed by the appropriate authorities
4 of COUNTY and BORROWER. This Agreement and any provisions hereof
5 may be amended by mutual written agreement by BORROWER and COUNTY.
6

7 (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

SIGMA BETA XI INC, a California public benefit corporation

By: Heidi Marshall
Heidi Marshall, Director HWS

By: Corey Jackson
Name: Corey Jackson
Title: Chief Executive Officer

Date: 4/20/2022

Date: 4/13/2022

(Above signatures need to be notarized)

APPROVED AS TO FORM:
COUNTY COUNSEL

By: Amrit P. Dhillon
Amrit P. Dhillon
Deputy County Counsel

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT>

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

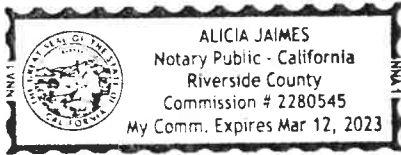
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Riverside }
On 4/13/2022 before me, Alicia James, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Corey Alexander Jackson
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Alicia James
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer – Title(s): _____ Corporate Officer – Title(s): _____

Partner – Limited General Partner – Limited General

Individual Attorney in Fact Individual Attorney in Fact

Trustee Guardian or Conservator Trustee Guardian or Conservator

Other: _____ Other: _____

Signer is Representing: _____ Signer is Representing: _____

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California

County of Riverside }

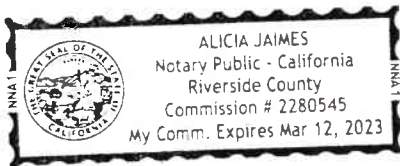
On 4/20/2022 before me, Alicia James, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Heidi Marshall
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Alicia James
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

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Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

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

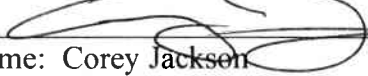
COUNTY:

BORROWER:

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

SIGMA BETA XI INC, a California public benefit corporation

By: _____
Heidi Marshall, Director HWS

By: 
Name: Corey Jackson
Title: Chief Executive Officer

Date: _____

Date: 4/22/22

(Above signatures need to be notarized)

APPROVED AS TO FORM:
COUNTY COUNSEL

By: _____
Amrit P. Dhillon
Deputy County Counsel

<INSERT CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT>

CALIFORNIA ACKNOWLEDGMENT

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State of California }
County of Riverside

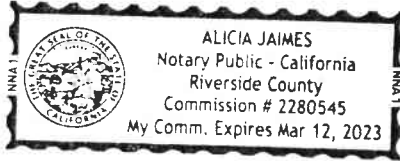
On 4/22/2022 before me, Alicia James, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Corey Alexander Jackson
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Alicia James
Signature of Notary Public

OPTIONAL

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Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

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Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

EXHIBIT “A”

Borrower: SIGMA BETA XI INC. (“BORROWER”)

Address: c/o Moreno Valley Youth Village, 14340 Elsworth Street, Suite B104,
Moreno Valley CA 92553

Project Title: Moreno Valley Youth Village

Location: 16675, 16659, and 16641 Perris Blvd, Moreno Valley, CA 92518, APN
316110010, 316110025, 316110026, 316110027, and 316110028

Project Description: BORROWER proposes to utilize \$3,914,633.00 in ARPA Funds to pay the cost to acquire 3.79-acre property comprised of 5 contiguous parcels and convert into a permanent supportive housing development for transition age youth, foster care youth transitioning out of foster care, and families with children known as the Moreno Valley Youth Village (“Project”) in the City of Moreno Valley, located at 16675, 16659, and 16641 Perris Blvd, Riverside County, CA 92553 (“Property”). BORROWER proposes to use ARPA funds more specifically to be used for the purpose of acquiring the Property, and financing the conversion of two (2) existing single family homes on the Property into eight (8) Single Room Occupancy (“SRO”) units; the conversion of a third existing 4-bedroom single family home located on the Property into space for resident services for the tenants; if allowed by the service provider, four (4) additional SROs will be made available to qualified target population at this site; an accessory dwelling unit (“ADU”) will be constructed on the Property for an onsite manager; and an existing metal shed on the Property will be converted into a youth technology lab (Project).

The single-family home with the address of 16675 Peris Blvd. will offer four (4) SRO units restricted as ARPA-assisted units for occupancy by homeless, at-risk of homelessness Transition Age Youth (TAY), foster care youth transitioning out of foster care whose incomes are at or below 30% of the area median income for the County of Riverside. The single-family home with the address of 16659 Perris Blvd. will offer four (4) SRO units restricted as ARPA-assisted units for occupancy by families with children whose incomes are at or below 30% of the area median income for the County of Riverside. The single family home with address of 16641 Perris Blvd. will offer four (4) SRO units which will be made available to TAY, foster care youth transitioning out of foster care at or below 30% of the area median income for Riverside County, if the service provider allows the rooms to be occupied because this property will also be used for wrap around supportive services for the residents. The Project will take a whole-person approach to provide supportive services to stabilize the tenants. Supportive services include mental health services, substance use counseling, pre-apprenticeship employment training, soft skills employment training, and case management services for system navigation.

The technology center will be available to the youth in the community to utilize as well as residents living in the project. Job training services will include pre-apprenticeship programs and soft skills development to promote self-sufficiency.

Legal Description of Property:

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

PARCEL ONE: (APN: 316-110-010)

THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 10' EAST ON THE EAST LINE OF SAID LOT, 300 FEET; THENCE SOUTH 89 DEGREES 40' WEST, AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 10' WEST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 300 FEET TO A POINT IN THE NORTH LINE OF SAID LOT; THENCE SOUTH 89 DEGREES 40' WEST ON THE NORTH LINE OF SAID LOT, 300 FEET; THENCE SOUTH 00 DEGREES 10' WEST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 300 FEET; THENCE NORTH 89 DEGREES 40' EAST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 300 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL TWO: (APN: 316-110-025)

THAT PORTION OF LOT 24 IN BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 10' EAST, 300 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 40' WEST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 525 FEET; THENCE SOUTH 00 DEGREES 10' EAST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 30 FEET; THENCE NORTH 89 DEGREES 40' EAST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 525 FEET TO A POINT IN THE EAST LINE OF SAID LOT; THENCE NORTH 00 DEGREES 10' WEST ON THE EAST LINE OF SAID LOT, 30 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL THREE: (APN: 316-110-026)

THAT PORTION OF LOT 24, BLOCK 2 RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 OF MAPS, PAGE 21, RECORDS OF RIVERSIDE COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00° 10' EAST, ON THE EAST LINE OF SAID LOT, 100 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 00° 10' EAST, ON SAID EAST LINE, 100 FEET; THENCE SOUTH 89° 40' WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET; THENCE NORTH 00° 10' WEST, PARALLEL WITH THE EAST LINE OF SAID LOT, 100 FEET; THENCE NORTH 89° 40' EAST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET TO THE POINT OF BEGINNING.

PARCEL FOUR (APN: 316-110-027)

ALL THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE(S) 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT;
THENCE SOUTH 0° 10' EAST, ON THE EAST LINE OF SAID LOT, 100 FEET;
THENCE SOUTH 89° 40' WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET;
THENCE NORTH 0° 10' WEST PARALLEL WITH THE EAST LINE OF SAID LOT, 100 FEET TO THE NORTH LINE OF SAID LOT;
THENCE NORTH 89° 40' EAST, ON THE NORTH LINE OF SAID LOT, 225 FEET TO THE POINT OF BEGINNING.

PARCEL FIVE (APN: 316-110-028)

PARCEL A

THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 21 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 24;
THENCE SOUTH 00 DEGREES 10 MINUTES 00 SECONDS EAST 200.00 FEET ON THE EAST LINE OF SAID LOT TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00 DEGREES 10 MINUTES 00 SECONDS EAST 100 FEET, CONTINUING ON SAID EAST LINE; THENCE SOUTH 89 DEGREES 40 MINUTES 00 SECONDS WEST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT; THENCE NORTH 00 DEGREES 10 MINUTES 00 SECONDS WEST, 100.00 FEET PARALLEL WITH THE EAST LINE OF SAID LOT;
THENCE NORTH 89 DEGREES 40 MINUTES 00 SECONDS EAST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT TO THE POINT OF BEGINNING.

PARCEL B:

AN EASEMENT FOR INGRESS AND EGRESS OVER THAT PORTION OF LOT 24 IN BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT;
THENCE SOUTH 00 DEGREES 10 MINUTES EAST 300.00 FEET ON THE EAST LINE THEREOF TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 89 DEGREES 40 MINUTES WEST, 225.00 FEET, PARALLEL WITH THE NORTH LINE OF SAID LOT; THENCE SOUTH 00 DEGREES 10 MINUTES EAST, 30.00 FEET PARALLEL TO THE EAST LINE OF SAID LOT; THENCE NORTH 89 DEGREES 40 MINUTES EAST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT TO THE EAST LINE THEREOF;
THENCE NORTH 00 DEGREES 10 MINUTES WEST 30.00 FEET ON THE SAID EAST LINE TO THE POINT OF BEGINNING.

Exhibit “A-1”

IMPLEMENTATION SCHEDULE

Milestone	Completion Date
1. County Approval	April 12, 2022
2. Acquisition of Property	June 1, 2022
3. Project Lease Up (90%)	June 1, 2023

EXHIBIT “B”

ARPA Deed of Trust

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. Juan Garcia

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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

This DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING (WITH ASSIGNMENT OF RENTS) (this "Deed of Trust") is made this ___ day of April, 2022 by SIGMA BETA XI INC, a California public benefit corporation (hereinafter referred to as "Trustor"), whose address is 14340 Elsworth Blvd, Ste B104, Moreno Valley, CA 92553, Attention: Corey Jackson. The trustee is Housing and Workforce Solutions ("Trustee"). The beneficiary is the County of Riverside, a political subdivision of the State of California (hereinafter called "Beneficiary"), whose address is 4303 10th Street, Suite 300 Riverside, CA 92501.

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

(A) That certain fee interest in the real property in the County of Riverside, State of California more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (such interest in real property is hereafter referred to as the "Subject Property");

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

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

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

(E) all present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California

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

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

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

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

- i. due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:
 - (a) that certain Promissory Note in favor of the Beneficiary (“County” therein) executed by Trustor (“Borrower” therein) of even date herewith (the “ARPA Note”) in the principal amount of \$3,914,633.00.
 - (b) that certain Loan Agreement for the Use of ARPA 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 “ARPA Loan Agreement”); and
 - (c) that certain Covenant Agreement dated [_____] and recorded concurrently herewith in the Official Records, between Trustor (“Borrower” therein) and Beneficiary (“County” therein) (“Covenant Agreement”).
- ii. payment of indebtedness of the Trustor to the Beneficiary not to exceed THREE MILLION NINE HUNDRED FOURTEEN THOUSAND SIX HUNDRED THIRTY THREE DOLLARS (the “ARPA Loan”) according to the terms of the ARPA Note.

Said ARPA Note, ARPA 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 ARPA Note, ARPA Loan Agreement and Covenant Agreement as used herein shall mean, refer to and include the ARPA Note, ARPA 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 ARPA Loan Agreement.

The ARPA Loan evidenced by the ARPA Note and secured by this Deed of Trust is being made pursuant to the Coronavirus State and Local Fiscal Recover Funds (“SLFRF” or “ARPA Funds”). Pursuant to the ARPA Loan Agreement, the maturity date of the ARPA Loan shall be the later to occur of (i) July 1, 2077 or (ii) fifty-five (55) years from recordation of the Covenant Agreement in the Official Records for the Project (as defined in the ARPA Loan Agreement) (“ARPA 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 ARPA Note at the time and in the manner provided therein, and perform the obligations of the Trustor as set forth in the ARPA 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 ARPA Loan Agreement and Covenant Agreement.

3. That the Secured Obligations are incorporated in and made a part of the 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 ARPA 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 ARPA Note and any late charges due under the ARPA Note. Payments on the ARPA Note shall be deferred annually and forgiven at the end of the Term of the Agreement if Trustor has complied with the terms of the ARPA Loan.

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 ARPA 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 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 thirty (30) days of the giving of notice.

9. **Priority of Deed of Trust.** The Deed of Trust shall be in a second priority lien position, behind the Covenant Agreement (first priority) and ahead of the ARPA Loan Agreement (third priority).

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 ARPA 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 ARPA 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.

b. Unless Beneficiary and Trustor otherwise agree in writing, 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 thirty (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. **Reserved.**

11. **Preservation, Maintenance and Protection of the Property; 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 evidenced by the ARPA Note, including, but not limited to representations concerning Trustor's use of Property for transitional housing. If this Deed of Trust is on the Property, Trustor shall comply with all provisions of the lease. If Trustor acquires fee title to the Property, 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, affordability, and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the Property is located), limiting the Property's use to transitional 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 ARPA 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.

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

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

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

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

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

18. **Loan Charges.** If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Trustor which exceeded permitted limits will be promptly refunded to Trustor. Beneficiary may choose to make this refund by reducing the principal owed under the ARPA 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. Any notice provided for in this Deed of Trust shall be deemed to have been given to Trustor or Beneficiary when given as provided in this Section.

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

22. **Transfer of the Property or a Beneficial Interest in Trustor.** Except as otherwise allowed under the ARPA 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 transitional housing) Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the date of this Deed of Trust. Nothing in this Deed of Trust shall be deemed to require Beneficiary's approval of a conveyance of an easement interest in the Property for utility purposes.

a. If Beneficiary exercises the aforementioned option, Beneficiary shall give Trustor prior written notice of acceleration. The notice shall provide a period of not less than thirty

(30) days from the date the notice is delivered or mailed within which Trustor must pay all sums secured by this Deed of Trust. If Trustor fails to pay these sums prior to the expiration of this period, Beneficiary may invoke any remedies permitted by this Deed of Trust without further notice or demand on Trustor.

b. Reserved.

23. **Trustor's Right to Reinstate.** If Trustor meets certain conditions, Trustor shall have the right to have enforcement of this Deed of Trust discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Deed of Trust; or (b) entry of a judgment enforcing this Deed of Trust. Those conditions are that Trustor: (a) pays Beneficiary all sums which then would be due under this Deed of Trust and the ARPA Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unchanged. Upon reinstatement by Trustor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under **Section 22**.

24. **Sale of Note; Change of Loan Servicer.** The ARPA Note or a partial interest in the ARPA 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 ARPA Note and this Deed of Trust shall not be assigned by Trustor without the Beneficiary's prior written consent.

26. **Hazardous Substances.** Trustor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the 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 sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Trustor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Trustor to acceleration and sale. If the default is not cured by the Trustor on or before the date specified in the notice, subject to any non-recourse provisions set forth in Section 8 of the Note, then Beneficiary at its option may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Section 27**, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

a. If Beneficiary invokes the power of sale, Beneficiary or Trustee shall mail copies of a notice of sale in the manner prescribed by applicable law to Trustor 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, or upon forgiveness of all sums at the end of the ARPA Loan Term as provided herein, Beneficiary shall release this Deed of Trust without charge to Trustor. Trustor shall pay any recordation costs. The lien of the Covenant Agreement shall not be released or reconveyed until the expiration of the term set forth therein notwithstanding the payment of all sums secured by this Deed of Trust.

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

30. **Reserved.**

31. **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. **Reserved.**

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:

SIGMA BETA XI INC,
a California public benefit corporation

By: _____

Name: Corey Jackson

Title: Chief Executive Officer

Date: _____

(Signature needs to be notarized)

< CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT >

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

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

PARCEL ONE: (APN: 316-110-010)

THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 10' EAST ON THE EAST LINE OF SAID LOT, 300 FEET; THENCE SOUTH 89 DEGREES 40' WEST, AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 10' WEST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 300 FEET TO A POINT IN THE NORTH LINE OF SAID LOT; THENCE SOUTH 89 DEGREES 40' WEST ON THE NORTH LINE OF SAID LOT, 300 FEET; THENCE SOUTH 00 DEGREES 10' WEST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 300 FEET; THENCE NORTH 89 DEGREES 40' EAST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 300 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL TWO: (APN: 316-110-025)

THAT PORTION OF LOT 24 IN BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 10' EAST, 300 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 40' WEST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 525 FEET; THENCE SOUTH 00 DEGREES 10' EAST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 30 FEET; THENCE NORTH 89 DEGREES 40' EAST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 525 FEET TO A POINT IN THE EAST LINE OF SAID LOT; THENCE NORTH 00 DEGREES 10' WEST ON THE EAST LINE OF SAID LOT, 30 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL THREE: (APN: 316-110-026)

THAT PORTION OF LOT 24, BLOCK 2 RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 OF MAPS, PAGE 21, RECORDS OF RIVERSIDE COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00° 10' EAST, ON THE EAST LINE OF SAID LOT, 100 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 00° 10' EAST, ON SAID EAST LINE, 100 FEET; THENCE SOUTH 89° 40' WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET; THENCE NORTH 00° 10' WEST, PARALLEL WITH THE EAST LINE OF SAID LOT, 100 FEET; THENCE NORTH 89° 40' EAST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET TO THE POINT OF BEGINNING.

PARCEL FOUR (APN: 316-110-027)

ALL THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE(S) 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT;
THENCE SOUTH 0° 10' EAST, ON THE EAST LINE OF SAID LOT, 100 FEET;
THENCE SOUTH 89° 40' WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET;
THENCE NORTH 0° 10' WEST PARALLEL WITH THE EAST LINE OF SAID LOT, 100 FEET TO THE NORTH LINE OF SAID LOT;

THENCE NORTH $a9^{\circ} 40'$ EAST, ON THE NORTH LINE OF SAID LOT, 225 FEET TO THE POINT OF BEGINNING.

PARCEL FIVE (APN: 316-110-028)

PARCEL A

THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 21 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 24;
THENCE SOUTH 00 DEGREES 10 MINUTES 00 SECONDS EAST 200.00 FEET ON THE EAST LINE OF SAID LOT TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00 DEGREES 10 MINUTES 00 SECONDS EAST 100 FEET, CONTINUING ON SAID EAST LINE; THENCE SOUTH 89 DEGREES 40 MINUTES 00 SECONDS WEST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT; THENCE NORTH 00 DEGREES 10 MINUTES 00 SECONDS WEST, 100.00 FEET PARALLEL WITH THE EAST LINE OF SAID LOT;
THENCE NORTH 89 DEGREES 40 MINUTES 00 SECONDS EAST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT TO THE POINT OF BEGINNING.

PARCEL B:

AN EASEMENT FOR INGRESS AND EGRESS OVER THAT PORTION OF LOT 24 IN BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT;
THENCE SOUTH 00 DEGREES 10 MINUTES EAST 300.00 FEET ON THE EAST LINE THEREOF TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 89 DEGREES 40 MINUTES WEST, 225.00 FEET, PARALLEL WITH THE NORTH LINE OF SAID LOT; THENCE SOUTH 00 DEGREES 10 MINUTES EAST, 30.00 FEET PARALLEL TO THE EAST LINE OF SAID LOT; THENCE NORTH 89 DEGREES 40 MINUTES EAST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT TO THE EAST LINE THEREOF;
THENCE NORTH 00 DEGREES 10 MINUTES WEST 30.00 FEET ON THE SAID EAST LINE TO THE POINT OF BEGINNING.

EXHIBIT “C”

PROMISSORY NOTE (ARPA Loan)

\$3,914,633.00 Riverside, CA

In installments as hereafter stated, for value received, SIGMA BETA XI INC, a California 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 Three Million Nine Hundred Fourteen Thousand Six Hundred Thirty Three Dollars (U.S. \$3,914,633.00) (the “ARPA Loan” or “Note Amount”) which at the time of payment is lawful for the payment of public and private debts.

This Promissory Note (this “Note”) is given in accordance with that certain Loan Agreement for the Use of ARPA Funds executed by COUNTY and Borrower, dated as of April 12, 2022, and recorded in the Official Records (“Official Records”) of the County of Riverside on or about the date hereof (the “ARPA 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 ARPA Loan Agreement. The Note is secured by a Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) executed by Borrower for the benefit of the County dated April 12, 2022, and recorded on or about the date hereof in the Official Records (the “ARPA Deed of Trust” or “Deed of Trust”). The rights and obligations of Borrower and COUNTY under this Note shall be governed by the ARPA Loan Agreement and the following terms:

- (1) The ARPA Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to the Coronavirus State and Local Fiscal Recover Funds (“SLFRF” or “ARPA Funds”); (the “ARPA”). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on rent, affordability and occupancy set forth in ARPA, the Final Rule, the ARPA Loan Agreement and that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Borrower and COUNTY.
- (2) That the ARPA Loan will not accrue any interest per annum and shall be deferred if the Project is in compliance with the ARPA Loan Agreement and forgiven in its entirety at the end of the Term of the ARPA Loan Agreement.
- (3) 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.
- (4) Subject to the provisions and limitations of this Section 4, the obligation to repay the Note Amount is a nonrecourse obligation of Borrower and its officers. Neither Borrower nor its officers shall have any personal liability for repayment of the Note Amount, except as provided in this Paragraph 4. 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 ARPA 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 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 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 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 4, 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 COUNTY as a result of fraud, misrepresentation or any criminal act or acts of Borrower or any officer, director or employee of Borrower; (b) any damages, costs and expenses incurred by COUNTY as a result of any misappropriation of funds provided to pay costs as described in the ARPA Loan Agreement, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; and (c) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Property and that are payable or applicable prior to any foreclosure under the Deed of Trust.

(5) 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 ARPA Loan Agreement:

- a. Monetary Default. (1) Borrower’s failure to pay when due any sums payable under the ARPA Note or any advances made by COUNTY under this Agreement, (2) Borrower’s or any agent of Borrower’s use of ARPA funds for costs other than those costs permitted under the ARPA Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, and/or (3) Borrower’s or any agent of Borrower’s failure to make any other payment of any assessment or tax due under the ARPA Loan Agreement;
- b. Non-Monetary Default - Operation. (1) Discrimination by Borrower or Borrower’s agent on the basis of characteristics prohibited by this Agreement or applicable law, (2) the imposition of any encumbrances or liens on the Project without COUNTY’s prior written approval that are prohibited under this agreement or that have the effect of reducing the priority or invalidating the lien of the ARPA Deed of Trust, (3) Borrower’s failure to obtain and maintain the insurance coverage required under the ARPA Loan Agreement, (4) any material default under the ARPA Loan Agreement, ARPA Deed of Trust with Assignment of Rents, Covenant Agreement, ARPA 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 ARPA 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 ARPA 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.
- (6) COUNTY shall give written notice of default to Borrower, specifying the default complained of by 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.
- (7) 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.
- (8) 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.
- (9) 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.
- (10) 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 ARPA 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.
- (11) 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 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.

- (12) 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 COUNTY.
- (13) 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.
- (14) In no event shall Borrower assign or transfer any portion of this Note or any rights herein without the prior express written consent of COUNTY, which consent COUNTY may give or withhold in its sole and absolute discretion. In the absence of specific written agreement by COUNTY, no unauthorized assignment or transfer, or approval thereof by COUNTY, shall be deemed to relieve Borrower or any other party from any obligations under the ARPA Loan Agreement or this Note. This provision shall not affect or diminish COUNTY's assignment rights under this Note.
- (15) 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 COUNTY in its sole and absolute discretion.
- (16) The relationship of Borrower and 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.
- (17)
 - (a) Formal notices, demands and communications between County and Borrower shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of 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 COUNTY for purposes of receiving notices pursuant to this Note shall be 3403 10th Street, Suite 300, Riverside, CA 92501, Attention: Director HWS. The facsimile number for COUNTY's receipt of notices is (951) 352-4852.
 - (c) The address of Borrower for purposes of receiving notices pursuant to this Note is 800 W. 6th Street, Ste 1505, Los Angeles, CA 90017, Attention: Chief Executive Officer.

- (18) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
- (19) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
- (20) This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit COUNTY and its successors and assigns.

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

BORROWER:

SIGMA BETA XI INC,
a California public benefit corporation

By: _____

Name: Corey Jackson

Title: Chief Executive Officer

Date: _____

EXHIBIT "D"

EXHIBIT D

§ 135.38 Section 3 Clause

All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to

Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Prohibition Against Conflicts of Interest

EXHIBIT "E"

§ 92.356 Conflict of interest.

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

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

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

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

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

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

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

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

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

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

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

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

(6) Any other relevant considerations.

Owners/Participants and Developers.

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

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

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

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

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

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

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

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

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

- 1) No employee, officer, or agent of the grantee shall participate in the selection, in the award or in the administration of a contract supported by Federal Funds if a conflict of interest, real or apparent, would be involved.
- 2) Such a conflict will arise when:
 - i) The employee, officer or agent;
 - ii) Any member of the immediate family;
 - iii) His/Her partners; or
 - iv) An organization which employs, or is about to employ any of the above has a financial or other interest in the firm's selection for award.
- 3) The grantee's or sub-grantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to sub-agreements except as noted in Section 4.
- 4) A grantee's or sub-grantee's officers, employees or agents will be presumed to have a financial interest in a business if their financial interest exceeds the following:
 - i) Any business entity in which the official has a direct or indirect investment worth one thousand dollars (\$1,000) or more.
 - ii) Any real property in which the official has a direct or indirect interest worth one thousand dollars (\$1,000) or more.
 - iii) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating two hundred fifty dollars (\$250) or more in value provided to, received by or promised to the official within 12 months prior to the time when the decision is made.
 - iv) Any business entity in which the official is a director, officer, partner, trustee, employee, or holds any position of management.
 - v) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the official within 12 months prior to the time when the decision is made.
- 5) For purposes of **Section 4**, indirect investment or interest means any investment or interest owned by the spouse or dependent child of an official, by an agent on behalf of an official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or more.

EXHIBIT “F”

Covenant Agreement

1 NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

2 Order No.
3 Escrow No.
4 Loan No.

5 RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

6 County of Riverside
7 Housing and Workforce Solutions
8 3403 10th Street, Suite 300
Riverside, CA 92501
Attn. Juan Garcia

9 SPACE ABOVE THIS LINE FOR RECORDERS USE

10 **COVENANT AGREEMENT**

11 This Covenant Agreement (this “Covenant”) is made and entered into as of the day of
12 _____ 2022 by and between the COUNTY OF RIVERSIDE, a political subdivision of the
13 State of California (“COUNTY”), and SIGMA BETA XI INC, a California public benefit
14 corporation (“OWNER”).

15 **RECITALS**

16 WHEREAS, OWNER owns that certain real property located at 16641, 16659, and 16675
17 Perris Blvd, Riverside County, CA 92553 in the County of Riverside, also identified as APNs 316-
18 110-010, 316-110-025, 316-110-026, 316-110-027, and 316-110-028 more specifically described
19 in the legal description attached hereto as **Exhibit A** and incorporated herein by this reference (the
20 “Property”);

21 WHEREAS, on April 12, 2022 COUNTY and OWNER entered into that certain Loan
22 Agreement for the Use of ARPA Funds dated April 12, 2022 and recorded in the Official Records
23 of the County of Riverside (“Official Records”) concurrently herewith (the “ARPA Loan
24 Agreement” or “Agreement”) which provides for, among other things, the development of the
25 Property, to provide permanent supportive housing and wrap around services to foster care youth
26 transitioning out of foster care, and families with children that are homeless or at risk of
27
28

1 homelessness, or experiencing housing insecurity.

2 WHEREAS, the single-family home with the address of 16675 Peris Blvd. will offer four
3 (4) SRO units restricted as (“ARPA-Assisted Units”) for occupancy by homeless, at-risk of
4 homelessness Transition Age Youth (TAY), foster care youth transitioning out of foster care
5 whose incomes are at or below 30% of the area median income for the County of Riverside. The
6 single-family home with the address of 16659 Perris Blvd. will offer four (4) SRO units restricted
7 as (“ARPA-Assisted Units”) for occupancy by families with children whose incomes are at or
8 below 30% of the area median income for the County of Riverside. The single family home with
9 address of 16641 Perris Blvd. will offer four (4) SRO units which will be made available to TAY,
10 foster care youth transitioning out of foster care at or below 30% of the area median income for
11 Riverside County, if the service provider allows the rooms to be occupied because this property
12 will also be used for wrap around supportive services for the residents. Additional, an accessory
13 dwelling unit (ADU) will be constructed on the Property for an onsite property manager and the
14 existing metal shed on the Property will be converted into a youth technology lab (collectively, the
15 “Project”). The Project will take a whole-person approach and provide supportive services to
16 stabilize the tenants. Supportive services include mental health services, substance use counseling,
17 pre-apprenticeship employment training, soft skills employment training, and case management
18 services for system navigation.

19 WHEREAS, COUNTY is providing funding under the American Rescue Plan Act of 2021
20 (Title VI of the Social Security Act Section 602 et seq.), herein after “ARPA,” for the purposes
21 of providing decent, safe, and sanitary transitional housing to homeless individuals or individuals
22 at risk of homelessness;

23 WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY loaned to OWNER
24 \$3,914,633.00 derived from ARPA funds (“ARPA Loan”), to pay for a portion of the development
25 expenses of the Project, as more fully described in the ARPA Loan Agreement. The ARPA Loan
26 is evidenced by a Promissory Note executed by OWNER, in favor of COUNTY dated on or about
27
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1 the date hereof (“ARPA Loan Note”) and secured by that certain Deed of Trust, Security
2 Agreement and Fixture Filing (with Assignment of Rents) executed by OWNER, for the benefit
3 of COUNTY and recorded in the Official Records concurrently herewith (“ARPA Deed of Trust”);
4 and

5 WHEREAS, pursuant to the ARPA Loan Agreement, OWNER has agreed to develop the
6 Project on the Property and ensure the ARPA-Assisted Units are occupied by Qualified Individuals
7 consistent with the ARPA requirements and as set forth more specifically below.

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

12 1) RESTRICTIONS. The recitals set forth above are true and correct and incorporated
13 herein. This Covenant shall continue in full force and effect for the later of (i) fifty-five (55) years
14 from the recordation of the Covenant Agreement for the last building for which construction is
15 completed for the Project on the Property, or (ii) July 1, 2077 (“Term” or “Affordability Period”).
16 For the duration of the Term, the Property shall be held, sold and conveyed, subject to the following
17 covenants, conditions, and restrictions:

18 a) The ARPA-Assisted Units shall be made available only to Transition Age
19 Youth (TAY) and Families with Children whose incomes do not exceed 30% of the area median
20 income for the County of Riverside, at the time of initial occupancy as set forth above. Rent for
21 the ARPA-Assisted Units including utilities shall not exceed 30% of the household income.

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

24 2) SENIOR PRIORITY. Notwithstanding anything to the contrary contained in the
25 ARPA Loan Agreement, including any of its attachments, this Covenant shall be in first priority
26 lien position and senior to all other security instruments including but not limited to the deed of
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1 trust for the benefit of the County of Riverside securing the ARPA Loan.

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

6 a) The Coronavirus State and Local Fiscal Recover Funds (“SLFRF” or
7 “ARPA Funds”);

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

12 c) Affirmative marketing and minority outreach program. OWNER must
13 adopt affirmative marketing procedures and requirements. These must include:

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

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

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

26 (4) Records that will be kept describing actions taken by OWNER to
27 affirmatively market units and records to assess the results of these actions.
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1 (5) A description of how OWNER will annually assess the success of
2 affirmative marketing actions and what corrective actions will be taken where affirmative
3 marketing requirements are not met.

4 4) OWNER must prescribe procedures to establish and oversee a minority outreach
5 program to ensure the inclusion, to the maximum extent possible, of minorities and women, and
6 entities owned by minorities and women, including, without limitation, real estate firms,
7 construction firms, appraisal firms, management firms, financial institutions, investment banking
8 firms, underwriters, accountants, and providers of legal services, in all contracts entered into by
9 OWNER with such persons or entities, public and private, in order to facilitate the activities of
10 COUNTY to provide affordable housing authorized under this Act or any other Federal housing
11 law. MAINTENANCE OF THE IMPROVEMENTS. OWNER, on behalf of itself and its

12 successors, assigns, and each successor in interest to the Property and Project or any part thereof
13 hereby covenants to and shall protect, maintain, and preserve the Property in compliance with all
14 applicable federal and state law and regulations and local ordinances. In addition, OWNER, its
15 successors and assigns, shall maintain the improvements on the Property in the same aesthetic and
16 sound condition (or better) as the condition of the Property at the time of the recordation of the
17 Covenant Agreement for the Project, reasonable wear and tear excepted. This standard for the
18 quality of maintenance of the Property shall be met whether or not a specific item of maintenance
19 is listed below. However, representative items of maintenance shall include frequent and regular
20 inspection for graffiti or damage or deterioration or failure, and immediate repainting or repair or
21 replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash
22 receptacles and removal of litter; sweeping of public sidewalks adjacent to the Property, on-site
23 walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of
24 all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing
25 vegetation as necessary; cleaning windows on a regular basis; painting the buildings on a regular
26 program and prior to the deterioration of the painted surfaces; conducting a roof inspection on a

1 regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining
2 security devices in good working order. In the event OWNER, its successors or assigns fails to
3 maintain the Property in accordance with the standard for the quality of maintenance, COUNTY
4 or its designee shall have the right but not the obligation to enter the Property upon reasonable
5 notice to OWNER, correct any violation, and hold OWNER, or such successors or assigns
6 responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property.

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

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

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

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

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

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

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

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

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

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

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

21 d) General Insurance Provisions – All Lines.

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

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

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

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

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

3 (6) OWNER shall pass down the insurance obligations contained herein to
4 all tiers of subcontractors.

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

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

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

11 COUNTY
12 Director HWS
13 County of Riverside
14 3403 10th Street, Suite 300
Riverside, CA 92501

BORROWER
SIGMA BETA XI INC
c/o Moreno Valley Youth Village
14340 Elsworth Street, Suite B104
Moreno Valley CA 92553

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

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

23 13) NOTICE AND OPPORTUNITY TO CURE. Prior to exercising any remedies
24 hereunder, COUNTY shall give OWNER notice of such default pursuant to section 9 above. Any
25 monetary default shall be cured within ten (10) days of delivery of written notice. Except as
26 otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within
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1 thirty (30) days of delivery of such notice of default, OWNER shall have such period to effect a
2 cure prior to exercise of remedies by COUNTY. If the non-monetary default is such that it is not
3 reasonably capable of being cured within thirty (30) days of delivery of such notice of default, and
4 OWNER (a) initiates corrective action within said period, and (b) diligently, continually, and in
5 good faith works to effect a cure as soon as possible, then OWNER shall have such additional time
6 as is reasonably necessary to cure the default prior to exercise of any remedies by COUNTY; but
7 in no event no later than sixty (60) days from delivery of such notice of default, subject to force
8 majeure (including government restrictions, pandemics, and acts of God). COUNTY, upon
9 providing OWNER with any notice of default under this Covenant, shall, within a reasonable time,
10 provide a copy of such default notice to a Permitted Lender who has given written notice to
11 COUNTY of its interest in the Property and Project. From and after such notice has been delivered
12 to a Permitted Lender and the Owner's limited partner, such Permitted Lender shall have the same
13 period for remedying the default complained of as the cure period provided to OWNER pursuant
14 to this **Section 13**. COUNTY shall accept performance by a Permitted Lender or limited partner
15 of Owner as if the same had been done by OWNER.

16 14) If a violation of any of the covenants or provisions of this Covenant remains
17 uncured after the respective time period set forth in this **Section 14**, COUNTY and its successors
18 and assigns, without regard to whether COUNTY or its successors and assigns is an owner of any
19 land or interest therein to which these covenants relate, may institute and prosecute any
20 proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation
21 or to compel specific performance by OWNER of its obligations hereunder. No delay in enforcing
22 the provisions hereof as to any breach or violation shall impair, damage or waive the right of any
23 party entitled to enforce the provisions hereof or to obtain relief against or recover for the
24 continuation or repetition of such breach or violations or any similar breach or violation hereof at
25 any later time.

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

2 16) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY.

3 OWNER hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the
4 Project, the Property or any portion thereof, without obtaining the prior written consent of
5 COUNTY, in its sole discretion. Any sale, assignment, or transfer of the Project or Property, shall
6 be memorialized an assignment and assumption agreement the form and substance of which have
7 been first approved in writing by COUNTY in its sole discretion. Such assignment and assumption
8 agreement shall, among other things, provide that the transferee has assumed in writing and in full,
9 and is reasonably capable of performing and complying with OWNER's duties and obligations
10 under the ARPA Loan Agreement and this Covenant, provided, however OWNER shall not be
11 released of all obligations under the ARPA Loan Agreement and this Covenant.

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

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

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

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

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

9 22) PROJECT MONITORING AND EVALUATION.

10 a) Reserved.

11 b) Inspections. During the Affordability Period, COUNTY must perform on-
12 site inspections of ARPA-Assisted Units to determine compliance with the property standards.
13 The on-site inspections shall occur within twelve (12) months after Covenant Agreement and at
14 least once every three (3) years thereafter during the Affordability Period. If there are observed
15 deficiencies for any of the inspectable items in the property standards established by COUNTY,
16 a follow-up on-site inspection to verify that deficiencies are corrected must occur within twelve
17 (12) months. COUNTY may establish a list of non-hazardous deficiencies for which correction
18 can be verified by third party documentation (e.g., paid invoice for work order) rather than re-
19 inspection. Health and safety deficiencies must be corrected immediately. COUNTY must adopt
20 a more frequent inspection schedule for properties that have been found to have health and safety
21 deficiencies. The property owner must annually certify to COUNTY that each building and all
22 ARPA-Assisted Units in the Project are suitable for occupancy, taking into account State and
23 local health, safety, and other applicable codes, ordinances, and requirements, and the ongoing
24 property standards established by the participating jurisdiction. Inspections must be based on a
25 statistically valid sample of units appropriate for the size of COUNTY ARPA-Assisted project.

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

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

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

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

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17 [Remainder of Page Intentionally Blank]

18 [SIGNATURES ON THE NEXT PAGE]

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

COUNTY:

BORROWER:

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

SIGMA BETA XI INC,
a California public benefit corporation

By: _____
Heidi Marshall, Director HWS

By: _____
Name: Corey Jackson
Title: Chief Executive Officer

Date: _____

Date: _____

(Above signatures need to be notarized)

APPROVED AS TO FORM:
COUNTY COUNSEL

By: _____
Deputy County Counsel

(COUNTY and OWNER signatures need to be notarized)

< CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT >

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

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

PARCEL ONE: (APN: 316-110-010)

THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 10' EAST ON THE EAST LINE OF SAID LOT, 300 FEET; THENCE SOUTH 89 DEGREES 40' WEST, AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 10' WEST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 300 FEET TO A POINT IN THE NORTH LINE OF SAID LOT; THENCE SOUTH 89 DEGREES 40' WEST ON THE NORTH LINE OF SAID LOT, 300 FEET; THENCE SOUTH 00 DEGREES 10' WEST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 300 FEET; THENCE NORTH 89 DEGREES 40' EAST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 300 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL TWO: (APN: 316-110-025)

THAT PORTION OF LOT 24 IN BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 10' EAST, 300 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 40' WEST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 525 FEET; THENCE SOUTH 00 DEGREES 10' EAST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 30 FEET; THENCE NORTH 89 DEGREES 40' EAST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 525 FEET TO A POINT IN THE EAST LINE OF SAID LOT; THENCE NORTH 00 DEGREES 10' WEST ON THE EAST LINE OF SAID LOT, 30 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL THREE: (APN: 316-110-026)

THAT PORTION OF LOT 24, BLOCK 2 RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 OF MAPS, PAGE 21, RECORDS OF RIVERSIDE COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00° 10' EAST, ON THE EAST LINE OF SAID LOT, 100 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 00° 10' EAST, ON SAID EAST LINE, 100 FEET; THENCE SOUTH 89° 40' WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET; THENCE NORTH 00° 10' WEST, PARALLEL WITH THE EAST LINE OF SAID LOT, 100 FEET; THENCE NORTH 89° 40' EAST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET TO THE POINT OF BEGINNING.

PARCEL FOUR (APN: 316-110-027)

ALL THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8,

PAGE(S) 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT;
THENCE SOUTH 0° 10' EAST, ON THE EAST LINE OF SAID LOT, 100 FEET;
THENCE SOUTH 40° 40' WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET;
THENCE NORTH 0° 10' WEST PARALLEL WITH THE EAST LINE OF SAID LOT, 100 FEET TO THE NORTH LINE OF SAID LOT;
THENCE NORTH 49° 40' EAST, ON THE NORTH LINE OF SAID LOT, 225 FEET TO THE POINT OF BEGINNING.

PARCEL FIVE (APN: 316-110-028)

PARCEL A

THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 21 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 24;
THENCE SOUTH 00 DEGREES 10 MINUTES 00 SECONDS EAST 200.00 FEET ON THE EAST LINE OF SAID LOT TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00 DEGREES 10 MINUTES 00 SECONDS EAST 100 FEET, CONTINUING ON SAID EAST LINE; THENCE SOUTH 89 DEGREES 40 MINUTES 00 SECONDS WEST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT; THENCE NORTH 00 DEGREES 10 MINUTES 00 SECONDS WEST, 100.00 FEET PARALLEL WITH THE EAST LINE OF SAID LOT;
THENCE NORTH 89 DEGREES 40 MINUTES 00 SECONDS EAST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT TO THE POINT OF BEGINNING.

PARCEL B:

AN EASEMENT FOR INGRESS AND EGRESS OVER THAT PORTION OF LOT 24 IN BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT;
THENCE SOUTH 00 DEGREES 10 MINUTES EAST 300.00 FEET ON THE EAST LINE THEREOF TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 89 DEGREES 40 MINUTES WEST, 225.00 FEET, PARALLEL WITH THE NORTH LINE OF SAID LOT; THENCE SOUTH 00 DEGREES 10 MINUTES EAST, 30.00 FEET PARALLEL TO THE EAST LINE OF SAID LOT; THENCE NORTH 89 DEGREES 40 MINUTES EAST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT TO THE EAST LINE THEREOF;
THENCE NORTH 00 DEGREES 10 MINUTES WEST 30.00 FEET ON THE SAID EAST LINE TO THE POINT OF BEGINNING.

EXHIBIT “G”

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 10th Street, Suite 300
Riverside, CA 92501
Attn: Juan Garcia

SPACE ABOVE THIS LINE FOR RECORDERS USE

REQUEST for NOTICE UNDER SECTION 2924b CIVIL CODE

In accordance with Civil Code, Section 2924b, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust dated April 12 __, 2022, and recorded concurrently herewith in the Official Records of the County of Riverside, California, executed by SIGMA BETA XI INC, a domestic nonprofit corporation, as Trustor in which the XXXXXXXXXXXXXXXX is named as Beneficiary, and First American Title Company as Trustee, and describing land referred to in this Report is situated in the County of Riverside, State of California, and is described as follows:

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

PARCEL ONE: (APN: 316-110-010)

THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 10' EAST ON THE EAST LINE OF SAID LOT, 300 FEET; THENCE SOUTH 89 DEGREES 40' WEST, AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 10' WEST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 300 FEET TO A POINT IN THE NORTH LINE OF SAID LOT; THENCE SOUTH 89 DEGREES 40' WEST ON THE NORTH LINE OF SAID LOT, 300 FEET; THENCE SOUTH 00 DEGREES 10' WEST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 300 FEET; THENCE NORTH 89 DEGREES 40' EAST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 300 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL TWO: (APN: 316-110-025)

THAT PORTION OF LOT 24 IN BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 10' EAST, 300 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 40' WEST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 525 FEET; THENCE SOUTH 00 DEGREES 10' EAST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 30 FEET; THENCE NORTH 89 DEGREES 40' EAST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 525 FEET TO A POINT IN THE EAST LINE OF SAID LOT; THENCE NORTH 00 DEGREES 10' WEST ON THE EAST LINE OF SAID LOT, 30 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL THREE: (APN: 316-110-026)

THAT PORTION OF LOT 24, BLOCK 2 RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 OF MAPS, PAGE 21, RECORDS OF RIVERSIDE COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00° 10' EAST, ON THE EAST LINE OF SAID LOT, 100 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 00° 10' EAST, ON SAID EAST LINE, 100 FEET; THENCE SOUTH 89° 40' WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET; THENCE NORTH 00° 10' WEST, PARALLEL WITH THE EAST LINE OF SAID LOT, 100 FEET; THENCE NORTH 89° 40' EAST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET TO THE POINT OF BEGINNING.

PARCEL FOUR (APN: 316-110-027)

ALL THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE(S) 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT;
THENCE SOUTH 0° 10' EAST, ON THE EAST LINE OF SAID LOT, 100 FEET;
THENCE SOUTH 89° 40' WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET;
THENCE NORTH 0° 10' WEST PARALLEL WITH THE EAST LINE OF SAID LOT, 100 FEET TO THE NORTH LINE OF SAID LOT;
THENCE NORTH 89° 40' EAST, ON THE NORTH LINE OF SAID LOT, 225 FEET TO THE POINT OF BEGINNING.

PARCEL FIVE (APN: 316-110-028)

PARCEL A

THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 21 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 24;
THENCE SOUTH 00 DEGREES 10 MINUTES 00 SECONDS EAST 200.00 FEET ON THE EAST LINE OF SAID LOT TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00 DEGREES 10 MINUTES 00 SECONDS EAST 100 FEET, CONTINUING ON SAID EAST LINE;
THENCE SOUTH 89 DEGREES 40 MINUTES 00 SECONDS WEST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT; THENCE NORTH 00 DEGREES 10 MINUTES 00 SECONDS WEST, 100.00 FEET PARALLEL WITH THE EAST LINE OF SAID LOT;
THENCE NORTH 89 DEGREES 40 MINUTES 00 SECONDS EAST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT TO THE POINT OF BEGINNING.

PARCEL B:

AN EASEMENT FOR INGRESS AND EGRESS OVER THAT PORTION OF LOT 24 IN BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT;
THENCE SOUTH 00 DEGREES 10 MINUTES EAST 300.00 FEET ON THE EAST LINE THEREOF TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 89 DEGREES 40 MINUTES WEST, 225.00 FEET, PARALLEL WITH THE NORTH LINE OF SAID LOT; THENCE SOUTH 00 DEGREES 10 MINUTES EAST, 30.00 FEET PARALLEL TO THE EAST LINE OF SAID LOT; THENCE NORTH 89 DEGREES 40 MINUTES EAST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT TO THE EAST LINE THEREOF;
THENCE NORTH 00 DEGREES 10 MINUTES WEST 30.00 FEET ON THE SAID EAST LINE TO THE POINT OF BEGINNING.

All notices to be mailed to:

Attn: Director HWS
County of Riverside
Housing Division
3403 10th Street, Suite 300
Riverside, California 92501

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

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

COUNTY OF RIVERSIDE DEPARTMENT OF HOUSING
AND WORKFORCE SOLUTIONS

Heidi Marshall, Director HWS

REQUEST for NOTICE UNDER SECTION 2924b CIVIL CODE

Exhibit “H”

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, SIGMA BETA XI INC, has verified the contractor/vendor known as, AIM CONSULTING SERVICES, was not listed in the Excluded Parties Lists System and has the required contractor/vendor license as of September 11, 2017.

DEVELOPER SIGNATURE

EXHIBIT “I”

1. **ORDERS OF LOCAL, STATE OR FEDERAL HEALTH OFFICIALS; EXECUTIVE ORDERS.** County and Contractor mutually acknowledge that local, state, or federal authorities may issue official orders related to the COVID-19 epidemic, or take other official actions, subsequent to the execution of this Agreement that Parties to this Agreement cannot presently predict. County and Contractor mutually acknowledge and agree that this Agreement shall be subject to the provisions of any such official action or order, particularly but not limited to Executive Orders of the Governor of the State of California and Orders of the County Public Health Officer, and the like (“Official Actions”), and if the provisions of any such Official Actions materially impact the terms of this Agreement, the provisions of those Official Actions shall govern.

a. In the event that such Official Actions make the services provided to the County under this Agreement illegal, unlawful, or contrary to public policy, County shall provide written notice to Contractor in the manner described herein, and County and Contractor mutually agree that this Agreement shall terminate as of the date of that Official Action, at no penalty to County. In such an event, County shall pay outstanding fees to due to Contractor pro-rated from the date of the Official Action, along with all other remaining sums due to Contractor, within thirty (30) calendar days from the date of that Official Action.

b. The parties acknowledge that Contractor is providing the services for emergency purposes at the request of the County under the California Emergency Services Act (the “Act” (California Government Code §§ 8550 et seq.)). Pursuant to California Government Code §8655, the County and as such, is subject to certain immunities with respect thereto and shall not be liable for any claim based upon the exercise or performance, or the failure to exercise or perform, a discretionary function or duty on the part of the County or any employee of the County in carrying out the provisions of the Act.

c. CONTRACTOR acknowledges and agrees that this Agreement is subject to the federal Uniform Administrative Requirements, Cost principles and Audit Requirements for Federal Awards (**2 C.F.R. Part 200**), including the federal provisions attached hereto, and incorporated herein. Should there be any conflict between the provisions of this Agreement and Exhibit J, the terms and conditions in Exhibit J shall govern, unless the more restrictive provision herein is otherwise required to control as a condition of FEMA funding.

d. Should funding be allocated through American Rescue Plan Act (ARPA; (Title VI of the Social Security Act Section 602 et seq.)), the COUNTY will administer and distribute those funds in accordance with ARPA. ARPA requires that payments from the Coronavirus Fiscal Recovery Fund be used to respond to the public health emergency or its negative economic impacts, to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay, provide government services to the extent the reduction of revenue due to COVID-19 public health emergency, and to make necessary investments in water, sewer or broadband infrastructure. It is effective beginning May 17, 2021 and ends on December 31, 2024.

2. **NON-DISCRIMINATION.** Contractor shall not be discriminate in the provision of services, allocation of benefits, accommodation in facilities, or employment of personnel

on the basis of ethnic group identification, race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this Agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. S1210 et seq.) and all other applicable laws or regulations.

3. EQUAL EMPLOYMENT OPPORTUNITY/ FAIR EMPLOYMENT PRACTICES/ FEDERAL PROVISIONS. During the performance of this Agreement, the Contractor shall not deny benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, or sex. Contractor shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

- a. Contractor shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, Section 11000 et seq.), the provisions of Executive Order 11246 of Sept. 23, 1965 and of the rules, regulations, and relevant orders of the Secretary of Labor, the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code, Sections 11135-11139.8), and of the rules, regulations or standards adopted by the County to implement such article.

- b. The Contractor shall comply with the provisions of the Copeland "Anti-Kickback" Act, 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this Agreement.

4. OTHER FEDERAL PROVISIONS. Contractor acknowledges and agrees that this Agreement is subject to the federal requirements for seeking FEMA reimbursements, including the federal provisions provided below.

4.1 CLEAN AIR ACT.

The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. Section 7401 et seq.

The Contractor agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the California Governor's Office of Emergency Services, Federal Emergency Management Agency (FEMA), and the appropriate Environmental Protection Agency Regional Office.

The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

4.2. FEDERAL WATER POLLUTION CONTROL ACT

The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. Sections 1251 et seq.

The Contractor agrees to report each violation to the County and understands and agrees that the County will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency (FEMA), and the appropriate Environmental Protection Agency Regional Office.

The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

4.3. DEBARMENT AND SUSPENSION CLAUSE

This Agreement is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such the Contractor is required to verify that none of the Contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).

The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

This certification is a material representation of fact relied upon by the County. If it is later determined that the Contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the County, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

4.4. BYRD ANTI- LOBBYING AMENDMENT, 31 U.S.C. § 1352 (AS AMENDED)

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the County.

APPENDIX A, 44 C.F.R. PART 18- CERTIFICATION REGARDING LOBBYING

The undersigned [Contractor] certifies, to the best of his or her knowledge, that:

A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or

employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

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

C. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

CONTRACTOR

By _____
Date _____

4.5. PROCUREMENT OF RECOVERED MATERIALS

In the performance of this Agreement, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—

- i. Competitively within a timeframe providing for compliance with the contract performance schedule;
- ii. Meeting contract performance requirements; or
- iii. At a reasonable price.

Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

4.6. ACCESS TO RECORDS

The following access to records requirements apply to this Agreement:

- i. The Contractor agrees to provide the County, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions.
- ii. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- iii. The Contractor agrees to provide the FEMA Administrator or his or her authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.
- iv. In compliance with the Disaster Recovery Act of 2018, the County and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

4.7. DEPARTMENT OF HOMELAND SECURITY SEAL, LOGO, FLAGS

The Contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

4.8. COMPLIANCE WITH FEDERAL LAW, REGULATIONS, AND EXECUTIVE ORDERS

This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The Contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

4.9. NO OBLIGATION BY FEDERAL GOVERNMENT

The Federal Government is not a party to this Agreement and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

4.10. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS

The Contractor acknowledges that 31 U.S.C. Chapter 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this Agreement.

4.11 FEDERAL PREVAILING WAGE

DAVIS-BACON ACT COMPLIANCE (applicable to construction contracts in excess of \$2,000 awarded by grantees and subgrantees when required by Federal grant program legislation)

To the extent required by any Federal grant programs applicable to expected funding or reimbursement expenses incurred in connection with the services provided under this Agreement, Contractor agrees to comply with the Davis-Bacon Act (40 U.S.C. §§ 3141-3144 and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5) as set forth below.

- A. The Contractor shall be bound to the provisions of the Davis-Bacon Act, and agrees to be bound by all the provisions of Labor Code section 1771 regarding prevailing wages. All labor on this project shall be paid neither less than the greater of the minimum wage rates established by the U.S. Secretary of Labor (Federal Wage Rates), or by the State of California Director of Department of Industrial Relations (State Wage Rates). Current DIR requirements may be found at <http://www.dir.ca.gov/lcp.asp>. Additionally, wages are required to be paid not less than once a week.
- B. The general prevailing wage rates may be accessed at the Department of Labor Home Page at www.wdol.gov. Under the Davis Bacon heading, click on "Selecting DBA WDs." In the drop down menu for State, select, "California." In the drop down menu for County, select "Riverside." In the drop down menu for Construction Type, make the appropriate selection. Then, click Search.

The Federal minimum wage rates for this project are predetermined by the United States Secretary of Labor. If there is a difference between the minimum wage rates predetermined by the Secretary of Labor and the general prevailing wage rates determined by the Director of the California DIR for similar classifications of labor, the Contractor and subcontractors shall pay not less than the higher wage rate. The County will not accept lower State wage rates not specifically included in the Federal minimum wage determinations. This includes "helper" (or other classifications based on hours of experience) or any other classification not appearing in the Federal wage determinations. Where Federal wage determinations do not contain the State wage rate determination otherwise available for use by the Contractor and subcontractors, the Contractor and subcontractors shall pay not less than the Federal minimum wage rate which most closely approximates the duties of the employees in question.

4.12. CONTRACT WORK HOURS AND SAFETY STANDARDS (applicable to all contracts in excess of \$100,000 that involve the employment of mechanics or laborers, but not to purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence)

- A. Compliance: Contractor agrees that it shall comply with Sections 3702 and 3704 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701–3708) as supplemented by Department of Labor regulations (29 CFR Part 5), which are incorporated herein.
- B. Overtime: No contractor or subcontractor contracting for any part of the work under this Agreement which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- C. Violation; liability for unpaid wages; liquidated damages: In the event of any violation of the provisions of paragraph B of this section, the Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph B, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by paragraph B.
- D. Withholding for unpaid wages and liquidated damages: Contractor shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set for in paragraph C of this section.
- E. Subcontracts: The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs A through D of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs A through D of this section.

4.13. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT— Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, “Rights to Inventions Made by Nonprofit Organizations and

Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by HUD.

414. RIGHTS TO DATA AND COPYRIGHTS – Contractors and consultants agree to comply with all applicable provisions pertaining to the use of data and copyrights pursuant to 48 CFR Part 27.4, Federal Acquisition Regulations (FAR).

4.15. PROHIBITION ON CONTRACTING FOR COVERED TELECOMMUNICATIONS EQUIPMENT OR SERVICES

(a) Definitions. As used in this clause, the terms backhaul; covered foreign country; covered telecommunications equipment or services; interconnection arrangements; roaming; substantial or essential component; and telecommunications equipment or services have the meaning as defined in FEMA Policy, #405-143-1 Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services As used in this clause—

(b) Prohibitions.

(1) Section 889(b) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Pub. L. No. 115-232, and 2 C.F.R. § 200.216 prohibit the head of an executive agency on or after Aug.13, 2020, from obligating or expending grant, cooperative agreement, loan, or loan guarantee funds on certain telecommunications products or from certain entities for national security reasons.

(2) Unless an exception in paragraph (c) of this clause applies, the contractor and its subcontractors may not use grant, cooperative agreement, loan, or loan guarantee funds from the Federal Emergency Management Agency to:

(i) Procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;

(ii) Enter into, extend, or renew a contract to procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology of any system;

(iii) Enter into, extend, or renew contracts with entities that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system; or (iv) Provide, as part of its performance of this contract, subcontract, or other contractual instrument, any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. Page 9

(c) Exceptions.

(1) This clause does not prohibit contractors from providing—

a. A service that connects to the facilities of a third-party, such as backhaul, roaming, or interconnection arrangements; or

b. Telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that such equipment transmits or otherwise handles.

(2) By necessary implication and regulation, the prohibitions also do not apply to:

a. Covered telecommunications equipment or services that:

i. Are not used as a substantial or essential component of any system;
and

ii. Are not used as critical technology of any system.

b. Other telecommunications equipment or services that are not considered covered telecommunications equipment or services.

(d) Reporting requirement.

(1) In the event the contractor identifies covered telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, or the contractor is notified of such by a subcontractor at any tier or by any other source, the contractor shall report the information in paragraph (d)(2) of this clause to the recipient or subrecipient, unless elsewhere in this contract are established procedures for reporting the information.

(2) The Contractor shall report the following information pursuant to paragraph (d)(1) of this clause:

(i) Within one business day from the date of such identification or notification: The contract number; the order number(s), if applicable; supplier name; supplier unique entity identifier (if known); supplier Commercial and Government Entity (CAGE) code (if known); brand; model number (original equipment manufacturer number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

ii) Within 10 business days of submitting the information in paragraph (d)(2)(i) of this clause: Any further available information about mitigation actions undertaken or recommended. In addition, the contractor shall describe the efforts it undertook to prevent use or submission of covered telecommunications equipment or services, and any additional efforts that will be incorporated to prevent future use or submission of covered telecommunications equipment or services. Page 10

(e) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (e), in all subcontracts and other contractual instruments.

4.16 REPORTING OF MATTERS RELATED TO RECIPIENT INTEGRITY AND PERFORMANCE

1. General Reporting Requirement

If the total value of your currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this Federal award, then you as the recipient during that period of time must maintain the currency of information reported to the System for Award Management (SAM) that is made available in the designated integrity and performance system (currently the Federal Awardee Performance and Integrity Information System (FAPIIS)) about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under section 872 of [Public Law 110-417](#), as amended ([41 U.S.C. 2313](#)). As required by section 3010 of [Public Law 111-212](#), all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

2. Proceedings About Which You Must Report

Submit the information required about each proceeding that:

a. Is in connection with the award or performance of a grant, cooperative agreement, or procurement contract from the Federal Government;

b. Reached its final disposition during the most recent five-year period; and

c. Is one of the following:

(1) A criminal proceeding that resulted in a conviction, as defined in paragraph 5 of this award term and condition;

(2) A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of \$5,000 or more;

(3) An administrative proceeding, as defined in paragraph 5. of this award term and condition, that resulted in a finding of fault and liability and your payment of either a monetary fine or penalty of \$5,000 or more or reimbursement, restitution, or damages in excess of \$100,000; or

(4) Any other criminal, civil, or administrative proceeding if:

(i) It could have led to an outcome described in paragraph 2.c.(1), (2), or (3) of this award term and condition;

(ii) It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on your part; and

(iii) The requirement in this award term and condition to disclose information about the proceeding does not conflict with applicable laws and regulations.

3. Reporting Procedures

Enter in the SAM Entity Management area the information that SAM requires about each proceeding described in paragraph 2 of this award term and condition. You do not need to submit the information a second time under assistance awards that you received if you already provided the information through SAM because you were required to do so under Federal procurement contracts that you were awarded.

4. Reporting Frequency

During any period of time when you are subject to the requirement in paragraph 1 of this award term and condition, you must report proceedings information through SAM for the most recent five year period, either to report new information about any proceeding(s) that you have not reported previously or affirm that there is no new information to report. Recipients that have Federal contract, grant, and cooperative agreement awards with a cumulative total value greater than \$10,000,000 must disclose semiannually any information about the criminal, civil, and administrative proceedings.

5. Definitions

For purposes of this award term and condition:

- a. Administrative proceeding means a non-judicial process that is adjudicatory in nature in order to make a determination of fault or liability (*e.g.*, Securities and Exchange Commission Administrative proceedings, Civilian Board of Contract Appeals proceedings, and Armed Services Board of Contract Appeals proceedings). This includes proceedings at the Federal and State level but only in connection with performance of a Federal contract or grant. It does not include audits, site visits, corrective plans, or inspection of deliverables.
- b. Conviction, for purposes of this award term and condition, means a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of *nolo contendere*.
- c. Total value of currently active grants, cooperative agreements, and procurement contracts includes -
 - (1) Only the Federal share of the funding under any Federal award with a recipient cost share or match; and
 - (2) The value of all expected funding increments under a Federal award and options, even if not yet exercised.

SCHEDULE A
Housing and Workforce Solutions
Budget Adjustment
Fiscal Year 2021/2022
American Rescue Plan Act (ARPA)

Increase in Appropriations:

21735-5501000000-536200	Contrib. To Non-County Agency	\$	3,914,633
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Increase in Estimated Revenues:

21735-5501000000-763520	Fed-American Rescue Plan Act	\$	3,914,633
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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. Juan Garcia

COPY

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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

This DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING (WITH ASSIGNMENT OF RENTS) (this "Deed of Trust") is made this 20th day of April, 2022 by SIGMA BETA XI INC, a California public benefit corporation (hereinafter referred to as "Trustor"), whose address is 14340 Elsworth Blvd, Ste B104, Moreno Valley, CA 92553, Attention: Corey Jackson. The trustee is Housing and Workforce Solutions ("Trustee"). The beneficiary is the County of Riverside, a political subdivision of the State of California (hereinafter called "Beneficiary"), whose address is 3403 10th Street, Suite 300 Riverside, CA 92501.

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

(A) That certain fee interest in the real property in the County of Riverside, State of California more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference (such interest in real property is hereafter referred to as the "Subject Property");

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

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

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

(E) all present and future right, title and interest of Trustor in and to all inventory, equipment, fixtures and other goods (as those terms are defined in Division 9 of the California

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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:

- i. due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:
 - (a) that certain Promissory Note in favor of the Beneficiary (“County” therein) executed by Trustor (“Borrower” therein) of even date herewith (the “ARPA Note”) in the principal amount of \$3,914,633.00.
 - (b) that certain Loan Agreement for the Use of ARPA Funds dated April 20, 2022 and recorded in the Official Records (“Official Records”) of the County of Riverside concurrently herewith, between Trustor (“Borrower” therein) and Beneficiary (“County” therein) (the “ARPA Loan Agreement”); and
 - (c) that certain Covenant Agreement dated April 20, 2022 and recorded concurrently herewith in the Official Records, between Trustor (“Borrower” therein) and Beneficiary (“County” therein) (“Covenant Agreement”).
- ii. payment of indebtedness of the Trustor to the Beneficiary not to exceed THREE MILLION NINE HUNDRED FOURTEEN THOUSAND SIX HUNDRED THIRTY THREE DOLLARS (the “ARPA Loan”) according to the terms of the ARPA Note.

Said ARPA Note, ARPA 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 ARPA Note, ARPA Loan Agreement and Covenant Agreement as used herein shall mean, refer to and include the ARPA Note, ARPA 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 ARPA Loan Agreement.

The ARPA Loan evidenced by the ARPA Note and secured by this Deed of Trust is being made pursuant to the Coronavirus State and Local Fiscal Recover Funds (“SLFRF” or “ARPA Funds”). Pursuant to the ARPA Loan Agreement, the maturity date of the ARPA Loan shall be the later to occur of (i) July 1, 2077 or (ii) fifty-five (55) years from recordation of the Covenant Agreement in the Official Records for the Project (as defined in the ARPA Loan Agreement) (“ARPA 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 ARPA Note at the time and in the manner provided therein, and perform the obligations of the Trustor as set forth in the ARPA 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 ARPA Loan Agreement and Covenant Agreement.

3. That the Secured Obligations are incorporated in and made a part of the 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 ARPA 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 ARPA Note and any late charges due under the ARPA Note. Payments on the ARPA Note shall be deferred annually and forgiven at the end of the Term of the Agreement if Trustor has complied with the terms of the ARPA Loan.

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 ARPA 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 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 thirty (30) days of the giving of notice.

9. **Priority of Deed of Trust.** The Deed of Trust shall be in a second priority lien position, behind the Covenant Agreement (first priority) and ahead of the ARPA Loan Agreement (third priority).

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 ARPA 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 ARPA 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.

b. Unless Beneficiary and Trustor otherwise agree in writing, 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 thirty (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. **Reserved.**

11. **Preservation, Maintenance and Protection of the Property; 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 evidenced by the ARPA Note, including, but not limited to representations concerning Trustor's use of Property for transitional housing. If this Deed of Trust is on the Property, Trustor shall comply with all provisions of the lease. If Trustor acquires fee title to the Property, 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, affordability, and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the Property is located), limiting the Property's use to transitional 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 ARPA 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.

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

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

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

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

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

18. **Loan Charges.** If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Trustor which exceeded permitted limits will be promptly refunded to Trustor. Beneficiary may choose to make this refund by reducing the principal owed under the ARPA 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. Any notice provided for in this Deed of Trust shall be deemed to have been given to Trustor or Beneficiary when given as provided in this Section.

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

22. **Transfer of the Property or a Beneficial Interest in Trustor.** Except as otherwise allowed under the ARPA 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 transitional housing) Beneficiary may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Beneficiary if exercise is prohibited by federal law as of the date of this Deed of Trust. Nothing in this Deed of Trust shall be deemed to require Beneficiary's approval of a conveyance of an easement interest in the Property for utility purposes.

a. If Beneficiary exercises the aforementioned option, Beneficiary shall give Trustor prior written notice of acceleration. The notice shall provide a period of not less than thirty

(30) days from the date the notice is delivered or mailed within which Trustor must pay all sums secured by this Deed of Trust. If Trustor fails to pay these sums prior to the expiration of this period, Beneficiary may invoke any remedies permitted by this Deed of Trust without further notice or demand on Trustor.

b. Reserved.

23. **Trustor's Right to Reinstate.** If Trustor meets certain conditions, Trustor shall have the right to have enforcement of this Deed of Trust discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Deed of Trust; or (b) entry of a judgment enforcing this Deed of Trust. Those conditions are that Trustor: (a) pays Beneficiary all sums which then would be due under this Deed of Trust and the ARPA Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Deed of Trust, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Beneficiary may reasonably require to assure that the lien of this Deed of Trust, Beneficiary's rights in the Property and Trustor's obligation to pay the sums secured by this Deed of Trust shall continue unchanged. Upon reinstatement by Trustor, this Deed of Trust and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under **Section 22**.

24. **Sale of Note; Change of Loan Servicer.** The ARPA Note or a partial interest in the ARPA 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 ARPA Note and this Deed of Trust shall not be assigned by Trustor without the Beneficiary's prior written consent.

26. **Hazardous Substances.** Trustor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the 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 sums secured by this Deed of Trust and sale of the Property. The notice shall further inform Trustor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Trustor to acceleration and sale. If the default is not cured by the Trustor on or before the date specified in the notice, subject to any non-recourse provisions set forth in Section 8 of the Note, then Beneficiary at its option may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Section 27**, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

a. If Beneficiary invokes the power of sale, Beneficiary or Trustee shall mail copies of a notice of sale in the manner prescribed by applicable law to Trustor 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, or upon forgiveness of all sums at the end of the ARPA Loan Term as provided herein, Beneficiary shall release this Deed of Trust without charge to Trustor. Trustor shall pay any recordation costs. The lien of the Covenant Agreement shall not be released or reconveyed until the expiration of the term set forth therein notwithstanding the payment of all sums secured by this Deed of Trust.

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

30. **Reserved.**

31. **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. **Reserved.**

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:

SIGMA BETA XI INC,
a California public benefit corporation

By: _____

Name: Corey Jackson

Title: Chief Executive Officer

Date: _____

4/13/2022

(Signature needs to be notarized)

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California

County of Riverside }

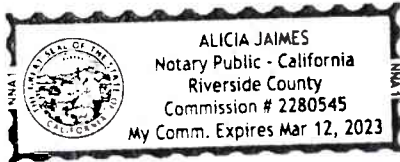
On 4/13/2022 before me, Alicia James, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Corey Alexander Jackson
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Alicia James
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator


Other: _____

Signer is Representing: _____

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

TRUSTOR:

SIGMA BETA XI INC,
a California public benefit corporation

By: 
Name: Corey Jackson
Title: Chief Executive Officer

Date: 4/22/22

(Signature needs to be notarized)

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California

County of Riverside }

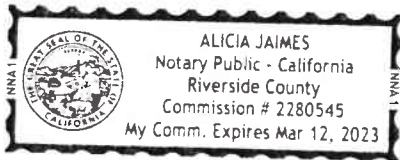
On 4/22/2022 before me, Alicia James, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Corey Alexander Jackson
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Alicia James
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner -- Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

< CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT >

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

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

PARCEL ONE: (APN: 316-110-010)

THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 10' EAST ON THE EAST LINE OF SAID LOT, 300 FEET; THENCE SOUTH 89 DEGREES 40' WEST, AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 10' WEST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 300 FEET TO A POINT IN THE NORTH LINE OF SAID LOT; THENCE SOUTH 89 DEGREES 40' WEST ON THE NORTH LINE OF SAID LOT, 300 FEET; THENCE SOUTH 00 DEGREES 10' WEST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 300 FEET; THENCE NORTH 89 DEGREES 40' EAST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 300 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL TWO: (APN: 316-110-025)

THAT PORTION OF LOT 24 IN BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 10' EAST, 300 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 40' WEST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 525 FEET; THENCE SOUTH 00 DEGREES 10' EAST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 30 FEET; THENCE NORTH 89 DEGREES 40' EAST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 525 FEET TO A POINT IN THE EAST LINE OF SAID LOT; THENCE NORTH 00 DEGREES 10' WEST ON THE EAST LINE OF SAID LOT, 30 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL THREE: (APN: 316-110-026)

THAT PORTION OF LOT 24, BLOCK 2 RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 OF MAPS, PAGE 21, RECORDS OF RIVERSIDE COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00° 10' EAST, ON THE EAST LINE OF SAID LOT, 100 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 00° 10' EAST, ON SAID EAST LINE, 100 FEET; THENCE SOUTH 89° 40' WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET; THENCE NORTH 00° 10' WEST, PARALLEL WITH THE EAST LINE OF SAID LOT, 100 FEET; THENCE NORTH 89° 40' EAST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET TO THE POINT OF BEGINNING.

PARCEL FOUR (APN: 316-110-027)

ALL THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE(S) 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT;
THENCE SOUTH 0° 10' EAST, ON THE EAST LINE OF SAID LOT, 100 FEET;
THENCE SOUTH 0° 40' WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET;
THENCE NORTH 0° 10' WEST PARALLEL WITH THE EAST LINE OF SAID LOT, 100 FEET TO THE NORTH LINE OF SAID LOT;

THENCE NORTH $a9^{\circ} 40'$ EAST, ON THE NORTH LINE OF SAID LOT, 225 FEET TO THE POINT OF BEGINNING.

PARCEL FIVE (APN: 316-110-028)

PARCEL A

THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 21 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 24;
THENCE SOUTH 00 DEGREES 10 MINUTES 00 SECONDS EAST 200.00 FEET ON THE EAST LINE OF SAID LOT TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00 DEGREES 10 MINUTES 00 SECONDS EAST 100 FEET, CONTINUING ON SAID EAST LINE; THENCE SOUTH 89 DEGREES 40 MINUTES 00 SECONDS WEST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT; THENCE NORTH 00 DEGREES 10 MINUTES 00 SECONDS WEST, 100.00 FEET PARALLEL WITH THE EAST LINE OF SAID LOT;
THENCE NORTH 89 DEGREES 40 MINUTES 00 SECONDS EAST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT TO THE POINT OF BEGINNING.

PARCEL B:

AN EASEMENT FOR INGRESS AND EGRESS OVER THAT PORTION OF LOT 24 IN BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT;
THENCE SOUTH 00 DEGREES 10 MINUTES EAST 300.00 FEET ON THE EAST LINE THEREOF TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 89 DEGREES 40 MINUTES WEST, 225.00 FEET, PARALLEL WITH THE NORTH LINE OF SAID LOT; THENCE SOUTH 00 DEGREES 10 MINUTES EAST, 30.00 FEET PARALLEL TO THE EAST LINE OF SAID LOT; THENCE NORTH 89 DEGREES 40 MINUTES EAST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT TO THE EAST LINE THEREOF;
THENCE NORTH 00 DEGREES 10 MINUTES WEST 30.00 FEET ON THE SAID EAST LINE TO THE POINT OF BEGINNING.

PROMISSORY NOTE (ARPA Loan)

\$3,914,633.00 Riverside, CA

In installments as hereafter stated, for value received, SIGMA BETA XI INC, a California 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 Three Million Nine Hundred Fourteen Thousand Six Hundred Thirty Three Dollars (U.S. \$3,914,633.00) (the “ARPA Loan” or “Note Amount”) which at the time of payment is lawful for the payment of public and private debts.

This Promissory Note (this “Note”) is given in accordance with that certain Loan Agreement for the Use of ARPA Funds executed by COUNTY and Borrower, dated as of April 2^o, 2022, and recorded in the Official Records (“Official Records”) of the County of Riverside on or about the date hereof (the “ARPA 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 ARPA Loan Agreement. The Note is secured by a Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents) executed by Borrower for the benefit of the County dated April 2^o, 2022, and recorded on or about the date hereof in the Official Records (the “ARPA Deed of Trust” or “Deed of Trust”). The rights and obligations of Borrower and COUNTY under this Note shall be governed by the ARPA Loan Agreement and the following terms:

- (1) The ARPA Loan evidenced by this Note and secured by the Deed of Trust are being made pursuant to the Coronavirus State and Local Fiscal Recover Funds (“SLFRF” or “ARPA”). Borrower agrees for itself, its successors and assigns, that the use of the Property shall be subject to the restrictions on rent, affordability and occupancy set forth in ARPA, the Final Rule, the ARPA Loan Agreement and that certain Covenant Agreement dated on or about the date hereof and recorded concurrently herewith in the Official Records, between Borrower and COUNTY.
- (2) That the ARPA Loan will not accrue any interest per annum and shall be deferred if the Project is in compliance with the ARPA Loan Agreement and forgiven in its entirety at the end of the Term of the ARPA Loan Agreement.
- (3) 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.
- (4) Subject to the provisions and limitations of this Section 4, the obligation to repay the Note Amount is a nonrecourse obligation of Borrower and its officers. Neither Borrower nor its officers shall have any personal liability for repayment of the Note Amount, except as provided in this Paragraph 4. 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 ARPA 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 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 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 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 4, 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 COUNTY as a result of fraud, misrepresentation or any criminal act or acts of Borrower or any officer, director or employee of Borrower; (b) any damages, costs and expenses incurred by COUNTY as a result of any misappropriation of funds provided to pay costs as described in the ARPA Loan Agreement, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; and (c) any misappropriation of rental proceeds resulting in the failure to pay taxes, assessments, or other charges that could create statutory liens on the Property and that are payable or applicable prior to any foreclosure under the Deed of Trust.

(5) 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 ARPA Loan Agreement:

- a. Monetary Default. (1) Borrower’s failure to pay when due any sums payable under the ARPA Note or any advances made by COUNTY under this Agreement, (2) Borrower’s or any agent of Borrower’s use of ARPA funds for costs other than those costs permitted under the ARPA Loan Agreement or for uses inconsistent with terms and restrictions set forth in this Agreement, and/or (3) Borrower’s or any agent of Borrower’s failure to make any other payment of any assessment or tax due under the ARPA Loan Agreement;
- b. Non-Monetary Default - Operation. (1) Discrimination by Borrower or Borrower’s agent on the basis of characteristics prohibited by this Agreement or applicable law, (2) the imposition of any encumbrances or liens on the Project without COUNTY’s prior written approval that are prohibited under this agreement or that have the effect of reducing the priority or invalidating the lien of the ARPA Deed of Trust, (3) Borrower’s failure to obtain and maintain the insurance coverage required under the ARPA Loan Agreement, (4) any material default under the ARPA Loan Agreement, ARPA Deed of Trust with Assignment of Rents, Covenant Agreement, ARPA 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 ARPA 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 ARPA 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.
- (6) COUNTY shall give written notice of default to Borrower, specifying the default complained of by 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.
- (7) 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.
- (8) 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.
- (9) 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.
- (10) 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 ARPA 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.
- (11) 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 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.

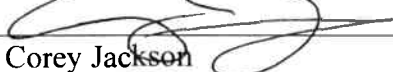
- (12) No modification, rescission, waiver, release or amendment of any provision of this Note shall be made except by a written agreement executed by Borrower and the duly authorized representative of COUNTY.
- (13) COUNTY may, in its sole and absolute discretion, assign its rights under this Note and its right to receive repayment of the Note Amount without obtaining the consent of Borrower.
- (14) In no event shall Borrower assign or transfer any portion of this Note or any rights herein without the prior express written consent of COUNTY, which consent COUNTY may give or withhold in its sole and absolute discretion. In the absence of specific written agreement by COUNTY, no unauthorized assignment or transfer, or approval thereof by COUNTY, shall be deemed to relieve Borrower or any other party from any obligations under the ARPA Loan Agreement or this Note. This provision shall not affect or diminish COUNTY's assignment rights under this Note.
- (15) 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 COUNTY in its sole and absolute discretion.
- (16) The relationship of Borrower and 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.
- (17)
 - (a) Formal notices, demands and communications between County and Borrower shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of 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 COUNTY for purposes of receiving notices pursuant to this Note shall be 3403 10th Street, Suite 300, Riverside, CA 92501, Attention: Director HWS. The facsimile number for COUNTY's receipt of notices is (951) 352-4852.
 - (c) The address of Borrower for purposes of receiving notices pursuant to this Note is 800 W. 6th Street, Ste 1505, Los Angeles, CA 90017, Attention: Chief Executive Officer.

- (18) The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.
- (19) The undersigned, if comprising more than one person or entity, shall be jointly and severally liable hereunder.
- (20) This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit COUNTY and its successors and assigns.

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

BORROWER:

SIGMA BETA XI INC,
a California public benefit corporation

By: 
Name: Corey Jackson
Title: Chief Executive Officer

Date: 4/13/2022

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

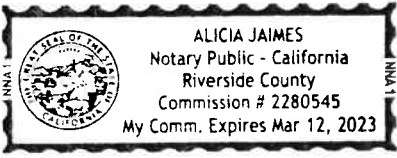
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Riverside

On 4/13/2022 before me, Alicia James, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Corey Alexander Jackson
Name(s) of Signer(s)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Alicia James
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____
Document Date: _____ Number of Pages: _____
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)


Signer's Name: _____ Signer's Name: _____
 Corporate Officer – Title(s): _____ Corporate Officer – Title(s): _____
 Partner – Limited General Partner – Limited General
 Individual Attorney in Fact Individual Attorney in Fact
 Trustee Guardian or Conservator Trustee Guardian or Conservator
 Other: _____ Other: _____
Signer is Representing: _____ Signer is Representing: _____

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SIGMA BETA XI INC,
a California public benefit corporation

By: 
Name: Corey Jackson
Title: Chief Executive Officer

Date: 4/22/22

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

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

State of California }
County of Riverside

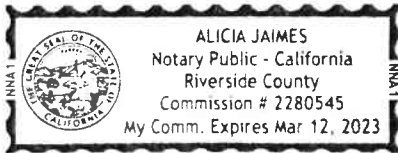
On 4/22/2022 before me, Alicia Jaimes, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Corey Alexander Jackson
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Alicia Jaimes
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Corporate Officer – Title(s): _____
- Partner – Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer's Name: _____

- Corporate Officer – Title(s): _____
- Partner – Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer is Representing: _____

Signer is Representing: _____

1 NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

2 Order No.
3 Escrow No.
4 Loan No.

5 RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

6 County of Riverside
7 Housing and Workforce Solutions
8 3403 10th Street, Suite 300
Riverside, CA 92501
Attn. Juan Garcia

COPY

9 SPACE ABOVE THIS LINE FOR RECORDERS USE

10 **COVENANT AGREEMENT**

11 This Covenant Agreement (this "Covenant") is made and entered into as of the 20th day
12 of April, 2022 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State
13 of California ("COUNTY"), and SIGMA BETA XI INC, a California public benefit corporation
14 ("OWNER").

15 **RECITALS**

16 WHEREAS, OWNER owns that certain real property located at 16641, 16659, and 16675
17 Perris Blvd, Riverside County, CA 92553 in the County of Riverside, also identified as APNs 316-
18 110-010, 316-110-025, 316-110-026, 316-110-027, and 316-110-028 more specifically described
19 in the legal description attached hereto as **Exhibit A** and incorporated herein by this reference (the
20 "Property");

21 WHEREAS, on April 20, 2022 COUNTY and OWNER entered into that certain Loan
22 Agreement for the Use of ARPA Funds dated April 20, 2022 and recorded in the Official Records
23 of the County of Riverside ("Official Records") concurrently herewith (the "ARPA Loan
24 Agreement" or "Agreement") which provides for, among other things, the development of the
25 Property, to provide permanent supportive housing and wrap around services to foster care youth
26 transitioning out of foster care, and families with children that are homeless or at risk of
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1 homelessness, or experiencing housing insecurity.

2 WHEREAS, the single-family home with the address of 16675 Peris Blvd. will offer four
3 (4) SRO units restricted as (“ARPA-Assisted Units”) for occupancy by homeless, at-risk of
4 homelessness Transition Age Youth (“TAY”), foster care youth transitioning out of foster care
5 whose incomes are at or below 30% of the area median income for the County of Riverside. The
6 single-family home with the address of 16659 Perris Blvd. will offer four (4) SRO units restricted
7 as (“ARPA-Assisted Units”) for occupancy by families with children whose incomes are at or
8 below 30% of the area median income for the County of Riverside. The single family home with
9 the address of 16641 Perris Blvd. will offer four (4) SRO units which will be made available to
10 TAY, foster care youth transitioning out of foster care at or below 30% of the area median income
11 for Riverside County, if the service provider allows the rooms to be occupied as this property , it
12 will be used for wrap-around supportive services for the residents. Additionally, an accessory
13 dwelling unit (“ADU”) will be constructed on the Property for an onsite property manager and the
14 existing metal shed on the Property will be converted into a youth technology lab (collectively, the
15 “Project”). The Project will take a whole-person approach and provide supportive services to
16 stabilize the tenants. Supportive services include mental health services, substance use counseling,
17 pre-apprenticeship employment training, soft skills employment training, and case management
18 services for system navigation.

19 WHEREAS, COUNTY is providing funding under the American Rescue Plan Act of 2021
20 (Title VI of the Social Security Act Section 602 et seq.), herein after “ARPA,” for the purposes
21 of providing decent, safe, and sanitary transitional housing to homeless individuals or individuals
22 at risk of homelessness;

23 WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY loaned to OWNER
24 \$3,914,633.00 derived from ARPA funds (“ARPA Loan”), to pay for a portion of the development
25 expenses of the Project, as more fully described in the ARPA Loan Agreement. The ARPA Loan
26 is evidenced by a Promissory Note executed by OWNER, in favor of COUNTY dated on or about
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1 the date hereof (“ARPA Loan Note”) and secured by that certain Deed of Trust, Security
2 Agreement and Fixture Filing (with Assignment of Rents) executed by OWNER, for the benefit
3 of COUNTY and recorded in the Official Records concurrently herewith (“ARPA Deed of Trust”);
4 and

5 WHEREAS, pursuant to the ARPA Loan Agreement, OWNER has agreed to develop the
6 Project on the Property and ensure the ARPA-Assisted Units are occupied by Qualified Individuals
7 consistent with the ARPA requirements and as set forth more specifically below.

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

12 1) RESTRICTIONS. The recitals set forth above are true and correct and incorporated
13 herein. This Covenant shall continue in full force and effect for the later of (i) fifty-five (55) years
14 from the recordation of the Covenant Agreement for the last building for which construction is
15 completed for the Project on the Property, or (ii) July 1, 2077 (“Term” or “Affordability Period”).
16 For the duration of the Term, the Property shall be held, sold and conveyed, subject to the following
17 covenants, conditions, and restrictions:

18 a) The ARPA-Assisted Units shall be made available only to Transition Age
19 Youth (“TAY”) and Families with Children whose incomes do not exceed 30% of the area median
20 income for the County of Riverside, at the time of initial occupancy as set forth above. Rent for
21 the ARPA-Assisted Units including utilities shall not exceed 30% of the household income.

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

24 2) SENIOR PRIORITY. Notwithstanding anything to the contrary contained in the
25 ARPA Loan Agreement, including any of its attachments, this Covenant shall be in first priority
26 lien position and senior to all other security instruments including but not limited to the deed of
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1 trust for the benefit of the County of Riverside securing the ARPA Loan.

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

6 a) The Coronavirus State and Local Fiscal Recover Funds and its Final Rule,
7 as amended from time to time (“SLFRF” or “ARPA”), and 31 CFR Part 35;

8 b) Other Federal requirements and nondiscrimination. OWNER is required to
9 follow the nondiscrimination and equal opportunity under Section 282 of the Act; disclosure;
10 debarred, suspended, or ineligible contractors; and drug-free workplace.

11 c) Affirmative marketing and minority outreach program. OWNER must
12 adopt affirmative marketing procedures and requirements. These must include:

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

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

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

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

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

4 4) OWNER must prescribe procedures to establish and oversee a minority outreach
5 program to ensure the inclusion, to the maximum extent possible, of minorities and women, and
6 entities owned by minorities and women, including, without limitation, real estate firms,
7 construction firms, appraisal firms, management firms, financial institutions, investment banking
8 firms, underwriters, accountants, and providers of legal services, in all contracts entered into by
9 OWNER with such persons or entities, public and private, in order to facilitate the activities of
10 COUNTY to provide affordable housing authorized under this Act or any other Federal housing
11 law. MAINTENANCE OF THE IMPROVEMENTS. OWNER, on behalf of itself and its

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

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

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

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

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

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

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

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

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

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

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

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

21 d) General Insurance Provisions – All Lines.

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

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

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

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

22 (5) If, during the term of this Covenant or any extension thereof, there is a
23 material change in the scope of services or there is a material change in the equipment to be used
24 in the performance of the scope of work which will add additional exposures (such as the use of
25 aircraft, watercraft, cranes, etc.), then COUNTY reserves the right to adjust the types of insurance
26 required under this Covenant and the monetary limits of liability for the insurance coverage's

1 currently required herein, if; in Risk Manager's reasonable judgment, the amount or type of
2 insurance carried by OWNER has become inadequate.

3 (6) OWNER shall pass down the insurance obligations contained herein to
4 all tiers of subcontractors.

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

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

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

11 COUNTY
12 Director HWS
13 County of Riverside
14 3403 10th Street, Suite 300
Riverside, CA 92501

BORROWER
SIGMA BETA XI INC
c/o Moreno Valley Youth Village
14340 Elsworth Street, Suite B104
Moreno Valley CA 92553

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

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

23 13) NOTICE AND OPPORTUNITY TO CURE. Prior to exercising any remedies
24 hereunder, COUNTY shall give OWNER notice of such default pursuant to section 9 above. Any
25 monetary default shall be cured within ten (10) days of delivery of written notice. Except as
26 otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within
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1 thirty (30) days of delivery of such notice of default, OWNER shall have such period to effect a
2 cure prior to exercise of remedies by COUNTY. If the non-monetary default is such that it is not
3 reasonably capable of being cured within thirty (30) days of delivery of such notice of default, and
4 OWNER (a) initiates corrective action within said period, and (b) diligently, continually, and in
5 good faith works to effect a cure as soon as possible, then OWNER shall have such additional time
6 as is reasonably necessary to cure the default prior to exercise of any remedies by COUNTY; but
7 in no event no later than sixty (60) days from delivery of such notice of default, subject to force
8 majeure (including government restrictions, pandemics, and acts of God). COUNTY, upon
9 providing OWNER with any notice of default under this Covenant, shall, within a reasonable time,
10 provide a copy of such default notice to a Permitted Lender who has given written notice to
11 COUNTY of its interest in the Property and Project. From and after such notice has been delivered
12 to a Permitted Lender and the Owner's limited partner, such Permitted Lender shall have the same
13 period for remedying the default complained of as the cure period provided to OWNER pursuant
14 to this **Section 13**. COUNTY shall accept performance by a Permitted Lender or limited partner
15 of Owner as if the same had been done by OWNER.

16 14) If a violation of any of the covenants or provisions of this Covenant remains
17 uncured after the respective time period set forth in this **Section 14**, COUNTY and its successors
18 and assigns, without regard to whether COUNTY or its successors and assigns is an owner of any
19 land or interest therein to which these covenants relate, may institute and prosecute any
20 proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation
21 or to compel specific performance by OWNER of its obligations hereunder. No delay in enforcing
22 the provisions hereof as to any breach or violation shall impair, damage or waive the right of any
23 party entitled to enforce the provisions hereof or to obtain relief against or recover for the
24 continuation or repetition of such breach or violations or any similar breach or violation hereof at
25 any later time.

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

2 16) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY.

3 OWNER hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the
4 Project, the Property or any portion thereof, without obtaining the prior written consent of
5 COUNTY, in its sole discretion. Any sale, assignment, or transfer of the Project or Property, shall
6 be memorialized an assignment and assumption agreement the form and substance of which have
7 been first approved in writing by COUNTY in its sole discretion. Such assignment and assumption
8 agreement shall, among other things, provide that the transferee has assumed in writing and in full,
9 and is reasonably capable of performing and complying with OWNER's duties and obligations
10 under the ARPA Loan Agreement and this Covenant, provided, however OWNER shall not be
11 released of all obligations under the ARPA Loan Agreement and this Covenant.

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

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

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

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

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

9 22) PROJECT MONITORING AND EVALUATION.

10 a) Reserved.

11 b) Inspections. During the Affordability Period, COUNTY must perform on-
12 site inspections of ARPA-Assisted Units to determine compliance with the property standards.
13 The on-site inspections shall occur within twelve (12) months after Covenant Agreement and at
14 least once every three (3) years thereafter during the Affordability Period. If there are observed
15 deficiencies for any of the inspectable items in the property standards established by COUNTY,
16 a follow-up on-site inspection to verify that deficiencies are corrected must occur within twelve
17 (12) months. COUNTY may establish a list of non-hazardous deficiencies for which correction
18 can be verified by third party documentation (e.g., paid invoice for work order) rather than re-
19 inspection. Health and safety deficiencies must be corrected immediately. COUNTY must adopt
20 a more frequent inspection schedule for properties that have been found to have health and safety
21 deficiencies. The property owner must annually certify to COUNTY that each building and all
22 ARPA-Assisted Units in the Project are suitable for occupancy, taking into account State and
23 local health, safety, and other applicable codes, ordinances, and requirements, and the ongoing
24 property standards established by the participating jurisdiction. Inspections must be based on a
25 statistically valid sample of units appropriate for the size of COUNTY ARPA-Assisted project.

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

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

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

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

15 ///

16 ///

17 [Remainder of Page Intentionally Blank]

18 [SIGNATURES ON THE NEXT PAGE]

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


COUNTY:

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

BORROWER:

SIGMA BETA XI INC,
a California public benefit corporation

By: 
Heidi Marshall, Director HWS

By: 
Name: Corey Jackson
Title: Chief Executive Officer

Date: 4/20/2022

Date: 4/13/2022

(Above signatures need to be notarized)

APPROVED AS TO FORM:
COUNTY COUNSEL

By: 
Deputy County Counsel

(COUNTY and OWNER signatures need to be notarized)

< CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT >

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

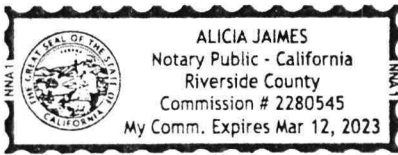
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Riverside }
On 4/13/2023 before me, Alicia James, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Corey Alexander Jackson
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Alicia James
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

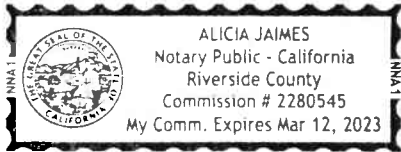
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Riverside }
On 4/20/2022 before me, Alicia James, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Heidi Marshall
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Alicia James
Signature of Notary Public

OPTIONAL

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Description of Attached Document
Title or Type of Document: _____
Document Date: _____ Number of Pages: _____
Signer(s) Other Than Named Above: _____
Capacity(ies) Claimed by Signer(s)
Signer's Name: _____ Signer's Name: _____
 Corporate Officer – Title(s): _____ Corporate Officer – Title(s): _____
 Partner – Limited General Partner – Limited General
 Individual Attorney in Fact Individual Attorney in Fact
 Trustee Guardian or Conservator Trustee Guardian or Conservator
 Other: _____ Other: _____
Signer is Representing: _____ Signer is Representing: _____

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

COUNTY:

BORROWER:

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

SIGMA BETA XI INC,
a California public benefit corporation

By: _____
Heidi Marshall, Director HWS

By:  _____
Name: Corey Jackson
Title: Chief Executive Officer

Date: _____

Date: 4/22/22 _____

(Above signatures need to be notarized)

APPROVED AS TO FORM:
COUNTY COUNSEL

By: _____
Deputy County Counsel

(COUNTY and OWNER signatures need to be notarized)

< CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT >

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

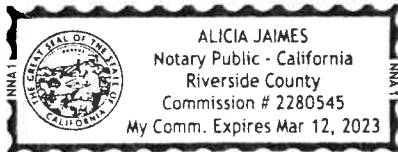
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Riverside
On 4/22/2022 before me, Alicia James, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Corey Alexander Jackson
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Alicia James
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

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

PARCEL ONE: (APN: 316-110-010)

THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 10' EAST ON THE EAST LINE OF SAID LOT, 300 FEET; THENCE SOUTH 89 DEGREES 40' WEST, AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 10' WEST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 300 FEET TO A POINT IN THE NORTH LINE OF SAID LOT; THENCE SOUTH 89 DEGREES 40' WEST ON THE NORTH LINE OF SAID LOT, 300 FEET; THENCE SOUTH 00 DEGREES 10' WEST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 300 FEET; THENCE NORTH 89 DEGREES 40' EAST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 300 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL TWO: (APN: 316-110-025)

THAT PORTION OF LOT 24 IN BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 10' EAST, 300 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 40' WEST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 525 FEET; THENCE SOUTH 00 DEGREES 10' EAST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 30 FEET; THENCE NORTH 89 DEGREES 40' EAST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 525 FEET TO A POINT IN THE EAST LINE OF SAID LOT; THENCE NORTH 00 DEGREES 10' WEST ON THE EAST LINE OF SAID LOT, 30 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL THREE: (APN: 316-110-026)

THAT PORTION OF LOT 24, BLOCK 2 RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 OF MAPS, PAGE 21, RECORDS OF RIVERSIDE COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00° 10' EAST, ON THE EAST LINE OF SAID LOT, 100 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 00° 10' EAST, ON SAID EAST LINE, 100 FEET; THENCE SOUTH 89° 40' WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET; THENCE NORTH 00° 10' WEST, PARALLEL WITH THE EAST LINE OF SAID LOT, 100 FEET; THENCE NORTH 89° 40' EAST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET TO THE POINT OF BEGINNING.

PARCEL FOUR (APN: 316-110-027)

ALL THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8,

PAGE(S) 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT;
THENCE SOUTH 0° 10' EAST, ON THE EAST LINE OF SAID LOT, 100 FEET;
THENCE SOUTH 0° 40' WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET;
THENCE NORTH 0° 10' WEST PARALLEL WITH THE EAST LINE OF SAID LOT, 100 FEET TO THE NORTH LINE OF SAID LOT;
THENCE NORTH 0° 40' EAST, ON THE NORTH LINE OF SAID LOT, 225 FEET TO THE POINT OF BEGINNING.

PARCEL FIVE (APN: 316-110-028)

PARCEL A

THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 21 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 24;
THENCE SOUTH 00 DEGREES 10 MINUTES 00 SECONDS EAST 200.00 FEET ON THE EAST LINE OF SAID LOT TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00 DEGREES 10 MINUTES 00 SECONDS EAST 100 FEET, CONTINUING ON SAID EAST LINE; THENCE SOUTH 89 DEGREES 40 MINUTES 00 SECONDS WEST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT; THENCE NORTH 00 DEGREES 10 MINUTES 00 SECONDS WEST, 100.00 FEET PARALLEL WITH THE EAST LINE OF SAID LOT;
THENCE NORTH 89 DEGREES 40 MINUTES 00 SECONDS EAST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT TO THE POINT OF BEGINNING.

PARCEL B:

AN EASEMENT FOR INGRESS AND EGRESS OVER THAT PORTION OF LOT 24 IN BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT;
THENCE SOUTH 00 DEGREES 10 MINUTES EAST 300.00 FEET ON THE EAST LINE THEREOF TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 89 DEGREES 40 MINUTES WEST, 225.00 FEET, PARALLEL WITH THE NORTH LINE OF SAID LOT; THENCE SOUTH 00 DEGREES 10 MINUTES EAST, 30.00 FEET PARALLEL TO THE EAST LINE OF SAID LOT; THENCE NORTH 89 DEGREES 40 MINUTES EAST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT TO THE EAST LINE THEREOF;
THENCE NORTH 00 DEGREES 10 MINUTES WEST 30.00 FEET ON THE SAID EAST LINE TO THE POINT OF BEGINNING.

1 NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

2 Order No.
3 Escrow No.
4 Loan No.

5 RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

6 County of Riverside
7 Housing and Workforce Solutions
8 3403 10th Street, Suite 300
Riverside, CA 92501
Attn. Juan Garcia

9 SPACE ABOVE THIS LINE FOR RECORDERS USE

10 **COVENANT AGREEMENT**

11 This Covenant Agreement (this "Covenant") is made and entered into as of the 20th day
12 of April, 2022 by and between the COUNTY OF RIVERSIDE, a political subdivision of the State
13 of California ("COUNTY"), and SIGMA BETA XI INC, a California public benefit corporation
14 ("OWNER").

15 **RECITALS**

16 WHEREAS, OWNER owns that certain real property located at 16641, 16659, and 16675
17 Perris Blvd, Riverside County, CA 92553 in the County of Riverside, also identified as APNs 316-
18 110-010, 316-110-025, 316-110-026, 316-110-027, and 316-110-028 more specifically described
19 in the legal description attached hereto as **Exhibit A** and incorporated herein by this reference (the
20 "Property");

21 WHEREAS, on April 20, 2022 COUNTY and OWNER entered into that certain Loan
22 Agreement for the Use of ARPA Funds dated April 20, 2022 and recorded in the Official Records
23 of the County of Riverside ("Official Records") concurrently herewith (the "ARPA Loan
24 Agreement" or "Agreement") which provides for, among other things, the development of the
25 Property, to provide permanent supportive housing and wrap around services to foster care youth
26 transitioning out of foster care, and families with children that are homeless or at risk of
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1 homelessness, or experiencing housing insecurity.

2 WHEREAS, the single-family home with the address of 16675 Peris Blvd. will offer four
3 (4) SRO units restricted as (“ARPA-Assisted Units”) for occupancy by homeless, at-risk of
4 homelessness Transition Age Youth (“TAY”), foster care youth transitioning out of foster care
5 whose incomes are at or below 30% of the area median income for the County of Riverside. The
6 single-family home with the address of 16659 Perris Blvd. will offer four (4) SRO units restricted
7 as (“ARPA-Assisted Units”) for occupancy by families with children whose incomes are at or
8 below 30% of the area median income for the County of Riverside. The single family home with
9 the address of 16641 Perris Blvd. will offer four (4) SRO units which will be made available to
10 TAY, foster care youth transitioning out of foster care at or below 30% of the area median income
11 for Riverside County, if the service provider allows the rooms to be occupied as this property , it
12 will be used for wrap-around supportive services for the residents. Additionally, an accessory
13 dwelling unit (“ADU”) will be constructed on the Property for an onsite property manager and the
14 existing metal shed on the Property will be converted into a youth technology lab (collectively, the
15 “Project”). The Project will take a whole-person approach and provide supportive services to
16 stabilize the tenants. Supportive services include mental health services, substance use counseling,
17 pre-apprenticeship employment training, soft skills employment training, and case management
18 services for system navigation.

19 WHEREAS, COUNTY is providing funding under the American Rescue Plan Act of 2021
20 (Title VI of the Social Security Act Section 602 et seq.), herein after “ARPA,” for the purposes
21 of providing decent, safe, and sanitary transitional housing to homeless individuals or individuals
22 at risk of homelessness;

23 WHEREAS, pursuant to the ARPA Loan Agreement, COUNTY loaned to OWNER
24 \$3,914,633.00 derived from ARPA funds (“ARPA Loan”), to pay for a portion of the development
25 expenses of the Project, as more fully described in the ARPA Loan Agreement. The ARPA Loan
26 is evidenced by a Promissory Note executed by OWNER, in favor of COUNTY dated on or about
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1 the date hereof (“ARPA Loan Note”) and secured by that certain Deed of Trust, Security
2 Agreement and Fixture Filing (with Assignment of Rents) executed by OWNER, for the benefit
3 of COUNTY and recorded in the Official Records concurrently herewith (“ARPA Deed of Trust”);
4 and

5 WHEREAS, pursuant to the ARPA Loan Agreement, OWNER has agreed to develop the
6 Project on the Property and ensure the ARPA-Assisted Units are occupied by Qualified Individuals
7 consistent with the ARPA requirements and as set forth more specifically below.

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

12 1) RESTRICTIONS. The recitals set forth above are true and correct and incorporated
13 herein. This Covenant shall continue in full force and effect for the later of (i) fifty-five (55) years
14 from the recordation of the Covenant Agreement for the last building for which construction is
15 completed for the Project on the Property, or (ii) July 1, 2077 (“Term” or “Affordability Period”).
16 For the duration of the Term, the Property shall be held, sold and conveyed, subject to the following
17 covenants, conditions, and restrictions:

18 a) The ARPA-Assisted Units shall be made available only to Transition Age
19 Youth (“TAY”) and Families with Children whose incomes do not exceed 30% of the area median
20 income for the County of Riverside, at the time of initial occupancy as set forth above. Rent for
21 the ARPA-Assisted Units including utilities shall not exceed 30% of the household income.

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

24 2) SENIOR PRIORITY. Notwithstanding anything to the contrary contained in the
25 ARPA Loan Agreement, including any of its attachments, this Covenant shall be in first priority
26 lien position and senior to all other security instruments including but not limited to the deed of
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1 trust for the benefit of the County of Riverside securing the ARPA Loan.

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

6 a) The Coronavirus State and Local Fiscal Recover Funds and its Final Rule,
7 as amended from time to time (“SLFRF” or “ARPA”), and 31 CFR Part 35;

8 b) Other Federal requirements and nondiscrimination. OWNER is required to
9 follow the nondiscrimination and equal opportunity under Section 282 of the Act; disclosure;
10 debarred, suspended, or ineligible contractors; and drug-free workplace.

11 c) Affirmative marketing and minority outreach program. OWNER must
12 adopt affirmative marketing procedures and requirements. These must include:

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

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

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

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

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

4 4) OWNER must prescribe procedures to establish and oversee a minority outreach
5 program to ensure the inclusion, to the maximum extent possible, of minorities and women, and
6 entities owned by minorities and women, including, without limitation, real estate firms,
7 construction firms, appraisal firms, management firms, financial institutions, investment banking
8 firms, underwriters, accountants, and providers of legal services, in all contracts entered into by
9 OWNER with such persons or entities, public and private, in order to facilitate the activities of
10 COUNTY to provide affordable housing authorized under this Act or any other Federal housing
11 law. MAINTENANCE OF THE IMPROVEMENTS. OWNER, on behalf of itself and its

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

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

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

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

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

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

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

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

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

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

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

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

21 d) General Insurance Provisions – All Lines.

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

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

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

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

22 (5) If, during the term of this Covenant or any extension thereof, there is a
23 material change in the scope of services or there is a material change in the equipment to be used
24 in the performance of the scope of work which will add additional exposures (such as the use of
25 aircraft, watercraft, cranes, etc.), then COUNTY reserves the right to adjust the types of insurance
26 required under this Covenant and the monetary limits of liability for the insurance coverage's

1 currently required herein, if; in Risk Manager's reasonable judgment, the amount or type of
2 insurance carried by OWNER has become inadequate.

3 (6) OWNER shall pass down the insurance obligations contained herein to
4 all tiers of subcontractors.

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

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

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

11 COUNTY
12 Director HWS
13 County of Riverside
14 3403 10th Street, Suite 300
Riverside, CA 92501

BORROWER
SIGMA BETA XI INC
c/o Moreno Valley Youth Village
14340 Elsworth Street, Suite B104
Moreno Valley CA 92553

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

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

23 13) NOTICE AND OPPORTUNITY TO CURE. Prior to exercising any remedies
24 hereunder, COUNTY shall give OWNER notice of such default pursuant to section 9 above. Any
25 monetary default shall be cured within ten (10) days of delivery of written notice. Except as
26 otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within
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1 thirty (30) days of delivery of such notice of default, OWNER shall have such period to effect a
2 cure prior to exercise of remedies by COUNTY. If the non-monetary default is such that it is not
3 reasonably capable of being cured within thirty (30) days of delivery of such notice of default, and
4 OWNER (a) initiates corrective action within said period, and (b) diligently, continually, and in
5 good faith works to effect a cure as soon as possible, then OWNER shall have such additional time
6 as is reasonably necessary to cure the default prior to exercise of any remedies by COUNTY; but
7 in no event no later than sixty (60) days from delivery of such notice of default, subject to force
8 majeure (including government restrictions, pandemics, and acts of God). COUNTY, upon
9 providing OWNER with any notice of default under this Covenant, shall, within a reasonable time,
10 provide a copy of such default notice to a Permitted Lender who has given written notice to
11 COUNTY of its interest in the Property and Project. From and after such notice has been delivered
12 to a Permitted Lender and the Owner's limited partner, such Permitted Lender shall have the same
13 period for remedying the default complained of as the cure period provided to OWNER pursuant
14 to this **Section 13**. COUNTY shall accept performance by a Permitted Lender or limited partner
15 of Owner as if the same had been done by OWNER.

16 14) If a violation of any of the covenants or provisions of this Covenant remains
17 uncured after the respective time period set forth in this **Section 14**, COUNTY and its successors
18 and assigns, without regard to whether COUNTY or its successors and assigns is an owner of any
19 land or interest therein to which these covenants relate, may institute and prosecute any
20 proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation
21 or to compel specific performance by OWNER of its obligations hereunder. No delay in enforcing
22 the provisions hereof as to any breach or violation shall impair, damage or waive the right of any
23 party entitled to enforce the provisions hereof or to obtain relief against or recover for the
24 continuation or repetition of such breach or violations or any similar breach or violation hereof at
25 any later time.

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

2 16) SALE, ASSIGNMENT OR TRANSFER OF THE PROJECT OR PROPERTY.

3 OWNER hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the
4 Project, the Property or any portion thereof, without obtaining the prior written consent of
5 COUNTY, in its sole discretion. Any sale, assignment, or transfer of the Project or Property, shall
6 be memorialized an assignment and assumption agreement the form and substance of which have
7 been first approved in writing by COUNTY in its sole discretion. Such assignment and assumption
8 agreement shall, among other things, provide that the transferee has assumed in writing and in full,
9 and is reasonably capable of performing and complying with OWNER's duties and obligations
10 under the ARPA Loan Agreement and this Covenant, provided, however OWNER shall not be
11 released of all obligations under the ARPA Loan Agreement and this Covenant.

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

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

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

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

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

9 22) PROJECT MONITORING AND EVALUATION.

10 a) Reserved.

11 b) Inspections. During the Affordability Period, COUNTY must perform on-
12 site inspections of ARPA-Assisted Units to determine compliance with the property standards.
13 The on-site inspections shall occur within twelve (12) months after Covenant Agreement and at
14 least once every three (3) years thereafter during the Affordability Period. If there are observed
15 deficiencies for any of the inspectable items in the property standards established by COUNTY,
16 a follow-up on-site inspection to verify that deficiencies are corrected must occur within twelve
17 (12) months. COUNTY may establish a list of non-hazardous deficiencies for which correction
18 can be verified by third party documentation (e.g., paid invoice for work order) rather than re-
19 inspection. Health and safety deficiencies must be corrected immediately. COUNTY must adopt
20 a more frequent inspection schedule for properties that have been found to have health and safety
21 deficiencies. The property owner must annually certify to COUNTY that each building and all
22 ARPA-Assisted Units in the Project are suitable for occupancy, taking into account State and
23 local health, safety, and other applicable codes, ordinances, and requirements, and the ongoing
24 property standards established by the participating jurisdiction. Inspections must be based on a
25 statistically valid sample of units appropriate for the size of COUNTY ARPA-Assisted project.

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

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

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

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

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17 [Remainder of Page Intentionally Blank]

18 [SIGNATURES ON THE NEXT PAGE]

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


COUNTY:

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

BORROWER:

SIGMA BETA XI INC,
a California public benefit corporation

By: 
Heidi Marshall, Director HWS

By: 
Name: Corey Jackson
Title: Chief Executive Officer

Date: 4/20/2022

Date: 4/13/2022

(Above signatures need to be notarized)

APPROVED AS TO FORM:
COUNTY COUNSEL

By: 
Deputy County Counsel

(COUNTY and OWNER signatures need to be notarized)

< CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT >

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

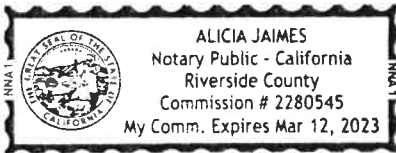
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Riverside }
On 4/13/2022 before me, Alicia James, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Corey Alexander Jackson
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Alicia James
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

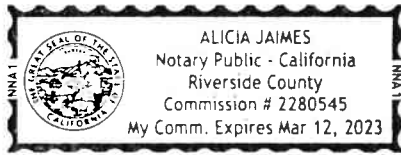
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Riverside }
On 4/20/2022 before me, Alicia James, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Heidi Marshall
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Alicia James
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____
Document Date: _____ Number of Pages: _____
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer – Title(s): _____
 Partner – Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer is Representing: _____

Signer's Name: _____
 Corporate Officer – Title(s): _____
 Partner – Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer is Representing: _____

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

COUNTY:

BORROWER:

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

SIGMA BETA XI INC,
a California public benefit corporation

By: _____
Heidi Marshall, Director HWS

By:  _____
Name: Corey Jackson
Title: Chief Executive Officer

Date: _____

Date: 4/22/22

(Above signatures need to be notarized)

APPROVED AS TO FORM:
COUNTY COUNSEL

By: _____
Deputy County Counsel

(COUNTY and OWNER signatures need to be notarized)

< CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT >

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California }
County of Riverside

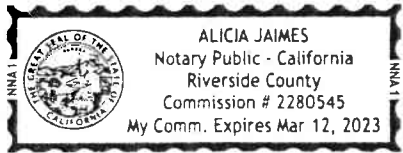
On 4/22/2022 before me, Alicia Jaimes, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Corey Alexander Jackson
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Alicia Jaimes
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____
Document Date: _____ Number of Pages: _____
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____
 Corporate Officer – Title(s): _____ Corporate Officer – Title(s): _____
 Partner – Limited General Partner – Limited General
 Individual Attorney in Fact Individual Attorney in Fact
 Trustee Guardian or Conservator Trustee Guardian or Conservator
 Other: _____ Other: _____
Signer is Representing: _____ Signer is Representing: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

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

PARCEL ONE: (APN: 316-110-010)

THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 10' EAST ON THE EAST LINE OF SAID LOT, 300 FEET; THENCE SOUTH 89 DEGREES 40' WEST, AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 10' WEST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 300 FEET TO A POINT IN THE NORTH LINE OF SAID LOT; THENCE SOUTH 89 DEGREES 40' WEST ON THE NORTH LINE OF SAID LOT, 300 FEET; THENCE SOUTH 00 DEGREES 10' WEST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 300 FEET; THENCE NORTH 89 DEGREES 40' EAST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 300 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL TWO: (APN: 316-110-025)

THAT PORTION OF LOT 24 IN BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00 DEGREES 10' EAST, 300 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 89 DEGREES 40' WEST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 525 FEET; THENCE SOUTH 00 DEGREES 10' EAST AND PARALLEL WITH THE EAST LINE OF SAID LOT, 30 FEET; THENCE NORTH 89 DEGREES 40' EAST AND PARALLEL WITH THE NORTH LINE OF SAID LOT, 525 FEET TO A POINT IN THE EAST LINE OF SAID LOT; THENCE NORTH 00 DEGREES 10' WEST ON THE EAST LINE OF SAID LOT, 30 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL THREE: (APN: 316-110-026)

THAT PORTION OF LOT 24, BLOCK 2 RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8 OF MAPS, PAGE 21, RECORDS OF RIVERSIDE COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00° 10' EAST, ON THE EAST LINE OF SAID LOT, 100 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 00° 10' EAST, ON SAID EAST LINE, 100 FEET; THENCE SOUTH 89° 40' WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET; THENCE NORTH 00° 10' WEST, PARALLEL WITH THE EAST LINE OF SAID LOT, 100 FEET; THENCE NORTH 89° 40' EAST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET TO THE POINT OF BEGINNING.

PARCEL FOUR (APN: 316-110-027)

ALL THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8,

PAGE(S) 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT;
THENCE SOUTH 0° 10' EAST, ON THE EAST LINE OF SAID LOT, 100 FEET;
THENCE SOUTH 0° 40' WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT, 225 FEET;
THENCE NORTH 0° 10' WEST PARALLEL WITH THE EAST LINE OF SAID LOT, 100 FEET TO THE NORTH LINE OF SAID LOT;
THENCE NORTH 0° 40' EAST, ON THE NORTH LINE OF SAID LOT, 225 FEET TO THE POINT OF BEGINNING.

PARCEL FIVE (APN: 316-110-028)

PARCEL A

THAT PORTION OF LOT 24, BLOCK 2 OF RIVERSIDE ALFALFA ACRES, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 21 OF MAPS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 24;
THENCE SOUTH 00 DEGREES 10 MINUTES 00 SECONDS EAST 200.00 FEET ON THE EAST LINE OF SAID LOT TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00 DEGREES 10 MINUTES 00 SECONDS EAST 100 FEET, CONTINUING ON SAID EAST LINE; THENCE SOUTH 89 DEGREES 40 MINUTES 00 SECONDS WEST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT; THENCE NORTH 00 DEGREES 10 MINUTES 00 SECONDS WEST, 100.00 FEET PARALLEL WITH THE EAST LINE OF SAID LOT;
THENCE NORTH 89 DEGREES 40 MINUTES 00 SECONDS EAST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT TO THE POINT OF BEGINNING.

PARCEL B:

AN EASEMENT FOR INGRESS AND EGRESS OVER THAT PORTION OF LOT 24 IN BLOCK 2 OF RIVERSIDE ALFALFA ACRES, AS SHOWN BY MAP ON FILE IN BOOK 8, PAGE 21 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT;
THENCE SOUTH 00 DEGREES 10 MINUTES EAST 300.00 FEET ON THE EAST LINE THEREOF TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 89 DEGREES 40 MINUTES WEST, 225.00 FEET, PARALLEL WITH THE NORTH LINE OF SAID LOT; THENCE SOUTH 00 DEGREES 10 MINUTES EAST, 30.00 FEET PARALLEL TO THE EAST LINE OF SAID LOT; THENCE NORTH 89 DEGREES 40 MINUTES EAST, 225.00 FEET PARALLEL WITH THE NORTH LINE OF SAID LOT TO THE EAST LINE THEREOF;
THENCE NORTH 00 DEGREES 10 MINUTES WEST 30.00 FEET ON THE SAID EAST LINE TO THE POINT OF BEGINNING.



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.
4/29/22 / PR
Date Initial

Notice of Exemption

To:
Office of Planning and Research
For U.S Mail:
P.O. Box 3044
Sacramento, CA 95812-3044

Street Address:
1400 Tenth St.
Sacramento, CA 95814

From:
Public
Agency: Housing and Workforce Solutions
Address: 3403 10th Street, Suite 300
Riverside, CA 92501
Contact: Diana Acosta, Housing Specialist I
Phone: 951-955-0856

County Clerk
County of: Riverside
2724 Gateway Drive
P.O. Box 751
Address: Riverside, CA 92502-0751

Lead Agency (if different from above):
Address: _____
Contact: Diana Acosta
Phone: 951-955-0856

SUBJECT: Filing of Notice of Exemption in Compliance with California Health and Safety Code Sections 50675.1.1 and 50675.1.2 and State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption).

Project Title: Moreno Valley Youth Village

Project Location: 16641, 16659, and 16675 Perris Blvd, Moreno Valley, CA 92551, Assessor Parcel Number: 316-110-027, -025, -026, -027, and -028

Project Description:

SIGMA BETA XI INC., a domestic nonprofit corporation, is proposing to acquire 5 contiguous parcels that currently have three (3) single family homes existing on the property located at 16641, 16659, and 16675 Perris Blvd, in the City of Moreno Valley which will be renovated; two homes will be converted into wight Single Room Occupancy units to serve Transitional and Permanent Supportive Housing for persons experiencing homelessness or at risk of homelessness and impacted by COVID-19, and one home will serve as an SBX administrative office; and improvements to existing metal shop buildings to convert to youth technology laboratory educational facility; and new construction and development of an Accessory Dwelling Unit (ADU) which will house the TAY Operator. On-site services include housing and social services coordination, youth-focused mentorship, vocational training and overall comprehensive support.

1)
Project Sponsor: SIGMA BETA XI INC

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

Lead agency or Responsible Agency

April 12, 2022 and has made the following determinations regarding the above described project:
(tentative date)

Exempt Status: California Health and Safety Code Sections 50675.1.1 and 50675.1.2 and State CEQA Guidelines Section 15061 (b)(3) (Common sense exemption).

Reasons Why Project is Exempt: The Project has been evaluated and is determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to California Health and Safety Code Section 15061 (b)(3) (Common sense exemption) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The proposed project as described above is made pursuant to Health and Safety Code Section 50675.1.1 and any resulting agreements will be subject to the requirements of the America Rescue Plan Act (ARPA) and the aforementioned Health & Safety Code sections.

Signature: [Signature] Title: Juan Garcia, Principal Development Specialist

Date: 3/29/22 Date received for filing: _____