

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

KMO Partners, LLP
3777 Long Beach Blvd., Suite 280
Long Beach, California 90807
Attention: John Opgenorth

**This document was electronically submitted
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Received by: MARIA VICTORIA #411

APN No. 419-222-011

9175286

BE ADVISED THAT THE LOAN AGREEMENT AND THE PROMISSORY NOTE SECURED BY THIS SECURITY INSTRUMENT MAY PROVIDE FOR ONE OR MORE OF THE FOLLOWING: (1) A VARIABLE RATE OF INTEREST; (2) A BALLOON PAYMENT AT MATURITY; AND (3) DEFERRAL OF A PORTION OF ACCRUED INTEREST UNDER CERTAIN CIRCUMSTANCES WITH INTEREST SO DEFERRED ADDED TO THE UNPAID PRINCIPAL BALANCE OF THE LOAN AGREEMENT AND THE PROMISSORY NOTE AND SECURED HEREBY.

PLEASE BE ADVISED THAT THE LOAN AGREEMENT AND THE PROMISSORY NOTE SECURED BY THIS SECURITY INSTRUMENT PROVIDE FOR FUTURE ADVANCES OF PRINCIPAL OF THE LOAN SECURED BY THIS SECURITY INSTRUMENT , AND THIS SECURITY INSTRUMENT CONSTITUTES A "CONSTRUCTION TRUST DEED" AS THAT TERM IS USED IN SECTION 8174 OF THE CALIFORNIA CIVIL CODE.

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

THIS CONSTRUCTION DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FILING (this "Security Instrument"), is made this 1st day of June, 2024, among NCR BEAUMONT LP, a California limited partnership, the address of which is c/o National Community Renaissance of California, 9692 Haven Avenue, Suite 100, Rancho Cucamonga, CA 91730 (the "Borrower") CALIFORNIA RECONVEYANCE COMPANY, a California corporation, the address of which is 9301 Corbin Avenue, Mail Code N030312, Northridge, CA 91324, and its successors and assigns, as trustee ("Trustee"); and JPMORGAN CHASE BANK, N.A., at its offices at 4250 Executive Square, Suite 825, La Jolla, CA 92037, as beneficiary ("Lender").

1. **Granting Clause.** Borrower, in consideration of the acceptance by Trustee of the trust hereunder, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the obligations described in Section 3 below, irrevocably grants, bargains, sells, assigns and conveys to Trustee and its successors and assigns, forever, in trust, with power of sale, all of Borrower's estate, right, title, interest, claim and demand in and to the property in the County of Riverside, State of California, with a street address of 1343 East 8th Street, Beaumont, CA 92223 (which address is provided for reference only and shall in no way limit the description of the real and personal property otherwise described in this Section 1), described as follows, whether now existing or hereafter acquired (all of the property described in all parts of this Section 1 and all additional property, if any, described in Section 2 is called the "Property"):

1.1 **Land and Appurtenances.** The land described on Exhibit A hereto (the "Land"), and all tenements, hereditaments, rights-of-way, easements, appendages and appurtenances thereto belonging or in any way appertaining, including, without limitation, any and all rights of a declarant under any covenant, condition, restriction, easement or other agreement, any and all of the right, title and interest of Borrower in and to any avenues, streets, ways, alleys, vaults, strips or gores of land adjoining that property, any and all

rights to water, water stock, drains, drainage and air rights and development rights relating to that property, any and all rights to oil, gas, minerals, metals and other materials, and any and all claims or demands of Borrower either in law or in equity in possession or expectancy of, in and to that property; and

1.2 **Improvements and Fixtures.** All buildings, structures and other improvements now or hereafter erected on the property described in 1.1 above (the "Improvements"), and all facilities, fixtures, machinery, apparatus, installations, goods, equipment, inventory, furniture, building materials and supplies and other properties of whatsoever nature, now or hereafter located in and used or procured for use in connection with the operation of that property, or located in or upon the Land and Improvements or any part thereof, or to be attached to or placed in or on, or used or useable in connection with any present or future use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land and Improvements or elsewhere, it being the intention of the parties that all property of the character described above that is now owned or hereafter acquired by Borrower (and not owned by a tenant of Borrower) and that is affixed to, attached to and used in connection with the operation of the property described in 1.1 above shall be, remain or become a portion of that property and shall be covered by and subject to the lien of this Security Instrument, together with all contracts, agreements, warranties, guaranties, permits, licenses, certificates, approvals, plans, specifications, drawings, surveys, engineering reports and other work products relating to the construction, development or operation of the Land and the existing and future Improvements, any and all rights of Borrower in, to or under any architect's contracts, engineer's contracts or construction contracts relating to the construction of the existing or any future Improvements, and any performance and/or payment bonds issued in connection therewith, together with all trademarks, trade names, copyrights, computer software and other intellectual property used by Borrower in connection with the Property; and

1.3 **Enforcement and Collection.** Any and all rights of Borrower without limitation to make claim for, collect, receive and receipt for any and all rents, income, revenues, issues, earnest money, deposits, refunds (including but not limited to refunds from taxing authorities, utilities and insurers), royalties, and profits, including mineral, oil and gas rights and profits, insurance proceeds of any kind (whether or not Lender requires such insurance and whether or not Lender is named as an additional insured or loss payee of such insurance), condemnation awards and other moneys, payable or receivable from or on account of any of the Property, including interest thereon, or to enforce all other provisions of any other agreement (including those described in Section 1.2 above) affecting or relating to any of the Property, to bring any suit in equity, action at law or other proceeding for the collection of such moneys or for the specific or other enforcement of any such agreement, award or judgment, in the name of Borrower or otherwise, and to do any and all things that Borrower is or may be or become entitled to do with respect thereto, provided, however, that no obligation of Borrower under the provisions of any such agreements, awards or judgments shall be impaired or diminished by virtue hereof, nor shall any such obligation be imposed upon Trustee or Lender; and

1.4 **Accounts and Income.** Any and all rights of Borrower in any and all accounts, rights to payment, contract rights, chattel paper, documents, instruments, licenses, contracts, agreements, Impounds (as defined below) and general intangibles relating to any of the Property, including, without limitation, income, issues, profits, royalties and proceeds from the Property (including, without limitation, the Replacement Reserve, if any); and

1.5 **Leases.** All of Borrower's rights as landlord in and to all existing and future leases, subleases and tenancies, whether written or oral and whether for a definite term or month to month or otherwise, now or hereafter demising all or any portion of the property described in 1.1 and 1.2 above, including all renewals and extensions thereof and all rents, deposits and other amounts received or receivable thereunder, and including all guaranties, supporting obligations, letters of credit (whether tangible or electronic) and letter of credit rights guaranteeing or supporting any such lease, sublease or tenancy or otherwise growing out of any occupancy or use of any of the Property; and

1.6 **Insurance Policies; Condemnation Awards.** All rights in and to all pertinent present and future fire, hazard, earthquake or other insurance policies covering any of the Property (whether or not

Lender requires such insurance and whether or not Lender is named as an additional insured or loss payee of such insurance); and all Awards (defined below); and all proceeds or sums payable in lieu of or as compensation for the loss of or damage to any of the Property; and

1.7 **Rate Management Transaction Documents.** Any and all Rate Management Transaction documents and any and all rights that Borrower may now or hereafter have to any and all payments, disbursements, distributions or proceeds owing, payable or required to be delivered to Borrower on account of any and all Rate Management Transactions; and

1.8 **Books and Records.** All books and records of Borrower relating to the foregoing in any form; and

1.9 **Proceeds.** All replacements, products and proceeds of, and additions and accessions to, any of the foregoing.

In accepting this Security Instrument, neither Lender nor Trustee assumes any liability in connection with any of the Property, including any obligation under any lease or agreement.

2. **Security Agreement, Fixture Filing and Assignment of Leases and Rents.**

2.1 **Security Agreement.** To the extent any of the property described in Section 1 is personal property, Borrower, as debtor, grants to Lender, as secured party, a security interest therein and in all products and proceeds of any thereof, pursuant to the Uniform Commercial Code of the State of California and any other applicable Uniform Commercial Code (collectively, the "**UCC**"), on the terms and conditions contained herein, to secure the obligations described in Section 3 below. Borrower hereby authorizes Lender to file any financing statement, fixture filing or similar filing to perfect the security interests granted in this Security Instrument without Borrower's signature.

2.2 **Fixture Filing.** This Security Instrument constitutes a fixture filing by Lender, as secured party, and Borrower, as debtor, under the UCC. This Security Instrument as a fixture filing covers any and all fixtures included within the list of property described in Section 1 of this Security Instrument and any goods and other personal property that are now or hereafter will become a part of the Property as fixtures. For the purposes of this fixture filing, the respective addresses of Lender and Borrower are set forth in the first paragraph of this Security Instrument, such fixtures are affixed or to be affixed to the Land and Improvements described in Section 1 of this Security Instrument, and this Security Instrument, including this fixture filing, is recorded or to be recorded in the real estate records of the County in which the Land is located.

2.3 **Assignment of Leases and Rents.**

2.3.1 **Absolute Assignment.** Borrower hereby absolutely and unconditionally grants, transfers, conveys, sells, sets over and assigns to Lender all of Borrower's right, title and interest now existing and hereafter arising in and to the leases, subleases, concessions, licenses, franchises, occupancy agreements, tenancies, subtenancies and other agreements, either oral or written, now existing and hereafter arising which affect the Property, Borrower's interest therein or any improvements located thereon, together with any and all security deposits, guaranties of the lessees' or tenants' obligations (including any and all security therefor), and other security under any such leases, subleases, concessions, licenses, franchises, occupancy agreements, tenancies, subtenancies and other agreements, and all supporting obligations, letters of credit (whether tangible or electronic) and letter of credit rights guaranteeing or supporting any of the foregoing (all of the foregoing, and any and all extensions, modifications and renewals thereof, shall be referred to, collectively, as the "**Leases**"), and hereby gives to and confers upon Lender the right to collect all the income, rents, issues, profits, royalties and proceeds from the Leases and any and all prepaid rent and security deposits thereunder (collectively, the "**Rents**"). The term "**Rents**" includes, but is not limited to, all minimum rents, additional rents, percentage rents, deficiency rents, common area maintenance charges, lease termination payments, purchase option

payments, refunds of any type, prepayment of rents, settlements of litigation, settlements of past due rents, and liquidated damages following default, and all proceeds payable under any policy of insurance covering loss of rents, together with any and all rights and claims of any kind that Borrower may have against any tenant under the Leases or any other occupant of the Property. This Security Instrument is intended by Lender and Borrower to create and shall be construed to create an absolute assignment to Lender of all of Borrower's right, title and interest in and to the Leases and the Rents and shall not be deemed merely to create a security interest therein for the payment of any indebtedness or the performance of any obligations under the Facility Documents (as defined below). Borrower irrevocably appoints Lender its true and lawful attorney at the option of Lender at any time a Default (as defined below) exists and remains uncured to demand, receive and enforce payment, to give receipts, releases and satisfactions and to sue, either in the name of Borrower or in the name of Lender, for all such Rents and apply the same to the obligations secured by this Security Instrument.

2.3.2 Revocable License to Collect. Notwithstanding the foregoing assignment of Rents, so long as no Default remains uncured, Borrower shall have a revocable license, to collect all Rents, and to retain the same. Upon the occurrence and during the continuation of any Default, Borrower's license to collect and retain Rents shall terminate automatically and without the necessity for any notice.

2.3.3 Collection and Application of Rents by Lender. While any Default remains uncured: (i) Lender may at any time, without notice, in person, by agent or by court-appointed receiver, and without regard to the adequacy of any security for the obligations secured by this Security Instrument, enter upon any portion of the Property and/or, with or without taking possession thereof, in its own name sue for or otherwise collect Rents (including past due amounts); and (ii) upon written demand by Lender therefor, Borrower shall promptly deliver to Lender all prepaid rents, deposits relating to Leases or Rents, and all other Rents then held by or thereafter collected by Borrower, whether prior to or during the continuance of any Default. Any Rents collected by or delivered to Lender may be applied by Lender against the obligations secured by this Security Instrument, and all expenses, including attorneys' fees and disbursements, in such order as Lender shall determine in its sole and absolute discretion. No application of Rents against any obligation secured by this Security Instrument or other action taken by Lender under this Section 2.3 shall be deemed or construed to cure or waive any Default, or to invalidate any other action taken in response to such Default, or to make Lender a mortgagee-in-possession of the Property.

2.3.4 Direction to Tenants. Borrower hereby irrevocably authorizes and directs the tenants under all Leases to pay all amounts owing to Borrower thereunder to Lender following receipt of any written notice from Lender that states that a Default remains uncured and that all such amounts are to be paid to Lender. Borrower further authorizes and directs all such tenants to pay all such amounts to Lender without any right or obligation to inquire as to the validity of Lender's notice and regardless of the fact that Borrower has notified any such tenants that Lender's notice is invalid or has directed any such tenants not to pay such amounts to Lender.

2.3.5 No Obligation to Perform. Neither Lender nor Trustee shall have any obligation to exercise any right given to either of them under this Security Instrument. Nothing contained herein shall operate or be construed to obligate Lender or Trustee to perform any obligations of Borrower under any agreement or lease (including, without limitation, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee under any such lease shall have been joined as a party defendant in any action to foreclose and the estate of such lessee shall have been thereby terminated). Prior to actual entry into and taking possession of the Property by Lender, this assignment shall not operate to place upon Lender any responsibility for the operation, control, care, management or repair of the Property or any portion thereof, and the execution of this assignment by Borrower shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Property is and shall be that of Borrower, prior to such actual entry and taking of possession.

3. **Obligations Secured.** This Security Instrument is given for the purpose of securing:

3.1 **Performance and Payment.**

3.1.1 The payment and performance of all indebtedness and other obligations and amounts owing by Borrower to Lender under that certain Construction Loan Agreement dated as of the date hereof between Borrower, as borrower, and Lender, as lender, and any and all extensions, renewals, modifications and replacements thereof (the "Loan Agreement"), and that certain Promissory Note dated as of the Closing Date made by Borrower, payable to Lender or order, in the stated principal amount of \$20,547,377 and any and all extensions, renewals, modifications and replacements thereof, whether the same be in greater or lesser amounts (the "Note"), including, but not limited to, all principal and interest owing thereunder, which Loan Agreement and Note may provide for one or more of the following: (a) a variable rate of interest; (b) a balloon payment at maturity; (c) deferral of a portion of accrued interest under certain circumstances with interest so deferred added to the unpaid principal balance secured hereby; or (d) advances of principal after the date hereof. Capitalized terms used and not defined in this Security Instrument shall have the respective meanings given to them in the Loan Agreement.

3.1.2 The payment and performance of all indebtedness and other obligations and amounts owing by Borrower under this Security Instrument and the other Facility Documents (other than the Environmental Indemnity Agreement which shall not be secured by this Security Instrument).

3.1.3 The payment and performance of any and all obligations of Borrower under any Rate Management Transaction Agreements owing by Borrower with Lender or an Affiliate of Lender that states that it is secured by this Security Instrument. Borrower and Lender agree that all sums that may or shall become due and payable by Borrower to Lender in accordance with the Rate Management Transaction Agreements shall be deemed to constitute additional interest on the indebtedness represented by, and shall be evidenced by the Note. The lien of this Security Instrument insofar as it secures payment of sums that may or shall become due and payable by Borrower to Lender in accordance with the Rate Management Transaction is and shall continue to be subject and subordinate in lien to the lien of this Security Instrument insofar as it secures the payment of the balance of the Obligations.

3.1.4 The payment and performance of all indebtedness and other obligations and amounts owing by Borrower contained in any extensions, renewals, modifications and replacements of any of the foregoing.

3.2 **Future Advances.** The repayment of any and all sums advanced or expenditures made by Lender subsequent to the execution of this Security Instrument for the maintenance or preservation of the Property or advanced or expended by Lender pursuant to any provision of the Loan Agreement, this Security Instrument or any other Facility Document subsequent to its execution, together with interest thereon at the Default Rate set forth in the Loan Agreement.

3.3 **Interest.** All of the obligations secured by this Security Instrument shall bear interest at the rate of interest applicable under the Loan Agreement (including the Default Rate as applicable), which interest shall also be secured by this Security Instrument.

3.4 **Other Amounts.** All other obligations and amounts now or hereafter owing by Borrower to Lender under this Security Instrument, the Note or any other document, instrument or agreement evidencing, securing or otherwise relating to the loan evidenced by the Loan Agreement and the Note (the "Loan") and any and all extensions, renewals, modifications or replacements of any thereof (collectively, the "Facility Documents"); provided, however, that this Security Instrument does not and shall not in any event be deemed to, secure the obligations owing to Lender under: (a) the Environmental Indemnity Agreement (or any obligations that are the substantial equivalent thereof); or (b) any guaranty of the Loan executed by a Person other than Borrower.

4. **Warranties and Covenants of Borrower.** Borrower represents and warrants to, and covenants and agrees with, Lender as provided herein. All representations and warranties contained in this Security Instrument are true and correct in all material respects as of the date of this Security Instrument and shall remain true and correct in all material respects as of each date thereafter while this Security Instrument remains of record or any portion of the obligations secured hereby remains unpaid.

4.1 **Warranties.**

4.1.1 To Borrower's knowledge after reasonable inquiry and except as otherwise disclosed to Lender in writing, the Property is free from damage (including, but not limited to, any construction defects or nonconforming work) that would materially impair the value of the Property as security.

4.1.2 The Loan which is secured by this Security Instrument is solely for business or commercial purposes, and is not for personal, family, household or agricultural purposes.

4.2 **Preservation of Lien.** Borrower will preserve and protect the validity and priority of this Security Instrument as a valid first lien on the Property. If Borrower fails to do so, Lender may take any and all actions necessary or appropriate to do so and all sums expended by Lender in so doing shall be treated as part of the obligations secured by this Security Instrument, shall be paid by Borrower upon demand by Lender and shall bear interest at the Default Rate.

4.3 **Repair and Maintenance of Property.** Borrower will keep the Property in good condition and repair, which duty shall include but is not limited to cleaning, painting, landscaping, repairing, and refurbishing of the Property; will complete and not remove or demolish, alter, or make additions to any building or other improvement that is part of the Property, or construct any new structure on the Property, without the express written consent of Lender, which consent shall not be unreasonably withheld or delayed, except for any improvements slated to be demolished in order to construct the Improvements as contemplated by the Facility Documents and the Plans and Specifications; will underpin and support when necessary any such building or other improvement and protect and preserve the same; will complete or restore promptly and in good and workmanlike manner any such building or other improvement that may be damaged or destroyed and pay when due all claims for labor performed and materials furnished therefor; will not commit, suffer, or permit any act upon the Property in violation of law; and will do all other acts that from the character or use of the Property may be reasonably necessary for the continued operation of the Property in a safe and legal manner, the specific enumerations herein not excluding the general. Notwithstanding anything in this Security Instrument to the contrary, Borrower may make commercially reasonable minor alterations, improvements and replacements to the Property in a manner customary for similar properties and Borrower or its tenants may construct tenant improvements provided for under *bona fide* Leases of commercial space in the Property that have been entered into in compliance with the requirements of this Security Instrument and the other Facility Documents and may perform necessary demolition and alterations in connection with such tenant improvements.

4.4 **Insurance.** Borrower will provide and maintain such property, liability, rental income interruption, flood and other insurance coverage required under, and perform all of Borrower's other obligations under, Article V of the Loan Agreement. Lender shall have the right to control or direct the proceeds of all policies of insurance on the Property, whether or not required by the terms of this Security Instrument or the Loan Agreement, as provided in this Section 4.4, and all proceeds of all such policies are hereby assigned to Lender as security for the obligations secured by this Security Instrument. Borrower shall be responsible for all uninsured losses and deductibles.

4.4.1 **Borrower's Obligations.** In the event of any damage to or loss or destruction of the Property (a "Casualty"): (i) if it could reasonably be expected to cost more than the Casualty Threshold Amount (as defined below) to repair the Casualty, Borrower shall give prompt written notice of the Casualty to Lender and to Borrower's insurer, and shall make a claim under each insurance policy providing coverage therefor and shall promptly furnish Lender with a copy of such claim, together with proof of loss and related documentation; (ii) Borrower shall take such actions as are necessary or appropriate to preserve and protect the Property; (iii) if the aggregate proceeds of any and all insurance policies insuring the Property, whether or not required by this Security Instrument, that are payable as a result of the Casualty (collectively, the "Insurance Proceeds") could reasonably be expected to exceed the Casualty Threshold Amount, or if a Default or an event which, with notice or lapse of time or both, constitutes a Default (an "Unmatured Default") exists, Borrower shall take such actions as are necessary or appropriate to ensure that all

Insurance Proceeds are paid to Lender forthwith to be held by Lender until applied to the obligations secured hereby or disbursed in accordance with this Section 4.4; and (iv) unless otherwise instructed by Lender, regardless of whether the Insurance Proceeds, if any, are sufficient for the purpose, Borrower shall promptly commence and diligently pursue to completion in a good, workmanlike and lien-free manner the restoration, replacement and rebuilding of the Property as nearly as possible to its value, condition and character immediately prior to the Casualty (collectively, the "Restoration"). If the Restoration will cost more than the Casualty Threshold Amount to repair, Borrower shall submit the proposed plans and specifications for the Restoration, and all construction contracts, architect's contracts, other contracts in connection with the Restoration, and such other documents as Lender may reasonably request to Lender for its review and approval, which approval shall not be unreasonably withheld or delayed. Borrower shall not begin the Restoration unless and until Lender gives its written approval of such plans, specifications, contracts and other documents, with such revisions as Lender may reasonably require. Notwithstanding the foregoing, Lender shall not be responsible for the sufficiency, completeness, quality or legality of any such plans, specifications, contracts or other documents. Borrower shall pay, within ten (10) days after demand by Lender, all costs reasonably incurred by Lender in connection with the adjustment, collection and disbursement of Insurance Proceeds pursuant to this Security Instrument or otherwise in connection with the Casualty or the Restoration.

4.4.2 Casualty Threshold Amount. As used in this Security Instrument, the term "Casualty Threshold Amount" means \$25,000.

4.4.3 Lender's Rights. Subject to Borrower's right to control and administer Insurance Proceeds where the loss is expected to be equal to or less than the Casualty Threshold Amount, Lender shall have the right and power to receive and control all Insurance Proceeds required to be paid to it pursuant to clause (iii) of subsection 4.4.1 above. Borrower hereby authorizes and empowers Lender, in its own name or as attorney-in-fact for Borrower (which power is coupled with an interest and is irrevocable so long as this Security Instrument remains of record) at any time a Default exists, to make proof of loss, to settle, adjust and compromise any claim under insurance policies on the Property, to appear in and prosecute any action arising from such insurance policies, to collect and receive Insurance Proceeds, and to deduct therefrom Lender's expenses incurred in the adjustment, collection and disbursement of such Insurance Proceeds or otherwise in connection with the Casualty or the Restoration. Each insurance company concerned is hereby irrevocably authorized and directed to make payment of all Insurance Proceeds directly to Lender. Notwithstanding anything to the contrary, neither Trustee nor Lender shall be responsible for or incur any liability for any such insurance or for the form or legal sufficiency of insurance contracts, solvency of insurers or payment of losses, and Borrower hereby expressly assumes full responsibility therefor, and all liability, if any thereunder.

4.4.4 Application of Proceeds. Subject to applicable law, if, at any time while Lender holds any Insurance Proceeds, Lender shall have the option, in its sole discretion, to apply the Insurance Proceeds to the obligations secured hereby in such order as Lender may determine (or to hold such proceeds for future application to those obligations). Lender may apply the Insurance Proceeds to the obligations secured hereby, if: (i) a Default exists; (ii) Borrower fails to satisfy any condition precedent to disbursement of Insurance Proceeds to pay the cost of the Restoration within a reasonable time; or (iii) Lender determines in its reasonable discretion that (A) with respect to any Casualty occurring prior to Substantial Completion (as defined in the Loan Agreement), (1) Borrower will not have sufficient funds to complete the Restoration and timely pay all expenses of the Property and all payments due under the Loan Agreement and the other Facility Documents through the completion of the Restoration and, together with any net operating income Lender reasonably projects to be available at the Property, through the Maturity Date, or (2) the Restoration cannot be completed prior to the Completion Date, or (B) with respect to any Casualty occurring after Substantial Completion, (1) Borrower will not have sufficient funds to complete the Restoration and timely pay all expenses of the Property and all payments due under the Loan Agreement and the other Facility Documents through the completion of the Restoration and any lease up period thereafter, taking into account any net operating income Lender reasonably projects to be available at the Property, through such time period, (2) the rental income from the Property will be insufficient to timely pay all expenses of the Property and payments due under the Loan Agreement and the other Facility

Documents on an ongoing basis after completion of the Restoration or will be insufficient to satisfy any debt service coverage ratio required by Investor Entity in order to satisfy Investor Entity's condition for any capital contribution to Borrower, (as determined by Lender), or (3) the Restoration cannot be completed at least (y) six months prior to the Maturity Date or (z) within twelve months after the date of the Casualty. Nothing provided herein shall extend the maturity date of the Note.

4.4.5 Disbursement of Proceeds. If Lender is not entitled to apply the Insurance Proceeds to the obligations secured hereby, Lender (or at Lender's election, a disbursing or escrow agent selected by Lender and whose fees shall be paid by Borrower) shall disburse the Insurance Proceeds for the Restoration from time to time as the Restoration progresses, but only after satisfaction, at Borrower's expense, of such conditions precedent to such disbursements as Lender may reasonably require including but not limited to the following: (i) Borrower shall have delivered to Lender evidence reasonably satisfactory to Lender of the estimated cost of the Restoration and of the schedule and estimated completion date of the Restoration (and such completion date must not be later than the Maturity Date); (ii) Lender shall have approved the plans, specifications and contracts for the Restoration; (iii) if applicable, Borrower shall have delivered to Lender funds in addition to the Insurance Proceeds in an amount sufficient in Lender's reasonable judgment to complete and fully pay for the Restoration; (iv) Borrower shall have delivered to Lender such building permits, other permits, architect's certificates, waivers of lien, contractor's sworn statements, title insurance endorsements, plats of survey and other evidence of cost, payment and performance as Lender may reasonably require and approve; and (v) if required by Lender, Borrower shall have entered into an agreement providing in greater detail for the Restoration and the disbursement of Insurance Proceeds. No payment made prior to the final completion of the Restoration shall exceed ninety percent (90%) of the value of the work performed and materials incorporated into the Property from time to time, as such value is determined by Lender in its reasonable judgment. Disbursements may, at Lender's election, be made on a percentage of completion basis or on such other basis as is reasonably acceptable to Lender. Disbursements shall be subject to Borrower's delivery of such lien waivers as Lender may require, and otherwise on terms and subject to conditions acceptable to Lender. From time to time after commencement of the Restoration, if so requested by Lender, Borrower shall deposit with Lender funds in excess of the Insurance Proceeds which, together with the Insurance Proceeds and all funds previously deposited with Lender in connection with the Restoration, must at all times be at least sufficient in the reasonable judgment of Lender to pay the entire unpaid cost of the Restoration. Funds so deposited by Borrower may at Lender's option be disbursed prior to the disbursement of Insurance Proceeds. Lender may retain a construction consultant to inspect the Restoration and related matters on Lender's behalf and to advise Lender with respect thereto and Borrower shall pay the cost thereof; provided that neither Borrower nor any other person or entity other than Lender shall have any right to rely on any inspection or advice of such consultant. Such consultant shall not be the agent of Lender and shall not have the power to bind Lender in any way. Any surplus Insurance Proceeds or other funds held by Lender pursuant to this Section 4.4 that may remain after payment of all costs of the Restoration shall be paid to Borrower (or to such other person or entity as Lender reasonably determines is entitled thereto) so long as no Default or Unmatured Default then exists. Unless required under applicable law, no interest shall be payable to Borrower on account of any Insurance Proceeds or other funds held by Lender pursuant to this Section 4.4, but at Borrower's request, Lender will deposit such amounts into a blocked interest-bearing account with Lender over which Lender has sole possession, authority and control, in which Lender has a perfected first-priority security interest to secure the obligations secured by this Security Instrument, and otherwise on terms and conditions satisfactory to Lender in its sole discretion. Notwithstanding the above, if a Default exists prior to full disbursement of the Insurance Proceeds and any other funds held by Lender pursuant to this Section 4.4, any undisbursed portion thereof may, at Lender's option, be applied against the obligations secured by this Security Instrument, whether or not then due, in such order and manner as Lender shall select.

4.4.6 Effect on the Indebtedness. Any reduction in the obligations secured hereby resulting from the application of Insurance Proceeds or other funds pursuant to this Section 4.4 shall be deemed to take effect only on the date of such application; provided that, if any Insurance Proceeds are received after the Property is sold in connection with a judicial or nonjudicial foreclosure of this Security Instrument, or is transferred by deed in lieu of such foreclosure, notwithstanding any limitation on Borrower's

liability contained herein or in any other Facility Document, the purchaser at such sale (or Lender or other grantee under such deed) shall have the right to receive and retain all such Insurance Proceeds and all unearned premiums for all insurance on the Property. No application of Insurance Proceeds or other funds to the obligations secured hereby shall result in any adjustment in the amount or due dates of installments due under the Loan Agreement. No application of Insurance Proceeds to the obligations secured hereby shall, by itself, cure or waive any Default or Unmatured Default or any notice of default under this Security Instrument or any other Facility Document or invalidate any act done pursuant to such notice or result in the waiver of any collateral securing the Loan Agreement or the Note.

4.5 **Right of Inspection.** Subject to the rights of tenants, Borrower shall permit Lender or its agents or independent contractors (including, but not limited to, appraisers, environmental consultants and construction consultants), at all reasonable times, and upon reasonable advance notice (except in the event of an emergency, in which case no advance notice is required) to enter upon and inspect the Property, without materially and adversely interfering with the use and enjoyment of the Property by Borrower or any tenants of Borrower at the Property.

4.6 **Compliance with Laws; Preservation of Licenses.** Borrower shall comply in all material respects with all easements, licenses and agreements relating to the Property or Borrower's use thereof. Borrower shall observe and comply in all material respects with all requirements necessary to the continued existence and validity of all rights, licenses, permits, privileges, franchises and concessions relating to any existing or presently contemplated use of the Property, including but not limited to any zoning variances, special exceptions and nonconforming use permits.

4.7 **Further Assurances.** Borrower will, at its expense, from time to time execute and deliver any and all such instruments of further assurance and other instruments and do any and all such acts, or cause the same to be done, as Trustee or Lender deems necessary to grant the Property to Trustee or to carry out the purposes of this Security Instrument.

4.8 **Expenses.** Borrower will pay all costs, fees and expenses reasonably incurred by Lender or Trustee in connection with this Security Instrument.

4.9 **Repayment of Expenditures.** Borrower will pay within five (5) days after written demand all amounts secured by this Security Instrument, other than principal owing under the Note and Loan Agreement and interest accrued thereon, with interest from date of expenditure at the Default Rate and the repayment thereof shall be secured by this Security Instrument.

4.10 **Sale, Transfer, or Encumbrance of Property.** Borrower shall not cause, permit or suffer the occurrence of any "Default" under Section 6.01(f) (Transfer or Encumbrance of Interest in Property) or Section 6.01(g) (Transfer or Encumbrance of Interest in Borrower) of the Loan Agreement.

4.11 **Tax and Insurance Reserve.**

4.11.1 **Reserve.** In addition to the payments required by the Note and the Loan Agreement, if required by Lender, and to the extent permitted under applicable law, Borrower will maintain with Lender a reserve ("Imposition Reserve") equal to one-sixth (1/6th) of the total annual amount of the taxes, assessments, insurance premiums and similar charges affecting the Property (collectively, the "Impositions"). Lender shall hold such amounts without interest or other income to Borrower (unless required under applicable law) to pay the Impositions. If this estimate of the Impositions proves insufficient, Borrower, upon demand by Lender, shall pay Lender such additional sums as may be required to pay the Impositions at least one month before delinquency.

4.11.2 **Application.** If the total of the Imposition Reserve in any one year exceeds the amounts actually paid by Lender for Impositions, all or any portion of such excess may be paid to Borrower or credited by Lender on subsequent payments under this Section. At any time after the occurrence and during the continuance of a Default and at or prior to the foreclosure sale, Lender may apply any balance

of Impounds it holds to any of the Secured Obligations and in such order as Lender may elect. If Lender does not so apply such Imposition Reserve at or prior to the foreclosure sale, the purchaser at such sale shall be entitled to all such Impounds. If Borrower gives a deed in lieu of foreclosure of this Security Instrument, the balance of Impounds held by Lender shall become the property of Lender. Any transfer in fee of all or a part of the Property shall automatically transfer to the grantee all or a proportionate part of Borrower's rights and interest in the Imposition Reserve. Borrower hereby grants to Lender a lien on and security interest in the Imposition Reserve as security for the obligations secured by this Security Instrument.

4.11.3 **Tax Reporting Service.** Lender may, but need not, contract with a tax reporting service covering the Property. Borrower agrees that Lender may rely on the information furnished by such tax service and agrees to pay the cost of that service within thirty (30) days after receipt of a billing for it.

4.12 **Leasing Matters.** Borrower shall perform its obligations under Section 3.02 (Leases) of the Loan Agreement.

4.12.1 **Representations and Warranties.** Except as otherwise noted in an estoppel certificate and/or rent roll from Borrower delivered to and approved by Lender in connection with the Loan: (a) Borrower has good and marketable title to the Leases and Rents free and clear of all claims and Liens; (b) the Leases are valid, binding and enforceable and unmodified, and Borrower is not in default of any of the material terms and provisions of the Leases; (c) none of the Leases or the Rents has been assigned or otherwise pledged or hypothecated except to Lender; (d) the Rents now due or to become due for any period subsequent to the date hereof have not been collected and payment thereof has not been made for a period of more than one (1) month in advance, waived or released, discounted, set off or otherwise discharged or compromised; (e) Borrower has not received any funds or deposits from any tenant for which credit has not already been made on account of accrued Rents other than security deposits required by the Leases; (f) the premises demised under the Leases have been completed and the tenants under the Leases have accepted the same and have taken possession of the same on a rent-paying basis; (g) there exists no offset or defense to the payment of any portion of the Rents; (h) no Lease contains an option to purchase, right of first refusal to purchase, expansion right, or any other similar provision; and (i) no Person has any possessory interest in, or right to occupy the Property except under and pursuant to a Lease.

4.12.2 **Right of Subordination.** Notwithstanding anything in this Security Instrument to the contrary, Lender may, upon written notice to Borrower, elect to: (a) exclude from the assignment provided in this Security Instrument any of the Leases as specified in such notice so that the interest under such specified Lease is not assigned to Lender; (b) subordinate the lien and other terms and provisions of this Security Instrument to any of the Leases as indicated in such notice to Borrower; and (c) require Borrower to use best efforts to obtain a subordination, nondisturbance and attornment agreement, in form and substance approved by Lender, from any of the commercial tenants under any of the Leases as indicated in such notice to Borrower.

4.12.3 **Security Deposits.** Borrower shall maintain all security deposits collected from tenants or others with respect to the Property in accordance with all applicable legal requirements.

4.13 **Condominium and Cooperative Provisions.** If the Property is not subject to a recorded condominium plan, map or regime or a cooperative regime on the date of this Security Instrument, Borrower will not subject the Property or any portion thereof to such a plan, map or regime without the prior written consent of Lender, which consent may be granted or denied in Lender's sole discretion and, if granted, may be subject to such requirements as Lender may impose including but not limited to Borrower providing Lender with such title insurance endorsements and other documents as Lender may require. If the Property is subject to a condominium regime on the date of this Security Instrument: (a) Borrower represents and warrants that none of the condominium units and no portion of the common elements in the Property have been sold, conveyed or encumbered or are subject to any agreement to convey or encumber and that Borrower owns the entire fee simple interest in the Property; (b) Borrower shall not in any way sell, convey or encumber or enter into a contract or agreement to sell, convey or encumber any condominium unit or

any of the common elements of the Property unless expressly agreed to in writing by Lender; (c) Borrower shall operate the Property solely as a rental property; and (d) the Property granted, conveyed and assigned to Lender hereunder includes all rights, easements, rights of way, reservations and powers of Borrower, as owner, declarant or otherwise, under any applicable condominium act or statute and under any and all condominium declarations, survey maps and plans, association articles and bylaws and documents similar to any of the foregoing. If the Property is subject to a cooperative regime on the date of this Security Instrument: (i) Borrower represents and warrants that none of the corporate shares in the cooperative regime have been sold, conveyed or encumbered or are subject to any agreement to convey or encumber and that Borrower owns the entire fee simple interest in the Property; (ii) Borrower shall not in any way sell, convey or encumber or enter in a contract or agreement to sell, convey or encumber any of the corporate shares of the cooperative regime; and (iii) Borrower shall operate the Property solely as a rental property.

4.14 **Use of Property; Zoning Changes.** Unless required by applicable law or approved by Lender in writing, Borrower shall not: (a) allow changes in the use for which all or any part of the Property is being used at the time this Security Instrument is executed; (b) convert any individual dwelling unit or common area in the Property to primarily commercial use or any commercial space or common area in the Property to primarily residential use; or (c) initiate or acquiesce in a change in the zoning classification of the Property.

4.15 **Permits.** The Property includes certain permits, licenses, certificates and approvals relating to the construction or operation of the Land and the existing and future Improvements ("**Permits**"). Upon the occurrence and during the continuance of a Default, Lender shall have the right but not the obligation, and Borrower hereby authorizes Lender, to enforce Borrower's rights with respect to the Permits and the other Property. Effective upon the occurrence and during the continuance of a Default, Borrower hereby irrevocably constitutes and appoints Lender as its attorney in fact, coupled with an interest, to demand, receive and enforce Borrower's rights with respect to the Permits and the other Property, to give appropriate receipts, releases and satisfactions for and on behalf of Borrower and to do any and all acts in the name of Borrower or in the name of Lender with the same force and effect as if Borrower had performed such acts. Lender does not hereby assume any of Borrower's obligations or duties with respect to the Permits or any other Property, including, without limitation, the obligation to pay for the preparation or issuance thereof. Borrower represents and warrants that it has not previously conveyed, transferred or assigned the Permits or any other Property or any right, title or interest therein and has not executed any other instrument which might prevent or limit Lender from operating under the terms and provisions of this Section, and Borrower covenants and agrees not to do any of the foregoing.

4.16 **Management of the Property.** Lender is making the Loan in part in reliance on the experience and reputation of the Property Manager. Borrower will provide Lender thirty (30) days' prior written notice if Borrower intends to retain another property management company to manage the Property and will not retain such replacement property management company without obtaining the prior written consent of Lender, which will not unreasonably be withheld. Lender reserves the right (a) to review and approve the proposed property management agreement between Borrower and the new property manager and any material changes thereto, including, but not limited to, changes in the responsibilities of the property manager, and (b) to require that the replacement property management company enter into such agreements with Lender as Lender may reasonably require. Borrower will submit such requests to Lender in writing.

4.17 **Rights of Lender.** In addition to Lender's rights as a "Secured Party" under the UCC, Lender may, but shall not be obligated to, at any time without notice and at the expense of Borrower: (a) give notice to any Person of Lender's rights hereunder and enforce such rights at law or in equity; (b) insure, protect, defend and preserve the Property or any rights or interests of Lender therein; (c) inspect the Property; and (d) endorse, collect and receive any right to payment of money owing to Borrower under or from the Property. Notwithstanding the above, in no event shall Lender be deemed to have accepted any property other than cash in satisfaction of any obligation of Borrower to Lender unless Lender shall make an express written election of such remedy under the UCC or other applicable law.

4.18 **Construction Mortgage**. This Security Instrument constitutes (a) a "construction trust deed" as that term is used in Section 8174 of the California Civil Code, and (b) a "construction mortgage" as that term is used in Sections 9334 and 10309 of the UCC. The legal description of the Land is set forth on Exhibit A attached to this Security Instrument, and the name and address of the construction lender and the owner of the Land are set forth in the first paragraph of this Security Instrument).

4.19 **Affordable Housing Programs**. Borrower shall maintain occupancy of the Property as affordable housing in accordance with all regulatory agreements, covenants and other requirements of all affordable housing programs that apply to the Property (collectively, the "**Affordable Housing Programs**") including, but not limited to, requirements that the rental units of the Property be occupied by tenants whose incomes do not exceed a specified percentage of the area median income (as published by the federal Department of Housing and Urban Development or other applicable agencies) and that rent does not exceed a specified amount. Borrower shall provide to Lender on request any and all reports made to any local, state or federal agency regarding compliance with the Affordable Housing Programs. In addition, Borrower shall annually certify to Lender, on forms approved by Lender, that the occupancy of the Property complies with the requirements of this subsection.

5. **Default**.

5.1 **Definition**. Any of the following shall constitute a "Default" as that term is used in this Security Instrument:

(a) Any "Default" (as defined in the Loan Agreement) occurs;

(b) Any default by Borrower or any other signatory thereto in the performance of any covenant or agreement contained in any mortgage, deed of trust, similar security instrument, lien or security interest encumbering any or all of the Property, or the note or any other agreement evidencing or securing the indebtedness secured thereby or any covenant, regulatory agreement or other agreement entered into in connection with an Affordable Housing Program, which default continues beyond any applicable cure period.

Any of Borrower's partners (if Borrower is a limited partnership) or members (if Borrower is a limited liability company) may, but are not obligated to, cure a Default and such cure shall be accepted or rejected by Lender as if made by Borrower.

5.2 **Lender's and Trustee's Right to Perform**. After the occurrence and during the continuance of any Default, Lender or Trustee, but without the obligation so to do and without notice to or demand upon Borrower and without releasing Borrower from any obligations hereunder, may: make any payments or do any acts required of Borrower hereunder in such manner and to such extent as either may deem necessary to protect the security hereof, Lender or Trustee being authorized to enter upon the Property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Lender or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien in accordance with the following paragraph; and in exercising any such powers, pay necessary expenses and engage counsel. All sums so expended shall be payable by Borrower on demand, be secured hereby and bear interest at the Default Rate from the date advanced or expended until repaid and shall be payable by Borrower to Lender on demand.

Lender or Trustee, in making any payment herein, is hereby authorized, in the place and stead of Borrower, in the case of a payment of taxes, assessments, water rates, sewer rentals and other governmental or municipal charges, fines, impositions or liens asserted against the Property, to make such payment in reliance on any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of the bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; in the case of any apparent or threatened adverse claim of title, lien, statement of lien, encumbrance, deed of trust, mortgage, claim or charge, Lender or Trustee, as the case may be, shall be the sole judge of the legality or validity of same; and in the case of a payment for any other

purpose herein and hereby authorized, but not enumerated in this paragraph, such payment may be made whenever, in the sole judgment and discretion of Trustee or Lender, as the case may be, such advance or advances shall seem necessary or desirable to protect the full security intended to be created by this Security Instrument, provided further, that in connection with any such advance, Lender at its option may and is hereby authorized to obtain a title endorsement or continuation report of title prepared by a title insurance company, the costs and expenses of which shall be repayable by Borrower without demand and shall be secured hereby.

5.3 Remedies on Default. Upon the occurrence of any Default, all sums secured hereby shall become immediately due and payable, without notice or demand, at the option of Lender or as otherwise provided in the Loan Agreement, and Lender may:

5.3.1 Have a receiver appointed as a matter of right on an *ex parte* basis without notice to Borrower (or at the option of Lender, with notice to Borrower) and without regard to the sufficiency of the Property or any other security for the indebtedness secured hereby and without the necessity of posting any bond or other security. Such receiver shall take possession and control of the Property and shall collect and receive the Rents. If Lender elects to seek the appointment of a receiver for the Property, Borrower, by its execution of this Security Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver *ex parte* if permitted by applicable law. The receiver shall be entitled to receive a reasonable fee for managing the Property, which fee may be deducted from the Rents or may be paid by Lender and added to the indebtedness secured by this Security Instrument. Immediately upon appointment of a receiver, Borrower shall surrender possession of the Property to the receiver and shall deliver to the receiver all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Property and all security deposits. If the Rents are not sufficient to pay the costs of taking control of and managing the Property and collecting the Rents, any funds expended by Lender, or advanced by Lender to the receiver, for such purposes shall become an additional part of the indebtedness secured by this Security Instrument. The receiver may exclude Borrower and its representatives from the Property. Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred under this Section 5.3 shall not be construed to make Lender a mortgagee-in-possession of the Property so long as Lender has not itself entered into actual possession of the Property.

5.3.2 Foreclose this Security Instrument pursuant to a judicial foreclosure proceeding or otherwise realize upon the Property.

5.3.3 Cause Trustee to exercise its power of sale, to the extent permitted by applicable law.

5.3.4 Avail itself of any other right or remedy available to it under the terms of this Security Instrument, the other Facility Documents or applicable law, including, but not limited to, the right to conduct a unified sale of real and personal property collateral and the other rights and remedies under the UCC.

Notwithstanding the foregoing, Lender will take no action 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, if applicable.

5.4 No Waiver re Late or Partial Payments. By accepting payment of any sum secured hereby after its due date, Lender does not waive its right either to require prompt payment when due of that or any other portion of the obligations secured by this Security Instrument. Lender may from time to time accept and apply any one or more payments of less than the full amount then due and payable on such obligations without waiving any Unmatured Default, Default, acceleration or other right or remedy of any nature whatsoever.

5.5 **Prepayment Provisions.** If, at any time after a Default and acceleration of the indebtedness secured hereby, there shall be a tender of payment of the amount necessary to satisfy such indebtedness by or on behalf of Borrower, its successors or assigns, the same shall be deemed to be a voluntary prepayment such that the sum required to satisfy such indebtedness in full shall include, to the extent permitted by law, any additional payment required for a prepayment as stated in the Loan Agreement and other Facility Documents.

5.6 **Waiver of Marshaling, Etc.** In connection with any trustee's sale or other foreclosure sale under this Security Instrument, Borrower hereby waives, for itself and all others claiming by, through or under Borrower, any right Borrower or such others would otherwise have to require marshaling or to require that the Property be sold in parcels or in any particular order.

5.7 **Remedies Cumulative; Subrogation.** The rights and remedies accorded by this Security Instrument shall be in addition to, and not in substitution of, any rights or remedies available under now existing or hereafter arising applicable law. All rights and remedies provided for in this Security Instrument or afforded by law or equity are distinct and cumulative and may be exercised concurrently, independently or successively. The failure on the part of Lender to promptly enforce any right hereunder shall not operate as a waiver of such right, and the waiver of any Unmatured Default or Default shall not constitute a waiver of any subsequent or other Unmatured Default or Default. Lender shall be subrogated to the claims and liens of those whose claims or liens are discharged or paid with the Loan proceeds.

6. **Condemnation, Etc.**

6.1 **Awards.** Any and all awards of damages ("Awards"), whether paid as a result of judgment or prior settlement, in connection with any condemnation or other taking of any portion of the Property for public or private use, or for injury to any portion of the Property ("Condemnation"), are hereby assigned and shall be paid to Lender which may apply or disburse such Awards in the same manner, on the same terms, subject to the same conditions, to the same extent, and with the same effect as provided in Section 4.4 above for disposition of Insurance Proceeds. Unless otherwise instructed by Lender, regardless of whether the Awards are sufficient for the purpose, Borrower shall promptly commence and diligently pursue to completion in a good, workmanlike and lien-free manner the restoration, replacement and rebuilding of the Property as nearly as possible to its value, condition and character immediately prior to the Condemnation if any of the Award is made available to Borrower for such purpose. Without limiting the generality of the foregoing, if the Condemnation results in a loss of the Property to an extent that, in the reasonable opinion of Lender, renders or is likely to render the Property not economically viable or not as valuable as it would have been if no Condemnation had occurred, or if, in Lender's reasonable judgment, Lender's security is otherwise impaired or if a Default exists, Lender may apply the Awards to reduce the unpaid obligations secured hereby in such order as Lender may determine, and without any adjustment in the amount or due dates of installments due under the Loan Agreement. If so applied, any Awards in excess of the unpaid balance of the Note and other sums owing to Lender under the Facility Documents or otherwise shall be paid to Borrower or Borrower's assignee. Lender shall in no case be obligated to see to the proper application of any amount paid over to Borrower. Such application or release shall not cure or waive any Default or Unmatured Default or notice of default hereunder or under any other Facility Document or invalidate any act done pursuant to such notice. In addition thereto, if (A) neither Borrower nor Lender has the right to receive any or all net proceeds or awards as a result of the provisions of any agreement affecting the Property (including any Ground Lease (if applicable), condominium document, or reciprocal easement agreement) and, therefore cannot apply the net proceeds or awards to the payment of the principal of the indebtedness secured hereby, as set forth above, or (B) Borrower receives any or all of the proceeds or awards described herein and fails to apply the proceeds in accordance with this Section, then Borrower will prepay the indebtedness secured hereby in an amount which Lender, in its sole and absolute discretion, requires. Immediately upon receiving written notice of the institution or threatened institution of any proceeding for a Condemnation, Borrower shall notify Lender of such fact. Borrower shall then file or defend its rights thereunder and prosecute the same with due diligence to its final disposition; provided, however, that Borrower shall not enter into any settlement of such proceeding without the prior approval of Lender. Lender shall be entitled, at its option, to appear in any such proceeding in its own name, and upon the

occurrence and during the continuation of a Default or if Borrower fails to diligently prosecute such proceeding, (a) Lender shall be entitled, at its option, to commence, appear in and prosecute any such proceeding or to make any compromise or settlement in connection with such Condemnation and obtain all Awards or other relief therefor, on behalf of itself or Borrower, and (b) Borrower hereby irrevocably constitutes and appoints Lender as its attorney-in-fact, and such appointment is coupled with an interest, to commence, appear in and prosecute such action or proceeding or to make such compromise or settlement in connection with any such Condemnation on its behalf. The foregoing appointment is irrevocable, and such rights, powers and privileges shall be exclusive in Lender, its successors and assigns. Borrower agrees to pay Lender's costs and reasonable attorneys' fees incurred in connection therewith. Lender shall have no obligation to take any action in connection with any actual or threatened Condemnation or other proceeding. Borrower hereby specifically, unconditionally and irrevocably waives all rights of a property owner granted under California Code of Civil Procedure Section 1265.225(a), which provides for allocation of condemnation proceeds between a property owner and a lienholder, and any other law or successor statute of similar import.

7. Trustee.

7.1 **General Powers and Duties of Trustee.** At any time or from time to time, without liability therefor and without notice and without affecting the liability of any person for the payment of the indebtedness secured hereby, upon written request of Lender and payment of Trustee's fees, if any, Trustee may: (a) consent to the making of any map or plat of the Property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Security Instrument or the lien or charge thereof; or (d) reconvey, without warranty, all or any part of the Property.

7.2 **Reconveyance.** Upon written request of Lender stating that all sums secured hereby have been paid, and upon payment of Trustee's fees, if any, Trustee shall reconvey, without warranty, the Property then held hereunder.

7.3 **Powers and Duties on Default.** Upon written request therefor by Lender specifying the nature of the Default, or the nature of the several Defaults, and the amount or amounts due and owing, Trustee shall execute a written notice of default and of its election to cause the Property to be sold to satisfy the obligation secured hereby, and shall cause such notice to be recorded and otherwise given according to law. Thereafter, Trustee shall execute a written notice of sale, and shall cause such notice to be recorded and otherwise given as required by law. Notice of sale having been given as then required by law and not less than the time then required by law having elapsed after recordation of such notice of breach, Trustee, without demand on Borrower, shall sell the Property at the time and place of sale specified in the notice, as provided by statute, either as a whole or in separate parcels and in such order as Lender may determine, at public auction to the highest and best bidder for cash in lawful money of the United States, other payment permitted by applicable law, or a credit bid by Lender, payable at time of sale. Borrower agrees that such a sale (or a sheriff's sale pursuant to judicial foreclosure) of all the Property as real estate constitutes a commercially reasonable disposition thereof, but that with respect to all or any part of the Property which may be personal property Trustee shall have and exercise, at Lender's sole election, all the rights and remedies of a secured party under the UCC, including but not limited to, the right to conduct a unified sale of real and personal property collateral. Whenever notice of such a sale is permitted or required hereunder or under the UCC, 10 days shall be deemed reasonable. Trustee may postpone sale of all or any portion of the Property, and from time to time thereafter may postpone such sale, as provided by statute. Trustee shall deliver to the purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recital in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person other than Trustee, including Borrower or Lender, may purchase at such sale. After deducting all costs, fees and expenses of Trustee and of this trust, including the cost of evidence of title search and title insurance and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums secured hereby in such order as Lender may determine and the remainder, if any, may be deposited by Trustee with the clerk of the superior court or municipal court, as applicable, of the county in which the sale took place, as provided in California Civil Code § 2924j or otherwise paid or applied as permitted by applicable law.

7.4 **Reassignment of Security Interest.** At the request of Lender, Trustee shall reassign to Lender the security interest created hereby and after such reassignment Lender shall have the right, upon the occurrence or continuance of any Default, to realize upon the personal property encumbered by this Security Instrument, independent of any action of Trustee, pursuant to the UCC.

7.5 **Acceptance of Trust.** Trustee accepts this trust when this Security Instrument, duly executed and acknowledged, is recorded in the real estate records of the county in which the Land is located. Trustee is not obligated to notify any party hereto except Lender of pending sale under any other deed of trust or of any action or proceeding in which Borrower, Lender or Trustee shall be a party unless brought by Trustee.

7.6 **Reliance.** Trustee, upon presentation to it of a written request signed by Lender setting forth facts showing a Default, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

7.7 **Replacement of Trustee.** Lender may, from time to time, as provided by statute, appoint another trustee in place and stead of Trustee herein named, and thereupon Trustee herein named shall be discharged and the trustee so appointed shall be substituted as Trustee hereunder, with the same effect as if originally named Trustee herein.

8. **Notices.** Any notice to or demand on Borrower or Lender in connection with this Security Instrument or the obligations secured hereby shall be given in accordance with Section 7.01 of the Loan Agreement, provided that any notice required by statute for any judicial or non-judicial foreclosure of this Security Instrument shall be given in accordance with such statute. Any notice to or demand on Trustee in connection with this Security Instrument shall be given in the manner provided for notices to Borrower and Lender under Section 7.01 of the Loan Agreement at the respective address set forth in the first paragraph of this Security Instrument, provided that any party may change its address for notice by giving notice thereof to the other parties.

9. **Modifications, Etc.** Each Person now or hereafter owning any interest in the Property agrees, by executing this Security Instrument or taking the Property subject to it, that Lender may in its sole discretion and without notice to or consent of any such Person: (a) extend the time for payment of the obligations secured hereby; (b) discharge or release any one or more parties from their liability for such obligations in whole or in part; (c) delay any action to collect on such obligations or to realize on any collateral therefor; (d) release or fail to perfect any security for such obligations; (e) consent to one or more transfers of the Property, in whole or in part, on any terms; (f) waive or release any of holder's rights under any of the Facility Documents; (g) agree to an increase in the amount of such obligations or to any other modification of such obligations or of the Facility Documents; or (h) proceed against such Person before, at the same time as, or after it proceeds against any other Person liable for such obligations.

10. **Successors and Assigns.** All provisions herein contained shall be binding upon and inure to the benefit of the respective successors and assigns of the parties, subject to the restrictions set forth in the Facility Documents on sales, leases, exchanges, conveyances, transfers, mortgages, assignments, pledges and encumbrances and other transactions by Borrower.

11. **Governing Law; Severability.** This Security Instrument and the other Facility Documents shall be construed in accordance with and governed by the internal laws (and not the law of conflicts) of the state where the Property is located, except to the extent preempted by federal laws applicable to national banks. Any provision of this Security Instrument or any other Facility Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof or thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

12. **Borrower's Right to Possession.** Borrower may be and remain in possession of the Property for so long as no Default exists and is continuing and Borrower may, while it is entitled to possession of the Property, use the same.

13. **Maximum Interest.** The provisions of Section 7.09 (Usury) of the Loan Agreement apply to any interest accruing or owing under this Security Interest or any other Facility Document.

14. **Attorneys' Fees and Legal Expenses.** In the event of any Default or Unmatured Default under this Security Instrument, or in the event that any dispute arises relating to the interpretation, enforcement or performance of any obligation secured by this Security Instrument, Lender shall be entitled to collect from Borrower on demand all reasonable fees and expenses incurred in connection therewith, including but not limited to reasonable fees of attorneys, accountants, appraisers, environmental inspectors, consultants, expert witnesses, arbitrators, mediators and court reporters. Without limiting the generality of the foregoing, Borrower shall pay all such costs and expenses incurred in connection with: (a) arbitration or other alternative dispute resolution proceedings, trial court actions and appeals; (b) bankruptcy or other insolvency proceedings of Borrower or any Person liable for any of the obligations secured by this Security Instrument or any party having any interest in any security for any of those obligations; (c) judicial or nonjudicial foreclosure on, or appointment of a receiver for, any of the Property; (d) post-judgment collection proceedings; (e) all claims, counterclaims, cross-claims and defenses asserted in any of the foregoing whether or not they arise out of or are related to this Security Instrument; (f) all preparation for any of the foregoing; and (g) all settlement negotiations with respect to any of the foregoing.

15. **Time Is of the Essence.** Time is of the essence under this Security Instrument and the other Facility Documents and in the performance of every term, covenant and obligation contained herein and therein.

16. **Miscellaneous.**

16.1 Whenever the context so requires the singular number includes the plural herein, and the impersonal includes the personal.

16.2 The headings to the various sections have been inserted for convenient reference only and shall not modify, define, limit or expand the express provisions of this Security Instrument.

16.3 This Security Instrument and the other Facility Documents constitute the final expression of the entire agreement of the parties with respect to the transactions set forth therein. No party is relying upon any oral agreement or other understanding not expressly set forth in the Facility Documents. No provision of this Security Instrument or any other Facility Document may be waived, amended or modified except pursuant to an agreement or agreements in writing executed by the party sought to be charged with such waiver, amendment or modification.

16.4 No Person shall be a third party beneficiary of this Security Instrument or any other Facility Document.

16.5 The existence of any violation of any provision of this Security Instrument or the other Facility Documents (including but not limited to building or health code violations) as of the date of this Security Instrument, whether or not known to Lender, shall not be deemed to be a waiver of any of Lender's rights under any of the Facility Documents, including, but not limited to, Lender's right to enforce Borrower's obligations to repair and maintain the Property.

16.6 Borrower hereby waives to the fullest extent permitted by applicable law the right to plead, use or assert any statute of limitations as a plea, defense or bar of any kind, or for any purpose, to any obligation secured by this Security Instrument, or to any complaint or other pleading or proceeding filed, instituted or maintained for the purpose of enforcing this Security Instrument or any rights hereunder.

16.7 No merger shall occur as a result of Borrower's or Lender's acquisition of any other estate, right, title or interest in or in connection with the Property unless Lender consents to a merger in writing.

17. **CCP Section 726.5.** In the event that any portion of the Property is determined to be "environmentally impaired" (as "environmentally impaired" is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as "affected parcel" is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting Lender's or Trustee's rights and remedies under this Security Instrument, Lender may elect to exercise its right under California Code of Civil Procedure Section 726.5(a) to (a) waive its lien on such environmentally impaired or affected portion of the Property and (b) exercise (i) the rights and remedies of an unsecured creditor, including reduction of its claim against Borrower to judgment, and (ii) any other rights and remedies permitted by law. For purposes of determining Lender's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), Borrower shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any tenant, occupant or user of any portion of the Property and Borrower knew or should have known of the activity by such tenant, occupant or user which caused or contributed to the release or threatened release. All costs and expenses, including, but not limited to, attorneys' fees, incurred by Lender in connection with any action commenced under this Section, including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the Default Rate until paid, shall be added to the indebtedness secured by this Security Instrument and shall be due and payable to Lender upon its demand made at any time and from time to time.

18. **Request for Notice.** Borrower hereby requests that a copy of any notice of default and any notice of sale hereunder be mailed to it at the address set forth in the first paragraph of this Security Instrument.

19. **Waiver Of Jury Trial ;Judicial Reference.** The parties hereto hereby agree to the provisions of Section 7.12 (WAIVER OF JURY TRIAL; JUDICIAL REFERENCE) of the Loan Agreement which are incorporated herein as if set forth herein in full.

20. **Extended Low-Income Housing Commitment.** Lender agrees that the lien of this Security Instrument shall be subordinate to any extended low-income housing commitment (as such term is defined in Section 42(h)(6)(B) of the Internal Revenue Code) (the "Extended Use Agreement") recorded against the Property; provided that such Extended Use Agreement, by its terms, must terminate upon foreclosure under this Security Instrument or upon a transfer of the Property by instrument in lieu of foreclosure, in accordance with Section 42(h)(6)(E) of the Internal Revenue Code.

21. **Annual LIHTC Reporting.** Borrower must submit to Lender each year at the time of annual submission of Borrower's financial analysis of operations, a copy of the following sections of Borrower's federal tax return: Internal Revenue Forms 1065, 8586, 8609 and Form 8609, Schedule A, which must reflect the total low-income housing tax credits ("LIHTCs") allocated to the Property and the LIHTCs claimed for the Property in the preceding year.

22. **Cross-Default.** Borrower acknowledges and agrees that (a) any failure by Borrower or the Property to qualify for any Tax Credits and (b) any default, event of default, or breach (however such terms may be defined) after the expiration of any applicable notice and/or cure periods under the Extended Use Agreement that jeopardizes the availability of a material amount of the projected Tax Credits shall be a Default under this Security Instrument and that any costs, damages or other amounts, including reasonable attorney's fees incurred by Lender as a result of such a Default by Borrower, including amounts paid to cure any default or event of default, under the Extended Use Agreement shall be an obligation of Borrower and become a part of the Indebtedness secured by this Security Instrument.

23. **Annual Compliance.** Borrower shall submit to Lender on an annual basis, evidence that the Property is in ongoing compliance with all income, occupancy and rent restrictions under the Extended Use

Agreement relating to the Property. Such submissions shall be made contemporaneously with Borrower's reports required to be made to the regulator under the Extended Use Agreement.

24. **Tax Exemption or Abatement.**

24.1 Borrower represents, warrants and covenants to Lender that the Property is eligible for and will apply for a tax exemption or abatement (the "Tax Abatement") for the "welfare exemption" available under the California Revenue and Taxation Code Section 214(g) (the "Program").

24.2 Borrower must file or cause to be filed on a timely basis all documentation necessary to maintain the Tax Abatement.

24.3 Borrower must comply or cause compliance fully with all of the Program requirements in order to obtain and maintain the Tax Abatement.

24.4 Borrower shall promptly provide Lender with a copy of any notice Borrower may receive alleging that Borrower is in breach of the requirements of the Program or that the Property is not being maintained as required by the Program.

24.5 In any application for a Transfer of the Property, any interest in the Property or any interest in Borrower, Borrower shall notify Lender if the completion of such Transfer without the consent of the agency administering the Tax Abatement would result in the termination of the Tax Abatement.

24.6 Borrower shall avail itself of all rights and opportunities to renew or extend the Tax Abatement.

24.7 Borrower shall not voluntarily take or cause to be taken any action that would threaten the Tax Abatement or cause the Tax Abatement to terminate without the prior written consent of Lender.

24.8 Borrower represents and warrants that:

(a) Borrower has not received any notice indicating that the Tax Abatement will be terminated or will not be obtained.

(b) Borrower has adhered to any income, rent or other restrictions imposed by the Tax Abatement.

24.9 Each of the following shall constitute an Event of Default:

(a) Any breach of any of the representations and warranties in Subsection (h).

(b) Any transfer of the Property, any interest in the Property, or any interest in Borrower that would cause the Tax Abatement to terminate.

24.10 In addition to the foregoing:

(a) Borrower shall notify Lender if it receives any notice indicating that the Tax Abatement will be terminated before its scheduled expiration date.

(b) Borrower shall notify Lender if a Transfer of the Property or any interest in Borrower would result in the termination of the Tax Abatement.

25. **Regulatory Agreement.** Notwithstanding anything in this Security Instrument to the contrary, Lender hereby acknowledges and consents to the lien of the Regulatory Agreement and agrees that, irrespective of the order of recordation or date of effectiveness, the lien of this Security Instrument shall be

subordinate to the Regulatory Agreement. Borrower acknowledges and agrees that any material default, event of default, or breach (however such terms may be defined) after the expiration of any applicable notice and/or cure periods under the Regulatory Agreement shall be a Default under this Security Instrument and that any costs, damages or other amounts, including reasonable attorney's fees incurred by Lender as a result of such Default by Borrower, including amounts paid to cure any default or event of default, under the Regulatory Agreement shall be an obligation of Borrower and become a part of the Indebtedness secured by this Security Instrument.

26. **Section 8 HAP Contract.**

26.1 Borrower will be a party that certain Housing Assistance Payments Contract (as may be assigned, amended, and renewed, the "HAP Contract") between Borrower and the Housing Authority of the County of Riverside, as the Public Housing Authority ("PHA") for the United States Department of Housing and Urban Development ("HUD") to be entered into pursuant to that certain Agreement to Enter Into a Housing Assistance Payments Contract between Borrower and PHA (the "AHAP Contract") for the Property, which AHAP Contract and HAP Contract have been collaterally assigned by Borrower to Funding Lender pursuant to that certain Assignment of Agreement to Enter Into Housing Assistance Payments Contract, Housing Assistance Payments Contract and Housing Assistance Payments (the "Assignment of AHAP Contract"), dated as of the date hereof.

26.2 Borrower represents that Borrower has at all times been and presently is in full compliance with the AHAP Contract and that Borrower has not in the past defaulted and is presently not in default under the AHAP Contract.

26.3 Borrower acknowledges and agrees that any default, event of default, or breach (however such terms may be defined) under the AHAP Contract, HAP Contract or the Assignment of AHAP Contract shall be a Default under this Security Instrument and that any costs, damages or other amounts, including reasonable attorneys' fees incurred by Lender as a result of such a Default by Borrower, including amounts paid to cure any default, event of default or breach under the AHAP Contract, HAP Contract or under the Assignment of AHAP Contract, shall be an obligation of Borrower and become a part of the Indebtedness secured by this Security Instrument.

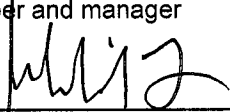
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DATED as of the day and year first above written.

NCRC BEAUMONT LP,
a California limited partnership

By: NCRC Beaumont LLC,
a California limited liability company,
its managing general partner

By: National Community Renaissance of California,
a California nonprofit public benefit corporation,
its sole member and manager

By: 
Name: Michael Finn
Title: Chief Financial Officer

California All-Purpose Acknowledgment

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

State of California }
County of San Bernardino } s.s.

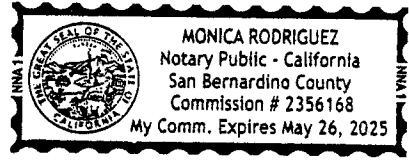
On May 28, 2024 before me, Monica Rodriguez, Notary Public
Name of Notary Public, Title

personally appeared Michael Finn
Name of Signer (1)
Name of Signer (2)

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.



[Signature]
Signature of Notary Public

Seal

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____
containing _____ pages, and dated _____.

The signer(s) capacity or authority is/are as:

- Individual(s)
- Attorney-in-fact
- Corporate Officer(s) _____
Title(s)
- Guardian/Conservator
- Partner - Limited/General
- Trustee(s)
- Other: _____

representing: _____
Names of Person(s) Entity(es) Signer is Representing

Additional Information	
Method of Signer Identification	
Proved to me on the basis of satisfactory evidence:	
<input type="checkbox"/> form(s) of identification	<input type="checkbox"/> credible witness(es)
Notarial event is detailed in notary journal on:	
Page # _____	Entry # _____
Notary contact: _____	
Other	
<input type="checkbox"/> Additional Signer	<input type="checkbox"/> Signer(s) Thumbprints(s)
<input type="checkbox"/>	_____

EXHIBIT A

Legal Description

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

THE WESTERLY RECTANGULAR 116.50 FEET OF THE EASTERLY RECTANGULAR 361.84 FEET OF LOT 3 IN BLOCK 3, AS SHOWN BY MAP OF THE SUBDIVISION OF SECTION 11, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED IN BOOK 9, PAGE 10 OF MAPS, SAN BERNARDINO COUNTY RECORDS. THE WESTERLY LINE THEREOF BEING PARALLEL WITH THE EASTERLY LINE OF SAID LOT.

Assessor's Parcel Number: 419-222-011

A-1

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. Nicole Sanchez

This document was electronically submitted to the County of Riverside for recording
Received by: MARIA VICTORIA #411

9175284

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) is made this 3rd day of June, 2024 by NCRC Beaumont LP, a California limited partnership, (hereinafter referred to as "Trustor"), whose address is 9692 Haven Avenue, Suite 100, Rancho Cucamonga, CA 91730, Attention: General Counsel. 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) Trustor's interest in the real property in the City of Riverside, County of Riverside, State of California more particularly described in Exhibit A attached hereto and incorporated herein by this reference (such interest in real property is hereafter referred to as the "Subject Property");

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

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

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

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

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

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

Trustor further grants to Trustee and Beneficiary, pursuant to the UCC, a security interest in all present and future right, title and interest of Trustor in and to all Goods and Intangibles and all of the Trust Estates described above in which a security interest may be created under the UCC (collectively, the "Personal Property"). This 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 (HHIP Loan) in favor of the Beneficiary ("County" therein) executed by Trustor ("Borrower" therein) of even date herewith (the "HHIP Note") in the principal amount of \$6,000,000.
 - (b) that certain Loan Agreement for the Use of Housing and Homelessness Incentive Program (HHIP) Funds dated June 3, 2024 and recorded in the Official Records of the County of Riverside ("Official Records") concurrently herewith, between Trustor ("Borrower" therein) and Beneficiary ("County" therein) (the "HHIP Loan Agreement"); and
 - (c) that certain Covenant Agreement dated June 3, 2024 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 SIX MILLION DOLLARS (\$6,000,000) (the "HHIP Loan") according to the terms of the HHIP Note.

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

The HHIP Loan evidenced by the HHIP Note and secured by this Deed of Trust is being made pursuant to the HHIP Investment Funds from IEHP ("HHIP Funds"). Pursuant to the HHIP Loan Agreement, the maturity date of the HHIP Loan shall be the later to occur of (i) July 1, 2081 or (ii) fifty-five (55) years from recordation of the Covenant Agreement in the Official Records for the Project (as defined in the HHIP Loan Agreement) ("HHIP Loan Term").

TRUSTOR COVENANTS that the Trustor is lawfully seized of the estate hereby conveyed and has the right to grant and convey Trustor's interest in 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 HHIP Note at the time and in the manner provided therein, and perform the obligations of the Trustor as set forth in the HHIP 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 HHIP 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 any obligation under a Secured Obligation, and after the giving of notice and the expiration of any applicable cure period, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable.

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

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

a. Should Trustor fail to make any payment or to do any act herein provided, then Beneficiary or Trustee, but without obligation so to do and upon written notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof,

Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

7. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Beneficiary under **Section 5** shall be applied: first, to interest due; second, to principal due; and last, to any late charges due under the HHIP 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. Trustor shall pay these obligations in the manner provided in **Section 6**.

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

9. **Priority of HHIP Deed of Trust.** Lien priority, including applicable regulatory agreements, shall be as follows: (1) first priority shall be County of Riverside HHIP Covenant Agreement for the benefit of the County of Riverside ("County"); (2) second priority shall be a Deed of Trust for the benefit of JP Morgan Chase Bank, N.A ("Chase") in an amount not to exceed \$22,000,000 (the "Construction Loan"); (3) third priority shall be County HHIP Loan Agreement; (4) fourth priority shall be the County HHIP Deed of Trust; (5) fifth priority shall be the Purchase Option and Right of First Refusal from the Trustor to National Community Renaissance of California, a California nonprofit public benefit corporation (the "Sponsor").

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

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

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

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

11. Preservation, Maintenance and Protection of the Property; Trustor's Loan Application.

a. 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 HHIP Note, including, but not limited to representations concerning Trustor's use of the Property for affordable housing.

b. The Trustor acknowledges that the Property is subject to certain use, affordability and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the Property is located), providing for certain income and rent restrictions. 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.**

a. 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.

ab. 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 HHIP Note rate and shall be payable, with interest, upon notice from Beneficiary to Trustor requesting payment.

13. **Reserved.**

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

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

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

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

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

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

16. **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 HHIP Note or by making a direct payment to Trustor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

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

20. **Governing Law; Severability.** This Deed of Trust shall be governed by federal law and the laws of the State of California. In the event that any provision or clause of this Deed of Trust or the HHIP 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 HHIP 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 HHIP Note and of this Deed of Trust.

22. **Transfer of the Property or a Beneficial Interest in Trustor.**

a. Except as otherwise allowed under the HHIP 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 comply with applicable rent and income restrictions) 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 or for any Permitted Transfers pursuant to the HHIP Loan Agreement.

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

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 HHIP 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. **Reserved.**

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

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

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

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

27. **Acceleration; Remedies.** Beneficiary shall give notice to Trustor prior to acceleration following Trustor's breach of any covenant or agreement in this Deed of Trust. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, which shall not be less than thirty (30) calendar days from the date of the mailing of the notice for a monetary default, or a date, which shall not be less than sixty (60) 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, and the Senior Lien Holder or the investor limited partner have not cured the default within that same period, subject to any non-recourse provisions set forth in Section 8 of the Note, then Beneficiary at its option may require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Beneficiary shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Section 27**, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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

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

28. **Release.** Upon payment of all sums secured by this Deed of Trust, Beneficiary shall release this Deed of Trust without charge to Trustor. Trustor shall pay any recordation costs. The lien of the Covenant Agreement shall not be released or reconveyed until the expiration of the term set forth therein notwithstanding the payment of all sums secured by this Deed of Trust.

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

30. **Reserved.**

31. **Reserved.**

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.

34. **Counterparts.** This Deed of Trust may be signed by the different parties hereto in counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.

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

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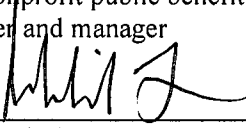
[Signatures on Following Page]

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

NCRC BEAUMONT LP,
a California limited partnership

By: NCRC Beaumont LLC,
a California limited liability company,
its managing general partner

By: National Community Renaissance of California,
a California nonprofit public benefit corporation,
its sole member and manager

By: 
Name: Michael Finn
Title: Chief Financial Officer

(Signature needs to be notarized)

California All-Purpose Acknowledgment

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

State of California }
County of San Bernardino } s.s.

On May 22, 2024 before me, Monica Rodriguez, Notary Public
Name of Notary Public, Title

personally appeared Michael Finn
Name of Signer (1)

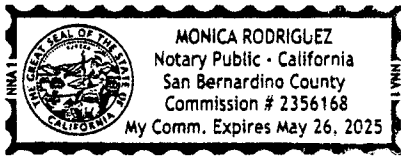
Name of Signer (2)

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

[Signature]
Signature of Notary Public



Seal

OPTIONAL INFORMATION

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____
containing _____ pages, and dated _____.

The signer(s) capacity or authority is/are as:
 Individual(s)
 Attorney-in-fact
 Corporate Officer(s) _____
Title(s)
 Guardian/Conservator
 Partner - Limited/General
 Trustee(s)
 Other: _____
representing: _____
Name(s) of Person(s) Entity(ies) Signer is Representing

Additional Information
Method of Signer Identification
Proved to me on the basis of satisfactory evidence: <input type="checkbox"/> form(s) of identification <input type="checkbox"/> credible witness(es)
Notarial event is detailed in notary journal on: Page # _____ Entry # _____
Notary contact: _____
Other
<input type="checkbox"/> Additional Signer <input type="checkbox"/> Signer(s) Thumbprints(s)
<input type="checkbox"/> _____

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

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

THE WESTERLY RECTANGULAR 116.50 FEET OF THE EASTERLY RECTANGULAR 361.84 FEET OF LOT 3 IN BLOCK 3, AS SHOWN BY MAP OF THE SUBDIVISION OF SECTION 11, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED IN BOOK 9, PAGE 10 OF MAPS, SAN BERNARDINO COUNTY RECORDS. THE WESTERLY LINE THEREOF BEING PARALLEL WITH THE EASTERLY LINE OF SAID LOT.

Assessor's Parcel Number: **419-222-011**