

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

Corona Housing Authority
400 South Vicentia Avenue
Corona, CA 92882
Attn: Executive Director

(Space Above For Recorder's Use)

**ASSIGNMENT AND ASSUMPTION OF REGULATORY AGREEMENT AND DECLARATION
OF RESTRICTIVE COVENANTS
RELATING TO RIVER RUN SENIOR APARTMENTS PROJECT**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT OF REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS (this "**Assumption Agreement**") is made and entered into as of September [15], 2021 (the "**Effective Date**") by and among Steadfast River Run, L.P., a California limited partnership (the "**Transferor**"), Avanath River Run, LP, a Delaware limited partnership (the "**Transferee**"), CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "**Issuer**"), and the City of Corona Housing Authority (as the successor in interest to the Redevelopment Agency of the City of Corona) (the "**Authority**").

RECITALS

WHEREAS, Transferor owns that certain real property situated in the City of Corona, County of Riverside, State of California, as more particularly described in Exhibit A attached hereto, and the multifamily rental housing project for seniors, including all structures, buildings, fixtures or improvements situated thereon (the "**Project**");

WHEREAS, the Project is subject to that certain that certain Regulatory Agreement and Declaration of Restrictive Covenants, dated as of February 1, 2003 among the Issuer, Wells Fargo Bank, National Association, as trustee (the "**Trustee**"), the Authority and the Transferor (the "**Regulatory Agreement**"), recorded in the Official Records of the County of Riverside, California (the "**Official Records**") as Instrument No. 2003-133235;

WHEREAS, in addition to certain funds provided by the Authority's predecessor in interest pursuant to that certain Amended and Restated Affordable Housing Agreement dated February 1, 2003 (the "**AHA Agreement**"), a memorandum of which was recorded on February 26, 2003 as Document No. 2003-133242 in the Official Records, the Project was financed, in part, with the proceeds of the (a) Issuer's Variable Rate Demand Multifamily Housing Revenue Bonds (River Run Senior Apartments Project) 2002 Series LL (the "**Senior Bonds**") issued under the terms of that certain Trust Indenture, dated as of December 1, 2002, as amended and restated by a First Amended and Restated Trust Indenture, dated as of February 1, 2003 and by a Second Amended and Restated Trust Indenture, dated February 1, 2006 (the "**Senior**

Indenture”), between the Issuer and Trustee; (b) Issuer’s Subordinate Multifamily Housing Revenue Refunding Bonds (River Run Senior Apartments Project) Series 2003 (the “*Subordinate Bonds*”) issued under the terms of that certain Subordinate Trust Indenture, dated as of February 1, 2003 (the “*Subordinate Indenture*”), between the Issuer and Trustee; and (c) Issuer’s Community Facilities District No. 2002-1 (River Run Senior Apartments—Corona) Special Tax Bonds (the “*CFD Bonds*”, and, together with the Senior Bonds and the Subordinate Bonds, the “*Bonds*”) issued under the terms of that certain Indenture, dated as of February 1, 2003 (the “*CFD Indenture*” and together with Senior Indenture and the Subordinate Indenture, the “*Indentures*”), between the Issuer’s Community Facilities District No. 2002-1 and the Trustee;

WHEREAS, proceeds of the Bonds were loaned to the Transferor pursuant to and in accordance with the provisions of the Regulatory Agreement and certain other bond documents (collectively, the “*Bond Documents*”), including (i) a Financing Agreement dated as of December 1, 2002 as amended and restated by a First Amended and Restated Financing Agreement dated as of February 1, 2003 and a Second Amended and Restated Financing Agreement dated as of February 1, 2006 relating to the Senior Bonds (the “*Financing Agreement*”) among the Issuer, the Trustee and the Transferor, (ii) a Subordinate Financing Agreement relating to the Subordinate Bonds dated as of February 1, 2003 (the “*Subordinate Financing Agreement*”) among the Issuer, the Trustee and the Transferor, (iii) Loan Documents, as such defined term is used in the Regulatory Agreement, (iv) Tax Certificate as defined in the Regulatory Agreement, (v) Intercreditor Agreement as defined in the Regulatory Agreement, (vi) Security Instrument as defined in the Regulatory Agreement, and (vii) CDLAC Resolution, as such defined term is used in the Regulatory Agreement;

WHEREAS, as of the Effective Date, (a) the Senior Bonds shall have been redeemed and retired in full in accordance with the Senior Indenture, (b) the Subordinate Bonds shall have been defeased pursuant to an Escrow Deposit Agreement, by and among Transferor, Issuer and Trustee (the “*Escrow Deposit Agreement*”), which such Escrow Deposit Agreement shall provide, with irrevocable instructions given, for redemption in whole of the Subordinate Bonds on October 1, 2021 (the “*Redemption Date*”), pursuant to the terms of the Subordinate Indenture, (c) the CFD Bonds shall have been defeased pursuant to an Escrow Agreement, by and between the Issuer’s Community Facilities District No. 2002-1 and the Trustee, as trustee and escrow agent (the “*Escrow Agreement*” and together with the Escrow Deposit Agreement, the “*Escrow Agreements*”) which such Escrow Agreement shall provide, with irrevocable instructions given, for redemption in whole of the CFD Bonds 75 days after the Effective Date, and (d) none of the Trustee or the Credit Provider shall have any further rights, duties or responsibilities under the Regulatory Agreement as of the Effective Date, and, in accordance with Section 18 of the Regulatory Agreement, all references to the Trustee therein shall be deemed to be references to the Issuer;

WHEREAS, the Transferor desires to convey and transfer, and the Transferee desires to acquire, the right, title and interest of the Transferor in and to the Project (the “*Purchase and Sale*”);

WHEREAS, any transfer and conveyance of the Project is to comply with the requirements set forth in Section 12 of the Regulatory Agreement, which includes, among other

conditions, the prior consent of the Issuer, the assumption in full by the Transferee of all obligations of the Transferor under the Regulatory Agreement, receipt by the Issuer of an opinion of Bond Counsel and an opinion of Transferee's Counsel, and receipt by the Issuer and the Trustee of all fees and expenses then currently due and payable;

WHEREAS, the Transferee is willing to undertake, agree to and assume such obligations and all of the Transferor's obligations under the Regulatory Agreement from and after the Effective Date;

WHEREAS, in order to evidence the undertaking of, agreement to and assumption by the Transferee of the rights, duties and obligations of the Transferor under the Regulatory Agreement from and after the Effective Date, the Issuer, the Transferor, the Authority and the Transferee have agreed to enter into this Assumption Agreement; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Senior Indenture or the Regulatory Agreement, as applicable.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Issuer, the Transferee, Authority, and the Transferor agree as follows:

SECTION 1. ASSIGNMENT AND ASSUMPTION OF REGULATORY AGREEMENT.

A. As of the Effective Date, the Transferor hereby fully and unconditionally assigns to the Transferee all of its rights, title and interest in and under the Regulatory Agreement, and delegates to the Transferee all of its duties and obligations thereunder from and after the Effective Date. The Transferee hereby accepts such assignment and, from and following the Effective Date, hereby fully and unconditionally assumes in full all of the duties and obligations of the Transferor arising on or after the Effective Date in and under the Regulatory Agreement, and undertakes and agrees to perform each and every duty and obligation thereof, and Transferee shall indemnify Transferor from and against all losses, liabilities, damages, claims, expenses and the like arising from acts or failures to act by Transferee occurring after the Effective Date in connection with the Regulatory Agreement. Transferor shall indemnify Transferee from and against all losses, liabilities, damages, claims, expenses and the like arising from acts or failures to act by Transferor occurring (i) prior to the Effective Date in connection with the Regulatory Agreement, any of the Bond Documents, or any liabilities or obligations thereunder or any other financing documents relating to the Bonds, and (ii) from and after the Effective Date in connection with the Escrow Agreements and/or any of the Ongoing Indemnity Obligations (as hereinafter defined but solely with respect to any Ongoing Indemnity Obligations arising from the issuance, maintenance, defeasance, payoff, and/or redemption of the Bonds).

B. The Issuer acknowledges that the Senior Bonds will be redeemed, the Subordinate Bonds and the CFD Bonds will be defeased and the related Indentures discharged and/or released on the Effective Date such that the Issuer's expectation with respect to the Transferee's assumption of the Regulatory Agreement shall include only such terms and conditions of the Bond Documents necessary to effectuate the terms and conditions of the Regulatory Agreement,

which shall include, (a) the CDLAC Resolution, (b) the Tax Certificate, and (c) all amounts required to be paid in accordance with Sections 7(a) and 10 of the Regulatory Agreement, including (i) the payment of the Issuer's Fees, the Issuer Fee and fees and expenses pursuant to Section 2.5(a) of the Financing Agreement and Section 3.2(c) of the Subordinate Financing Agreement as set forth in Exhibit B attached hereto, and (ii) the indemnity obligations pursuant to Article VI of the Financing Agreement and Section 6.4 of the Subordinate Financing Agreement as set forth in Exhibit B attached hereto (the foregoing financing indemnity obligations under this Section 1.B.(ii) referred to as "**Ongoing Indemnity Obligations**").

SECTION 2. SATISFACTION OF CONDITIONS TO TRANSFER. Each of the Transferor and the Transferee acknowledges that the transfer of the Project pursuant to this Assumption Agreement is intended to comply with the restrictions on transfer set forth in Section 12 of the Regulatory Agreement, and the Transferee hereby represents to the Issuer that each of the conditions to the transfer set forth in Sections 12(A)(2), 12(A)(3), 12(A)(4) and 12(B) has been fulfilled as of the Effective Date and Transferor hereby represents to the Issuer that each of the conditions to the transfer set forth in Sections 12(A)(1), 12(C) and 12(D) has been fulfilled as of the Effective Date. The Transferor further acknowledges and represents to the Issuer that the Bonds were not modified in six months prior to the Effective Date. The Issuer hereby acknowledges and represents that as of the Effective Date, (a) the Transferor has paid to the Issuer all amounts currently due and payable to the Issuer under the Regulatory Agreement and the financing documents relating to the Bonds, and (b) to the Issuer's knowledge, there are no defaults under the Regulatory Agreement.

SECTION 3. ACKNOWLEDGEMENT AND AGREEMENT OF ISSUER.

A. **Consent to Transfer.** As of the Effective Date, Issuer hereby fully and unconditionally releases Transferor from any and all obligations, duties or liabilities under the Regulatory Agreement except for any liabilities or obligations relating to matters arising prior to the Effective Date. Issuer, to the extent required under the Regulatory Agreement, hereby consents to the transfer and conveyance of the Project by Transferor to Transferee as of the Effective Date, which consent shall be effective upon a) recordation of this Assumption Agreement, fully executed and delivered by the parties hereto, b) an opinion of counsel to the Transferee that the Assumption Agreement and the Regulatory Agreement are valid, binding and enforceable obligations of the Transferee, and c) an opinion of Bond Counsel that such transfer will not adversely affect the tax-exempt status of interest on the Bonds.

SECTION 4. ACKNOWLEDGEMENT AND AGREEMENT OF THE AUTHORITY. By countersigning hereto, the Authority hereby consents to the transfer and conveyance of the Project by Transferor to Transferee as of the Effective Date in accordance with this Assumption Agreement. As of the Effective Date, to the Authority's knowledge, (A) no default by Transferor under the Regulatory Agreement has occurred and is continuing, (B) no event has occurred and is continuing which, with the giving of notice or passage of time or both, would constitute a default by Transferor under any of the same with respect to and of Transferor's obligations thereunder, and (C) no fees and expenses are currently due and payable or otherwise outstanding to the Authority with respect to the Project.

SECTION 5. MISCELLANEOUS.

A. Payment of Costs. Transferee agrees to pay the Issuer's costs to effectuate the transfer of the Project to Transferee, including but not limited to recording fees, transfer taxes, escrow fees and reasonable attorneys' fees, expenses and disbursements incurred by the Issuer relating to this Assumption Agreement or incurred in connection with the assumption by the Transferee of the obligations under the Regulatory Agreement, provided that Transferor shall be responsible for any costs and expenses associated with the retirement and/or payoff of the Bonds, including without limitation, any reasonable attorneys' fees associated therewith.

B. Issuer's Annual Fee. In accordance with Sections 7(a) and 10 of the Regulatory Agreement, the Issuer's annual fee shall not be accelerated with the Purchase and Sale but shall remain payable by Transferee each year through the end of the Qualified Project Period in an amount equal to \$18,756.26 per annum, payable in equal semiannual installments, in advance, on March 1 and September 1 of each year.

C. The Trustee and the Credit Provider. Pursuant to the redemption of the Senior Bonds and the defeasance of the Subordinate Bonds, on and as of the Effective Date, none of the Trustee or the Credit Provider shall have any further rights, duties or responsibilities under the Regulatory Agreement, and, in accordance with Section 18 of the Regulatory Agreement, all references to the Trustee therein shall be deemed to be references to the Issuer.

D. Notices to the Transferee. All notices to be given to the Transferee, as Owner under and pursuant to the Regulatory Agreement, shall be addressed as follows:

Avanath River Run, LP,
1920 Main Street,
Suite 150
Irvine, CA 92614
Attn: Wesley Wilson, Chief Operating Officer

E. Governing Law. This Assumption Agreement and all related documents shall be governed by and construed in accordance with the laws of the State of California.

F. Execution in Counterparts; Effective Date. This Assumption Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument, and this Assumption Agreement shall take effect on the Effective Date.

G. No Further Modifications. All terms and conditions of the Regulatory Agreement not expressly modified by this Assumption Agreement are expressly reaffirmed as if set forth in their entirety herein and shall remain unaffected, unchanged and unimpaired by reason of this Assumption Agreement.

[Remainder of Page Intentionally Left Blank]

WHEREAS, this Assumption Agreement is executed by the parties hereto on the date first written above.

TRANSFEROR:

STEADFAST RIVER RUN, L.P.,
a California limited partnership

By: Affordable Housing Access, Inc.,
a California nonprofit public benefit corporation,
its Managing General Partner

By: _____
Name: _____
Its: _____

By: Steadfast RRA, LLC,
a California limited liability company,
its Co-General Partner

By: Beacon Bay Holdings, LLC,
a Delaware limited liability company,
its Manager

By: _____
Name: _____
Its: _____

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

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

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

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

TRANSFeree:

AVANATH RIVER RUN, LP,
a Delaware limited partnership

By: Avanath River Road GP, LLC,
a Delaware limited liability company,
its Administrative General Partner

By: Avanath AH IV Holdco, Inc.,
a Delaware corporation,
its Managing Member

By: _____
Name: Wesley Wilson
Title: Chief Financial Officer

By: AHA Inland III MGP, LLC,
a California limited liability company,
its Managing General Partner

By: Affordable Housing Access, Inc.,
a California nonprofit public benefit corporation,
its Sole Member and Manager

By: _____
Name: _____
Title: _____

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State of California)
County of _____)

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in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
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the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

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County of _____)

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

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the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

ISSUER:

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY

By: _____
Authorized Signatory

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

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

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County of _____)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

**AUTHORITY'S SIGNATURE PAGE FOR
ASSIGNMENT AND ASSUMPTION OF REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS
RELATING TO
RIVER RUN SENIOR APARTMENTS**

CORONA HOUSING AUTHORITY,
a California public body corporate and politic

By: _____
Jacob Ellis
Executive Director

Attest:

Sylvia Edwards
Authority Secretary

Approved as to Form:

Dean Derleth
Authority Legal Counsel

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

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

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

LOTS 11 AND 14 OF BLOCK 97 OF THE AUBURNDALE COLONY, RECORDED IN MAP [BOOK 6, PAGE 20](#), IN THE OFFICIAL RECORDS OF THE COUNTY OF SAN BERNARDINO, ALSO SHOWN IN RECORD OF SURVEY IN [BOOK 51, PAGE 44](#), RECORDS OF RIVERSIDE COUNTY, AND PARCELS 2152-1A AND 2152-1B AS SHOWN ON RECORD OF SURVEY FILED IN [BOOK 99, PAGE 3](#) THROUGH 8, OF RECORDS OF SURVEY IN THE OFFICE OF THE RECORDER, RIVERSIDE COUNTY, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE MOST SOUTHERLY CORNER OF LOT 11 OF BLOCK 97 OF AUBURNDALE COLONY, RECORDED IN MAP [BOOK 6, PAGE 20](#), IN THE OFFICIAL RECORDS OF THE COUNTY OF SAN BERNARDINO, ALSO SHOWN IN RECORD OF SURVEY IN [BOOK 51, PAGE 44](#), RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, SAID POINT BEING ON THE NORTHERLY RIGHT OF WAY LINE OF RIVERSIDE ROAD BEING 60.00 FEET IN WIDTH, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 35° 25' 51" WEST, A DISTANCE OF 599.66 FEET; THENCE NORTH 54° 38' 30" EAST, A DISTANCE OF 624.67 FEET; THENCE SOUTH 35° 33' 42" EAST, A DISTANCE OF 599.62 FEET; THENCE SOUTH 54° 38' 16" WEST, A DISTANCE OF 626.04 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE LEGAL DESCRIPTION IS PURSUANT TO LOT LINE ADJUSTMENT NO. 02-058, RECORDED JANUARY 24, 2003 AS [INSTRUMENT NO. 55515](#), IN THE RECORDS OF SAID COUNTY.

[APN: 119-070-008](#)

[APN: 119-070-014](#)

[APN: 119-070-015](#)

EXHIBIT B

Section 2.5(a) of the Financing Agreement:

SECTION 2.5 Payment of Fees, Costs and Expenses. The Borrower shall pay when due, without duplication, the fees, expenses and other sums specified in this Section.

(a) The Issuer's Fee and all costs and expenses incurred by the Issuer at any time in connection with the Bonds, provided that payment of the Issuer's Fee shall be subordinate to payment of the Bonds and all fees, cost and expenses payable with respect to the Loan or the Credit Facility.

Section 3.2(c) of the Subordinate Financing Agreement:

(c) The Borrower will also pay the Issuer Fee and all fees and expenses of the Trustee and the Issuer in connection with the Bonds and any expenses incurred by the Owners of the Bonds following a "Default" hereunder, including, without limitation, legal fees and expenses, such amounts to be paid directly to said parties for their own account within thirty (30) days after receipt of a request for payment thereof. Specifically, and without limiting the foregoing, the Borrower agrees to pay to the Issuer or to any payee designated by the Issuer or to the Trustee, within thirty (30) days after receipt of a request for payment thereof, all reasonable expenses of the Issuer or the Trustee related to the Project and the financing thereof that are not paid from the Project Fund under the Indenture, including, without limitation, legal fees and expenses incurred in connection with any redemption of Bonds or in connection with the interpretation, enforcement or amendment of any documents relating to the Project or the Bonds.

Article VI of the Financing Agreement:

ARTICLE VI

INDEMNIFICATION

SECTION 6.1 Borrower's Obligations. The Borrower releases the Issuer, the Tender Agent and the Trustee, and their respective officers, directors, agents, officials, employees (and, as to the Issuer, members of its governing board and its program participants, including the City of Corona) and any person who controls the Issuer, the Tender Agent or the Trustee within the meaning of the Securities Act of 1933, from, and covenants and agrees to indemnify, hold harmless and defend the Issuer, the Tender Agent and the Trustee and their respective officers, directors, officials and any person who controls such party within the meaning of the Securities Act of 1933 and employees and each of them (each an "Indemnified Party") from and against, any and all losses, claims, damages, demands, liabilities and expenses (including attorney's fees and expenses), taxes, causes of action, suits, claims, demands and judgments of any nature, joint or several, by or on behalf of any person arising out of:

- (a) the transactions provided for in the Bond Documents or the Loan Documents;
- (b) the execution and delivery or amendment of any document entered into in connection with the transactions provided for in the Bond Documents or the Loan Documents, including any certifications or representations made by any person other than the party seeking indemnification;
- (c) the approval of the financing for the Mortgaged Property;
- (d) the Loan;
- (e) any and all claims arising in connection with the interpretation, performance, enforcement, breach, default or amendment of the Bond Documents, the Loan Documents or any other documents relating to the Mortgaged Property or the Bonds or in connection with any other matters relating to the Bonds or the Mortgaged Property, including, but not limited to, any federal or state tax audit, or any questions or other matters arising under such documents;
- (f) the Trustee's acceptance or administration of the trusts created by the Indenture or the exercise of its powers or duties under the Indenture, this Financing Agreement, the Regulatory Agreement or any other agreements to which it is a party or otherwise in connection with the transactions provided for in the Bond Documents or the Loan Documents;
- (g) any and all claims arising in connection with (a) the issuance, sale or remarketing of any Bonds or any certifications or representations made by any person other than the party seeking indemnification, including, but not limited to, any (1) statement or information made by the Borrower with respect to the Borrower or the Mortgaged Property in any offering document or materials regarding the Bonds, the Mortgaged Property or the Borrower or in the Tax Certificate or in any other certificate executed by the Borrower which, at the time made, is misleading, untrue or incorrect in any material respect or (2) untrue statement or alleged untrue statement of a material fact relating to the Borrower or the Mortgaged Property contained in any offering material relating to the sale of the Bonds, as from time to time amended or supplemented, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact relating to the Borrower or the Mortgaged Property required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading and (b) the carrying out by the Borrower of any of the transactions provided for in the Bond Documents and the Loan Documents;
- (h) the Borrower's failure to comply with any requirement of any Borrower Document;
- (i) any act or omission of the Borrower or any of its agents, servants, employees or licensees in connection with the Loan or the Mortgaged Property, including

violation of any law, ordinance, court order or regulation affecting the Mortgaged Property or any part of it or the ownership, occupancy or use of it;

(j) any damage or injury, actual or claimed, of whatsoever kind, cause or character, to property (including loss of use of property) or persons, occurring or allegedly occurring in, on or about the Mortgaged Property or arising out of any action or inaction of the Borrower, whether or not related to the Mortgaged Property, or resulting from or in any way connected with the rehabilitation or management of the Mortgaged Property, the issuance of the Bonds or otherwise in connection with transactions provided for in the Bond Documents and the Loan Documents or otherwise in connection with the Mortgaged Property, the Bonds or the execution or amendment of any document relating to the Mortgaged Property or the Bonds;

(k) any violation of any Environmental Law applicable to, or the release of any toxic substance from, the Mortgaged Property; and

(l) any and all claims arising in connection with the operation of the Mortgaged Property, or the conditions, environmental or otherwise, occupancy, use, possession, conduct or supervision of work done in or about, or from the planning, design, acquisition, rehabilitation, repair or equipping of, the Mortgaged Property or any part of it, including, but not limited to, the ADA.

This indemnification shall extend to and include, without limitation, all reasonable costs, counsel fees, expenses or liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim, except (a) in the case of the Trustee, the Tender Agent or any of their respective Indemnified Parties, to the extent such damages are caused by the negligence or willful misconduct of such Person, and (b) in the case of the Issuer or any of its Indemnified Parties, to the extent such damages are caused by the willful misconduct of such Person.

SECTION 6.2 Defense of Claims. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought under Section 6.1, the Borrower, upon written notice from the Indemnified Party, will assume the investigation and defense of the action or proceeding, including the engagement of counsel selected by the Borrower, subject to the approval of the Indemnified Party in such party's sole discretion, and shall assume the payment of all expenses related to the action or proceeding, with full power to litigate, compromise or settle the same in its sole discretion; provided, however, that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to engage separate counsel in any action or proceeding and participate in the investigation and defense of such action or proceeding, and the Borrower shall pay the reasonable fees and expenses of such separate counsel if (i) the Indemnified Party determines that a conflict exists between the interests of the Indemnified Party and the interests of the Borrower or (ii) such separate counsel is engaged with the approval of the Borrower, which approval shall not be unreasonably withheld, conditioned or delayed.

SECTION 6.3 Borrower's Continuing Obligations. Notwithstanding any transfer of the Mortgaged Property to another owner in accordance with the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant

to this Article VI for all matters arising prior to such transfer, and, as a condition to the release of the transferor on and after the transfer date, the transferee must assume the obligations of the Borrower under this Financing Agreement and the other Borrower Documents on and after the transfer date. Each Indemnified Party's rights under this Article VI shall survive the termination of this Financing Agreement, the payment of the Loan and the payment or defeasance of the Bonds.

Section 6.4 of the Subordinate Financing Agreement:

Section 6.4. Indemnification.

(a) The Borrower releases the Issuer, the Trustee, the owners of the Bonds, and releases the Underwriter as to the matters set forth in (i), (iii) and (vii) below, and their respective officers, directors, agents, officials, employees (and as to the Issuer, members of its governing body) and any person who controls the Issuer, the Trustee or the Underwriter within the meaning of the Securities Act of 1933, from, and covenants and agrees to indemnify, hold harmless and defend the Issuer, the Trustee, and the Underwriter as to the matters set forth in (i), (iii) and (vii) below, the owners of the Bonds and their respective officers, directors, employees, agents, members of its governing body, officials and any person who controls such party within the meaning of the Securities Act of 1933 and employees and each of them (each an "Indemnified Party") from and against, any and all losses, claims, damages, liabilities and expenses (including attorney's fees and expenses), taxes, causes of action, suits, claims, demands and judgments of any nature, joint or several, by or on behalf of any person arising out of:

- i. the transactions provided for in the Bond Documents or otherwise in connection with the Project, the Bonds, the Loan or the execution and delivery or amendment of any other document entered into in connection with the transactions provided for in the Bond Documents;
- ii. the approval of the financing for the Project or the making of the Loan;
- iii. the issuance and sale of the Bonds or any certifications or representations made by any person other than the party seeking indemnification;
- iv. any and all claims arising in connection with the interpretation, performance, enforcement, breach, default or amendment of the Bond Documents or any other documents relating to the Project or the Bonds or in connection with any

federal or State tax audit, or any questions or other matters arising under such documents;

v. the carrying out by the Borrower of any of the transactions provided for in the Bond Documents;

vi. the Trustee's acceptance or administration of the trusts created by the Indenture or the exercise of its powers or duties under the Indenture or under this Financing Agreement, the Regulatory Agreement or any other agreements to which it is a party or otherwise in connection with the transactions provided for in the Bond Documents;

vii. any and all claims arising in connection with the issuance and sale of any Bonds or any certifications or representations made by any person other than the Issuer (unless made in reliance upon any third party) or the Indemnified Party seeking indemnification, including, without limitation, any statement or information made by the Borrower with respect to the Borrower or the Project in any offering document or materials regarding the Bonds, the Project or the Borrower or the Tax Certificate or any other certificate executed by the Borrower which, at the time made, is misleading, untrue or incorrect in any material respect and any untrue statement or alleged untrue statement of a material fact relating to the Borrower or the Project contained in any private placement memorandum or offering material relating to the Bonds, as from time to time amended or supplemented, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact relating to the Borrower or the Project required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading, or failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bonds could be sold and the carrying out by the Borrower of any of the transactions contemplated by the Bond Documents;

viii. the Borrower's failure to comply with any requirement of this Financing Agreement;

ix. any act omission of the Borrower or any of its agents, servants, employees or licensees in connection with the Loan or the Project, including violation of any law, ordinance, court order or regulation affecting the Project or any part of it or the ownership, occupancy or use of it;

x. any damage or injury, actual or claimed, of whatsoever kind, cause or character, to property (including loss of use of property) or persons, occurring or allegedly occurring in, on or about the Project or arising out of any action or inaction of the Borrower, whether or not related to the Project, or resulting from or in any way connected with specified events, including the construction or management of

the Project, the issuance of the Bonds or otherwise in connection with transactions contemplated or otherwise in connection with the Project, the Bonds or the execution or amendment of any document relating to the Project or the Bonds;

xi. any violation of any Environmental Laws, rule or regulation with respect to, or the release of any hazardous material or toxic substance from, the Project; and

xii. any and all claims arising in connection with the operation of the Project, or the conditions, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, construction or equipping of, the Project or any part of it, including, but not limited to, the ADA (as evidenced by an architect's certificate to such effect).

This indemnification shall extend to and include, without limitation, all reasonable costs, counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought with respect to such claim; except

A. in the case of the foregoing indemnification of the Trustee or any of the other Indemnified Parties (except as provided in the following subparagraph (B)) to the extent such damages are caused by the negligence or willful misconduct of such Person; and

B. in the case of the foregoing indemnification of the Issuer, or any of its respective Indemnified Parties, to the extent such damages are caused by the willful misconduct of such Person.

(b) In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought under this Financing Agreement, the Borrower, upon written notice from the Indemnified Party, shall assume the investigation and defense of the action or proceeding, including the employment of counsel selected (i) by the Borrower and reasonably approved by the Indemnified Party, when the Indemnified Party is other than the Issuer, in which case such approval shall be in the Issuer's sole discretion, and (ii) by the Issuer when the Indemnified Party is the Issuer, and the Borrower shall assume the payment of all expenses related to the action or proceeding, with full power to litigate, compromise or settle the same in its sole discretion, provided that an affected Indemnified Party, shall have the right to review and approve or disapprove any such compromise or

settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense of the action or proceeding, and the Borrower shall pay the reasonable fees and expenses of such separate counsel, provided, however, that unless such separate counsel is employed with the approval of the Borrower, which approval shall not be unreasonably withheld, conditioned or delayed, the Borrower shall not be required to pay the fees and expenses of such separate counsel.

(c) Notwithstanding any transfer of the Project to another owner, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Section 6.4 for all matters arising prior to the date of such transfer, and, as a condition to the release of the transferor on and after the transfer date, the transferee must assume the obligations of the Borrower under the Borrower Documents on and after such transfer date and indemnify each Indemnified Party pursuant to this Section 6.4 for all matters arising on and after the date of such transfer; provided, however, with respect to the Issuer, the Borrower shall remain obligated to indemnify the Issuer if a subsequent owner fails to indemnify the Issuer unless the Issuer consents in writing at the time of transfer to indemnification under this Section 6.4 from such subsequent owner and not from the Borrower.