The most significant source of short-term noise impact is related to noise generated during construction activities on the Project site which would result in potential noise impacts to nearby sensitive receptors. Construction is performed in discrete steps, each of which has its own mix of equipment and consequently its own noise characteristics. Thus noise levels will fluctuate depending upon construction phase, equipment type, duration of equipment use, distance between the noise source and receptor, and the presence or absence of noise attenuation structures.

As shown on Table11 below. noise levels generated by heavy construction equipment can range from approximately 75 dBA to 99 dBA when measured at 50 feet

Table11. Typical Construction Equipment Noise Levels

Type of Equipment	Range of Sound Levels Measured (dBA at 50 feet)
Pile Drivers	81 to 96
Rock Drills	83 to 99
Jack Hammers	75 to 85
Pneumatic Tools	78 to 88
Pumps	68 to 80
Dozers	85 to 90
Tractors	77 to 82
Front-End Loaders	86 to 90
Graders	79 to 89
Air Compressors	76 to 86
Trucks	81 to 87
Source: "Noise Control for Buildings and Manufacturing Plants", Bolt, Beranek & Newman, 1987, as cited in the General Plan EIR	

However, these noise levels diminish with distance from the construction site at a rate of 6 dBA per doubling of distance. For example, a noise level of 75 dBA for a jack hammer measured at 50 feet from the noise source to the receptor would be reduced to 69 dBA at 100 feet from the source to the receptor, and would be further reduced to 63 dBA at 200 feet from the source to the receptor.

Chapter 11.10 of the City of Jurupa Valley Municipal Code (Noise Regulations) includes a provision that exempts construction activities from any maximum noise level standard, provided that construction activities occur between the hours of 6:00am-6:00pm during the months of June through September or 7:00am- 6:00pm during the months of October through May. The Project is

required to comply with the City's Noise Regulations so implementation of the Project would not expose persons to or generate noise levels in excess of standards adopted by the City.

Noise Impacts to the Project

The Project is considered a "sensitive receptor" because it is a residential development. Impacts to the Project would be significant if the exterior area of the homes (i.e. yards) would be exposed to noise levels in excess of 65 dBa. For the interior area of the homes impacts would be significant if exposed to noise levels in excess of 45 dBa.

The Project site is located in an area largely characterized by urban development. Surrounding development consists of a mobile-home park to the north, commercial businesses and a residence to the south, a mobile-home park, church, and vacant land to the east, and the Mission Village Senior Apartments to the west.

Noise producing land uses that impact residential uses include, but are not limited to, agriculture uses, industrial uses, commercial uses, and noise from major highways and roads. In consultation with the County of Riverside Department of Environmental Health (email and telephone conversation with Steven Hinde, Senior Industrial Hygienist, October, 2014) it was determined that noise impacts to the Project were anticipated to be less than significant and a noise study was not required for the Project for the following reasons:

1. The Project site is located from between 200 feet to 360 feet from Mission Boulevard which is the primary source of noise impacting the Project. In addition, the Mission Village Senior Apartments and the existing development adjacent to Mission Boulevard serve as a noise buffer to the Project site.

2. 6-foot high masonry walls are proposed wherever necessary to reduce noise from adjacent roads and developments.

Noise Impacts Generated by the Project

As established by the General Plan performance standards, project-related noises, as projected to any portion of any surrounding property containing a habitable dwelling, hospital, school, library or nursing home, shall not exceed 65 equivalent level dBA (dBA Leq) between 7 a.m. and 10 p.m. or 45 dBA Leq between 10 p.m. and 7:00 a.m. for a cumulative period of more than ten (10) minutes per hour.

In addition, the Project would generate a significant transportation-related noise impact if traffic generated by that project would cause or contribute to exterior noise levels in excess of 65 dBA CNEL and the project's contribution to the noise environment equals 3.0 dBA CNEL or more. (A change of 3.0 dBA is considered "barely perceptible" by the human ear and changes of less than 3.0 dBA CNEL generally cannot be perceived except in carefully controlled laboratory environments).

The primary source of noise generated by the Project will be from the vehicle traffic generated by the new homes to the nearby residential uses. The Project would generate an estimated additional 247 total trip-ends per day with 19.5 trips in the AM Peak Hour and 26.0 trips in the PM Peak Hour.

The City of Jurupa Valley considers a project to result in a significant traffic-related noise impact if traffic generated by that project would cause or contribute to exterior noise levels at sensitive receptor locations in excess of 65 dBA CNEL and the project's contribution to the noise environment equals 3.0 dBA CNEL or more. (A change of 3.0 dBA is considered "barely perceptible" by the human ear and changes of less than 3.0 dBA CNEL generally cannot be perceived except in carefully controlled laboratory environments). Due to the low traffic volume and speeds, traffic noise from the Project will not make a significant contribution to the noise environment.

Based on the analysis above, with implementation of PPP 3.12-1, PPP 3.12-2 and PDF 3.12-1, impacts would be less than significant and no mitigation measures are required.

3.12(b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?

Determination: Less Than Significant Impact.

Source: Project Application Materials

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, or Programs applicable to the Project relating to this issue.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

Construction Vibration

Under existing conditions, there are no known sources of ground-borne vibration or noise that affect the Project site. The Project would not generate ground-borne vibration or ground-borne noise, except, potentially, during the construction phase from the use of heavy construction equipment. The Project will not employ any pile driving, rock blasting, or rock crushing equipment during construction activities, which are the primary sources of ground-borne noise and vibration during construction.

Operational Vibration

There are no conditions associated with the long-term operation of the proposed Project that would result in the exposure of on- or off-site residents to excessive ground-borne vibration or noise. The proposed Project would develop the subject property as a residential community with supporting recreational and open space land uses, and would not include nor require equipment, facilities, or activities that would generate ground-borne vibration or ground-borne noise. In addition, the Project site is not located in the vicinity of a railroad line or any other use associated with ground-borne vibration or ground-borne noise; therefore, the Project would not expose future on-site residents to substantial ground-borne vibration or noise.

Based on the above analysis, operation the Project would not expose on- or off-site sensitive receptors to substantial ground-borne vibration or ground-borne noise. Impacts are less than significant and no mitigation is required.

3.12(c) A substantial permanent increase in ambient noise levels in the Project vicinity above levels existing without the Project?

Determination: Less Than Significant Impact.

Source: Project Application Materials, Noise Element of the General Plan, Chapter 11.02, Noise Regulations of the Municipal Code.

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, or Programs applicable to the Project relating to this issue.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

As discussed above under Issue 3.12(a), the only potential for the Project to create a permanent increase in ambient noise levels is the result of future traffic generated by the proposed Project that has the potential to cause or contribute to elevated traffic-related noise volumes at offsite locations. The analysis presented under Issue 3.12(a) concluded that the Project's incremental noise contributions to study area roadways would be considered "barely perceptible" (i.e., less than 3.0 dBA CNEL). As such, offsite transportation-related noise impacts would be less than significant and no mitigation is required.

3.12(d) A substantial temporary or periodic increase in ambient noise levels in the Project vicinity above levels existing without the Project?

Determination: Less Than Significant Impact.

Sources: Project Application Materials, Noise Element of the General Plan, Chapter 11.02, Noise Regulations of the Municipal Code.

Plans, Policies, or Programs (PPP)

The following apply to the Project and would reduce impacts relating to temporary periodic increases in noise. These measures will be included in the Project's Mitigation Monitoring and Reporting Program:

PPP 3.12-1 In order to ensure compliance with General Plan Policy N-12.3, N-12.4, and Municipal Code Chapter 11.10, Noise Regulations, prior to the issuance of a grading permit, the developer is required to submit a construction-related noise mitigation plan to the City for review and approval. The plan must depict the location of construction equipment and how the noise from this equipment will be mitigated during construction of this project. In addition, the plan shall require that the

following notes are included on grading plans and building plans. Project contractors shall be required to ensure compliance with the notes and permit periodic inspection of the construction site by City of Jurupa Valley staff or its designee to confirm compliance. These notes also shall be specified in bid documents issued to prospective construction contractors.

a) All construction activities shall comply with Chapter 11..10 (Noise Regulations) of the Municipal Code, including but not limited to the requirement that haul truck deliveries shall be limited to between the hours of 6:00am to 6:00pm during the months of June through September and 7:00am to 6:00pm during the months of October through May.

b) Construction contractors shall equip all construction equipment, fixed or mobile, with properly operating and maintained mufflers, consistent with manufacturers' standards.

c) All stationary construction equipment shall be placed in such a manner so that emitted noise is directed away from any sensitive receptors adjacent to the Project site.

d) Construction equipment staging areas shall be located the greatest distance between the staging area and the nearest sensitive receptors.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

As discussed above under Issue 3.12(a), the only potential for the Project to create a substantial temporary or periodic increase in ambient noise levels is during its construction phase. The analysis presented under Issue 3.12(a) concluded that the Project would result in elevated noise levels during construction but were less than significant.

Based on the analysis above, with implementation of PPP 3.12-1, impacts would be less than significant and no mitigation measures are required.

3.12(e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the Project expose people residing or working in the Project area to excessive noise levels?

Determination: No Impact.

Sources: Google Earth.

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, or Programs applicable to the Project relating to this issue.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

The Project site is not located within in the influence area of any airport land use plan, nor is the Project site located within two (2) miles of any public airport or public use airport. Accordingly, the Project has no potential to expose future residents in the Project area to excessive, airport-related noise. No impact would occur and no mitigation measures are required.

3.12(f) For a project within the vicinity of a private airstrip, would the Project expose people residing or working in the Project area to excessive noise levels?

Determination: No Impact.

Source: Google Earth.

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, or Programs applicable to the Project relating to this issue.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

There are no private airfields or airstrips in the vicinity of the Project site. Accordingly, the Project would have no potential to expose future residents in the Project area to excessive noise levels associated with a private airstrip. No impact would occur and no mitigation measures are required.

3.13 POPULATION AND HOUSING

Would the Project:	Potentially Significant Impact	Less than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?			■	
b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				■
c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				■

3.13(a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?

Determination: Less than Significant Impact.

Sources: Project Application Materials, State of California, Department of Finance, "E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2011-2013," Water & Sewer Letter-Jurupa Community Services District (Appendix D)

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, or Programs applicable to the Project relating to this issue.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

The General Plan land use designations currently assigned to the Project site are shown in Table 12.

Table12. General Plan Land Use and Acreage by Assessor's Parcel Number

Assessor's Parcel Number	General Plan Land Use Designation	Acres
169-100-057	Medium High Density Residential	2.27
169-100-055	High Density Residential (75%) Highest Density Residential (25%)	2.43 0.81
169-070-057	Commercial Retail *	
* The *Commercial Retail* designation applies to a narrow strip of land located on the eastern boundary of the Project site and is approximately 2,178 square feet in size and is most likely a parcel previously used for access. This area is not used for calculating the population estimates.		

If the Project site were built out in accordance with its existing General Plan land use designations, a maximum of 68 residential dwelling units could be constructed on the property. (Highest Density Residential @25% = 0.81 acres x 20 units = 16 units; High Density Residential @ 75% = 2.43 acres x 14 units = 34 units; and Medium High Density Residential = 2.27 acres x 8 units = 18 units for a total of 68 units). The Project proposes 26 residential dwelling units which is below the maximum permitted under the General Plan.

The proposed Project would develop the Project site with 26 residential homes. At full build-out, the Project is estimated to provide housing for up to 101 residents, based on population estimates prepared by the State Department of Finance (26 dwelling units x 3.88 persons per household = 101 persons). This would represent a population increase in the Project area of up to 101 new residents as compared to existing conditions.

Under CEQA, direct population growth by a Project is not considered necessarily detrimental, beneficial, or of little significance to the environment. Typically, population growth would be considered a significant impact pursuant to CEQA if it directly or indirectly affects the ability of agencies to provide needed public services and requires the expansion or new construction of public facilities and utilities.

According to the Jurupa Community Services District, a 12-inch water line exists in Mission Boulevard to provide water service and an 8-inch sewer line exists in Mission Boulevard to provide sewer service and no extension of water and sewer lines is required.

In addition, the analysis in Section 3.14, Public Services, of this Initial Study Checklist demonstrates that the impacts on public services is less than significant so the public service providers ability to provide services will not be reduced. As such, impacts are less than significant and no mitigation measures are required.

3.13(b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?

Determination: No Impact.

Sources: Project Application Materials, Google Earth

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, or Programs applicable to the Project relating to this issue.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

The Project site is vacant and contains no housing. As such, there are no impacts that would require the construction of replacement housing elsewhere. No mitigation measures are required.

3.13(c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

Determination: No Impact.

Sources: Project Application Materials, Google Earth

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, Programs, or Standard Conditions applicable to the Project relating to this issue.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

The Project site is vacant and contains no housing. As such, there are no impacts that would require the construction of replacement housing elsewhere. No mitigation measures are required.

3.14 PUBLIC SERVICES

Would the Project:	Potentially Significant Impact	Less than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Would the Project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
1) Fire protection?			■	
2) Police protection?			■	
3) Schools?			■	
4) Parks?			■	
5) Other public facilities?			■	

3.14(a) Would the Project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

FIRE PROTECTION

Determination: Less Than Significant Impact.

Sources: Riverside County Fire Department Riverside County Fire Protection and Emergency Medical Master Plan, Riverside County Fire Department "Fire Stations," Google Earth, Ordinance No. 659, Project Application Materials

Plans, Policies, or Programs (PPP)

The following apply to the Project and would reduce impacts relating to fire protection. These measures will be included in the Project's Mitigation Monitoring and Reporting Program:

PPP 3.14-1 The Project applicant shall comply with all applicable Riverside County Fire Department codes, ordinances, and standard conditions regarding fire prevention and suppression measures relating to water improvement plans, fire hydrants,

automatic fire extinguishing systems, fire access, access gates, combustible construction, water availability, and fire sprinkler systems.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

The Riverside County Fire Department provides fire protection services to the Project area. The Project would be primarily served by the West Riverside Fire Station (Station No. 18), an existing station located approximately 1.8 roadway miles east of the Project site at 7545 Mission Boulevard.

Development of the proposed Project would impact fire protection services by placing an additional demand on existing Riverside County Fire Department resources should its resources not be augmented. To offset the increased demand for fire protection services, the proposed Project would be conditioned by the City to provide a minimum of fire safety and support fire suppression activities, including compliance with State and local fire codes, fire sprinklers, a fire hydrant system, paved access, and secondary access routes.

Furthermore, the Project would be required to comply with the provisions of the City's Development Impact Fee Ordinance, which requires a fee payment to assist the City in providing for fire protection services. Payment of the Development Impact Fee would ensure that the Project provides fair share funds for the provision of additional public services, including fire protection services, which may be applied to fire facilities and/or equipment, to offset the incremental increase in the demand for fire protection services that would be created by the Project.

Based on the above analysis, with implementation of PPP 3.14-1 and PPP 3.14-2, impacts related to fire protection would be less than significant and no mitigation measures are required.

POLICE PROTECTION

Determination: Less Than Significant Impact.

Sources: Riverside County Sheriff's Department "Stations," Riverside County General Plan, Project Application Materials

Plans, Policies, or Programs (PPP)

The following applies to the Project and would reduce impacts relating to police protection. This measure will be included in the Project's Mitigation Monitoring and Reporting Program:

PPP 3.14-2 The Project shall comply with City's Development Impact Fee which requires payment of a development mitigation fee to assist in providing revenue that the City can use to improve public facilities and/or, to offset the incremental increase in the demand for public services that would be created by the Project. Prior to the issuance of building permits, the Project Applicant shall pay fees in accordance with the City's Ordinance 659.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

The Riverside County Sheriff's Department provides community policing to the Project area via the Jurupa Valley Station located at 7477 Mission Boulevard, Jurupa Valley, CA. The Riverside County Sheriff's Department has set a minimum level of service standard of 1.0 deputy per 1,000 people. At full buildout, the proposed Project would introduce approximately 100 new residents to the Project area. To maintain the desirable level of service, the Riverside County Sheriff's Department would require approximately 0.1 additional deputes. The additional 0.1 deputies would not require the construction of new or expanded sheriff facilities.

The Project would be required to comply with the provisions of the City's Development Impact Fee Ordinance, which requires a fee payment to assist the City in providing for public services, including police protection services. Payment of the Development Impact Fee would ensure that the Project provides its fair share of funds for additional police protection services, which may be applied to sheriff facilities and/or equipment, to offset the incremental increase in the demand that would be created by the Project.

Based on the above analysis, with implementation of PPP 3.14-2, impacts related to police protection would be less than significant and no mitigation measures are required.

SCHOOLS

Determination: Less Than Significant Impact.

Sources: California Senate Bill 50 (Greene), Project Application Materials

Plans, Policies, or Programs (PPP)

The following applies to the Project and would reduce impacts relating to schools. This measure will be included in the Project's Mitigation Monitoring and Reporting Program:

PPP 3.14-3 Prior to the issuance of building permits, the Project Applicant shall pay required development impact fees to the Jurupa Unified School District following protocol for impact fee collection.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

The construction of 26 residential homes as proposed by the Project would increase the population in the local area and would consequently place greater demand on the existing public school system by generating additional students to be served by the Jurupa Unified School District. Although it is possible that the Jurupa Unified School District may need to construct new school facilities in the

region to serve the growing population within their service boundaries, such facility planning is conducted by the Jurupa Unified School District and is not the responsibility of the proposed Project. Furthermore, the proposed Project would be required to contribute fees to the Jurupa Unified School District in accordance with the Leroy F. Greene School Facilities Act of 1998 (Senate Bill 50). Pursuant to Senate Bill 50, payment of school impact fees constitutes complete mitigation for Project-related impacts to school services.

Based on the above analysis, with implementation of PPP 3.14-3, impacts related to schools would be less than significant and no mitigation measures are required.

PARKS

Determination: Less Than Significant Impact.

Source: Project Application Materials

Plans, Policies, or Programs (PPP)

The following applies to the Project and would reduce impacts relating to parks. This measure will be included in the Project's Mitigation Monitoring and Reporting Program:

PPP 3.14-4 Prior to the issuance of a building permit, the Project Applicant shall pay required park development impact fees to the Jurupa Area Recreation and Park District pursuant to District Ordinance No. 01-2007 and 02-2008.

Project Design Features (PDF)

The following is incorporated into the Project by the applicant, and would reduce impacts related to parks. This measure will be included in the Project's Mitigation Monitoring and Reporting Program:

PDF 3.14-1 As required by the Project's Development Plan, the Project will provide two improved parks (a Neighborhood Park and a Recognition Tree Park). These parks shall be operational prior to occupancy clearance of the first residential unit.

Impact Analysis

The Project proposes the construction of 26 residential units. Based on population estimates prepared by the State Department of Finance, the Project is estimated to provide housing for up to 100 residents (3.86 persons per household x 26 houses = 100). Based on the Jurupa Area Recreation and Parks District's goal of providing 5.0 acres of park land for each 1,000 residents, the Project would generate a demand for approximately 0.5 acres of park land. The Project proposes 0.79 acres of park land.

Based on the above analysis, with implementation of PPP 3.14-4 and PDF 3.14-1, impacts related to parks would be less than significant and no mitigation measures are required.

OTHER PUBLIC FACILITIES

Determination: Less Than Significant Impact.

Source: Project Application Materials

Plans, Policies, or Programs (PPP)

The following apply to the Project and would reduce impacts relating to parks. These measures will be included in the Project's Mitigation Monitoring and Reporting Program:

PPP 3.14-2 above is applicable to the Project.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

Development of the proposed Project would result in an increase in the population of the Project area and would increase the demand for public services, including public health services and library services. However, the population increase generated by proposed Project would not require the construction of new or expanded public facilities.

The Project would be required to comply with the provisions of the City's Development Impact Fee Ordinance, which requires a fee payment to assist the City in providing public services. Payment of the Development Impact Fee would ensure that the Project provides fair share of funds for additional public services. These funds may be applied to the acquisition and/or construction of public services and/or equipment.

Based on the above analysis, with implementation of PPP 3.14-2 above, impacts related to parks would be less than significant and no mitigation measures are required.

3.15 RECREATION

Would the Project:	Potentially Significant Impact	Less than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Would the Project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?			■	
b. Does the Project include recreational facilities or require the construction or expansion of recreational facilities, which might have an adverse physical effect on the environment?			■	

Impact Analysis

3.15(a) Would the proposed Project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?

Determination: Less than Significant Impact.

Sources: Project Application Materials, State of California, Department of Finance, "E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2011-2013"

Plans, Policies, or Programs(PPP)

There are no Project Design Features applicable to the Project relating to this issue.

Project Design Features (PDF)

PDF 3.14-1 As required by the Project's Development Plan, the Project will provide two improved parks (a Neighborhood Park and a Recognition Tree Park). These parks shall be operational prior to occupancy clearance of the first residential unit.

Impact Analysis

The Project proposes a Neighborhood Park which includes a turf area, a half-court basketball court, a child's playground, and barbeque areas. The proposed Project would not increase the use of existing public park facilities and would not require the modification existing parks or modification of new park facilities offsite because the Project would include onsite recreational facilities that would adequately meet the needs of the residents.

Based on the above analysis, with implementation of PDF 3.14-1, impacts related to recreational facilities would be less than significant and no mitigation measures are required.

3.15(b) Does the Project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse effect on the environment?

Determination: Less than Significant Impact.

Source: Project Application Materials

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, or Programs applicable to the Project relating to this issue.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

Onsite recreation facilities proposed by the Project include approximately 0.79 acres of park land. Construction and maintenance of the proposed recreational features within the Project site would have a physical impact on the environment and are analyzed throughout this Initial Study Checklist. In all instances where significant impacts have been identified, Plans, Policies, or Programs (PPP), Project Design Features (PDF), or Mitigation Measures (MM) have been included to reduce impacts to less than significant levels.

In addition, no offsite parks or recreational improvements are proposed or required as part of the Project.

Based on the above analysis, impacts related to parks and recreational facilities would be less than significant and no mitigation measures are required.

3.16 TRANSPORTATION/TRAFFIC

Would the Project:	Potentially Significant Impact	Less than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?			■	
b. Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?			■	
c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?				■
d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?			■	
e. Result in inadequate emergency access?			■	
f. Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?			■	

3.16(a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?

Determination: Less Than Significant Impact.

Sources: Institute of Traffic Engineers, Riverside County Congestion Management Plan

Plans, Policies, or Programs (PPP)

The following apply to the Project and would reduce impacts relating to transportation and traffic. These measures will be included in the Project's Mitigation Monitoring and Reporting Program:

PPP 3.16-1 Prior to the issuance of any building permits, the Project Proponent shall make required per-unit fee payments associated with Western Riverside County Transportation Uniform Mitigation Fees (TUMF), and the City of Jurupa Valley Development Impact Fee (DIF).

PPP 3.16-2 General Plan Policy C 4.3 requires that pedestrian access from developments to existing and future transit routes and terminal facilities through project design. The Final Map shall demonstrate compliance with this requirement.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

Motorized Vehicle Travel

Trips generated by the Project's proposed land uses have been estimated based on trip generation rates collected by the *Institute of Transportation Engineers Trip Generation Manual, 9th Edition, 2012* based on the following rates:

Table 13. Trip Generation Rates

Land Use Type	Unit	AM Peak Hour			PM Peak Hour			Daily
		Total	In	Out	Total	In	Out	
Single-Family Detached Housing Land Use Category: 210	DU	0.75	0.19	0.56	1.00	0.63	0.37	9.52
Source: Institute of Traffic Engineers Trip Generation 9th Edition (2012)								

The Project is estimated to generate the following number of trips:

Table 14. Project Trip Generation

Land Use Type	Unit	AM Peak Hour			PM Peak Hour			Daily
		Total	In	Out	Total	In	Out	
Single-Family Detached Housing Land Use Category: 210	26	19.5	4.94	14.56	26.0	16.38	9.62	247.52
Source: Institute of Traffic Engineers Trip Generation 9th Edition (2012)								

The City of Jurupa Valley relies upon the Riverside County Transportation Department's Traffic Impact Analysis Preparation Guide to determine if a Traffic Impact Analysis is required for a project.

Single family residential tracts of less than 100 lots are generally exempt from Traffic Impact Analysis requirements unless the City's Traffic Engineer determines otherwise. In the case of the proposed Project, the City Traffic Engineer determined that a Traffic Impact Analysis was not required because the Project proposes only 26 lots and would generate less than 50 peak hour trips on intersections in the vicinity of the Project site. Because vehicle trips generated by the Project are relatively low, the Project is not forecast to deteriorate the Level of Service in the Project area. Impacts are less than significant and no mitigation measures are required.

Mass Transit and Pedestrian Facilities

Transit Service

The study area is currently served by the Riverside Transit Agency, a public transit agency serving the unincorporated Riverside County region near the City of Jurupa Valley. Route 49 runs along Mission Boulevard and serves the Project site. The Project is not proposing to construct any improvements will interfere with the existing bus service. As such, the Project as proposed will not conflict with an applicable plan, ordinance or policy applying to transit services.

Bicycle & Pedestrian Facilities

The Project is not proposing to construct any improvements that will interfere with bicycle and pedestrian use. Pedestrian and bicycle access will be available to the Project site off Amarillo Street which connects to Mission Boulevard at the Project entrance. As such, the Project will not conflict with an applicable plan, ordinance or policy applying to non-motorized travel. Impacts are less than significant.

Based on the above analysis, with implementation of PPP 3.16-1 and PPP 3.16-2, impacts would be less than significant and no mitigation measures are required.

3.16(b) Conflict with an applicable congestion management program, including, but not limited to, level-of-service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?

Determination: Less Than Significant Impact.

Source: Riverside County Congestion Management Plan

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, or Programs applicable to the Project relating to this issue.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

The Riverside County Transportation Commission was designated as the Congestion Management Agency for Riverside County in 1990, and therefore, prepares and administers the Riverside County Congestion Management Program in consultation with the Technical Advisory Committee which consists of local agencies, the County of Riverside, transit agencies, and subregional agencies.

The intent of the Riverside County Congestion Management Program is to more directly link land use, transportation, and air quality, thereby prompting reasonable growth management programs that will effectively utilize new transportation funds, alleviate traffic congestion and related impacts, and improve air quality.

The Riverside County Transportation Commission does not require Traffic Impact Assessments for development proposals. However, local agencies are required to maintain minimum Level of Service thresholds included in their respective general plans.

The Project proposes only 26 lots and would generate less than 50 peak hour trips on intersections in the vicinity of the Project site. As such, the Project is not forecast to deteriorate the minimum Level of Service in the Project area as required by the General Plan. Therefore, the Project will not be in conflict with the Riverside County Congestion Management Program. Impacts are less than significant and no mitigation measures are required.

3.16(c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?

Determination: No Impact.

Sources: Riverside County ALUCP-West County Airports Background Data)

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, or Programs applicable to the Project relating to this issue.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

The Project site is not located within two miles of an airport influence area. The Project site is located approximately 6 miles southeast of Ontario International Airport and 4.2 miles northwest of the Flabob Airport in Jurupa Valley. The Project does not include any air travel component (e.g., runway, helipad, etc.) Accordingly, the Project would not have the potential to affect air traffic patterns, including an increase in traffic levels or a change in flight path location that results in a substantial safety risk. Therefore, no impact would occur and no mitigation measures are required.

3.16(d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?

Determination: Less Than Significant Impact.

Source: Project Application Materials

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, or Programs applicable to the Project relating to this issue.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

The residential land uses proposed Project would be compatible with existing development in the surrounding area; therefore, implementation of the Project would not create a transportation hazard as a result of an incompatible use.

The Project proposes to construct interior private streets that connect to Amarillo Street which connects to Mission Boulevard. With the implementation of these improvements, the Project would provide adequate vehicular and pedestrian safety and ensure that no hazardous transportation design features would be introduced by the Project. Accordingly, the Project would not substantially increase hazards due to a design feature or incompatible use. Impacts would be less than significant and no mitigation measures are required.

3.16(e) Result in inadequate emergency access?

Determination: Less Than Significant Impact.

Source: Project Application Materials

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, or Programs applicable to the Project relating to this issue.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

Project would result in a new residential community, which would increase the need for emergency access to-and-from the site. Adequate emergency access would be provided to the Project site through connection to Amarillo Street and Mission Boulevard. During the course of the required review of the proposed Project, the Project's transportation design was reviewed by the City's Engineering Department, County Fire Department, and County Sheriff's Department to ensure that adequate access to and from the site would be provided for emergency vehicles. With the City/County requirements for emergency vehicle access, impacts would be less than significant and no mitigation measures are required.

3.16(f) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?

Determination: Less Than Significant Impact.

Source: General Plan Circulation Element, Project Application Materials

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, or Programs applicable to the Project relating to this issue

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

The Project site is currently served by the Riverside Transit Agency Route 49 which runs along Mission Boulevard. The Project is constructing sidewalks which will connect to the existing sidewalks on Amarillo Street and Mission Boulevard thus providing pedestrian access to this transit route. As such, the Project as proposed will not conflict with an applicable plan, ordinance or policy applying to transit services. Impacts are less than significant and no mitigation measures are required.

3.17 UTILITIES AND SERVICE SYSTEMS

Would the Project:	Potentially Significant Impact	Less than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?			■	
b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			■	
c. Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			■	
d. Have sufficient water supplies available to serve the Project from existing entitlements and resources, or are new or expanded entitlements needed?			■	
e. Result in a determination by the wastewater treatment provider, which serves or may serve the Project that it has adequate capacity to serve the Project's projected demand in addition to the provider's existing commitments?			■	
f. Be served by a landfill with sufficient permitted capacity to accommodate the Project's solid waste disposal needs?			■	
g. Comply with federal, state, and local statutes and regulations related to solid waste?			■	

3.17(a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?

Determination: Less Than Significant Impact.

Source: Jurupa Community Services District

Plans, Policies, or Programs (PPP)

The following applies to the Project and would reduce impacts relating to wastewater treatment requirements. This measure will be included in the Project's *Mitigation Monitoring and Reporting Program*:

PPP 3.17-1 As required by City Ordinance No. 460, prior to recordation of a Final Map, improvement plans shall be submitted to the City Engineer that provide for sewage disposal by connection to an existing collection system capable of accepting the

waste load. The collection system shall meet the Santa Ana Regional Water Quality Control Board standards and requirements.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

Wastewater treatment and collection services would be provided to the Project site by the Jurupa Community Services District. The Jurupa Community Service District is required to operate all of its treatment facilities in accordance with the waste treatment and discharge standards and requirements set forth by the Santa Ana Regional Water Quality Control Board.

According to the Jurupa Community Service District's 2010 Urban Water Management Plan, wastewater generated by the Project will be treated at the Riverside Water Quality Control Plant and the Western Riverside County Regional Wastewater Authority's Wastewater Treatment Plant. The proposed Project would not install or utilize septic systems or alternative wastewater treatment systems, therefore, the Project would have no potential to exceed the applicable wastewater treatment requirements established by the. Santa Ana Regional Water Quality Control Board Accordingly, impacts would be less than significant and no mitigation measures are required.

3.17(b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

Determination: Less Than Significant Impact.

Sources: Project Application Materials, Water & Sewer Letter-Jurupa Community Services District

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, or Programs applicable to the Project relating to this issue

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

The Project would construct an on-site network of water and sewer pipes which would connect to the existing 12-inch water line and an 8-inch sewer line in Mission Boulevard located approximately 300 feet south of the Project site.

The installation of water and sewer lines as proposed by the Project would result in physical impacts to the surface and subsurface of the Project site. These impacts are considered to be part of the Project's construction phase and are evaluated throughout this Initial Study Checklist. In instances where impacts have been identified for the Project's construction phase, Plans, Policies, Programs, or Standard Conditions (PPP), Project Design Features (PDF), or Mitigation Measures

(MM) are required to reduce impacts to less-than-significant levels. Accordingly, additional measures beyond those identified throughout this Initial Study Checklist would not be required.

Based on the above analysis, impacts would be less than significant and no mitigation measures are required.

3.17(c) Require or result in the construction of new stormwater drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

Determination: Less Than Significant Impact.

Sources: Project Application Materials

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, or Programs applicable to the Project relating to this issue

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

Water runoff from Lots 8-26 will be conveyed to the interior streets of the Project site and then directed into the bio-retention areas located in the Neighborhood Park and the Recognition Tree Park. Water runoff from Lots 1-7 will be directed into bio-swales located along the street frontage for each of these lots. Ultimately, the water runoff is discharged into the storm drain system in Amarillo Street and then Mission Boulevard

The construction of the on-site drainage facilities would result in physical impacts to the surface and subsurface of the Project site. These impacts are part of the Project's construction phase and are evaluated in the appropriate sections of this Initial Study/Mitigated Negative Declaration document. In instances where impacts have been identified for the Project's construction phase, Plans, Policies, Programs, or Standard Conditions (PPP), Project Design Features (PDF), or Mitigation Measures are required to reduce impacts to less-than-significant levels. Accordingly, additional measures beyond those identified throughout this Initial Study Checklist would not be required.

Based on the above analysis, impacts would be less than significant and no mitigation measures are required.

3.17(d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?

Determination: Less Than Significant Impact.

Sources: Project Application Materials, Jurupa Community Services District Urban Water Management Plan, Water & Sewer Letter-Jurupa Community Services District (Appendix D)

Plans, Policies, or Programs (PPP)

The following applies to the Project and would reduce impacts relating to water supply requirements. This measure will be included in the Project's Mitigation Monitoring and Reporting Program:

PPP 3.17-2 As required by City Ordinance No. 460, prior to recordation of a Final Map, required improvement plans shall be submitted to the City Engineer that provide for the installation of a domestic water supply and distribution system that meets the requirements as set forth in the California Administrative Code, Title 22, Chapter 16 (California Waterworks Standards).

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

The Jurupa Community Services District issued a "Water and Sewer Letter" dated May 1, 2014 for the Project. The Letter indicates that water is available to serve the Project site from an existing 12-inch diameter water line in Mission Boulevard.

The District's water supply exceeds the maximum day demand projected for the next five years. However, the District continues to develop additional water supply resources that are currently budgeted to meet the District's water demands. The Project is calculated to require an average daily water flow of 8.8 gallons per minute and maximum daily water flow of 24 gallons per minute. The District indicates that adequate water storage exists for the Project and additional pumping plants are not needed.

Based on the above analysis, with implementation of PPP 3.17-2, impacts would be less than significant and no mitigation measures are required.

3.17(e) Result in a determination by the wastewater treatment provider which serves or may serve the Project that it has adequate capacity to serve the Project's projected demand in addition to the provider's existing commitments?

Determination: Less Than Significant Impact.

Source: Water & Sewer Letter-Jurupa Community Services District (Appendix D)

Plans, Policies, or Programs (PPP)

The following applies to the Project and would reduce impacts relating to water supply requirements. This measure will be included in the Project's Mitigation Monitoring and Reporting Program:

PPP 3.17-3 Prior to the issuance of a grading permit, the Project proponent shall be required to provide written verification to the City of Jurupa Valley Engineering Department that the Jurupa Community Services District has verified that adequate capacity exists at the City of Riverside Water Quality Control Plant to serve the Project and/or a Sewer Capacity Fee shall be paid.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

Sanitary sewer service to the Project site would be provided by the Jurupa Community Services District ("District"). The District purchases treatment capacity at the Western Riverside County Regional Wastewater Authority Treatment Plant and the City of Riverside Water Quality Control Plant to treat flows within its service area.

The District calculated that the Project would generate approximately 0.03 million gallons per day of wastewater and would be treated at the City of Riverside Water Quality Control Plant which has a capacity of 40 million gallons per day.

The District issued a "Water and Sewer Letter" dated May 1, 2014 for the Project. The Letter indicates that sewer service is available to serve the Project site from an 8-inch line in Mission Boulevard.

Based on the above analysis, with implementation of PPP 3.17-3, impacts would be less than significant and no mitigation measures are required.

3.17(f) Be served by a landfill with sufficient permitted capacity to accommodate the Project's solid waste disposal needs?

Determination: Less Than Significant Impact.

Sources: Riverside County Waste Management, Cal Recycle Facility/Site Summary Details, General Plan PEIR, Chapter 4.15 – Public Services

Plans, Policies, or Programs (PPP)

There are no Plans, Policies, Programs, or Standard Conditions applicable to the Project relating to this issue

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Impact Analysis

Construction Related Impacts

Waste generated during the construction phase of the Project would primarily consist of discarded materials from the construction of streets, common areas, infrastructure installation, and other project-related construction activities. According to the Riverside County Waste Management Department, solid waste generated within the City of Jurupa Valley was deposited at the Badlands Sanitary Landfill and the El Sobrante Landfill.

According to the Cal Recycle Facility/Site Summary Details website accessed on August 30, 2014, these landfills receive well below their maximum permitted daily disposal volume and demolition and construction waste generated by the Project is not anticipated to cause these landfills to exceed their maximum permitted daily disposal volume. Furthermore, none of these regional landfill facilities are expected to reach their total maximum permitted disposal capacities during the Project's construction period. As such, these regional landfill facilities would have sufficient daily capacity to accept construction solid waste generated by the Project.

Operational Related Impacts

Based on a waste generation factor of 0.41 tons per home per year as documented in the City of Jurupa Valley General Plan EIR, the Project's proposed 26 homes would generate approximately 10.6 tons of waste per year, or 0.02 tons of waste per day.

According to the Cal Recycle Facility/Site Summary Details website accessed on August 30, 2014, the Badlands Sanitary Landfill has a permitted disposal capacity of 4,000 tons per day with a remaining capacity of 14,730,020 cubic yards. The Badlands Sanitary Landfill is estimated to reach capacity, at the earliest time, in the year 2024.

The El Sobrante Landfill is has a permitted disposal capacity of 16,034 tons per day with a remaining capacity of 145,530,000 tons. The El Sobrante Landfill is estimated to reach capacity, at the earliest time, in the year 2045.

Solid waste generated during long-term operation of the Project would be disposed at the Badlands Sanitary Landfill and/or the El Sobrante Landfill. During long-term operation, the Project's solid waste would represent less than 0.0005% of the daily permitted disposal capacity at the Badlands Sanitary Landfill and less than 0.0001% of the daily permitted disposal capacity at the El Sobrante Landfill.

These landfills receive well below their maximum permitted daily disposal volume and solid waste generated by the Project is not anticipated to cause these landfills to exceed their maximum permitted daily disposal volume. Because the proposed Project would generate a relatively small amount of solid waste per day, as compared to the permitted daily capacities for Badlands Sanitary Landfill and the El Sobrante Landfill, these regional landfill facilities would have sufficient daily capacity to accept solid waste generated by the Project.

Based on the above analysis, impacts would be less than significant and no mitigation measures are required.

3.17(g) Comply with federal, state, and local statutes and regulations related to solid waste?

Determination: Less Than Significant Impact.

Sources: California Assembly Bill 939 (Sher), Riverside County Waste Resources Management District, Riverside County Integrated Waste Management Plan, Riverside County Waste Management Department, Solid Waste System Study Report, Waste Management "El Sobrante Landfill"

Plans, Policies, or Programs (PPP)

The following applies to the Project and would reduce impacts relating to solid waste. This measure will be included in the Project's Mitigation Monitoring and Reporting Program:

PPP 3.17-4 The Project shall participate in established County-wide programs for residential development projects to reduce solid waste generation, in accordance with the provisions of the Riverside Countywide Integrated Waste Management Plan.

Impact Analysis

The California Integrated Waste Management Act established an integrated waste management system that focused on source reduction, recycling, composting, and land disposal of waste. In addition, the Act established a 50% waste reduction requirement for cities and counties by the year 2000, along with a process to ensure environmentally safe disposal of waste that could not be diverted. Per the requirements of the Integrated Waste Management Act, the Riverside County Board of Supervisors adopted the Riverside Countywide Integrated Waste Management Plan which outlines the goals, policies, and programs the County and its cities will implement to create an integrated and cost effective waste management system that complies with the provisions of California Integrated Waste Management Act and its diversion mandates.

The Project's waste hauler would be required to coordinate with the waste hauler to develop collection of recyclable materials for the Project on a common schedule as set forth in applicable local, regional, and State programs. Recyclable materials that would be recycled by the Project include paper products, glass, aluminum, and plastic.

Additionally, the proposed Project's waste hauler would be required to comply with all applicable local, State, and Federal solid waste disposal standards, thereby ensuring that the solid waste stream to the landfills that serve the Project are reduced in accordance with existing regulations.

Based on the above analysis, with implementation of PPP 3.17-4, impacts would be less than significant and no mitigation measures are required.

3.18 MANDATORY FINDINGS OF SIGNIFICANCE

Would the Project:	Potentially Significant Impact	Less than Significant With Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Does the Project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?		■		
b. Does the Project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a Project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?		■		
c. Does the Project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly?			■	

Impact Analysis

3.18(a) Does the Project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?

Determination: Less Than Significant Impact with Mitigation Incorporated.

Source: This Initial Study Checklist

As noted in the analysis throughout this Initial Study Checklist/Mitigated Negative Declaration document, the following apply to the Project and would reduce impacts relating to this issue. These measures will be included in the Project's Mitigation Monitoring and Reporting Program:

Plans, Policies, or Programs (PPP)

PPP 3.4-1, PPP 3.4-2, and PPP 3.5-1 shall apply.

Project Design Features (PDF)

There are no Project Design Features applicable to the Project relating to this issue.

Mitigation Measures (MM)

Mitigation Measures BIO-1, CR-1, CR-2, and CR-3 shall apply.

Impact Analysis

All impacts to the environment, including impacts to habitat for fish and wildlife species, fish and wildlife populations, plant and animal communities, rare and endangered plants and animals, and historical and pre-historical resources were evaluated as part of this Initial Study Checklist..

In instances where impacts have been identified, the Plans, Policies, or Programs, Project Design Features, or Mitigation Measures listed above are required to reduce impacts to less than significant levels. Therefore, Project would not substantially degrade the quality of the environment.

3.18(b) Does the Project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a Project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?

Determination: Less Than Significant With Mitigation Incorporated.

Source: This Initial Study Checklist

As noted in the analysis throughout this Initial Study Checklist/Mitigated Negative Declaration document, the following apply to the Project and would reduce impacts relating to this issue. These measures will be included in the Project's Mitigation Monitoring and Reporting Program:

Plans, Policies, or Programs (PPP)

All Plans, Policies, or Programs (PPP) identified in this Initial Study Checklist/Mitigated Negative Declaration shall apply.

Project Design Features (PDF)

All Project Design Features (PDF) identified in this Initial Study Checklist/Mitigated Negative Declaration shall apply.

Mitigation Measures (MM)

All Mitigation Measures (MM) identified in this Initial Study Checklist/Mitigated Negative Declaration shall apply.

Impact Analysis

As discussed throughout this Initial Study Checklist, implementation of the proposed Project has the potential to result in effects to the environment that are individually limited, but cumulatively considerable.

In instances where impacts have been identified, the Plans, Policies, or Programs, Project Design Features, or Mitigation Measures, listed above are required to reduce impacts to less than significant levels. Therefore, the Project would not contribute to environmental effects that are individually limited, but cumulatively considerable.

3.18(c) Does the Project have environmental effects which would cause substantial adverse effects on human beings, either directly or indirectly?

Determination: Less Than Significant Impact.

As noted in the analysis throughout this Initial Study Checklist/Mitigated Negative Declaration document, the following apply to the Project and would reduce impacts relating to this issue. These measures will be included in the Project's Mitigation Monitoring and Reporting Program:

Plans, Policies, or Programs (PPP)

The following shall apply:

PPP 3.3-1 through 3.3-5
PPP 3.6-1 and PPP 3.6-2
PPP 3.7-1 through PPP 3.7-4
PPP 3.8-1
PPP 3.9-1 through PPP 3.9-5
PPP 3.12-1 and PPP 3.12-2
PPP 3.1-14-1 through PPP 3.14-3
PPP 3.16-1 and PPP 3.16-2
PPP 3.17-1 through PPP 3.17-4

Project Design Features (PDF)

The following shall apply:

PDF 3.12-1
PDF 3.14-1

Mitigation Measures (MM)

No Mitigation Measures apply to this issue.

Impact Analysis

The Project's potential to result in environmental effects that could adversely affect human beings, either directly or indirectly, has been discussed throughout this Initial Study Checklist/Mitigated Negative Declaration.

In instances where impacts have been identified, the Plans, Policies, or Programs, Project Design Features are required to reduce impacts to less-than-significant levels. Therefore, the Project would not result in environmental effects which would cause substantial adverse effects on human beings, either directly or indirectly.

4.0 REFERENCES

California Air Resources Board (CARB) Handbook, 2009.
http://www.arb.ca.gov/homepage.htm

California Environmental Quality Act (CEQA) Guidelines. http://opr.ca.gov/m_ceqa.php

California Environmental Quality Act (CEQA) Air Quality Handbook.
http://opr.ca.gov/m_ceqa.php

City of Jurupa Valley General Plan, 2003 www.rctlma.org/genplan/default.aspx

City of Jurupa Valley General Plan EIR, 2003 www.rctlma.org/genplan/default.aspx

California Department of Toxic Substances Control, www.dtsc.ca.gov

Countywide Integrated Waste Management Plan www.rivcowom.org

Flood Insurance Rate Maps, Federal Emergency Management Agency, https://msc.fema.gov

General Plan Final Program Environmental Impact Report, 2003, Volume I, Riverside County Integrated Project, Riverside County, California
www.rctlma.org/genplan/default.aspx

South Coast Air Quality Management District,
www.aqmd.gov.

South Coast Air Quality Management District, Final 2012 Air Quality Management Planwww.aqmd.gov

Southern California Association of Governments, 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy.
http://rtpscs.scag.ca.gov/Pages/default.aspx

Western Riverside County Multiple Species Habitat Conservation Plan.
http://www.rctlma.org/mshcp/

5.0 REPORT PREPARATION PERSONNEL

LEAD AGENCY:

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Jurupa Valley, Ca 92509

Ernest Perea, CEQA Administrator
Annette Tam, Associate Planner

6.0 MITIGATION MONITORING REPORTING PROGRAM

PROJECT NAME: Habitat for Humanity -MA 1463

DATE: December 10, 2014

PROJECT MANAGER: Annette Tam, Associate Planner

PROJECT DESCRIPTION: General Plan Amendment (GPA 1403) Change of Zone (CZ 1401) Tentative Tract Map (TTM 36692), and Site Development Permit (SDP 31456) for a 26 residential lot subdivision.

PROJECT LOCATION: The property is located approximately 420 feet north of Mission Boulevard at the terminus of Amarillo Street. Assessor's Parcel Numbers 169-100-055,057 and 169-070-035.

Throughout this *Mitigation Monitoring and Reporting Program*, reference is made to the following:

- ***Plans, Policies, or Programs (PPP)*** – These include existing regulatory requirements such as plans, policies, or programs applied to the Project based on the basis of federal, state, or local law currently in place which effectively reduce environmental impacts.

- ***Project Design Features (PDF)*** – These measures include features proposed by the Project applicant that are already incorporated into the Project's design and are specifically intended to reduce or avoid impacts (e.g., water quality treatment basins).

- ***Mitigation Measures (MM)*** – These measures include requirements that are imposed where the impact analysis determines that implementation of the proposed Project would result in significant impacts; mitigation measures are proposed in accordance with the requirements of CEQA.

Plans, Policies, or Programs (PPP) and the Project Design Features (PDF) were assumed and accounted for in the assessment of impacts for each issue area. Mitigation Measures were formulated only for those issue areas where the results of the impact analysis identified significant impacts. All three types of measures described above will be required to be implemented as part of the Project.

	MITIGATION MEASURE (MM) PLANS, POLICIES, OR PROGRAMS (PPP) PROJECT DESIGN FEATURES (PDF)	RESPONSIBILITY FOR IMPLEMENTATION	TIME FRAME/MILESTONE
AESTHETICS			
PPP 3.1-1	As required by the Development Plan for the Project, the proposed residential homes shall be limited to a maximum height limit of 35 feet.	Planning Department	Prior to the issuance of building permits
PPP 3.1-2	As required by the City of Jurupa Valley Subdivision Regulations (Ordinance No. 460, Section 5.3 Planned Developments - Residential, Commercial, and Industrial), floor plans, elevations, landscape plans, wall and fence plans, and other items are required to be submitted with the tentative tract map. The document entitled *Jurupa Valley Veterans Enriched Neighborhood, TTM No. 366720* prepared by Formillus Architecture in conjunction with Gabel, Cook & Associates, Inc. dated November 2014 consists most of the required items by Section 5.3 of Ordinance No. 460. The document serves as the Development Plan for Tentative Tract Map No. 36720 and shall be enforced by the City of Jurupa Valley via conditions of approval placed on Tentative Tract Map No. 36720.	Planning Department	Prior to the issuance of building permits
AIR QUALITY			
PPP 3.3-1	The Project is required to comply with the provisions of South Coast Air Quality Management District Rule 403, "Fugitive Dust." Rule 403 requires implementation of best available dust control measures during construction activities that generate fugitive dust, such as earth moving and stockpiling activities, grading, and equipment travel on unpaved roads.	Engineering Department	During grading
PPP 3.3-2	The Project is required to comply with California Code of Regulations Title 13, Division 3, Chapter 1, Article 4.5, Section 2025, "Regulation to Reduce Emissions of Diesel Particulate Matter, Oxides of Nitrogen and Other Criteria Pollutants from In-Use Heavy-Duty Diesel-Fueled Vehicles" and California Code of Regulations Title 13, Division 3, Chapter 10, Article 1, Section 2485, "Airborne Toxic Control Measure to Limit Diesel-Fueled Commercial Motor Vehicle Idling."	Engineering Department	During grading

	MITIGATION MEASURE (MM) PLANS, POLICIES, OR PROGRAMS (PPP) PROJECT DESIGN FEATURES (PDF)	RESPONSIBILITY FOR IMPLEMENTATION	TIME FRAME/MILESTONE
PPP 3.3-3	The Project is required to comply with the provisions of South Coast Air Quality Management District Rule 1113, "Architectural Coatings" and Rule 431.2, "Sulfur Content of Liquid Fuels." Adherence to Rule 1113 limits the release of volatile organic compounds (VOCs) into the atmosphere during painting and application of other surface coatings. Adherence to Rule 431.2 limits the release of sulfur dioxide (SOX) into the atmosphere from the burning of fuel.	Building & Safety	During Construction
PPP 3.3-4	The Project is required to comply with the provisions of South Coast Air Quality Management District Rule 1186 "PM10 Emissions from Paved and Unpaved Roads and Livestock Operations" and Rule 1186.1, "Less-Polluting Street Sweepers." Adherence to Rules 1186 and 1186.1 reduces the release of criteria pollutant emissions into the atmosphere during construction.	Building & Safety	During Construction
PPP 3.3-5	The Project is required to comply with the provisions of South Coast Air Quality Management District Rule 402 "Nuisance." Adherence to Rule 402 reduces the release of odorous emissions into the atmosphere.	Building & Safety Engineering Planning	During construction and on-going
BIOLOGICAL RESOURCES			
PPP 3.4-1	The project is required to pay mitigation fees pursuant to the Western Riverside County Multiple Species Habitat Conservation Plan (MHSCP) Plan.	Planning	Prior to the issuance of grading permits
MM-BIO-1	*Pre-Construction Burrowing Owl Survey.* Within 30 calendar days prior to grading, a qualified biologist shall conduct a survey of the Project's proposed impact footprint and make a determination regarding the presence or absence of the burrowing owl. The determination shall be documented in a report and shall be submitted, reviewed, and accepted by the City of Jurupa Valley Planning Department prior to the issuance of a grading permit and subject to the following provisions: a. In the event that the pre-construction survey identifies no burrowing owls in the impact area, a grading permit may be issued without restriction.	Planning	Prior to the issuance of grading permits

MITIGATION MEASURE (MM) PLANS, POLICIES, OR PROGRAMS (PPP) PROJECT DESIGN FEATURES (PDF)	RESPONSIBILITY FOR IMPLEMENTATION	TIME FRAME/MILESTONE
b. In the event that the pre-construction survey identifies the presence of at least one individual but less than three (3) mating pairs of burrowing owl, then prior to the issuance of a grading permit and prior to the commencement of ground-disturbing activities on the property, the qualified biologist shall passively or actively relocate any burrowing owls. Passive relocation, including the required use of one-way doors to exclude owls from the site and the collapsing of burrows, will occur if the biologist determines that the proximity and availability of alternate habitat is suitable for successful passive relocation. Passive relocation shall follow California Department of Fish and Wildlife relocation protocol. If proximate alternate habitat is not present as determined by the biologist, active relocation shall follow California Department of Fish and Wildlife relocation protocol. The biologist shall confirm in writing to the Planning Department that the species has fledged or been relocated prior to the issuance of a grading permit.		
CULTURAL RESOURCES		
MM- CR-1: *Archaeological Monitoring.* Prior to the issuance of a grading permit, the Project Proponent shall provide evidence to the City that the previous grading on the Project site was monitored by a qualified archaeologist and any subsurface cultural resources were appropriately treated. If no such evidence is provided, then the Project Proponent shall implement the following program: a) A qualified archaeological monitor shall be retained by the Project Proponent to conduct monitoring of all grading and trenching activities and has the authority to halt and redirect earthmoving activities in the event that suspected archaeological resources are unearthed during Project construction. b) Appropriate Native American representative(s) shall be allowed to monitor and have received or will receive a minimum of 15 days advance notice of grading activities. During grading operations in previously undisturbed soils, a professional archaeological monitor shall observe the grading operation until such time as monitor determines that there is no longer any potential to uncover buried cultural deposits. If the monitor suspects that an archaeological resource may have been unearthed, the monitor shall	Planning	Prior to the issuance of grading permits

	MITIGATION MEASURE (MM) PLANS, POLICIES, OR PROGRAMS (PPP) PROJECT DESIGN FEATURES (PDF)	RESPONSIBILITY FOR IMPLEMENTATION	TIME FRAME/MILESTONE
	immediately halt and redirect grading operations in a 100-foot radius around the find to allow identification and evaluation of the suspected resource. If the monitor determines that the suspected resource is potentially significant, the archaeologist shall notify the appropriate Native American Tribe(s) and invite a tribal representative to consult on the resource evaluation. In consultation with the appropriate Native American Tribe(s), the archaeological monitor shall evaluate the suspected resource and make a determination of significance pursuant to California Public Resources Code Section 21083.2. If the resource is significant, Mitigation Measure CR-2 shall apply.		
MM- CR-2:	*Treatment Plan.* If a significant archaeological resource(s) is discovered on the property, ground disturbing activities shall be suspended 100 feet around the resource(s). The archaeological monitor and a representative of the appropriate Native American Tribe(s), the Project Proponent, and the City Planning Department shall confer regarding mitigation of the discovered resource(s). A treatment plan shall be prepared and implemented by the archaeologist to protect the identified archaeological resource(s) from damage and destruction. The treatment plan shall contain a research design and data recovery program necessary document the size and content of the discovery such that the resource(s) can be evaluated for significance under CEQA criteria. The research design shall list the sampling procedures appropriate to exhaust the research potential of the archaeological resource(s) in accordance with current professional archaeology standards (typically this sampling level is two (2) to five (5) percent of the volume of the cultural deposit). The treatment plan shall require monitoring by the appropriate Native American Tribe(s) during data recovery excavations of archaeological resource(s) of prehistoric origin, and shall require that all recovered artifacts undergo laboratory analysis. At the completion of the laboratory analysis, any recovered archaeological resources shall be processed and curated according to current professional repository standards. The collections and associated records shall be donated to an appropriate curation facility, or, the artifacts may be delivered to the appropriate Native American Tribe(s) if that is recommended by the City of Jurupa Valley. A final report containing the significance and treatment findings shall be prepared by the archaeologist and submitted to the City of Jurupa Valley Planning Department and the Eastern Information Center.	Planning	Prior to the issuance of grading permits
MM- CR-3:	*Paleontological Monitoring.* Prior to the issuance of grading permits, the Project Proponent shall provide evidence to the City that the previous grading on the Project site was	Planning	Prior to the issuance of grading permits

	MITIGATION MEASURE (MM) PLANS, POLICIES, OR PROGRAMS (PPP) PROJECT DESIGN FEATURES (PDF)	RESPONSIBILITY FOR IMPLEMENTATION	TIME FRAME/MILESTONE
	monitored by a qualified paleontologist and that no further paleontological monitoring is required. If no such evidence is provided, then the Project Proponent shall implement the following program: a) A qualified paleontologist shall be on-site at the pre-construction meeting to discuss monitoring protocols. b) The qualified paleontologist shall be empowered to temporarily halt or redirect grading activities paleontological resources are discovered. c) In the event of a paleontological discovery the monitor shall flag the area and notify the construction crew immediately. No further disturbance in the flagged area shall occur until the qualified paleontologist has cleared the area. d) The qualified paleontologist shall quickly assess the nature and significance of the find. If the specimen is not significant it shall be quickly removed and the area cleared. e) If the discovery is significant the qualified paleontologist shall notify the Project proponent and the City immediately. f) In consultation with the Project proponent and the City, the qualified paleontologist shall develop a plan of mitigation which shall include salvage excavation and removal of the find, removal of sediment from around the specimen (in the laboratory), research to identify and categorize the find, curation in the find a local qualified repository, and preparation of a report summarizing the find.		
PPP 3.5-1	The project is required to comply with the applicable provisions of *California Health and Safety Code §7050.5 as well as Public Resources Code §5097 et. seq.*	Engineering	During Grading
GEOLOGY AND SOILS			
PPP 3.6-1	The project is required to comply with the California Building Standards Code and City Building Code to preclude significant adverse effects associated with strong seismic ground	Building & Safety	Prior to the issuance of building permits

	MITIGATION MEASURE (MM) PLANS, POLICIES, OR PROGRAMS (PPP) PROJECT DESIGN FEATURES (PDF)	RESPONSIBILITY FOR IMPLEMENTATION	TIME FRAME/MILESTONE
	shaking.		
PPP 3.6-2	The project is required to comply with the site-specific ground preparation and construction recommendations contained in Geotechnical Evaluation for Tract 36720, Project No. 1195-CR3, GeoTek Inc., June 23, 2014.	Building & Safety Engineering	Prior to the issuance of grading permits and building permits
GREENHOUSE GAS EMISSIONS			
PPP 3.7-1	Prior to issuance of the first residential building permit, the Project Applicant shall submit energy usage calculations in the form of a Title 24 Compliance Report to the City of Jurupa Valley Building & Safety Department showing that the Project will be constructed in compliance with the most recently adopted edition of the applicable California Building Code Title 24 requirements.	Building & Safety	Prior to the issuance of building permits
PPP 3.7-2	Prior to building permit issuance, the City shall verify that the following note is included on building plans. *"All installed appliances shall comply with California Code of Regulations Title 20 (Appliance Energy Efficiency Standards), which establishes energy efficiency requirements for appliances."* Project contractors shall be required to ensure compliance with the note and permit inspection by City of Jurupa Valley staff or its designee to ensure compliance. The note also shall be specified in bid documents issued to prospective construction contractors.	Building & Safety	Prior to the issuance of building permits
PPP 3.7-3	Prior to the approval of landscaping plans, the City shall verify that the all landscaping will comply with City Ordinance No. 859, "Water Efficient Landscape Requirements." Project contractors shall be required to ensure compliance with approved landscaping plans.	Planning	Prior to the issuance of building permits
PPP 3.7-4	The Project is required to be in compliance with the First Update to the Climate Change Scoping Plan, May 22, 2014 adopted by the California Air Resources Board.	Planning	Prior to the issuance of building permits

	MITIGATION MEASURE (MM) PLANS, POLICIES, OR PROGRAMS (PPP) PROJECT DESIGN FEATURES (PDF)	RESPONSIBILITY FOR IMPLEMENTATION	TIME FRAME/MILESTONE
HAZARDS AND HAZARDOUS MATERIALS			
PPP 3.8-1	The Project is subject all applicable federal, state, and local laws and regulations regarding hazardous materials, including but not limited requirements imposed by the Environmental Protection Agency, California Department of Toxic Substances Control, South Coast Air Quality Management District, and the Santa Ana Regional Water Quality Control Board.	Building & Safety Engineering	During grading and building construction
HYDROLOGY AND WATER QUALITY			
PPP 3.9-1	Prior to grading permit issuance, the Project Proponent shall obtain a National Pollutant Discharge Elimination System permit from the State Resources Control Board. Evidence that an NPDES permit has been issued shall be provided to the City of Jurupa Valley prior to issuance of the first grading permit.	Engineering	Prior to the issuance of grading permits
PPP 3.9-2	Prior to grading permit issuance, the Project Proponent shall prepare a Stormwater Pollution Prevention Plan. Project contractors shall be required to ensure compliance with the Stormwater Pollution Prevention Plan and permit periodic inspection of the construction site by City of Jurupa Valley staff or its designee to confirm compliance.	Engineering	Prior to the issuance of grading permits
PPP 3.9-3	During construction, Project contractors shall be required to ensure compliance with the Project's Water Quality Management Plan associated with the Project and permit periodic inspection of the construction site by City of Jurupa Valley staff or its designee to confirm compliance.	Engineering	During construction
PPP 3.9-4	The Project shall be in compliance with Chapter 6.10, Storm Water/Urban Runoff Management and Discharge Controls of the City of Jurupa Valley Municipal Code.	Engineering	Prior to recordation of the Final Map
PPP 3.9-5	The Project shall be in compliance with City *Ordinance 460, Section 11.3, Flood Control and Tract Drainage.*	Engineering	Prior to recordation of the Final Map
PPP 3.10-1	The Project shall implement the requirements of Western Riverside County Multiple Species Habitat Conservation Plan.	Planning	Prior to the issuance of a grading permit

	MITIGATION MEASURE (MM) PLANS, POLICIES, OR PROGRAMS (PPP) PROJECT DESIGN FEATURES (PDF)	RESPONSIBILITY FOR IMPLEMENTATION	TIME FRAME/MILESTONE
NOISE			
PPP 3.12-1	In order to ensure compliance with General Plan Policy N-12.3, N-12.4, and Municipal Code Chapter 11.10, Noise Regulations, prior to the issuance of a grading permit, the developer is required to submit a construction-related noise mitigation plan to the City for review and approval. The plan must depict the location of construction equipment and how the noise from this equipment will be mitigated during construction of this project. In addition, the plan shall require that the following notes are included on grading plans and building plans. Project contractors shall be required to ensure compliance with the notes and permit periodic inspection of the construction site by City of Jurupa Valley staff or its designee to confirm compliance. These notes also shall be specified in bid documents issued to prospective construction contractors. a) All construction activities shall comply with Chapter 11.10 (Noise Regulations) of the Municipal Code, including but not limited to the requirement that haul truck deliveries shall be limited to between the hours of 6:00am to 6:00pm during the months of June through September and 7:00am to 6:00pm during the months of October through May. b) Construction contractors shall equip all construction equipment, fixed or mobile, with properly operating and maintained mufflers, consistent with manufacturers' standards. c) All stationary construction equipment shall be placed in such a manner so that emitted noise is directed away from any sensitive receptors adjacent to the Project site. d) Construction equipment staging areas shall be located the greatest distance between the staging area and the nearest sensitive receptors.	Building & Safety Engineering	During construction
PPP 3.12-2	In order to ensure compliance with General Plan Policy N - 4. prior to issuance of any residential building permit, an interior noise analysis shall be completed to the satisfaction of the City Building and Safety Department demonstrating that proposed building materials will achieve interior noise levels less than 45 dBA CNEL.	Building & Safety	Prior to the issuance of a building permit
PDF 3.12-1	As required by the Project's required by the Development Plan, a 6-foot high masonry wall shall be constructed along the rear lot line of Lots 1-25 to reduce noise from adjacent roads	Planning	Prior to occupancy clearance of the first

	MITIGATION MEASURE (MM) PLANS, POLICIES, OR PROGRAMS (PPP) PROJECT DESIGN FEATURES (PDF)	RESPONSIBILITY FOR IMPLEMENTATION	TIME FRAME/MILESTONE
	and developments.		residential unit
PUBLIC SERVICES			
PPP 3.14-1	The Project applicant shall comply with all applicable Riverside County Fire Department codes, ordinances, and standard conditions regarding fire prevention and suppression measures relating to water improvement plans, fire hydrants, automatic fire extinguishing systems, fire access, access gates, combustible construction, water availability, and fire sprinkler systems.	Fire Department	Prior to recordation of the Final Map, combustibles being brought on the site, and occupancy clearance of the first residential unit
PPP 3.14-2	The Project shall comply with City's Development Impact Fee which requires payment of a development mitigation fee to assist in providing revenue that the City can use to improve public facilities and/or, to offset the incremental increase in the demand for public services that would be created by the Project. Prior to the issuance of building permits, the Project Applicant shall pay fees in accordance with the City's Ordinance 659.	Building & Safety	Per Ordinance No. 659
PPP 3.14-3	Prior to the issuance of building permits, the Project Applicant shall pay required development impact fees to the Jurupa Unified School District following protocol for impact fee collection.	Building & Safety	Prior to the issuance of building permits
PPP 3.14-4	The Project Applicant shall pay required park development impact fees to the Jurupa Area Recreation and Park District pursuant to District Ordinance No. 01-2007 and 02-2008.	Building & Safety	Prior to the issuance of building permits
PDF 3.14-1	As required by the Project's Development Plan, the Project will provide two improved parks (a Neighborhood Park and a Recognition Tree Park). These parks shall be operational prior to occupancy clearance of the first residential unit.	Planning	Prior to occupancy clearance of the first residential unit.
TRANSPORTATION/TRAFFIC			
PPP 3.16-1	Prior to the issuance of any building permits, the Project Proponent shall make required per-unit fee payments associated with the Western Riverside County Transportation Uniform Mitigation Fees (TUMF), and the City of Jurupa Valley Development Impact Fee (DIF).	Building & Safety	Prior to the issuance of building permits

	MITIGATION MEASURE (MM) PLANS, POLICIES, OR PROGRAMS (PPP) PROJECT DESIGN FEATURES (PDF)	RESPONSIBILITY FOR IMPLEMENTATION	TIME FRAME/MILESTONE
PPP 3.16-2	General Plan Policy C 4.3 requires that pedestrian access from developments to existing and future transit routes and terminal facilities through project design. The Final Map shall demonstrate compliance with this requirement.	Engineering	Prior to recordation of the Final Map
UTILITY AND SERVICE SYSTEMS			
PPP 3.17-1	As required by City Ordinance No. 460, prior to recordation of a Final Map, improvement plans shall be submitted to the City Engineer that provide for sewage disposal by connection to an existing collection system capable of accepting the waste load. The collection system shall meet the Santa Ana Regional Water Quality Control Board standards and requirements.	Engineering	Prior to recordation of the Final Map
PPP 3.17-2	As required by City Ordinance No. 460, prior to recordation of a Final Map, required improvement plans shall be submitted to the City Engineer that provide for the installation of a domestic water supply and distribution system that meets the requirements as set forth in the California Administrative Code, Title 22, Chapter 16 (California Waterworks Standards).	Engineering	Prior to recordation of the Final Map
PPP 3.17-3	Prior to the issuance of a grading permit, the Project proponent shall be required to provide written verification to the City of Jurupa Valley Engineering Department that the Jurupa Community Services District has verified that adequate capacity exists at the City of Riverside Water Quality Control Plant to serve the Project and/or a Sewer Capacity Fee shall be paid.	Engineering	Prior to the issuance of a grading permit
PPP 3.17-4	The Project shall participate in established County-wide programs for residential development projects to reduce solid waste generation, in accordance with the provisions of the Riverside Countywide Integrated Waste Management Plan.	Planning	Riverside County Waste Management Department will inform Planning of any violations

NO FEE FOR RECORDING PURSUANT TO GOVERNMENT CODE SECTION 6103

Order No.

Escrow No.
File No.

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Housing Authority of the
County of Riverside
5555 Arlington Avenue
Riverside, CA 92504
Attn: Mervyn Manalo

SPACE ABOVE THIS LINE FOR RECORDERS USE

DISPOSITION AND DEVELOPMENT AGREEMENT

(File No. HASA2-15-001)

By and Between

THE HOUSING AUTHORITY OF
THE COUNTY OF RIVERSIDE

and

HABITAT FOR HUMANITY RIVERSIDE, INC.

as Developer

for

Jurupa Valley Enriched Veterans Neighborhood Project

Dated _____, 2015

Approved by

Board of Commissioners Resolution No. 2015-003
and
Board of Supervisors Resolution No. 2015-039

ATTACHMENTS

DISPOSITION AND DEVELOPMENT AGREEMENT
(Jurupa Valley Enriched Veterans Neighborhood Project)

This DISPOSITION AND DEVELOPMENT AGREEMENT ("**Agreement**") is entered into this _____ day of _____ 2015, by and between the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside (hereinafter called the "**Authority**") and HABITAT FOR HUMANITY RIVERSIDE, INC., a California nonprofit public benefit corporation (hereinafter called "**Developer**"). Authority and Developer are collectively referred to herein as the "Parties" and individually as "Party."

RECITALS

A. The County of Riverside ("**County**") adopted the redevelopment plan ("**Redevelopment Plan**") for the Jurupa Valley Redevelopment Project Area ("**Project Area**");

B. In accordance with California Health and Safety Code Section 33490, the former Redevelopment Agency for the County of Riverside ("**RDA**") adopted a five (5) year Implementation Plan for the Project Area, as amended from time to time ("Implementation Plan"), which established goals to support affordable housing, economic development, community revitalization and other activities necessary or appropriate to carry out the objectives of the Redevelopment Plan;

C. In February of 2001, the former RDA adopted Resolution No. 2001-002 to acquire multiple properties in the Project Area with the intent to develop affordable housing, located north of Mission Boulevard, east of Bellegrave Avenue and west of Pedley Road, also known as Assessor Parcel Numbers (APN) 169-100-055, 169-100-057 and 169-070-035, totaling approximately 5.3 acres, as described in the legal description and depicted on the site map attached hereto as **Attachment No. 1** and incorporated herein by this reference (the "**Property**");

D. California Assembly Bill No. x1 26, as modified by Assembly Bill No. 1484 ("**Dissolution Act**"), added Parts 1.8 and 1.85 to Division 24 of the California Community Redevelopment Law (Health and Safety Code sections 33000 et seq., the "**CRL**"). As a result of the Dissolution Act, the RDA was dissolved on February 1, 2012 such that the RDA is now deemed a former redevelopment agency under Health and Safety Code section 34173;

E. Pursuant to the Dissolution Act and Authority Resolution Nos. 2012-035, 2012-001 and 2012-005, all housing functions previously performed by the former RDA, including related rights, powers, duties, obligations, and housing assets were transferred to Authority, including the Property;

F. Authority is a California Housing Authority acting under the California Housing Authorities Law, Part 2 of Division 24 of the Health and Safety Code (the "Housing Authorities Law");

G. On March 26, 2013, the County pledged its goal to ensure that every veteran in

the County who wishes to help themselves has access to medical and mental health services, workforce development training, job assistance, and affordable housing priority under the Veteran Assistance Legislation of Riverside County ("**VALOR**");

H. Authority is a member of the VALOR sub-committee appointed by the County's Board of Supervisors to support its program and its "No Veteran Left Behind" strategy;

I. Developer is a California nonprofit public benefit corporation engaged in building safe and affordable housing for low-income families with a goal to assist veteran households;

J. Developer, in collaboration with the California Department of Veteran Affairs ("**CalVet**") and Habitat for Humanity San Fernando/Santa Clarita Valleys, desires to implement the CalVet Residential Enriched Neighborhood model (defined below) in the City of Jurupa Valley and partner with local businesses and community organizations to provide and support a community of 26 Lower Income (as defined herein) family households, with a preference for veterans and their families, and assist them with social services and training to achieve self-sufficiency ("**Jurupa Valley Enriched Veterans Neighborhood Project**") to be developed and constructed on the Property. Developer has reserved approximately $9,000,000 with CalVet to provide home loans under the terms and conditions prescribed by the Military and Veterans Code and Title 12 of the California Code of Regulations;

K. On August 20, 2013, the Authority's Board of Commissioners adopted Resolution No. 2013-008 supporting the reservation for CalVet funding and intent to donate land for the development and construction of the Jurupa Valley Enriched Veterans Neighborhood Project;

L. On January 28, 2014, the Authority's Board of Commissioners approved that certain Exclusive Negotiation Agreement with Developer to explore and negotiate in good faith a disposition and development agreement; and

M. In furtherance of the public purposes set forth in the Housing Authorities Law of the State of California(Sections 34200 et seq. of the California Health and Safety Code) and the CRL, the Authority desires to convey the Property to Developer for the development and construction thereon of 26 single-family homes to be sold to and occupied by Lower Income Households (as defined herein), for an Affordable Sales Price (as defined herein), and related improvements and amenities, as more specifically described herein.

NOW, THEREFORE, in consideration of the foregoing, and the promises and mutual covenants and conditions hereinafter set forth, the Authority and Developer hereby do agree as follows:

ARTICLE 1 SUBJECT OF AGREEMENT

Section 1.1 Definitions

For purposes of this Agreement, the following capitalized terms shall have the following

meanings:

"Addendum to Grant Deed" means the instrument to be included with all grant deeds from the Developer to Purchasers of the Restricted Units, substantially in the form attached hereto as **Attachment No. 5**, which is incorporated herein by this reference.

"Affiliate" means (1) any Person directly or indirectly controlling, controlled by or under common control with another Person; (2) any Person owning or controlling ten percent (10%) or more of the outstanding voting securities of such other Person; or (3) if that other Person is an officer, director, member or partner, any company for which such Person acts in any such capacity. The term "control" as used in the immediately preceding sentence, means the power to direct the management or the power to control election of the board of directors. It shall be a presumption that control with respect to a corporation or limited liability company is the right to exercise or control, directly or indirectly, more than fifty percent (50%) of the voting rights attributable to the controlled corporation or limited liability company, and, with respect to any individual, partnership, trust, other entity or association, control is the possession, indirectly or directly, of the power to direct or cause the direction of the management or policies of the controlled entity. It shall also be a presumption that the managing General Partner of a limited partnership controls the limited partnership.

"Affordable Housing Resale Restriction" means that certain Affordable Housing Resale Restriction Option to Designate Eligible Purchase and Option to Purchase Upon Default, in a form and substance first approved by Authority Executive Director and County Counsel, to be executed by a Purchaser of a Restricted Unit on or prior to the close of escrow for the conveyance of such unit from Developer to such Purchaser. The Affordable Housing Resale Restriction shall include, among other things, a first right of refusal in favor of the Authority to the purchased Restricted Unit.

"Affordability Restrictions" means the restriction on Developer to sell the Restricted Units only to Lower Income First Time Homebuyers for an Affordable Sales Price as provided in Section 4.1 of this Agreement and the Grant Deed, and the restriction on each Purchaser and subsequent owner of each Restricted Unit to sell the Restricted Units only to a Lower Income Household for an Affordable Sales Price unless otherwise permitted by the terms of the Addendum to Grant Deed.

"Affordable Housing Cost" means, pursuant to Health and Safety Code Section 50052.5(b)(3), for Lower Income Households the housing cost payments shall not exceed thirty percent (30%) of the gross income of the household times seventy percent (70%) of the Area Median Income as determined by HUD, adjusted for household size appropriate for the Unit. For purposes of this definition, the phrase "adjusted for household size appropriate for the Unit" shall mean a household size equal to the number of bedrooms in the Unit plus one.

"Affordable Sales Price" means that portion of the Sales Price of a Restricted Unit that is equal to the sum of a First Mortgage Loan and any down payment, if applicable, where the total Housing Cost to be paid by the Purchaser does not exceed the Affordable Housing Cost. The Affordable Sales Price shall be established so that payments on the First Mortgage Loan (based

on a 30-year fixed mortgage at prevailing interest rates) will not exceed an Affordable Housing Cost to the buyer when added to all other components of the Housing Cost, as defined in Section 6920 of title 25 of the California Administrative Code.

"Area Median Income" means the median income of the Riverside-San Bernardino-Ontario Standard Metropolitan Statistical Area, adjusted for family size by the United States Department of Housing and Urban Development ("HUD") pursuant to Section 8 of the United States Housing Act of 1937, as determined by HUD and published from time to time by the California Department of Housing and Community Development.

"Authority Executive Director" or "Executive Director" means the Executive Director of the Housing Authority of the County of Riverside or his or her designee. Authority agrees to provide notice to Developer of the name of the Executive Director's designee on a timely basis, and to provide updates from time to time.

"Authority Instruments" means and includes this DDA, the Grant Deed, including the Addendum to Grant Deed, Environmental Indemnity, Assignment of Agreements and the Agreement Containing Covenants, each in a form that is reasonably acceptable to the Authority Executive Director.

"CalVet" means the California Department of Veteran Affairs.

"CalVet Residential Enriched Neighborhood model" (formerly the "Habitat Enriched Neighborhood model") means a neighborhood community that integrates a supportive environment connecting veterans and their families directly to services and programs that provide training and encourage self-sufficiency. Services and programs include social services, health information, home repair, money management, tutoring, and job search assistance.

"City" means the City of Jurupa Valley.

"Closing" or "Close of Escrow" means with respect to the acquisition of the Property by Developer the point in time when all conditions precedent to such acquisition have been satisfied in accordance with this Agreement.

"Closing Date" means the date on which the Closing has occurred.

"Completion" means the point in time at which all of the following have been satisfied: (a) issuance of a certificate of occupancy for the Project by the County of Riverside, (b) recordation of a Notice of Completion by Developer or its contractor, (c) submission to the Authority, of unconditional lien releases or waivers obtained by Developer or Developer's agent, (d) certification by the project architect that construction of the Improvements (with the exception of minor "punch list" items) has been completed in a good and workmanlike manner and substantially in accordance with the approved plans and specifications; (e) payment, settlement or other extinguishment, discharge, release, waiver, bonding or insuring against any mechanic's liens that have been recorded or stop notices that have been delivered; and (f) the Property has been developed in accordance with this Agreement, the Scope of Development and

plans approved by the Authority pursuant to this Agreement.

"Conditions" means, with respect to the Property, the condition of the soil, geology, the presence of known or unknown faults or defects, or Hazardous Substances, the suitability of the Property for its intended uses, or the condition of any related public improvements.

"Construction Financing Event" means the occurrence of the satisfaction of all conditions precedent to the commencement of disbursement of the Construction Loan proceeds, including, without limitation, recordation of the Construction Loan deed of trust in the Official Records.

"Construction Loan" means the loan from CalVet in the approximate amount of $9,000,000 made to the Developer at the time of the Closing for construction of the Improvements, secured against the Property by the Construction Loan Deed of Trust. The Construction Loan will convert to a First Mortgage Loan for the qualified Purchaser upon the close of escrow for the sale of a Restricted Unit from Developer to such qualified Purchaser.

"Construction Lender" means CalVet.

"Construction Loan Deed of Trust" means the deed of trust securing the Construction Loan that is first in priority.

"County" means the County of Riverside, a political subdivision of the State of California.

"DDA" or "Agreement" means this Disposition and Development Agreement by and between the Authority and the Developer.

"Developer" means Habitat for Humanity Riverside, Inc., a California nonprofit public benefit corporation and any assignee of or successor to its rights, powers and responsibilities permitted by this Agreement.

"Developer's Purchase Price" means the sum of one dollar ($1) to be paid by the Developer to the Authority to purchase the Property.

"Development Costs" means all costs which are actually incurred by Developer for the acquisition of the Property and the financing, design, development and construction of the Project, and shall include, without limitation, all of the items of cost set forth in the Project Budget and similar costs, fees and expenses as approved by the Authority Executive Director.

"Displaced Homemaker" means an individual who (1) is an adult; (2) has not worked full-time in the labor force for at least two (2) years but has, during such years, worked primarily without remuneration to care for the home and family; and (3) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

"Escrow Instructions" or "Escrow Agreement" means escrow instructions prepared on behalf of the Authority relating to the sale of the Property to Developer.

"First Mortgage Loan" means a loan made by CalVet to a Purchaser to be used to pay a portion of the Affordable Sales Price of a Restricted Unit, which, upon the sale of a Restricted Unit to a Purchaser, shall be secured by a first deed of trust and other security instruments having a lien on the Restricted Unit that is senior in priority to the lien of the Second Mortgage deed of trust, the third mortgage deed of trust, if necessary, and all other subordinate liens.

"First Time Homebuyer" means an individual and his or her spouse who have not owned a home during the three (3)-year period immediately preceding the purchase of the Restricted Unit, except that an individual may not be excluded from consideration as a First Time Homebuyer on the basis that the individual owns or owned, as a principal residence during the 3-year period immediately preceding the purchase of the Restricted Unit, a dwelling unit whose structure is not permanently affixed to a permanent foundation in accordance with local or other applicable regulations.

"Force Majeure" or "Force Majeure Event" means any of the following events, provided that it actually delays and interferes with the timely performance of the matter to which it applies and despite the exercise of diligence and good business practices is or would be beyond the reasonable control of the party claiming such interference: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation including litigation challenging the validity of this transaction or any element thereof; unusually severe weather; inability to secure necessary labor, materials or tools; acts of the other party; acts or failure to act of any Governmental Authority (except acts or failure to act of the Authority shall not excuse performance by the Authority); or the imposition of any applicable moratorium by a Governmental Authority; or any other causes which despite the exercise of diligence and good business practices are or would be beyond the reasonable control of the party claiming such delay and interference. Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure Event unless and until the party claiming such delay and interference delivers to the other party written notice describing the event, its cause, when and how such party obtained knowledge of the event, the date the event commenced, and the estimated delay resulting therefrom. Any party claiming a Force Majeure Delay shall deliver such written notice within fifteen (15) days after it obtains actual knowledge of the event.

"Force Majeure Delay" means any delay in taking any action required by this Agreement, proximately caused by the occurrence of any Force Majeure Event.

"Governmental Approvals" means and include any and all general plan amendments, zoning approvals or changes, required approvals and certifications under the California Environmental Quality Act, variances, conditional use permits, demolition permits, excavation/foundation permits, grading permits, building permits, inspection reports and approvals, certificates of occupancy, and other approvals, permits, certificates, authorizations, consents, orders, entitlements, filings or registrations, and actions of any nature whatsoever required from any Governmental Authority in order to commence and complete the construction of the Project.

"Governmental Authority" means the United States, the State of California, the City of Jurupa Valley, the County, or any other political subdivision in which the Property is located, and any court or political subdivision, agency or instrumentality having jurisdiction over the Property.

"Grant Deed" means the instrument by which the Authority will convey title to the Property to Developer, substantially in the form attached hereto as **Attachment No. 4**, which is incorporated herein by this reference.

"Hazardous Substances" shall have the meaning set forth in the Environmental Indemnity.

"Housing Cost" shall have the meaning set forth in Title 25 California Administrative Code Section 6920.

"HUD" means the United States Department of Housing and Urban Development.

"Improvements" means 26 new residential single-family homes, 8 homes of which shall have 4 bedrooms and a minimum of 1,500 square feet, and 18 homes of which shall have 3 bedrooms and a minimum of 1,300 square feet, to be constructed on the Property with related infrastructure, parking, and common areas and the Open Space Improvements, all in accordance with this Agreement, and as more specifically described in the Scope of Development attached hereto as **Attachment No. 6** and incorporated herein by this reference.

"Lender" or "Senior Lender" means CalVet or any other owner or holder of a mortgage permitted by this Agreement.

"Lower Income" or "Lower Income Household" shall have the meaning set forth in Health and Safety Code Section 50079.5. If the California Department of Housing and Community Development discontinues publishing the Lower Income limits, the term "Lower Income" shall mean a household income that does not exceed 80% of the area median income for the County of Riverside, adjusted by family size.

"Method of Financing" shall mean the document attached to this Agreement as **Attachment No. 2**, which is incorporated herein by this reference.

"Mortgagee" shall mean any maker of a Permitted Mortgage Loan to Developer.

"Necessary Capital Contributions" shall mean that certain amount of money derived from third-party donations in the form of cash received that equals (or exceeds) the Authority approved Development Costs less the cumulative amount of the Construction Loan necessary for the financing of the Project.

"Notice of Affordability Restrictions" means the Notice of Affordability Restrictions in form as attached hereto as **Attachment No. 10**.

"Official Records" means the Official Records of the Office of the County Recorder for the County of Riverside, California.

"Open Space Improvements" means the improvements to be constructed on the open space portion of the Property to be maintained by the Developer, in accordance with the plans and specifications approved by the City and the Scope of Development attached hereto.

"Permitted Exceptions" means those encumbrances, liens, taxes, assessments, easements, rights of way, leases, covenants, agreements or other exceptions affecting title to the Property as of the date of recordation of the Grant Deed which are not disapproved in writing by the Developer.

"Permitted Mortgage" shall mean and include: (i) any conveyance of a security interest in the Property to one or more Mortgagees to secure any loan to finance the Project as required by this Agreement; and (iii) the conveyance of title to the Mortgagee or its assignee in connection with a foreclosure or a deed in lieu of foreclosure of such loan.

"Permitted Mortgagee" shall mean the maker of any Permitted Mortgage Loan.

"Permitted Mortgage Loan" shall mean the obligations secured by a Permitted Mortgage.

"Permitted Transfer" means assignment of all or any part of this Agreement or any right therein, or the sale, agreement to sell, transfer, conveyance or assignment of the Property or any portion thereof or interest therein to any of the following:

(1) A partnership or limited liability company in which Developer, or an entity controlled by Developer, is the managing general partner or managing member and is in control thereof;

(2) The admission of additional new general or limited partners or members, or the substitution or deletion of partners or members to any such partnership or limited liability company set forth in clause a. above, so long as Developer or an entity controlled by Developer continues in control;

(3) A corporation that is wholly owned and that is controlled by Developer or an entity controlled by Developer;

(4) The granting of easements, licenses or permits to facilitate the development of the Property;

(5) The transfer or conveyance of all or any portion of the Property by foreclosure or deed of trust or by transfer in-lieu-of foreclosure to a Lender; and

(6) The sale for occupancy of any Restricted Unit in conformance with this Agreement.

Any transfer described in clauses (1) through (5) shall be subject to the reasonable approval of documentation by the Authority Executive Director or designee. Any sale for occupancy of a Restricted Unit, as described in clause (6), shall be subject to the approval of the Authority Executive Director.

"Person" means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, domestic or foreign.

"Plans" means any architectural and construction plans and drawings prepared on behalf of Developer for the Project in accordance with this Agreement.

"Project" means the acquisition of the Property by Developer, the development and construction thereon of the Improvements, and the sale of the Restricted Units to qualified First Time Homebuyers for an Affordable Sales Price, pursuant to this Agreement, including, but not limited to the Scope of Development attached hereto as **Attachment No. 6**.

"Project Budget" means the schedule of sources and uses of funds to pay Development Costs attached to this Agreement as **Attachment No. 7**, incorporated herein by this reference.

"Property" means the real property, including all improvements thereon, with Assessor Parcel Numbers (APN) 169-100-055, 169-100-057 and 169-070-035, totaling approximately 5.3 acres, legally described and depicted on **Attachment No. 1**. In the event that Developer subdivides the Property, each subdivided parcel shall be subject to the rights and obligations under this Agreement and the legal description referenced herein for the Property may be modified to reflect the legal descriptions associated with each new parcel.

"Purchaser" means any qualified Lower Income person or household who is also a qualified First Time Homebuyer and the initial purchaser of a Restricted Unit from Developer. Subsequent purchasers of a Restricted Unit from the Developer shall be a qualified Lower Income Household.

"Purchase Price" means the sum of One Dollar ($1.00) to be paid by Developer to Authority for the acquisition of the Property.

"Release of Construction Covenants" means the certificate to be issued by the Authority upon Completion and recorded in the Office of the County Recorder of the County of Riverside, in accordance with Section 3.22 of this Agreement.

"Restricted Period" means the longest feasible time, but not less than forty-five (45) years following the initial purchase of a Restricted Unit by a Purchaser from Developer.

"Restricted Units" means newly constructed Units in the Project, which shall be sold exclusively to and occupied exclusively by Lower Income Purchasers who are First Time Homebuyers. The Restricted Units shall consist of all Units.

"Right of Entry Agreement" means that agreement substantially in form attached hereto as **Attachment No. 16** and incorporated herein by this reference.

"Sales Price" means the total purchase price paid by a Purchaser to Developer for a Restricted Unit, consisting of the CalVet Construction Loan, the down payment, if any, and the

Second Mortgage Loan.

"Second Mortgage Loan" means the silent second mortgage loan issued by Developer to Purchaser subordinate to the First Mortgage Loan issued by CalVet. The Second Mortgage Loan shall be evidenced by a promissory note for the benefit of Developer and secured by a subordinated deed of trust encumbering the respective Restricted Unit.

"Senior Loan" means the source of financing in the form of a Construction Loan, a permanent loan or any other loan, credit enhancement or construction period guaranty facility secured by a deed of trust or other instrument against the Property.

"Schedule of Performance" means the schedule attached hereto as **Attachment No. 3** and incorporated herein by this reference.

"Scope of Development" means the Scope of Development attached hereto as **Attachment No. 6** and incorporated herein by this reference.

"Title Company" means Lawyers Title Insurance Corporation, or another title insurance company mutually agreed upon by the Authority Executive Director and Developer.

"Transfer" means the assignment of all or any part of this Agreement or any right herein, or the sale, agreement to sell, transfer, conveyance, or assignment of the Property or any portion thereof or interest therein.

"Units" means the twenty-six (26) single family homes to be developed and constructed pursuant to this Agreement and the Scope of Development.

Section 1.2 Purpose of Agreement

The Authority owns the Property. The purpose of this Agreement is to effectuate the Redevelopment Plan for the Jurupa Valley Redevelopment Project Area by conveying the Property to Developer for the construction and development thereon of twenty-six (26) single family homes to be sold for and Affordable Sales Price to and occupied by qualified Lower Income First Time Homebuyers, as more specifically described in this Agreement. The development, sale and use of the Property pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the County of Riverside and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws.

Section 1.3 The Authority

(a) The Authority is a public entity, corporate and politic, exercising governmental functions and powers, and organized and existing under the Housing Authorities Law of the State of California (California Health and Safety Code § 34200 et seq.). The Authority is also the "housing successor" to the former Redevelopment Agency of the County of Riverside pursuant to California Health and Safety Code Section 34176. The principal office of

the Authority is located at 5555 Arlington Avenue, Riverside, California 92504.

(b) "Authority" as used in this Agreement includes the Housing Authority of the County of Riverside, California and any assignee of or successor to its rights, powers and responsibilities.

Section 1.4 Developer

Developer is Habitat for Humanity Riverside, Inc., a California nonprofit public benefit corporation. The principal address of Developer for purposes of this Agreement is 2180 Iowa Avenue, Riverside, California 92507. Whenever the term "Developer" is used herein, it shall mean and include the Developer as of the date of this Agreement, and any assignee of or successor to the rights, powers and responsibilities of Developer permitted by this Agreement.

Section 1.5 Assignments and Transfers

(a) Developer represents and agrees that its undertakings pursuant to this Agreement are for the purpose of redeveloping the Property and providing affordable for sale housing for Lower Income Households, and not for speculation in land holding. Developer further recognizes that the qualifications and identity of Developer are of particular concern to the Authority, in light of the following: (1) the importance of the development of the Property to the general welfare of the community; (2) the public assistance that has been made available by law and by the government for the purpose of making such redevelopment possible; and (3) the fact that a change in ownership or control of Developer or any other act or transaction involving or resulting in a significant change in ownership or control of Developer, is for practical purposes a transfer or disposition of the property then owned by Developer. Developer further recognizes that it is because of such qualifications and identity that the Authority is entering into the Agreement with Developer. Therefore, no voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement except as expressly permitted herein.

(b) Prior to Completion, Developer shall not assign all or any part of this Agreement, or any interest herein, without the prior written approval of the Authority. Subject to review of documentation effectuating any such proposed assignment or transfer, the Authority agrees to reasonably give such approval if the assignment is a Permitted Transfer.

(c) For the reasons cited above, Developer represents and agrees for itself and any successor in interest that prior to Completion, without the prior written approval of the Authority, there shall be no significant change in the ownership of Developer or in the relative proportions thereof, or with respect to the identity of the parties in control of Developer or the degree thereof, by any method or means, except Permitted Transfers.

(d) Any assignment or transfer of this Agreement or any interest herein or significant change in ownership of Developer, other than certain Permitted Transfers, shall require the written approval of the Authority, which shall not be unreasonably withheld. To the extent Authority approval of an assignment or transfer is required by this Agreement, in granting or withholding its approval, Authority shall base its decision upon the relevant experience,

financial capability and reputation of the proposed assignee or transferee and the effect, if any, of such proposed transfer on the public purposes of this Agreement. In addition, Authority shall not approve any assignment or transfer of this Agreement or any interest herein or significant change in ownership of Developer that results in payment of consideration to any Person prior to the issuance of the Release of Construction Covenants and that is not conditioned upon the issuance of the Release of Construction Covenants.

(e) Developer shall promptly notify the Authority of any and all changes whatsoever in the identity of the parties in control of Developer or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. Except for Permitted Transfers, this Agreement may be terminated by the Authority if there is any significant change (voluntary or involuntary) in membership, management or control, of Developer (other than such changes occasioned by the death or incapacity of any individual) prior to Completion. In the event, prior to Completion, of the death or incapacity of any individual who controls Developer or the managing member of Developer, any resulting change in the management of the Improvements or the control of the day-to-day operations of the Property and the Improvements shall be subject to the approval of the Executive Director or designee, which approval shall not be unreasonably withheld, conditioned or delayed.

(f) Permitted Transfers and any other assignments or transfers approved by the Authority shall be evidenced by the Developer's, assignee's, and Authority's execution of an assignment and assumption agreement substantially approved as to form and substance by the Authority and Authority's general counsel.

(g) The restrictions of this Section 1.5 shall terminate upon Completion.

ARTICLE 2 DISPOSITION OF THE PROPERTY

Section 2.1 Conveyance of the Property

At such time as all conditions precedent to the conveyance of the Property have been satisfied, as set forth herein and in the Method of Financing (**Attachment No. 2**), Authority shall convey the Property to Developer in consideration for and on such terms and conditions as are contained herein.

Section 2.1.1 Conditions Precedent to Conveyance of Property

Subject to the notice and cure provisions of Section 5.1 and to the enforced delay provisions of Section 6.4 of this Agreement, the Authority at its option may terminate this Agreement pursuant to Section 5.8 if any of the conditions precedent set forth herein and in the Method of Financing (**Attachment No. 2**) are not satisfied by the Developer or waived in writing by the Authority within the time limits set forth in the Schedule of Performance (**Attachment No. 3**).

Section 2.2 Escrow

The Developer agrees to open an escrow for the conveyance of the Property with the Title Company or with any other licensed escrow company first approved by the Authority and Developer ("Escrow Agent"), no later than the date established therefor in the Schedule of Performance. No later than the time provided in the Schedule of Performance, the Authority shall cause to be prepared and shall deliver the Escrow Instructions to the Escrow Agent. The Authority's Executive Director and the Developer shall provide such additional or amended escrow instructions as may be necessary to close the escrow with respect to the conveyance of the Property, and consistent with this Agreement.

Section 2.3 Possession of Property Upon Close of Escrow

(a) Conveyance of the Property shall occur on or before the date set forth in the Schedule of Performance (**Attachment No. 3**), or such later date as mutually agreed to in writing by the Authority and Developer and communicated in writing to the Escrow Agent pursuant to Section 2.2 herein; provided, however, it is the mutual intention and desire of the Authority and Developer to close Escrow expeditiously but in all events before August 1, 2015. The Authority and Developer agree to perform all acts necessary to convey title in sufficient time for escrow to be closed in accordance with the foregoing provisions.

(b) Possession of the Property shall be delivered to Developer concurrently with the Close of Escrow, except that access and entry may be granted before the Close of Escrow as permitted pursuant to Section 2.12 of this Agreement.

Section 2.4 Form of Deed

The Authority shall convey title to the Property to Developer in the condition provided in Section 2.5 of this Agreement, by Grant Deed substantially conforming in form and substance to the form of Grant Deed attached hereto as **Attachment No. 4** and incorporated herein by this reference.

Section 2.5 Condition of Title

The Authority shall convey to the Developer the Property free and clear of (i) all liens, encumbrances, covenants, restrictions, easements, leases, taxes and other defects, and (ii) any exception created by the Authority after the date of this Agreement, but subject to (a) the covenants, conditions, restrictions and easements arising out of the provisions of this Agreement; and (b) unless caused to be removed by Developer with the Authority's consent, the Permitted Exceptions.

Section 2.6 Closing Date

Subject to any mutually agreed-upon extension of time, the parties shall use their best efforts to satisfy all conditions precedent to the Closing prior to the date specified therefor in the Schedule of Performance. The Authority shall not be obligated to convey the Property to Developer unless all the conditions set forth herein and in the Method of Financing as conditions precedent to Closing have been satisfied, and such conditions precedent shall be satisfied on or

before the date established for the conveyance of the Property to Developer in the Schedule of Performance.

Section 2.7 Title Insurance

(a) Concurrently with the recordation of the Grant Deed, Title Company shall provide and deliver to Developer a Title Insurance Policy, issued by the Title Company insuring that the fee interest to be conveyed is vested in Developer in the condition required by Section 2.5 of this Agreement ("Owner's Title Policy"). The Title Company shall provide Authority with a copy of the Owner's Title Policy. The Owner's Title Policy shall be in the amount specified by Developer.

(b) If Developer elects to secure an A.L.T.A. owner's policy or to secure an A.L.T.A. lender's policy for the benefit of any lender for which a mortgage will or is intended to be granted covering the Property as permitted by the terms of this Agreement, Authority shall cooperate with Developer, at no cost to Authority, to obtain such policies by providing surveys and engineering studies in its possession which relate to or affect a condition of title or a geological condition. In providing such surveys and engineering studies, Authority does not warrant the accuracy or sufficiency of such material. The responsibility of Authority assumed by this paragraph is limited to cooperating in good faith with Developer. Authority shall have no obligation to incur any cost or to take any action necessary to obtain an A.L.T.A. policy.

(c) Developer shall pay for all premiums for all title insurance policies and coverage and special endorsements with respect to the Property. The Authority shall not be responsible for paying any title insurance costs or premiums.

Section 2.8 Taxes and Assessments

Ad valorem taxes and assessments, if any, on the Property or any rights hereunder levied, assessed, or imposed as to any period prior to the Closing shall be borne by the Authority. All ad valorem taxes and assessments levied or imposed on the Property as to any period after the Closing shall be the sole responsibility of and paid by Developer.

Section 2.9 Occupants of the Property

The Authority warrants and agrees that title to the Property shall be conveyed free of any possession and any right of possession except that of Developer, except as waived by Developer in writing, and the Permitted Exceptions.

Section 2.10 Condition of the Property

Section 2.10.1 Hazardous Substances

(a) "Hazardous Substance," as used in this Agreement means any substance, material or waste which is or becomes regulated by the United States government, the State of California, or any local or other governmental authority, including, without limitation, any material, substance or waste which is (i) defined as a "hazardous waste," "acutely hazardous

waste," "restricted hazardous waste," or "extremely hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code; (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code; (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code; (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code; (v) petroleum; (vi) asbestos; (vii) a polychlorinated biphenyl; (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20; (ix) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317); (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. Section 6903); (xi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601); or (xii) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any governmental requirements either requires special handling in its use, transportation, generation, collection, storage, treatment or disposal, or is defined as "hazardous" or is harmful to the environment or capable of posing a risk of injury to public health and safety. "Hazardous Substances" do not include materials customarily used in the construction, development, operation or maintenance of real estate, provided such substances are used in accordance with all laws.

(b) Developer hereby represents and warrants that the development, construction and uses of the Property permitted under this Agreement (i) will comply with all applicable environmental laws; and (ii) do not require the presence of any Hazardous Substance on the Property.

(c) Within seven (7) business days of request by Developer, Authority shall deliver to Developer, if not previously delivered, all documents relevant to the condition of the Property within the Authority's possession or control, including, without limitation, a preliminary title report with underlying exceptions, environmental reports, studies, surveys, and all other relevant documents within the Authority's possession or control (collectively referenced as "Documents"). Authority does not warrant the accuracy of these Documents or that these Documents constitute all documents that may exist regarding the conditions of the Property, and that Developer has been cautioned to conduct its own inquiry to determine if more information is available.

Section 2.11 Suitability of the Property

(a) Prior to Closing, Developer shall have the right to engage, at its sole cost and expense, its own environmental consultant ("Developer's Environmental Consultant"), to make such investigations as Developer deems necessary, including without limitation any "Phase 1" and/or "Phase 2" investigations of the Property or any portion thereof, and the Authority shall promptly be provided a copy of all reports and test results provided by Developer's Environmental Consultant (the "Environmental Reports").

(b) The Property shall be delivered from Authority to Developer in an "as is" physical condition, with no warranty, express or implied by Authority as to the presence of

Hazardous Substances, or the condition of the soil, its geology or the presence of known or unknown faults. If the condition of the Property is not in all respects entirely suitable for the use or uses to which such Property will be put, then it is the sole responsibility and obligation of Developer to place the Property in all respects in a condition entirely suitable for the development thereof, solely at Developer's expense.

(c) Effective upon Closing, Developer agrees to indemnify, defend and hold harmless the Authority, County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Commissioners, elected and appointed officials, employees, agents and representatives, in accordance with the Environmental Indemnity (**Attachment No. 8**).

(d) On and after the Effective Date of this Agreement, Developer hereby waives, releases and discharges the Authority, County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Commissioners, elected and appointed officials, employees, agents and representatives, from any and all present and future claims, demands, suits, legal and administrative proceedings, and from all liability for damages, losses, costs, liabilities, fees and expenses (including, without limitation, attorneys' fees) arising out of or in any way connected with the Authority's or Developer's use, maintenance, ownership or operation of the Property, any Hazardous Substances on the Property, or the existence of Hazardous Substances contamination in any state on the Property, however the Hazardous Substances came to be placed there, except that arising out of the gross negligence or willful misconduct of the Authority, County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Commissioners, elected and appointed officials, employees, agents and representatives. Developer acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

To the extent of the release set forth in this Section 2.11, Developer hereby waives and relinquishes all rights and benefits which it may have under Section 1542 of the California Civil Code.

Section 2.12 Property Access Prior to Close of Escrow

Beginning on the Effective Date of this Agreement and ending at the Closing, Developer and representatives of Developer shall have the right of access to and entry upon the Property at all reasonable times, in accordance with the terms and conditions of the Right of Entry Agreement, which is attached hereto and incorporated herein by this reference as **Attachment No. 16**, for the purpose of obtaining data and making surveys and tests necessary to carry out this Agreement.

Section 2.13 Method of Financing

The Project shall be financed with a combination of sources of financing, including the

Construction Loan and Necessary Capital Contributions, as provided in the Method of Financing, attached hereto as **Attachment Nos. 2**. Developer shall use diligent, good faith efforts to secure the Necessary Capital Contributions for the Project prior to the Closing as required herein. Developer is responsible for all costs to complete the construction and development of the Improvements on the Project pursuant to this Agreement and the Scope of Development.

After the execution of this Agreement, Developer shall promptly begin and thereafter diligently pursue fundraising efforts to fund the Project, pursuant to Section 2.14 below. In addition to any other requirements under this Agreement, within fifteen (15) days of the Authority's request, Developer shall provide written reports concerning the progress of its fundraising efforts.

Section 2.14 Capital Contributions Campaign

Developer has begun accepting third-party donations for use in connection with the development and construction of the Improvements on the Property and Developer shall continue to solicit donations for such purpose until Developer has received and placed into Developer's account the total amount of the Necessary Capital Contributions.

Developer shall provide to the Authority a report every month (the "Status Report") detailing (i) the status of the receipt of capital campaign donations and pledges and the total amount of capital campaign funds on-hand, and (ii) the most recent estimated costs prepared by or on behalf of Developer associated with construction and development of the Project on the Property. The first Status Report shall be due by July 5, 2015 and each subsequent Status Report shall be due each month thereafter until Close of Escrow.

Section 2.15 Representations and Warranties

(a) As an inducement to the Authority to enter into this Agreement and consummate the transactions described herein, Developer hereby represents and warrants to the Authority, which representations and warranties are true and correct as of the date of this Agreement and which shall survive the Close of Escrow:

(1) The Developer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to satisfy all obligations of the Developer in this Agreement or in any instrument or document referred to herein (referred to collectively as the "Developer's Obligations");

(2) This Agreement and all documents required hereby to be executed by Developer are, and shall be, valid, legally binding obligations of and enforceable against Developer in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally;

(3) There is no charter, bylaw, or capital stock provision of Developer, and no provision of any indenture, instrument, or agreement, written or oral, to which Developer is a party or which governs the actions of Developer or which is otherwise binding upon Developer or Developer's property, nor is there any statute, rule or regulation, or any judgment, decree, or order of any court or agency binding on Developer or Developer's property which would be contravened by the execution, delivery or performance of any of Developer's Obligations;

(4) There is no action, suit, or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of

Developer, threatened against or affecting Developer, or any properties or rights of Developer, which, if adversely determined, would materially impair the right of Developer to execute or perform any of the Developer's Obligations, or would materially adversely affect the financial condition of Developer;

(5) Neither the execution and delivery of this Agreement, including any attachments hereto or documents related to this Agreement, nor the incurrence of the Developer's Obligations, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Agreement and the documents referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreements or instruments to which Developer is a party;

(6) No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or threatened against Developer, nor are any of such proceedings contemplated by Developer;

(7) All reports, documents, instruments, information and forms of evidence delivered to the Authority concerning or required by this Agreement are accurate, correct and sufficiently complete to give the Authority true and accurate knowledge of their subject matter, and do not contain any misrepresentation or omission; and

(8) No representation, warranty or statement of Developer in this Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading.

Developer's representations and warranties made in this Section 2.15 shall be continuing and shall be true and correct as of the date of the Close of Escrow with the same force and effect as if remade in a separate certificate at that time. The truth and accuracy of the Developer's representations and warranties made herein shall constitute a condition for the benefit of the Authority to the performance of the Authority's obligations hereunder.

Section 2.16 Evidence of Financing

(a) Not later than fifteen (15) days prior to the scheduled Closing Date and in no event later than the date provided in the Schedule of Performance, Developer shall submit to the Authority evidence satisfactory to the Authority that Developer has obtained the financing necessary for the acquisition and development of the Property in accordance with this Agreement. Such evidence of financing shall include the following:

1. A copy of all loan documents relating to the Construction Loan with CalVet, including a final project budget approved by CalVet, certified by Developer to be a true and correct copy or copies thereof;

2. A copy of a loan commitment evidencing that the CalVet Construction Loan will convert to permanent loans for qualified Purchasers upon the conveyance of each Restricted Unit by Developer to such qualified Purchaser, certified by Developer to be a true and correct copy or copies thereof;

3. Documentation acceptable to the Authority Executive Director or designee demonstrating that Developer has received and is in control of 100% of

the Necessary Capital Contributions required by the Method of Financing to pay the Development Costs for the Project; and

4. A copy of the contract between Developer and the general contractor or major subcontractors for the construction of the Improvements, certified by Developer to be a true and correct copy thereof.

(b) The Authority shall approve or disapprove such evidence of financing within the time established in the Schedule of Performance (**Attachment No. 3**). Such approval shall not be unreasonably withheld. If the Authority shall disapprove any such evidence of financing, the Authority shall do so by written notice to Developer stating the reasons for such disapproval.

Section 2.17 Conditions Precedent to the Close of Escrow

The Close of Escrow is conditioned upon the occurrence of each of the following conditions on or prior to the scheduled Closing Date as set forth in the Schedule of Performance (**Attachment No. 3**), unless otherwise waived in writing by the Authority:

1. Developer shall have duly performed each and every obligation to be performed by Developer hereunder prior to the Close of Escrow and Developer's representations, warranties and covenants set forth in this Agreement shall be true and correct as of the date of the Close of Escrow.

2. Developer shall have delivered to Authority all necessary evidence of financing pursuant to Section 2.16 above.

3. Developer shall not be in default under this Agreement.

4. Developer shall have submitted and Authority shall have approved Final Construction Drawings.

5. Developer shall have delivered to the Authority final revisions to the Project Budget (**Attachment No. 7**), which have been approved by the Authority Executive Director, demonstrating to the satisfaction of the Authority the availability of sufficient funds to pay all Development Costs ("Final Project Budget").

6. Authority shall have removed or caused to be removed any liens from title necessary to deliver title to the Property to Developer as required by this Agreement;

7. Developer shall have satisfied all conditions precedent to the Construction Financing Event required by CalVet.

8. Developer shall have delivered to Authority a signed statement from Construction Lender agreeing to the Authority's right of reverter and the forfeiture of Developer's title pursuant to Section 2.19 below.

9. The Title Company shall be committed to issue a standard ALTA form owner's Title Insurance Policy to the Developer or such other title insurance as the parties may request,

but Developer shall not delay the close of escrow so long as the Title Company is prepared to issue a Standard Title Insurance Policy;

10. Developer shall have delivered to the Authority a general construction contract between the Developer and a licensed general contractor, covering all construction required by this Agreement and the approved Final Construction Drawings, in an amount that is consistent with the Final Project Budget, together with a construction schedule showing a detailed trade-by trade breakdown of the estimated periods of commencement and completion of construction and complete fixturization of the Project, demonstrating that construction will be completed within the time provided in the Schedule of Performance (**Attachment No. 3**).

11. Developer shall have obtained approval of all financing described in Section 2.16 of this Agreement and the Method of Financing, and the Executive Director shall have approved evidence relating to the Construction Loan, Necessary Capital Contributions, and all documents required to be executed in connection with such financing shall have been duly executed, acknowledged and delivered.

12. Developer shall have submitted to the Authority evidence of the insurance policies required by this Agreement.

13. Developer shall have delivered to the Authority a list of all permits required for the construction of the Improvements, and shall have demonstrated that all variances, entitlements and approvals have been obtained and that all conditions for the issuance of all necessary permits have been satisfied (with the exception of payment of fees, which payment is provided for in the approved Project Budget). If only an excavation/ grading/ foundation permit is to be issued at Closing, Developer shall have delivered to the Authority a "will issue" letter from the City evidencing City's commitment to issue building permits for the Project.

14. Developer shall have delivered documentation relating to the corporate, partnership, limited liability or other similar status of Developer and its general partner(s), including, without limitation and as applicable: limited partnership agreements and any amendments thereto; articles of incorporation; Limited Liability Company Articles of Incorporation (LLC-1); Statement of Information and Operating Agreement (including any amendments thereto); copies of all resolutions or other necessary actions taken by such entity to authorize the execution of this Agreement and related documents; a certificate of status issued by the California Secretary of State; and a copy of any Fictitious Business Name Statement, if any, as published and filed with the Clerk of the County of Riverside.

15. Escrow Agent shall have approved such supplemental recording instructions as may have been prepared on behalf of the Authority.

16. Authority, Developer and/or other parties, as appropriate, shall have executed, and filed or recorded as appropriate, the following documents:

a. Agreement Containing Covenants (**Attachment No. 11**, to be signed and acknowledged by Developer and Authority);

b. Assignment of Agreements, Plans, Specifications and Entitlements (**Attachment No. 9**, to be signed by Developer, project architect and contractor);

c. Environmental Indemnity (**Attachment No. 14**, to be signed by Developer);

d. Statutory Request for Notice of Default per California Civil Code section 2924b (to be signed and acknowledged by Authority);

e. Notice of Affordability Restrictions (**Attachment No. 10**, to be signed and acknowledged by Authority); and

f. Any other document reasonably required by the Authority Executive Director or designee.

When all conditions precedent have been satisfied to the satisfaction of the Authority Executive Director, the Authority Executive Director shall execute and submit to the Escrow Agent a certificate stating that all conditions precedent to recording of the documents have been satisfied or waived, if such be the case. (Condition is for the benefit of Authority and Developer)

Section 2.18 Failure of Conditions to Close of Escrow

In the event any of the conditions precedent to the Close of Escrow are not timely satisfied:

(a) Either party shall have the right to terminate this Agreement, the Escrow and the rights and obligations of Authority and Developer hereunder, except as otherwise provided herein; and

(b) Escrow Agent is hereby instructed to promptly return to Developer and Authority all funds, if any, and documents deposited by them, respectively, into Escrow which are held by Escrow Agent on the date of said termination (less, in the case of the party otherwise entitled to such funds, however, the amount of any cancellation charges required to be paid by such party hereunder); and

(c) Neither party shall have any further rights or obligations hereunder except as otherwise provided herein.

In the event this Escrow terminates because of the non-satisfaction of any condition or the default of Authority or Developer under this Agreement, the cancellation charges, if any, required to be paid by and to Escrow Agent and the Title Company shall be borne by party incurring the same, or in the event of termination due to default, the party in default.

Section 2.19 Post-Closing Conditions and Obligations

As an inducement to the Authority to convey the Property to Developer prior to the Construction Financing Event, the Developer covenants and agrees as follows.

(a) The Property is being conveyed to Developer upon the condition that the Construction Financing Event must occur within the time period set forth in the Schedule of Performance, as such time period may be extended at the discretion of the Authority Executive Director pursuant to Section 3.7 below. Upon the failure of this condition, title to the Property, with all Improvements thereon, shall immediately revert to the Authority and Developer shall forfeit its title thereto and immediately surrender possession of the Property to the Authority. This condition subsequent shall be deemed incorporated into the Grant Deed and shall constitute an independent reverter, separate and apart from the Authority's right of reentry set forth in Section 5 of the Grant Deed and Section 5.10 of this Agreement. To effectuate this reverter, Developer covenants and agrees that, at the request of the Authority, it will promptly deliver to the Authority a quitclaim deed, executed in recordable form as conforming in form and substance and approved by the Authority Executive Director, conveying to the Authority all of Developer's right, title and interest in and to the Property. The Authority Executive Director shall have the right to execute the Certificate of Acceptance on behalf of the Authority accepting fee title to the Property, including any improvements thereon.

(b) If Developer commences grading, demolition, construction or other work on the Property prior to the Construction Financing Event, Developer shall carry out all such work at its own risk and the Authority shall have no liability for any losses or damages suffered by Developer in the event that the Construction Financing Event does not occur within the time period set forth in the Schedule of Performance, as such time period may be extended at the discretion of the Authority's Executive Director. Developer, for itself, and for its successors and assigns, does hereby forever release and discharge the Authority, County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Commissioners, elected and appointed officials, employees, agents and representatives, from any and all claims, demands, actions, causes of action, obligations, costs, expenses, attorneys' fees, expert and consultant fees, damages, losses and liabilities of whatsoever nature, character or kind, whether known or unknown, accrued or unaccrued, suspected or unsuspected, which concern, arise out of, or are in any way connected with such work or activities of Developer. Developer shall defend, indemnify and hold the Authority, County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Commissioners, elected and appointed officials, employees, agents and representatives harmless from any claims brought by Developer's contractors, subcontractors and their suppliers of any tier that concern, arise out of, or are in any way connected with such work or activities, for non-payment of labor, equipment or materials furnished to the Project.

(c) Upon the reverter of title to the Authority pursuant to Paragraph (a) above of this Section 2.16, Developer shall:

(1) If requested by the Authority, fill in and restore any excavation to a level condition;

(2) Clean the Property and its surroundings from all trash, debris or

material waste caused by the performance of the work or by the activities of Developer, its contractors, subcontractors, representative or agents;

(3) Remove all equipment and stored materials and supplies from the Property, except as otherwise agreed by the Authority in its sole discretion; and,

(4) Take reasonable steps determined in consultation with the Authority, which may include but not be limited to the erection of perimeter fencing, to secure the Property from damage or loss due to vandalism and to prevent the unauthorized entry of persons or vehicles onto the Property.

(d) If the filling, leveling, clean-up, removal, securing and delivery required in Paragraph (c) is not promptly undertaken, then the Authority may after notice to Developer immediately take such actions and charge Developer for the costs thereof. Developer shall promptly remit payment of such costs to the Authority.

(e) Upon the reverter of title to the Property to the Authority and the Authority's taking possession of the Property, this Agreement shall terminate and the Authority shall have the right to immediately, and without need for notice or opportunity to cure, exercise any or all of its remedies relating to the Property (including the right of reverter described in Section 5 of the Grant Deed). Within ten (10) business days of such termination, Developer shall deliver all work product prepared with regard to the Property or the Project, including (but not limited to), all plans, construction documents, soils tests and similar reports, permits and other entitlements to the Authority. Notwithstanding anything to the contrary contained in the Assignment of Agreements between the Parties (**Attachment No. 9**), upon termination of this Agreement pursuant to this Section 2.19, Developer shall promptly deliver all Plans and specifications and all architectural agreements to the Authority and the Authority may enforce the rights of Developer under the architect agreements and of its rights to the Plans and specifications and may initiate or participate in any legal proceedings respecting the enforcement of said rights.

(f) Developer shall reimburse the Authority immediately upon written demand by the Authority for all costs reasonably incurred by the Authority (including the reasonable fees and expenses of attorneys and other consultants) in connection with the enforcement of this Section 2.19, including without limitation (i) costs incurred to cure a default by Developer under the Construction Loan, (ii) costs incurred pursuant to paragraph (d) of this Section and (iii) costs incurred to effectuate the reverter to the Authority of title to the Property. Such reimbursement obligations shall survive the termination of this Agreement.

ARTICLE 3 DEVELOPMENT OF THE PROPERTY

Section 3.1 Land Use Approvals

It is the responsibility of Developer, without cost to Authority, to ensure that zoning of the Property and all applicable County and City land use requirements will permit development

and construction of the Improvements and the use, operation and maintenance of such Improvements in accordance with the provisions of this Agreement. The following shall be conditions of the Closing and shall be accomplished by the date set forth in the Schedule of Performance: (A) Developer shall submit and Executive Director or designee shall review and approve/disapprove complete Final Construction Drawings; (B) Developer shall obtain all entitlements, approvals, variances and permits necessary for the construction of the Improvements, and (C) Developer shall satisfy all other conditions precedent to the Closing as set forth herein and in the Method of Financing. Nothing contained herein shall be deemed to entitle Developer to any City or County permit or other City or County approval necessary for the development of the Property, or waive any applicable City or County requirements relating thereto. This Agreement does not (a) grant any land use entitlement to Developer, (b) supersede, nullify or amend any condition which may be imposed by the City or the County in connection with approval of the development described herein, (c) guarantee to Developer or any other party any profits from the development of the Property, or (d) amend any City or County laws, codes or rules. This is not a Development Agreement as provided in Government Code Section 65864.

Section 3.2 Scope of Development

The Property shall be developed in accordance with and within the limitations established in the "Scope of Development" (which is attached to this Agreement as **Attachment No. 6** and incorporated herein by reference) and subsequent plans approved by the Authority pursuant to this Agreement and permits issued by the City of Jurupa Valley and other Governmental Authorities.

Section 3.3 Basic Concept, Schematic Drawings and Related Documents

(a) Developer shall prepare and submit schematic and construction drawings and related documents for the development of the Property (collectively called "Plans") to the Authority for review (including, but not limited to, architectural review) and written approval within the time established in the Schedule of Performance. Basic concept and schematic drawings shall include a site plan, elevations and sections of the Improvements as they are to be developed and constructed on the Property. Final drawings, plans, and specifications are hereby defined as those in sufficient detail to obtain a building permit.

(b) The Property shall be developed as established in the basic concept and schematic drawings and related documents except as changes may be mutually agreed upon between Developer and the Executive Director or designee. Any such changes shall be within the limitations of the Scope of Development.

(c) Approval of progressively more detailed Plans will be promptly granted by the Authority Executive Director or designee if developed as a logical evolution of Plans theretofore approved. Any items so submitted and approved by the Executive Director or designee shall not be subject to subsequent disapproval. In the event of the disapproval by the Authority of any plans submitted by Developer, Authority shall promptly communicate in writing to Developer all reasons for such disapproval and all requirements for subsequent approval of revised plans.

(d) During the preparation of all Plans, the Authority staff and Developer shall hold regular progress meetings to coordinate the preparation of, submission to, and review of Plans and related documents by Authority. Authority staff and Developer shall communicate and consult informally as frequently as is necessary to insure that the formal submittal of any documents to the Authority can receive prompt and speedy consideration.

(e) If any revisions or corrections of Plans approved by the Authority shall be required by a governmental official, agency, department or bureau having jurisdiction over the development of the Property, Developer and the Authority Executive Director or designee shall cooperate in efforts to obtain waivers of such requirements or to develop a mutually acceptable alternative. Neither the Authority Executive Director or designee or Developer shall unreasonably withhold approval of a mutually acceptable alternative.

Section 3.4 Landscaping and Grading Plans

(a) Developer shall prepare and submit to the Authority for its approval preliminary and final landscaping and preliminary and finish grading plans for the Property. These plans shall be prepared and submitted within the times established in the Schedule of Performance (**Attachment No. 3**).

(b) The landscaping plans shall be prepared by a professional landscape architect and the grading plans shall be prepared by a licensed civil engineer. Such landscape architect and/or civil engineer may be the same firm as Developer's architect. Within the times established in the Schedule of Performance, Developer shall submit to the Authority for approval the name and qualifications of its architect, landscape architect and civil engineer.

Section 3.5 Authority Approval of Plans

(a) Subject to the terms of this Agreement, the Authority shall have the right to review (including without limitation architectural review) and approve or disapprove all Plans and submissions, including any proposed substantial changes to any such Plans or submissions approved by Authority. Upon receipt of any disapproval, Developer shall revise the Plans, and shall resubmit to the Authority Executive Director or designee as soon as possible after receipt of the notice of disapproval. Any disapproval shall state in writing the reasons for disapproval and the changes which the Executive Director or designee requests to be made. Such reasons and such changes must be consistent with the Scope of Development (**Attachment No. 6**) and any items previously approved hereunder. Developer, upon receipt of a disapproval based upon powers reserved by the Authority hereunder shall revise the Plans, and shall resubmit to the Executive Director or designee as soon as possible after receipt of the notice of disapproval.

(b) If Developer desires to make any substantial change in the Final Construction Drawings after their approval, such proposed change shall be submitted to the Authority Executive Director or designee for approval.

Section 3.6 Cost of Construction

The cost of developing and constructing the Improvements on the Property, including any

offsite or onsite improvements required by any Governmental Entity in connection therewith, shall be the responsibility of Developer, without any cost to Authority. Developer shall be responsible for paying all Development Costs, as provided in the Method of Financing or as otherwise approved by the Authority Executive Director. The Development Costs are set forth in the Project Budget (**Attachment No. 7**), which shall be subject to change from time-to-time as provided in the Method of Financing. The Parties anticipate that no payment or performance bonds will be required by Construction Lender. However, if Construction Lender does in fact require such bonds, Developer shall take commercially reasonable steps to cause the Authority to be named as an additional obligee on any such bonds.

Section 3.7 Schedule of Performance

(a) Each party to this Agreement shall perform the obligations to be performed by such party pursuant to this Agreement within the respective times provided in the Schedule of Performance (**Attachment No. 3**), and if no such time is provided, within a reasonable time. The Schedule of Performance shall be subject to amendment from time to time upon the mutual agreement of the Authority and Developer. The Authority Executive Director or designee, on behalf of Authority, and without referring such matter to the Authority's Board of Commissioners may extend all pending deadlines in the Schedule of Performance on four (4) or fewer occasions.

(b) After the Closing, Developer shall promptly begin and thereafter diligently prosecute to completion the construction of the Improvements as provided herein and in the Scope of Development (**Attachment No. 6**).

(c) During periods of construction, Developer shall submit to the Authority a written report of the progress of construction when and as reasonably requested by the Authority, but not more frequently than once every quarter. The report shall be in such form and detail as may be reasonably required by the Authority and shall include a reasonable number of construction photographs (if requested) taken since the last report by Developer.

Section 3.8 Local, State, and Federal Laws

(a) The Developer shall carry out development and construction (as defined by applicable law) of the Improvements on the Property, including, without limitation, any and all public works, (as defined by applicable law), if any, in conformity with all applicable local, state and federal laws, including, without limitation, all applicable federal and state labor laws (including, without limitation, any applicable requirement to pay state prevailing wages). Developer hereby agrees that Developer shall have the obligation to provide any and all disclosures, representations, statements, rebidding, and/or identifications which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Developer hereby agrees that Developer shall have the obligation to provide and maintain any and all bonds to secure the payment of contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code, Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Developer shall indemnify, protect, defend and

hold harmless the Authority, County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Commissioners, elected and appointed officials, employees, agents and representatives with counsel reasonably acceptable to Authority and County, from and against any and all loss, liability, damage, claim, cost, expense, and/or "increased costs" (including labor costs, penalties, reasonable attorney's fees, court and litigation costs, and fees of expert witnesses) which, in connection with the development and/or construction (as defined by applicable law) of the Improvements, including, without limitation, any and all public works (if any) (as defined by applicable law), results or arises in any way from any of the following: (1) the noncompliance by Developer of any applicable local, state and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, if applicable, the requirement to pay state prevailing wages); (2) the implementation of Chapter 804, Statutes of 2003; (3) the implementation of Sections 1726 and 1781 of the Labor Code, as the same may be enacted, adopted or amended from time to time, or any other similar law; (4) failure by Developer to provide any required disclosure representation, statement, rebidding and/or identification which may be required by Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law; and/or (5) failure by Developer to provide and maintain any and all bonds to secure the payment of contractors (including the payment of wages to workers performing any public work) which may be required by the Civil Code, Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time, or any other provision of law. Developer hereby expressly acknowledges and agrees that neither the Authority nor the County has ever previously affirmatively represented to the Developer or its contractor(s) for the Improvements in writing or otherwise, that the work to be covered by the bid or contract is not a "public work," as defined in Section 1720 of the Labor Code. It is agreed by the parties that, in connection with the development and construction (as defined by applicable law) of the Improvements, including, without limitation, any public work (as defined by applicable law), if any, Developer shall bear all risks of payment or non-payment of state prevailing wages and/or the implementation of Chapter 804, Statutes of 2003 and/or Labor Code Sections 1726 and 1781, as the same may be enacted, adopted or amended from time to time, and/or any other provision of law. "Increased costs" as used in this Section shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be enacted, adopted or amended from time to time. The foregoing indemnity shall survive termination of this Agreement and shall continue after Completion and the recordation of the Release of Construction Covenants.

(b) Developer shall require that any contractor or subcontractor engaged in work on the Project shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12990, et seq.) and the applicable regulations promulgated thereunder (Title 2, California Code of Regulations, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990 (a-f) and Title 2, California Code of Regulations, Section 8103 are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

(c) Developer shall be responsible for obtaining all Permits and land use approvals required by the City for the construction of the Improvements, ensuring that the use of the Property for the purposes described in this Agreement complies with the zoning and other City

land use regulations (including any applicable exemptions and/or exceptions) applicable to the Property at the time of Closing.

(d) Before commencement of demolition, construction or development of any buildings, structures or other work of improvement upon any portion of the Property, Developer shall, at its own expense, secure or cause to be secured, any and all permits which may be required by the City or any other Governmental Authority affected by such construction, development or work.

Section 3.9 Notice of Non-Responsibility

Authority shall, at any and all times during the term of this Agreement, have the right to post and maintain on the Property, and record against the Property, as required by law, any notice or notices of non-responsibility provided for by the mechanics' lien laws of the State of California; provided, however, that Developer shall, on behalf of the Authority, post and maintain on the Property, and record against the Property, all notices of non-responsibility provided for by the mechanics' lien laws of the State of California.

Section 3.10 Nondiscrimination During Construction

Developer, for itself and its successors and assigns, agrees that during the construction of the Improvements provided for in the Agreement, Developer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

Section 3.11 Indemnification and Insurance

Developer shall indemnify and hold harmless the **Authority, County of Riverside, its Agencies, Boards, Districts, Special Districts and Departments, their respective directors, officers, Board of Commissioners, elected and appointed officials, employees, agents and representatives** (individually and collectively hereinafter referred to as Indemnitees) from any liability whatsoever, based or asserted upon any services of Developer, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of Developer, its officers, employees, subcontractors, agents or representatives Indemnitors from this Agreement. Developer shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions.

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

Developer's obligation hereunder shall be satisfied when Developer has provided to Authority the appropriate form of dismissal relieving Authority and the other Indemnitees from

any liability for the action or claim involved.

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

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

The foregoing indemnity shall continue to remain in effect after the Completion.

Without limiting or diminishing Developer's obligation to indemnify or hold Authority harmless, Developer shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement.

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

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

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

d) **Property (Physical Damage)**. Developer shall provide a policy of all-risk property insurance coverage for the full replacement value of all Developer's equipment, improvements/alterations, temporary structures, and systems, including without limitation, items owned by others in the Developer's care, custody or control, used on the Property or other Authority-owned property, or used in any way connected with the performance of the work

required pursuant to this Agreement.

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

f) **General Insurance Provisions – All Lines**.

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

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

3. Developer shall cause Developer's insurance carrier(s) to furnish the Authority with copies of the Certificate(s) of Insurance and Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by Risk Manager, provide copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the Authority prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. Developer shall not continue operations until Authority has been furnished Certificate(s) of Insurance and copies of endorsements and if requested, copies of policies of insurance including all endorsements and any and all other attachments as required herein. An

individual authorized by the insurance carrier to do so, on its behalf, shall sign the original endorsements for each policy and the Certificate of Insurance.

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

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

6. Developer shall pass down the insurance obligations contained herein to all tiers of subcontractors.

7. Developer agrees to notify Authority of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of the Agreement.

Section 3.12 Disclaimer of Responsibility by the Authority

The Authority neither undertakes nor assumes nor will have any responsibility or duty to Developer or to any third party to review, inspect, supervise, pass judgment upon or inform Developer or any third party of any matter in connection with the development or construction of the Improvements, whether regarding the quality, adequacy or suitability of the plans, any labor, service, equipment or material furnished to the Property, any person furnishing the same, or otherwise. Developer and all third parties shall rely upon its or their own judgment regarding such matters, and any review, inspection, supervision, exercise of judgment or information supplied to Developer or to any third party by the Authority in connection with such matter is for the public purpose of redeveloping the Property, and neither Developer (except for the purposes set forth in this Agreement) nor any third party is entitled to rely thereon. The Authority shall not be responsible for any of the work of construction, improvement or development of the Property.

Section 3.13 Rights of Access

Commencing upon the Closing, representatives of the Authority and the County shall have the reasonable right of access to the Property, upon 24 hours' written notice to Developer (except in the case of an emergency, in which case Authority shall provide such notice as may be practical under the circumstances), without charges or fees, at normal construction hours during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the Improvements. Such representatives of the Authority or County shall be those who are so identified in writing by the Executive Director of the Authority.

Section 3.14 Taxes, Assessments, Encumbrances and Liens

Commencing upon the Closing, Developer shall pay when due all real estate taxes and assessments assessed and levied on or against the Property or any portion thereof. Developer's

obligation to pay taxes and assessments shall terminate as to each Unit upon the sale and conveyance of title of that Unit to a Purchaser. Developer shall not place, or allow to be placed, against the Property or any portion thereof, any mortgage, trust deed, encumbrance or lien not authorized by this Agreement. Developer shall remove, or shall have removed, any levy or attachment made on the Property (or any portion thereof), or shall assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder. Nothing herein contained shall be deemed to prohibit Developer from contesting the validity or amount of any tax, assessment, encumbrance or lien, or to limit the remedies available to Developer in respect thereto. The covenants of Developer set forth in this Section 3.14 relating to the placement of any unauthorized mortgage, trust deed, encumbrance or lien, shall remain in effect until issuance of the Release of Construction Covenants.

Section 3.15 Prohibition Against Transfer

(a) Prior to Completion, Developer shall not, except as permitted by this Agreement, including without limitation Sections 1.1 (definition of "Permitted Transfer") and 1.5, assign or attempt to assign this Agreement or any right herein, nor make any total or partial sale, transfer, conveyance or assignment of the whole or any part of the Developer's interest in the Property or the Improvements thereon, without prior written approval of the Authority. This prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Property, nor shall it prohibit Permitted Transfers.

(b) Except as permitted by paragraph a., in the event Developer does assign this Agreement or any of the rights herein, or does sell, transfer, convey or assign the Developer's interest in the Property (or any portion thereof) prior to Completion without the written approval of the Authority, subject to the notice and cure provisions of Section 5.1, the Authority shall have the right to terminate this Agreement.

(c) In the absence of a specific written agreement by the Authority, and except as otherwise provided in this Agreement, no such sale, transfer, conveyance or assignment of this Agreement or Developer's interest in the Property (or any portion thereof), or approval by the Authority of any such sale, transfer, conveyance or assignment, shall be deemed to relieve Developer or any other party from any obligations under this Agreement.

Section 3.16 No Encumbrances Except Senior Loans

(a) Notwithstanding Section 3.15 (Prohibition Against Transfer), upon and after the Closing, Developer shall have the right to encumber the Property with one or more Senior Loan deeds of trust, but only for the purpose of securing loans of funds to be used for financing the Development Costs and other expenditures necessary and appropriate to develop the Property under this Agreement, consistent with the amounts to be financed by Developer per the Method of Financing ("Permitted Financing Purposes"). Prior to Completion: (1) Developer shall not have any authority to encumber the Property for any purpose other than Permitted Financing Purposes; (2) Developer shall notify the Authority, in writing, in advance of any proposed financing; and (3) Developer shall not enter into any agreements for non-Permitted Financing Purposes requiring a conveyance of security interests in the Property without the prior written

approval of the Authority. The maker of any loan approved by the Authority pursuant to this Section 3.16 shall not be bound by any amendment, implementation agreement or modification to this Agreement subsequent to its approval without such lender giving its prior written consent.

(b) In any event, Developer shall promptly notify the Authority of any security interest created or attached to the Property whether by voluntary act of Developer or otherwise.

(c) The words "security interest" and "deed of trust" as used herein include all other appropriate modes of financing real estate acquisition, construction and land development.

(d) The Authority Executive Director or designee shall have the authority to make reasonable modifications to Sections 3.17 through 3.19 that may be requested by a Senior Lender, provided such modification does not adversely affect the receipt of any material benefit by Authority hereunder, including without limitation subordination of the affordability covenants in the Agreement Containing Covenants (**Attachment No. 11**). Upon the reasonable request of a Senior Lender, the Authority Executive Director or designee shall execute from time-to-time such reasonable interpretations and estoppel certificates to the extent they are consistent with the terms of this Agreement.

(e) The requirements of this Section 3.16 shall not apply following Completion.

Section 3.17 Lender Not Obligated to Construct Improvements

No lender shall be obligated by the provisions of this Agreement to construct or complete the Improvements or to guarantee such construction or completion. Nothing in this Agreement shall be deemed or construed to permit, or authorize any such lender to devote the Property to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

Section 3.18 Notice of Default to lenders; Right of lender to Cure Defaults

Whenever the Authority shall deliver any notice or demand to Developer with respect to any breach or default by Developer in completion of construction of the Improvements, the Authority shall at the same time deliver to each Senior Lender of record a copy of such notice or demand. Each such Senior Lender shall (insofar as the rights of the Authority are concerned) have the right at its option within ninety (90) days after the receipt of the notice, to cure or remedy, or commence to cure or remedy, any such default and to add the cost thereof to the security interest debt and the lien of its security interest. If such default shall be a default which can only be remedied or cured by such Senior Lender upon obtaining possession of the Property, such Senior Lender shall seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall remedy or cure such default within ninety (90) days after obtaining possession; provided that in the case of a default which cannot with diligence be remedied or cured, or the remedy or cure of which cannot be commenced within such ninety-(90) day period, such Senior Lender shall have such additional time as reasonably necessary to remedy or cure such default with diligence and continuity not to exceed ninety (90) days; and provided further that such Senior Lender shall not be required to remedy or cure any non-curable default of Developer. Any Senior Lender who forecloses on its Senior Loan, or is assigned or

otherwise succeeds to Developer's rights under this Agreement, shall have the right to undertake or continue the construction or completion of the Improvements upon execution of a written agreement with the Authority by which such Senior Lender expressly assumes Developer's rights and obligations under this Agreement, approval of which agreement shall not be unreasonably withheld by Authority. Any such Senior Lender properly completing such improvements shall be entitled, upon written request made to the Authority, to a Release of Construction Covenants from the Authority.

Section 3.19 Failure of Lender to Complete Improvements

In any case where, six (6) months after default by Developer, the holder of any mortgage, deed of trust or other security interest creating a lien or encumbrance upon the Property (or portion thereof) has not elected to completed construction of the Improvements, or, if it has elected to complete the Improvements, it has not proceeded diligently with construction, the Authority has the right, but not the obligation, to purchase the mortgage, deed of trust or other security interest by payment to the holder of the full amount of the unpaid principal debt, plus any accrued and unpaid interest and other charges secured by the mortgage instrument approved in writing by the Authority.

Section 3.20 Right of Authority to Cure Defaults

In the event of a default or breach by Developer of a Senior Loan prior to Completion and prior to completion of a foreclosure by a Senior Lender, and the Senior Lender has not commenced to complete the development, the Authority may cure the default at any time prior to completion by a Senior Lender of any foreclosure under its senior deed of trust. In such event, the Authority shall be entitled to reimbursement from Developer of all costs and expenses incurred by the Authority in curing the default. The Authority shall also be entitled to a lien upon the Property to the extent of such costs and disbursements. Any such lien shall be subordinate and subject to the Senior Loans.

Section 3.21 Right of Authority to Satisfy Other Liens on the Property

Prior to Completion and after Developer has had a reasonable time to challenge, cure or satisfy any liens or encumbrances on its interest in the Property, the Authority shall have the right, but not the obligation, to satisfy any such liens or encumbrances; provided, however, that nothing in this Agreement shall require Developer to pay or make provisions for the payment of any tax, assessment, lien or charge so long as Developer in good faith shall contest the validity or amount thereof, and so long as such delay in payment shall not subject the Property to forfeiture or sale. In such event, the Authority shall be entitled to reimbursement from Developer of all costs and expenses incurred by the Authority in satisfying any such liens or encumbrances. Any such lien shall be subordinate and subject to any Senior Loan.

Section 3.22 Release of Construction Covenants

(a) Promptly after Completion of the Improvements as required by this Agreement, Authority shall deliver to Developer a Release of Construction Covenants, upon written request

therefor by Developer. Authority shall not unreasonably withhold any such Release of Construction Covenants. Such Release of Construction Covenants shall be, and shall so state, conclusive determination of satisfactory completion of the construction required by this Agreement.

(b) The Release of Construction Covenants shall be in such form as to permit it to be recorded in the Office of the Recorder of the County of Riverside.

(c) If Authority fails to deliver the Release of Construction Covenants within fifteen (15) days after written request from Developer, Authority shall provide Developer with a written statement of its reasons (the "Statement of Reasons") within that fifteen (15)-day period. The statement shall also set forth the steps Developer must take to obtain the Release of Construction Covenants. If the reasons are confined to the immediate unavailability of specific items or materials for landscaping, or to so-called "punch list" items identified by Authority, Authority will issue the Release of Construction Covenants upon the posting of a bond by Developer with Authority in an amount representing Authority's estimate of the cost to complete the work.

(d) Such Release of Construction Covenants shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any Senior Lender, or any insurer of a mortgage securing money loaned to finance the Improvements, nor any part thereof. Such Release of Construction Covenants is not a Notice of Completion as referred to in Section 3093 of the California Civil Code.

ARTICLE 4 USE OF THE PROPERTY

Section 4.1 Uses

Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that Developer, such successors and such assignees shall use the Property only for the uses specified in the Redevelopment Plan, this Agreement including without limitation the Scope of Development (**Attachment No. 6**) and the Agreement Containing Covenants (**Attachment No. 11**). No change in the use of the Property shall be permitted without the prior written approval of Authority.

Notwithstanding the generality of the first paragraph in this Section 4.1, Developer, its successors and assigns, shall use the Property only for the uses permitted in this Agreement, specifically including the following: (i) residential for-sale uses, consisting of 26 Restricted Units; (ii) the 42,000 square feet of open space improvements including park space, playground, basketball court, walking paths, and picnic areas, and (iii) the private road ways.

Developer covenants and agrees (for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof) that during the Restricted Period, Developer, its successors and assigns shall use the Property as follows:

(a) Developer, its successors and assigns shall develop and construct on the Property no less than 26 Units of for-sale affordable housing pursuant to the Scope of Development, this Agreement and applicable Plans;

(b) Restricted Units shall be sold to and occupied exclusively by Lower Income First Time Homebuyers, for an Affordable Sales Price. This requirement shall be deemed satisfied when Developer has sold one hundred percent (100%) of the Restricted Units to Lower Income First Time Homebuyers. Developer acknowledges and agrees that the Authority shall record against the Property a "Notice of Affordability Restrictions on Transfer of Real Property" in the form of **Attachment No. 10** to this Agreement, as required by Health & Safety Code Sections 33334.3 and 33413.

(c) Developer shall be responsible for obtaining all source documentation evidencing income qualifications as required by this Agreement. Developer shall comply with applicable Fair Housing Act ("**FHA**") requirements in consultation with the County of Riverside and subject to FHA and other applicable legal requirements provide priority in the selection of Purchasers of the Restricted Units to (i) veterans, (ii) persons and families displaced as a result of the acquisition of property by the Authority or by other redevelopment activities in the County of Riverside, and (iii) to Purchasers who live or work in the County of Riverside ("**County of Riverside Residents**"). Developer shall cooperate with the Authority prior to the initial sale of any Units to effectuate this provision. Developer must accept any Authority displacee or County of Riverside Resident who meets Developer's selection criteria. The Developer agrees that prior to the initial sale of any Restricted Units, Developer shall consult with and obtain the written approval of the Authority in developing a fair marketing plan ("**Marketing Plan**")for selling the Restricted Units that is consistent with the terms and provisions of this Agreement. Developer agrees to provide notice to the Authority, in writing, prior to beginning to market any of the Restricted Units.

(d) Developer shall cause all Purchasers to execute the following documents on or prior to the Close of Escrow for a Restricted Unit: (1) Addendum to Grant Deed substantially conforming in form and substance to the form of Addendum to Grant Deed attached hereto as **Attachment No. XX** which is incorporated herein by this reference; (2) Affordable Housing Resale Restrictions, for the benefit of the Authority, substantially in the form and of substance approved in writing by the Authority and County Counsel in its sole discretion; and (3) any other document requested by Authority which is necessary to effectuate the terms and provisions of this Agreement. Failure to execute the aforementioned documents should constitute a default herein.

(e) Prior to initial sale and occupancy of any Unit, Developer shall prepare and submit to the Authority Executive Director for approval Covenants, Conditions and Restrictions ("**CC&Rs**") which, among other things shall also be subject to the approval of any lender and the California Department of Real Estate and which shall comply with applicable FHA, Fannie Mae and Freddie Mac requirements. The CC&Rs shall be recorded against the Property consisting of the Units and the applicable common area and shall run with the land. The Property shall be maintained in accordance with the CC&Rs approved by the Authority.

(f) No officer, employee, agent, official or consultant of Developer may purchase or occupy any of the Restricted Units.

Section 4.2 Maintenance of the Property

In addition to the property maintenance requirements set forth in the Agreement Containing Covenants, Developer covenants and agrees (for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof) that prior to the construction of the Improvements, Developer shall maintain and secure the Property in accordance with reasonable vacant property management practices, and upon and after construction, Developer, its successors and assigns, shall maintain the Property and any improvements thereon and the landscaping on the Property in a manner consistent with community standards which will uphold the value of the Property, in accordance with this Agreement and the County of Riverside Municipal Code, as follows:

(a) Exterior Maintenance. All exterior, painted surfaces of any structures located on the Property shall be maintained at all times in a clean and presentable manner. Any such defacing marks shall be cleaned or removed within a reasonable time.

(b) Front and Side Exteriors. Developer shall, at all times, maintain the front exterior and any visible side exteriors and yards, if any, in a clean, safe and presentable manner.

(c) Graffiti Removal. All graffiti, and defacement of any type, including marks, words and pictures, must be removed from the Property and any necessary painting or repair completed within a reasonable time, but in no event more than one (1) week after notice to Developer from Authority.

(d) Landscaping. All landscaping surrounding the Property shall be maintained in a manner consistent with standards of the County of Riverside Code (the "Code") and any rules, regulations and standards adopted pursuant to the Code. In addition, for example, the yard areas shall not contain the following: (i) lawns with grasses in excess of nine (9) inches in height; (ii) trees, shrubbery, lawns or other plant life which are dying from a lack of water or other necessary maintenance; (iii) trees and shrubbery grown uncontrolled without proper pruning; (iv) vegetation so overgrown as to be likely to harbor rats or vermin; (v) dead, decayed or diseased trees, weeds and other vegetation; and (vi) inoperative irrigation systems.

(e) Maintenance by Developer. Developer shall, at his, her or their sole cost and expense, maintain and repair the Property and the improvements thereon, keeping the same in good condition and making all repairs as may be required by this Agreement and the Code.

(f) Damage and Destruction Affecting Property -- Duty to Rebuild. If all or any portion of the Property and the improvements thereon is damaged or destroyed by fire or other casualty, it shall be the duty of Developer to rebuild, repair or reconstruct the Property in a timely manner to restore it to Code compliance condition or the condition required by the City.

(g) Variance in Exterior Appearance and Design. If the Property is damaged or destroyed by casualty, Developer may not, without the prior written consent of the Authority, reconstruct, rebuild or repair the Property in a manner which will provide different exterior appearance and lot design from that which existed prior to the date of the casualty.

(h) Time Limitation. In the event of damage or destruction due to casualty, Developer shall be obligated to proceed with all due diligence to commence reconstruction within two (2) months after the damage occurs and to complete reconstruction within a reasonable time after damage occurs, unless prevented by causes beyond the reasonable control of Developer as reasonably determined by Authority.

(i) Inspection. In the event the Authority, in the sole discretion of the Authority Executive Director, determines that the Developer has failed to maintain the Property, the Authority, or its designee, on two (2) weeks' prior written notice of any noted code violations and maintenance deficiencies (collectively, the "Deficiencies"), shall have the right, but not the obligation, to enter the Property, correct any Deficiency, and hold the Developer responsible for the cost thereof. Any cost incurred by the Developer to cure any such Deficiency, until paid, shall constitute a lien on the Property pursuant to Civil Code Section 2881.

Upon sale of Units, Developer shall have the right to assign its responsibilities pursuant to this Section 4.2 to the Purchasers of the Units or homeowners association. It is the intention of the parties to this Agreement that Developer's obligations pursuant to this Section shall be transferred to the homeowners association as to common areas, and to each Purchaser of a Unit as to the respective Units.

Section 4.3 Obligation to Refrain from Discrimination

Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof or interest therein, there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, sexual orientation, marital status, race, color, creed, religion, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property nor shall Developer, itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property. All deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

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

b. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

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

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

Section 4.4 Effect and Duration of Covenants

The covenants established in this Agreement shall, without regard to technical classification and designation, be binding on Developer and any successor in interest to the Property or any part thereof for the benefit and in favor of the Authority, its successors and assigns. The covenants shall remain in effect for the period of forty-five (45) years from the recordation of the Release of Construction Covenants in the Official Records.

Section 4.5 Effect of Violation of the Terms and Provisions of this Agreement

The Authority is deemed beneficiary of the terms and provisions of this Agreement and the covenants herein, both for and in their own right and for the purposes of protecting the interests of the community and other parties, public or private, for whose benefit this Agreement and the covenants running with the land have been provided. The Authority shall have the right if the covenants contained in this Agreement are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this Agreement and covenants are entitled.

Section 4.6 Hazardous Substances

At the Closing, Developer shall execute and deliver to the Authority an Environmental Indemnity, substantially in the form attached hereto as **Attachment No. 8**.

ARTICLE 5 DEFAULTS, REMEDIES AND TERMINATION

Section 5.1 Defaults - General

(a) Subject to the Force Majeure Delay, as provided in Section 6.4, failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The party who fails or delays must immediately commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence.

(b) The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Agreement, any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

(c) If a monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default written notice of such default. The party in default shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by the injured party.

(d) If a non-monetary event of default occurs, prior to exercising any remedies hereunder, the injured party shall give the party in default notice of such default. If the default is reasonably capable of being cured within thirty (30) days, the party in default shall have such period to effect a cure prior to exercise of remedies by the injured party. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and the party in default (i) initiates corrective action within said period, and (ii) diligently, continually, and in good faith works to effect a cure as soon as possible, then the party in default shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the injured party, but in no event no more than ninety (90) days from the date of the notice of default. In no event shall the injured party be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within ninety (90) days after the first notice of default is given.

Section 5.2 Institution of Legal Actions

Subject to the notice and cure provisions of Section 5.1, in addition to any other rights or remedies (and except as otherwise provided in this Agreement), either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Riverside, State of California.

Section 5.3 Applicable Law

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

Section 5.4 Acceptance of Service of Process

(a) In the event that any legal action is commenced by the Developer against the Authority, service of process on the Authority shall be made by personal service upon the County of Riverside Clerk of the Board.

(b) In the event that any legal action is commenced by the Authority against the Developer, service of process on the Developer shall be made by personal service upon the Developer (or upon an officer of the Developer) and shall be valid whether made within or without the State of California, or in such manner as may be provided by law.

Section 5.5 Rights and Remedies Are Cumulative

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

Section 5.6 Damages

If either party defaults with regard to any of the provisions of this Agreement, subject to the notice and cure provisions of Section 5.1, the defaulting party shall be liable to the non-defaulting party for any damages caused by such default, and the non-defaulting party may, after such notice and opportunity to cure (but not before) commence an action for damages against the defaulting party with respect to such default.

Section 5.7 Specific Performance

If either party defaults with regard to any of the provisions of this Agreement, subject to the notice and cure provisions of Section 5.1, the non-defaulting party, at its option, may, after such notice and opportunity to cure (but not before) commence an action for specific performance of the terms of this Agreement pertaining to such default.

Section 5.8 Termination

Prior to the Close of Escrow, either party shall have the right to terminate this Agreement in the event the other party is in default of any material term or provision of this Agreement, and, following notice, fails to cure such default within the time provided in Section 5.1.

Section 5.9 Termination By Authority After Closing

(a) Upon the failure of the Construction Financing Event to occur within the time period set forth in the Schedule of Performance, or any extension of such time period approved by the Authority's Executive Director, this Agreement shall terminate pursuant to Section 2.19.

(b) After the Construction Financing Event, but before Completion of the Improvements, and the sale of all of the Restricted Units to Lower Income First Time Homebuyers in accordance with this Agreement, Authority shall have the additional right to terminate this Agreement in the event any of the following defaults shall occur :

(1) Developer fails to maintain the Property, or fails to commence construction of the Improvements as required by this Agreement, for a period of sixty (60) days after written notice from the Authority, provided that the Developer shall not have obtained an extension or postponement to which the Developer may be entitled pursuant to Section 6.4 hereof; or

(2) Subject to Force Majeure, Developer abandons the Property or, after the Construction Financing Event, substantially suspends construction of the improvements for a period of thirty (30) days after written notice has been given by the Authority to the Developer, provided the Developer has not obtained an extension or postponement to which the Developer may be entitled to pursuant to Section 6.4 hereof; or

(3) Developer assigns or attempts to assign this Agreement, or any rights herein, or, transfer (except for sales of Units to purchasers which shall not close until a Release of Construction Covenants is issued), or suffer any involuntary transfer of the Property, or any part thereof, in violation of this Agreement, and such breach is not cured within thirty (30) days after the date of written notice thereof; or

(4) Developer otherwise materially breaches this Agreement, and such breach is not cured within the respective times provided in Section 5.1 of this Agreement.

(c) The cure periods established in paragraphs a. and b. shall run concurrently with one another and with any other rights to cure set forth in this Agreement or any other instrument.

(d) The rights established in paragraph b. shall not apply after the Authority has issued a Release of Construction Covenants.

(e) In the event the Authority terminates this Agreement pursuant to paragraph a. or

b. of this Section 5.9, the Authority shall have the right to exercise all remedies available to the Authority under law, and shall retain its rights under Section 5.10, notwithstanding the termination of this Agreement.

Section 5.10 Right of Reentry

(a) Subject to the notice and cure provisions of Section 5.1 and the Construction Loan, in the event of an uncured default described in Section 5.9, the Authority shall have the additional right, at its option, to reenter and take possession of the Property (or any portion thereof) with all improvements thereon, and to terminate and revest in the Authority the estate theretofore conveyed to the Developer and Developer shall thereupon forfeit its title to the Property and the Improvements.

(b) Such right to reenter, repossess, terminate and revest shall be subject to and be limited by and shall not defeat, render invalid or limit the rights of the Construction Lender, and the Authority's rights shall be subject to any rights or interests provided in this Agreement for the protection of the Construction Lender or in any subordination agreements in favor of such entities.

(c) The Grant Deed shall contain appropriate reference and provision to give effect to the Authority's right, as set forth in this Section 5.10 under specified circumstances prior to Completion of the Improvements, to reenter and take possession of the Property, with all improvements thereon, and to terminate and revest in the Authority the estate conveyed to the Developer.

(d) Upon the revesting in the Authority of title to the Property, as provided in this Section 5.10, the Authority shall use its diligent and good faith efforts to resell the Property as soon and in such manner as the Authority shall find feasible in its sole discretion, to a qualified and responsible party or parties (as determined by the Authority in its sole discretion), who will assume the obligation of making or completing the Improvements, or such other improvements in their stead as shall be satisfactory to the Authority in its sole discretion and consistent with the CRL. Upon such resale of the Property, the proceeds thereof shall be applied to:

(1) Repayment in full of the outstanding balance of the Construction Loan, if any;

(2) Reimburse the Authority on its own behalf of all costs and expenses incurred by the Authority, including salaries of personnel engaged in such action, in connection with the recapture, management and resale of the Property, or any part thereof (but less any income derived by the Authority from the sale of the Property, or any part thereof, or from the management of such Property); all taxes, assessments and water and sewer charges with respect to the Property or any part thereof (or, in the event the Property, or any part thereof, is exempt from taxation or assessment or such charges during the period of Developer's ownership, then such taxes, assessments or charges as would have been payable if the Property, or part thereof, were not so exempt); any payments made or necessary to be made to discharge or prevent from attaching or being

made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the agreed improvements or any part thereof on the Property, or any part thereof; and any amounts otherwise owing to the Authority by the Developer and its successor or transferee; and

(3) Reimburse the Developer, its successor or transferee, for Developer equity up to the amount equal to: (i) the costs incurred for the development of the Property, or any part thereof, or for the construction of the agreed improvements thereon, less (ii) the sum of (A) the outstanding balance of the Construction Loan; less (B) gains or income withdrawn or realized by Developer, its successors or assigns from the Property or from the improvements on the Property; and less (C) amounts used to pay in full the outstanding balance of any mortgage or deed of trust other than those listed in clause (ii)(A) of this paragraph; and any balance remaining after such reimbursements shall be retained by the Authority as its property.

(e) upon the revesting in the Authority of title to the Property, the Authority shall have the right, in its sole discretion and as an alternative to selling the Property, to undertake the Completion of the Improvements, and the sale of the Units as set forth in this Agreement; provided that, in order to exercise this right, the Authority shall assume all of Developer's rights and obligations under the Construction Loan, or, if the Construction Lender will not agree to the Authority assuming Developer's obligations under the Construction Loan, then the Authority shall repay the outstanding balance of the Construction Loan. Upon the sale of the Units, the net proceeds shall be applied as follows:

(1) Repayment in full of the outstanding balance of the Construction Loan, if such loan has been assumed by the Authority, or the outstanding balance of any loan that has been obtained by the Authority to refinance the Construction Loan;

(2) Reimburse the Authority on its own behalf of all costs and expenses incurred by the Authority, including salaries of personnel engaged in such action, in connection with the recapture of the Property, or any part thereof, the assumption of any mortgage or loan on the Project, the Completion of the Improvements, the sale of the Units (but less any income derived by the Authority from the sale of the Units or from the management of such Property); all taxes, assessments and water and sewer charges with respect to the Property or any part thereof (or, in the event the Property, or any part thereof, is exempt from taxation or assessment or such charges during the period of Developer's ownership, then such taxes, assessments or charges as would have been payable if the Property, or part thereof, were not so exempt); any payments made or necessary to be made to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer, its successors or transferees;

any expenditures made or obligations incurred with respect to the making or completion of the agreed improvements or any part thereof on the Property, or any part thereof; and any amounts otherwise owing to the Authority by the Developer and its successor or transferee;

(3) Reimburse the Developer, its successor or transferee, for Developer equity up to the amount equal to: (i) the costs incurred by Developer or its successor or transferee for the development of the Property, or any part thereof, or for the construction of the agreed improvements thereon, less (ii) the sum of (A) the outstanding balance of the Construction Loan (measured at the assumption of such loan by the Authority or at the Authority's repayment of the Construction Loan if it is not assumed by the Authority); less (B) gains or income withdrawn or realized by Developer, its successors or assigns from the Property or from the improvements on the Property; less (C) amounts used to pay in full the outstanding balance of any mortgage or deed of trust other than those listed in clause (ii)(A) of this paragraph; and

(4) Any balance remaining after such reimbursements shall be retained by the Authority as its property.

(f) To the extent that the right established in this Section 5.10 involves a forfeiture, it must be strictly interpreted against the Authority, the party for whose benefit it is created. The rights established in this Section 5.10 are expressly authorized by Health and Safety Code section 33438 and are to be interpreted in light of the fact that the Authority will convey the Property to the Developer for development and not for speculation.

ARTICLE 6 GENERAL PROVISIONS

Section 6.1 Notices, Demands and Communications between the Parties

(a) Formal notices, demands and communications between the Authority and the Developer shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Authority and the Developer, as designated in Sections 1.3 and 1.4 hereof. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail as provided in this Section 6.1. Any notice that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt by the recipient; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof.

(b) The Authority shall use good faith efforts to deliver copies of any notices of default delivered to Developer after the Construction Financing Event, to the Construction Lender, at such addresses for receipt of notice as shall be provided to the Authority in writing.

Section 6.2 Conflicts of Interest

(a) No member, official or employee of the Authority shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is, directly or indirectly, interested.

(b) The Developer warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

Section 6.3 Nonliability of Authority Officials and Employees

No member, official, employee or consultant of the Authority shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the Authority or for any amount which may become due to the Developer or to its successor, or on any obligations under the terms of this Agreement.

Section 6.4 Force Majeure

In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to Force Majeure Events.

Section 6.5 Inspection of Books and Records

The Developer shall maintain complete, accurate, and current records, accounts, documentation and other material pertaining to the Property and the Project and its financing for a period of five (5) years after the Sale of each Restricted Unit, and shall permit any duly authorized representative, designee or invitee of the Authority, upon reasonable advance notice, to inspect and copy records, including records pertaining to income and household size of purchasers of the Restricted Units, during regular business hours. Records must be kept accurate and current.

Section 6.6 Approvals

(a) Except as otherwise expressly provided in this Agreement, approvals required of Authority or Developer in this Agreement, including the attachments hereto, shall not be unreasonably withheld or delayed. All approvals shall be in writing. Failure by either party to approve a matter within the time provided for approval of the matter shall not be deemed a disapproval, and failure by either party to disapprove a matter within the time provided for approval of the matter shall not be deemed an approval.

(b) Except as otherwise expressly provided in this Agreement, approvals required of the Authority shall be deemed granted by the written approval of the Authority Executive

Director or designee. Notwithstanding the foregoing, the Authority Executive Director may, in his or her sole discretion, refer to the governing body of the Authority any item requiring Authority approval; otherwise, "Authority approval" means and refers to approval by the Authority Executive Director or designee.

Section 6.7 Real Estate Commissions

Neither the Authority nor the Developer shall be liable for any real estate commissions, brokerage fees or finder's fees which may arise from the sale of the Property to the Developer. The Authority and the Developer each represent to the other that it has employed no broker, agent, or finder in connection with this transaction.

Section 6.8 Further Assurances

The Developer shall execute any further documents consistent with the terms of this Agreement, including documents in recordable form, as the Authority may from time to time find necessary or appropriate to effectuate its purposes in entering into this Agreement.

Section 6.9 Construction and Interpretation of Agreement

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

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

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

(d) References in this instrument to this "DDA" or this "Agreement" mean, refer to and include this instrument as well as any riders, exhibits, addenda and attachments hereto

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

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

Section 6.10 Time of Essence

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

Section 6.11 No Partnership

Nothing contained in this Agreement shall be deemed or construed to create a lending partnership, other partnership, joint venture, or any other relationship between the parties hereto other than purchaser and seller and lender and borrower according to the provisions contained herein, or cause Authority to be responsible in any way for the debts or obligations of Developer, or any other party.

Section 6.12 Compliance with Law

Developer agrees to comply with all the requirements now in force, or which may hereafter be in force, of all municipal, county, state and federal authorities, pertaining to the Property, and the Improvements, as well as operations conducted thereon. The judgment of any court of competent jurisdiction, or the admission of Developer or any lessee or permittee in any action or proceeding against them, or any of them, whether Authority be a party thereto or not, that Developer, lessee or permittee has violated any such ordinance or statute in the use of the premises shall be conclusive of that fact as between Authority and Developer.

Section 6.13 Binding Effect

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

Section 6.14 No Third Party Beneficiaries

The parties to this Agreement acknowledge and agree that the provisions of this Agreement are for the sole benefit of Authority and Developer, and not for the benefit, directly or indirectly, of any other person or entity, except as otherwise expressly provided herein.

Section 6.15 Authority to Sign

Developer hereby represents that the persons executing this Agreement on behalf of Developer have full authority to do so and to bind Developer to perform pursuant to the terms and conditions of this Agreement.

Section 6.16 Incorporation by Reference

Each of the attachments and exhibits attached hereto is incorporated herein by this reference.

Section 6.17 Counterparts

This Agreement and any attachment to be executed by the parties may be executed by each party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

ARTICLE 7 ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

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

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

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

ARTICLE 8 EFFECTIVE DATE OF AGREEMENT

This Agreement shall be dated for reference purposes as of the date set forth in the introductory paragraph hereof, but shall not be effective until approved by the Board of Commissioners ("Board") and executed by the Chairman of the Board.

[Signatures on the Following Page]