

ATTACHMENT NO. 4

GRANT DEED

[Behind this page]

OFFICIAL BUSINESS.

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: _____

OFFICIAL BUSINESS
Document entitled to free
recording per Government
Code Section 27383

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic in the State of California, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside, herein called "Grantor," hereby grants to THE COACHELLA VALLEY HOUSING COALITION, a California nonprofit public benefit corporation, herein called "Grantee," the real property, hereinafter referred to as the "Property," described in the document attached hereto, labeled Exhibit "A" and incorporated herein by this reference.

1. Said Property is conveyed in accordance with and subject to (i) that certain Disposition and Development Agreement ("DDA") entered into by and between Grantor and Grantee, dated as of _____, 2015, which document is a public record on file in the offices of the Clerk of the Board of Commissioners, and is by reference hereto incorporated herein as though fully set forth herein, and (ii) that certain Agreement Containing Covenants entered into by and between Grantor and Grantee, dated on or about the date hereof and recorded concurrently herewith in the Official Records of the Recorder's Office of the County of Riverside ("Official Records"). Any capitalized term not defined herein shall have the meaning ascribed to such term in the DDA.

2. This Grant Deed may be executed in counterparts.

3. Title to the Property is conveyed hereto subject to all recorded liens, encumbrances, covenants, encroachments, assessments, easements, leases and taxes.

4. The Property is conveyed to Grantee at a purchase price ("Purchase Price") determined in accordance with the uses permitted by the DDA. Therefore, Grantee hereby covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property that the Grantee, such successors and assigns, shall develop, maintain, and use the Property only as follows:

(a) Develop and construct and/or cause the development and construction on the Property of thirty-nine (39) single family homes, with infrastructure and related parking in accordance with the DDA, Scope of Development (Attachment No. 6 to the DDA), and all plans and specifications approved by the Authority and other Governmental Authority, within the time frame set forth in the Schedule of Performance (Attachment No. 3 to the DDA).

(b) Grantee covenants and agrees for itself, its successors, assigns and any successor in interest to the Property, or any portion thereof, as follows: (1) to sell thirty-nine (39) unimproved parcels ("Restricted Purchaser Parcels") located on the Property exclusively to "lower income households" (as that term is defined in Health and Safety Code Section 50079.5) who are "First Time Homebuyers" (as that term is defined in the DDA) for the initial purchase only, for an Affordable Sale Price (including a Down Payment) such that their total Housing Cost is as follows, for lower income households whose gross incomes exceed the maximum income for very low income households and do not exceed 70% of the area median income adjusted for family size, the product of 30% times 70% of the area median income adjusted for family size appropriate for the unit. In addition, for any lower income household that has a gross income that equals or exceeds 70% of the area median income adjusted for family size, the housing cost shall not exceed 30% of the gross income of the household. As used herein, the term, "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, and the phrase "adjusted for household size appropriate to the unit" means a household size equal to the number of bedrooms in the unit plus one. Developer shall also develop and construct and/or cause such lower income qualified purchaser to develop and construct a single family home ("Restricted Unit") pursuant to the DDA and Scope of Development on the Restricted Purchaser Parcel within the time frame set forth in the Schedule of Performance. The Restricted Purchaser Parcel and the Restricted Unit are collectively referred to herein as the "Restricted Unit" or "Restricted Units."

Concurrently with the close of escrow for the initial sale of each Restricted Unit from Grantee to a qualified lower income First Time Homebuyer, Grantee shall cause such qualified lower income First Time Homebuyer to execute and record in the Official Records (i) an Addendum to Grant Deed substantially conforming in form and substance to Attachment "B" containing, among things, resale and occupancy restrictions pursuant to the DDA and the income restrictions set forth in this paragraph 3 (b), and (ii) Affordable Housing Re-Sale restrictions Option to Designate Eligible Purchaser with Alternative Option to Purchase andn Option to Purchase Upon Default (Attachment No. 12 to the DDA). Notwithstanding the termination language in Section 13 below, Grantee, its successors, assigns and any successor in interest to the Restricted Unit, including, but not limited to the initial purchaser and all subsequent purchasers in the chain of title, shall be subject to the income, occupancy and resale restrictions set forth in

the Addendum to Grant Deed for a period of fifteen (15) years commencing on the date the Grant Deed for the initial sale of the Restricted Unit is recorded in the Official Records.

(c) Grantee, its successors and assigns, shall maintain the improvements on the Property in the same aesthetic and sound condition (or better) as the condition of the Property at the time of Completion, reasonable wear and tear excepted. This standard for the quality of maintenance of the Property shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and immediate repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash receptacles and removal of litter; sweeping of public sidewalks adjacent to the Property, on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as necessary; cleaning windows on a regular basis; painting the buildings on a regular program and prior to the deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices in good working order. In the event of the Grantee's or any successor's failure to comply with this Section, the Grantor, on two (2) weeks' prior written notice, may cause such compliance and upon the completion thereof, its cost shall be borne by the Grantee or its successor (as the case may be) and until paid, shall be a lien against the Property. Grantee shall have the right to assign its responsibilities pursuant to this paragraph (c) to the purchasers of the residential units through inclusion of those obligations in the Grant Deed conveying a Restricted Unit from Grantee to a qualified lower income First Time Homebuyer or otherwise.

5. Grantee hereby covenants for itself, its successors, its assigns and every successor in interest to the Property that, prior to recordation of a Release of Construction Covenants in the Official Records in accordance with the DDA:

(a) The Grantee shall have no power to make any sale, transfer, conveyance, encumbrance, lease or assignment of the Property, or any part thereof, or any buildings or improvements thereon, without the prior written consent of the Grantor, except to a mortgagee or trustee under a mortgage or deed of trust or other conveyance permitted by Section 4(b), below, or by a purchaser in foreclosure or to municipal corporations or public utilities or others as grantee for easements or permits to facilitate development of the Property. In the event that the Grantee does sell, transfer, convey or assign any part of the Property or buildings or structures thereon, prior to the recordation of a Release of Construction Covenants, in violation of this Grant Deed, the Grantor shall be entitled to increase the Purchase Price paid by the Grantee by the amount that the consideration payable for such sale, transfer, conveyance or assignment is in excess of the Purchase Price paid by the Grantee, plus the cost of improvements and development, including carrying charges and costs related thereto. The consideration payable for such sale, transfer, conveyance or assignment to the extent it is in excess of the amount so authorized shall belong and be paid to the Grantor and until paid the Grantor shall have a lien on the Property and any part involved for such amount. 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 granting any security interests permitted by paragraph (4)(b) of this Grant Deed

for financing the construction and development of the Property. The lien created hereby shall be subordinate and subject to any such security interests. Notwithstanding anything to the contrary herein, prior to the recording of the Release of Construction Covenants as to the Property, Grantee shall have the right to enter into purchase and sale agreements with qualified Purchasers for the purchase and sale of individual units provided: (i) any such transfer is not an indirect transfer of substantially all of Grantee's interests in the Property prior to the recording of the Release of Construction Covenants; (ii) Grantee remains obligated to complete construction and obtain the Release of Construction Covenants from the Grantor as to the Property; (iii) Grantee is not released from any liability as to the Property but remains fully liable to Grantor pursuant to the terms of the DDA until the recording of the Release of Construction Covenants relating to the Property; and (iv) such purchase and sale only involves the bona fide, arm's length conveyance of an individual unit pursuant to a public report issued by the California Department of Real Estate.

(b) The Grantee shall not place or suffer to be placed on the Property any lien or encumbrance other than mortgages, deeds of trust, or other methods of financing the Improvements and developing the Property that is permitted by the DDA. Prior to Completion (1) Grantee shall not have any authority to encumber the Property for any purpose other than Permitted Financing Purposes (as defined in Section 3.16 of the DDA); (2) Grantee shall notify Grantor in advance of any proposed financing; and (3) Grantee 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 Grantor.

6. Right of Reverter.

(a) Prior to recordation of the Release of Construction Covenants as to all or a portion of the Property pursuant to the DDA, the Grantor shall have the additional right, at its option, to re-enter and take possession of any portion of the Property herein conveyed which has not been conveyed to a lower income First Time Homebuyer, with all Improvements thereon, and to terminate and re-vest in the Grantor the Property hereby conveyed to the Grantee and Grantee shall thereupon forfeit its title to the Property and the Improvements, in the event that any of the following defaults shall occur and shall remain uncured after the expiration of any applicable notice and cure period:

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

(ii) Subject to Force Majeure, Grantee 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 Grantor to Grantee, provided the Grantee has not obtained an extension or postponement to which the Grantee may be entitled to pursuant to Section 6.4 of the DDA; or

(iii) Grantee assigns or attempts to assign the DDA, or any rights therein, 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 the DDA, and such breach is not cured within thirty (30) days after

the date of written notice thereof; or

(iv) Grantee otherwise materially breaches the DDA, and such breach is not cured within the respective times provided in Section 5.1 of the DDA.

(b) The right to re-enter, terminate and re-vest shall be subject to and be limited by and shall not defeat, render invalid, or limit:

(i) Any mortgage, deed of trust or other financing instruments permitted by the DDA ("Permitted Mortgages");

(ii) Any rights or interests provided in the DDA for the protection of the holders of such mortgages, deeds of trust or other financing instruments, including but not limited to the beneficiaries of the deeds of trust securing the Construction Loan as those terms are defined in the DDA (collectively, the "Permitted Mortgagees") or in any subordination agreements in favor of the Permitted Mortgagees.

(c) Upon the re-vesting in the Grantor of title to the Property, as provided in this Section 5, the Grantor shall use its diligent and good faith efforts to resell the Property as soon and in such manner as the Grantor shall find feasible in its sole discretion, to a qualified and responsible party or parties (as determined by the Grantor 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 Grantor in its sole discretion and consistent with CRL and Housing Authorities Law. Upon such resale of the Property, the proceeds thereof shall be applied to:

(i) First, repayment in full of the outstanding balance of the Construction Loan, if any;

(ii) next, to reimburse the Grantor on its own behalf of all costs and expenses incurred by the Grantor, 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 Grantor 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 Grantee'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 Grantee, 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 Grantor by the Grantee and its successor or transferee;

(iii) next, to reimburse the Grantee, its successor or transferee, for Grantee 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; plus (B) gains or income withdrawn or realized by Grantee, its successors or assigns from the Property or from the

improvements on the Property; and plus (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
(iv) any balance remaining after such reimbursements shall be retained by Grantor as its property.

(d) To the extent that the rights established in this Section 5 involve a forfeiture, it must be strictly interpreted against Grantor, the party for whose benefit it is created. The rights established in this Section 5 are expressly authorized by Health and Safety Code section 33438 and are to be interpreted in light of the fact that Grantor is conveying the Property to Grantee for development of affordable housing and not for speculation in undeveloped land.

(i) The cure periods established in paragraph (a) shall run concurrently with each other and with any other rights to cure set forth in the DDA, this Deed or any other instrument.

(ii) The right to reenter, repossess, terminate, and revert the Property or portion thereof, shall terminate and this Section 5 shall be of no further force or effect when the Release of Construction Covenants as to the entire Property has been issued by Grantor in accordance with the DDA or with respect to each Unit.

7. The Grantee covenants and agrees for itself and its successors, assigns and any successor in its interest to the Property, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, national origin, ancestry, age, physical handicap, medical condition, marital status, sex or sexual orientation in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of their Property, nor shall the Grantee 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, leases, subtenants, sublessees, or vendees in the Property. The foregoing covenants shall run with the land.

All deeds, leases or contracts made relative to the Property, the Improvements thereon, or any part thereof shall contain or be subject to substantially the following non-discrimination or non-segregation 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.”

8. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed or in the DDA shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other security instrument permitted by this Grant Deed and made in good faith and for value; provided, however, that any subsequent owner of the Property shall be bound by such remaining covenants, conditions, restrictions limitations and provisions, whether such owner’s title was acquired by foreclosure, trustee’s sale or otherwise, and shall be entitled to all the benefits granted to Grantee and its assigns hereunder.

9. Following Completion of construction of the Improvements and the Grantor’s determination that the completed Improvements comply with the DDA and the covenants contained herein, Grantor shall issue and record in the Official Records a Release of Construction Covenants for the Project or applicable portion thereof, as provided in the DDA. Following the recording of said Release of Construction Covenants, the only on-going obligation of Grantee, and its successors and assigns shall be as provided in Section 3(b), Section 3(c), and Section 6 hereof.

10. All covenants without regard to technical classification or designation shall be binding for the benefit of the Grantor and the County of Riverside (“County”), and such covenants shall run in favor of the Grantor and County for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor or County is or remains an owner of any land or interest therein to which such covenants relate. The Grantor and/or the County, in the event of any breach of any such covenant, shall have the right to exercise all the rights and remedies, and to maintain any action at law or suits in equity or other proper proceedings to enforce the curing of such breach.

11. All covenants contained in this Grant Deed shall be construed as covenants running with the land and not as conditions which might result in forfeiture of title, except for the

right of reverter contained in Section 5 of this Grant Deed.

12. None of the terms, covenants, agreements, or conditions heretofore agreed upon in writing in other instruments between the parties to this Grant Deed with respect to obligations to be performed, kept or observed in respect to the Property after this conveyance of the Property, shall be deemed to be merged with this Grant Deed until such time as the Release of Construction Covenants is recorded pursuant to the DDA.

13. Both before and after recording of the Release of Construction Covenants, only the Grantor, its successors, and assigns, and Grantee and the successors and assigns of Grantee in and to all or any part of the fee title to the Property, or any part thereof, shall have the right to mutually consent and agree to changes in, or to eliminate in whole or in part, any of the covenants, easements, or other restrictions contained in this Grant Deed or to subject the Property to additional covenants, easements, or other restrictions without the consent of any tenant, lessee, easement holder or licensee.

14. Except as otherwise provided in this Grant Deed, every covenant and condition and restriction contained in this Grant Deed shall remain in effect for a period of fifteen (15) years after the recordation of a Release of Construction Covenants in the Official Records. The covenants set forth in Sections 3(a), 4 and 5 shall terminate upon the recording by the Grantor of the Release of Construction Covenants and recordation in the Official Records. The covenants against discrimination set forth in Section 6 shall remain in perpetuity.

In the event of any express conflict between this Grant Deed and the DDA, the provisions of this Grant Deed shall control.

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[Signatures on the Following Page]

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers hereunto duly authorized.

“GRANTOR”

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Coachella Redevelopment Agency

By: _____
Robert Field,
Executive Director

Date: _____

APPROVED AS TO FORM:
GREGORY P. PRIAMOS
COUNTY COUNSEL

By: _____
Jhaila R. Brown, Deputy County Counsel

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

State of California)
) ss.
County of _____)

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

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

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary seal above

[Signatures continue on following page.]

Grantee accepts and agrees to all of the terms and provisions of this Grant Deed.

“GRANTEE”

THE COACHELLA VALLEY HOUSING
COALITION, a California non-profit public
benefit corporation

By: _____
_____, Executive Director

Date: _____

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

State of California)
) ss.
County of _____)

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

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

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary seal above

EXHIBIT "A"

LEGAL DESCRIPTION

All that certain real property in the City of Coachella, County of Riverside, State of California, described as follows:

LOTS 24 THROUGH 31, 55 THROUGH 58 AND 78 THROUGH 104, INCLUSIVE OF TRACT NO. 31158, IN THE CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 397, PAGES 1 TO 5 INCLUSIVE OF MAPS, IN THE OFFICE OF THE RIVERSIDE COUNTY RECORDER.

ASSESSOR PARCEL NUMBERS 768-361-010 THROUGH -012, AND 768-362-001 THROUGH -016, AND 768-371-001 THROUGH -019, AND 768-372-015.

ATTACHMENT NO. 5
SCOPE OF DEVELOPMENT

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ATTACHMENT NO. 5

SCOPE OF DEVELOPMENT

Pursuant to the Disposition and Development Agreement (DDA) executed by and between the Housing Authority of the County of Riverside (“Authority”) and Coachella Valley Housing Coalition (“Developer”), Developer shall develop 39 new residential single family homes through the Self Help Method for qualified Low Income Households. The 39 homes range from 3 to 4 bedrooms each with a parking garage. It is anticipated that the Project will be sold to qualified Purchasers and developed in three phases, with 13 Restricted Units constructed in the first phase, 13 Restricted Units constructed in the second phase and 13 Restricted Units constructed in the third phase. Each Purchaser must qualify as a Low Income First Time Homebuyer with income at or below eighty percent (80%) of the Area Median Income (AMI), adjusted by family size at the time of occupancy, for the County of Riverside. The homes shall be affordable for fifteen (15) years following the issuance of a Certificate of Occupancy for each respective Restricted Unit. All capitalized terms not defined herein shall have the meaning ascribed to such terms in the DDA.

The project shall consist of 39 individual single story homes situated on individual single family lots. The homes will incorporate Energy Efficient standards and be equipped with solar panels to assist with affordability during the Restricted Period (as defined in the DDA). There will be approximately six (6) 3-bedroom/2 bath homes (approximately 1,400 square feet) and thirty-three (33) 4-bedroom/2 bath homes (approximately 1,600 square feet) as specified in the Plans and specifications approved by the City of Coachella. The design includes a California Spanish / Mediterranean style as well as street-facing porches to encourage neighborhood participation. All of the homes shall be situated in the Tierra Bonita Subdivision, near a community park and schools. A Landscape and Lighting District has been established to ensure maintenance of common areas.

The homes, designed to Energy Efficient standards, include energy saving features:

- Tankless Hot Water Heaters
- Energy Star rated HVAC units & appliances
- Evaporative Coolers
- Radiant Barrier roof decking
- Solar tubes in rooms without windows to eliminate the need for lights during the day
- R-15 insulation in the walls and R-30 insulation in the attic spaces

Green Features:

The Project shall achieve Energy Efficient rating and will include LED lighting, ceiling fans in each bedroom and living room, tankless hot water heaters, radiant barrier in the roofs, evaporative cooler, HVAC units and efficient appliances to reduce utility costs.

Amenities:

All 39 homes will have a front and back yard for families to enjoy. In addition, the development is approximately one mile away from a community park.

Parking:

Each home will have parking for two cars inside the garage as well as two cars in the driveway if necessary. The interior streets will have room for parking on both sides of the streets to accommodate visitor parking.

Unique to this Project are the supportive services for first time homebuyers. As a requirement of the Self Help program, participant families attend a series of classes to promote successful homeownership. These include pre and post purchase homeownership training classes that include budget planning; credit counselling and home maintenance & repair.

ATTACHMENT NO. 6

PROJECT BUDGET

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ATTACHMENT NO. 6

PROJECT BUDGET

Project Permanent Sources and Uses of Fund:

Sources (estimated, final numbers will be based on actual loan amounts provided to homebuyers)

USDA-RD 502 OwnerBuilder Construction/Mortgage Loans	\$	4,928,300
HACR	\$	1,189,800
HCD-CalHOME	\$	595,400
HCD-FWHG	\$	360,000
FHLB-AHP (application pending)	\$	0
Homebuyers Sweat Equity	\$	<u>886,500</u>
Total Sources	\$	7,960,000

Uses:

Land & Acquisition	\$	1,579,500
Construction	\$	3,881,790
Water/Sewer Connection Fees	\$	301,080
School Fees	\$	218,340
City Permits	\$	928,990
Closing/Escrow Costs/Other Fees	\$	163,800
Homebuyers Sweat Equity	\$	<u>886,500</u>
Total Uses	\$	7,960,000

ATTACHMENT NO. 7

RELEASE OF CONSTRUCTION COVENANTS

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OFFICIAL BUSINESS

Document entitled to free recording
per Government Code Section 6103

Recording Requested By and
When Recorded Mail to:

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

Attention:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

RELEASE OF CONSTRUCTION COVENANTS

WHEREAS, the Housing Authority of the County of Riverside, a public entity, corporate and politic, in its capacity as housing successor to the former Coachella Redevelopment Agency ("Authority") has entered into an Disposition and Development Agreement with The Coachella Valley Housing Coalition, a California nonprofit public benefit corporation ("Developer") dated _____, 2015 and recorded in the Official Records of the Recorder's Office of the County of Riverside on _____ as Document No. _____ ("DDA") relating to the sale of certain real property in the City of Coachella, County of Riverside and State of California described as set forth in Exhibit "A" attached hereto and incorporated herein by this reference ("Property"), for the specific purpose of constructing and developing certain improvements on the Property (the "Project") in accordance with the terms and conditions contained in the DDA. Capitalized terms not defined herein shall have the meaning ascribed to such terms in the DDA;

WHEREAS, pursuant to the DDA, upon the completion of the Improvements (as defined in the DDA) and the request of the Developer, the Authority is required to issue for recordation a Release of Construction Covenants ("Release") acknowledging the completion of the construction and development required by the DDA relating to the Improvements, releasing certain obligations and rights of the Developer and the Authority set forth in the DDA;

WHEREAS, the Developer has completed the construction and development required by the DDA relating to the Property as required by the DDA and has requested that the Authority issue the Release; and

WHEREAS, Authority has inspected and determined that the construction and development required by the DDA relating to the Property has been satisfactorily completed and now desires to issue the Release pursuant to the terms and conditions of the DDA.

NOW THEREFORE, it is hereby acknowledged and certified by the Authority that:

1. The construction and development of the Property is in substantial compliance with the plans, drawings and related documents referred to in the DDA.

2. The Developer is in full compliance with the terms of Section 3.22 of the DDA.

3. All Authority rights pursuant to Section 5.9 (a) of the DDA providing the Authority the right to terminate the DDA in the event of an uncured default prior to completion of the Improvements are no longer enforceable or binding against the Developer and/or its successors and assigns.

4. The issuance and recording of this Release shall cancel and release any rights, remedies or controls that the parties would otherwise have or be entitled to exercise under the DDA with respect to the Property as a result of a default in or breach of any provision thereof prior to completion of the construction and development of the Property, and the respective rights and obligations of the parties with reference to the Property (or any portion thereof) shall thereafter be limited to those provided by the terms of the DDA, Agreement Containing Covenants, Grant Deed, and any other documents and/or instruments executed by Developer and Authority that survive the issuance and recordation of this Release.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the Authority has executed this Release this ____ day of _____, _____.

AUTHORITY:

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Coachella Redevelopment Agency

By: _____
Heidi Marshall, Deputy Executive Director

Date: _____

APPROVED AS TO FORM:

GREGORY P. PRIAMOS
COUNTY COUNSEL

By: _____
Jhaila R. Brown, Deputy County Counsel

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

All that certain real property in the City of Coachella, County of Riverside, State of California, described as follows:

LOTS 24 THROUGH 31, 55 THROUGH 58 AND 78 THROUGH 104, INCLUSIVE OF TRACT NO. 31158, IN THE CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 397, PAGES 1 TO 5 INCLUSIVE OF MAPS, IN THE OFFICE OF THE RIVERSIDE COUNTY RECORDER.

ASSESSOR PARCEL NUMBERS 768-361-010 THROUGH -012, AND 768-362-001 THROUGH -016, AND 768-371-001 THROUGH -019, AND 768-372-015

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

State of California)
) ss.
County of _____)

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

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

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary seal above

ATTACHMENT NO. 8
PRELIMINARY TITLE REPORT

[Behind this page]



560 E. Hospitality Lane
San Bernardino, CA 92408
Phone: (800)722-0824 / Fax: (909)384-7901

Leah Rodriguez
County of Riverside, Economic Development Agency
44-199 Monroe Street
Indio, CA 92201-

Date: July 1, 2015
Order No.: 7101316192-CB
Borrower(s):
Property: APN/Parcel ID: see smart view

In connection with the above referenced transaction, please find the following enclosed:

- Preliminary Title Report

Updated Prelim

We appreciate the opportunity of being of service to you. If we can be of further assistance, please feel free to call upon us.

Sincerely,

Carol Bengel
Title Officer
bengelc@ctt.com

Enclosure(s)

cc: Leah Rodriguez / County of Riverside Economic Development Agency



**CHICAGO TITLE
COMPANY**

PRELIMINARY REPORT

Order No.: 7101316192-CB
Property: APN/Parcel ID: see smart view

*In response to the application for a policy of title insurance referenced herein, **Chicago Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(ies) of title insurance to be issued hereunder will be policy(ies) of Chicago Title Insurance Company, a Nebraska corporation.

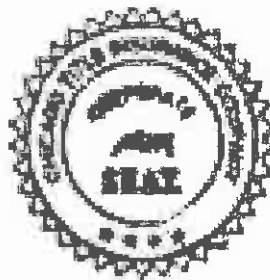
Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Chicago Title Insurance Company

Countersigned By:

Authorized Officer or Agent



By:

President

Attest:

Secretary

Visit Us on our Website: www.ctic.com



ISSUING OFFICE: 560 E. Hospitality Lane, San Bernardino, CA 92408

FOR SETTLEMENT INQUIRIES, CONTACT:

• FAX

PRELIMINARY REPORT

Amendment: 1

Title Officer: Carol Bengel

Email: bengelc@ctt.com

Phone No.: (909)384-7909

Fax No.: (909)384-7901

Title No.: 7101316192-CB

Customer:

Email:

Phone No.:

Fax No.:

Ref. No.:

PROPERTY ADDRESS(ES): APN/Parcel ID(s) see smart view

EFFECTIVE DATE: June 18, 2015 at 12:00 AM

The form of policy or policies of title insurance contemplated by this report is:

CLTA Standard Coverage Policy 1990

1. The estate or interest in the Land hereinafter described or referred to covered by this Report is:

Fee

2. Title to said estate or interest at the date hereof is vested in:

The Housing Authority of the County of Riverside, Housing Successor Agency to the Former Coachella Redevelopment Agency, a public body corporate and politic of the State of California

3. The Land referred to in this Report is described as follows:

For APN/Parcel ID(s): see smart view

Lots 24 through 31, 55 through 58, and 78 through 104 inclusive of Tract No. 31158, in the City of Coachella, County of Riverside, State of California, as shown by map on file in Book 397, pages 1 to 5 inclusive of maps, in the office of the county recorder of said county.

AT THE DATE HEREOF, EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Fiscal Year: 2013-2014
1st Installment: \$8,624.07, unpaid (cumulative total)
Penalty: \$861.90 (cumulative total) Due after December 10
2nd Installment: \$8,624.07, unpaid (Cumulative total)
Penalty and Cost: \$2,324.40 (cumulative total) Due after April 10
Homeowners Exemption: \$0.00
Code Area: 012-054
Tax Identification No.: as follows:

768-371-001 through 768-371-008;
768-361-010 through 768-361-012;
768-372-015;
768-371-009 through 768-371-019; and
768-362-001 through 768-362-016

2. Said property has been declared tax defaulted for non-payment of delinquent taxes for the fiscal year 2010-2011.

Amounts to redeem for the above-stated fiscal year (and subsequent years if any) are:

Amount: \$45,515.34 by October 31, 2013 (cumulative total)
Amount: \$45,984.12 by November 30, 2013 (cumulative total)

Default No.: as follows:

768-371-001 through 768-371-008;
768-361-010 through 768-361-012;
768-372-015;
768-371-009 through 768-371-019; and
768-362-001 through 768-362-016

3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation Code of the State of California.

4. Water rights, claims or title to water, whether or not disclosed by the public records.

5. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Imperial Irrigation District
Purpose: utilities
Recording Date: July 23, 1952
Recording No.: 30877, in Book 1386, page 506, Official Records
Affects: a portion of lots 98 and 99, as more particularly described therein

6. Easement(s) for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract/plat;

Purpose: public utilities
Affects: as shown on said map
Recording No.: in Book 397, page 1 to 5 of Maps

7. This item intentionally deleted
Matters contained in that certain document

Entitled: Notice of Existence and Election of Pre-Litigation Procedures Pursuant to Title 7, Part 2 of Division 2 of the Civil Code, Commencing at Section 895 et seq. (Commonly Referred to as SB800)
Dated: November 9, 2006
Executed by: Frederick Street Partners, LLC
Recording Date: November 27, 2006
Recording No.: 2006-866865, Official Records

Reference is hereby made to said document for full particulars.

8. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, source of income, gender, gender identity, gender expression, medical condition or genetic information, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: November 27, 2006
Recording No.: 2006-866866, Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

Said instrument provides or establishes: easements and assessments as described therein

Modification(s) of said covenants, conditions and restrictions

Recording Date: March 8, 2012
Recording No.: 2102-106971, Official Records

9. This item intentionally deleted
Matters contained in that certain document

Entitled: Notice of Existence and Election of Pre-Litigation Procedures Pursuant to Title 7, Part 2 of Division 2 of the Civil Code, Commencing at Section 895 et seq. (Commonly Referred to as SB800)
Dated: November 9, 2006
Executed by: North American Residential Communities, Inc.
Recording Date: November 27, 2007
Recording No.: 2007-134553, Official Records

Reference is hereby made to said document for full particulars.

10. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Verizon California Inc.
Purpose: public utilities
Recording Date: May 10, 2007
Recording No.: 2007-334234, Official Records
Affects: within 3 feet of all side lot lines, except such lines as coincide with boundary lines of streets, and within those portions delineated as public and/or private streets, all lying within Tract No. 31158. Also, various strips of land, each 5.00 feet in width, lying within all those lot lines bounded on land shall, in all cases be coincidental with the exterior right of way lines of said streets, alley or Highways as said lots are shown on map of said Tract No. 31158.

11. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$3,600,000.00
Dated: July 27, 2007
Trustor/Grantor: Rancho Housing Alliance, Inc., a California public benefit corporation
Trustee: Chicago Title Company
Beneficiary: Redevelopment Agency of the City of Coachella, a California public body, corporate and politic
Recording Date: August 3, 2007
Recording No.: 2007-502675, Official Records

An assignment of the beneficial interest under said deed of trust which names:

Assignee: Housing Authority of the County of Riverside, a public body corporate and politic
Loan No.: none shown
Recording Date: December 9, 2013
Recording No.: 13-0571125

12. Any claim that the transaction vesting the Title as shown in Schedule A or creating the lien of the Insured Mortgage, or any other transaction occurring on or prior to Date of Policy in which Redevelopment Agency of the City of Coachella or its successors transferred, acquired, or made any agreement affecting the title to or any interest in the Land, is void or voidable, or subject to termination, renegotiation, or judicial review, under California Assembly Bill 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) and California Assembly Bill 1484 (Chapter 26, Statutes of 2011-12).

END OF EXCEPTIONS

NOTES

- Note 1.** Note: The current owner does NOT qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs, for the herein described Land.
- Note 2.** If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.
- Note 3.** If this company is requested to disburse funds in connection with this transaction, Chapter 598, Statutes of 1989 mandates hold periods for checks deposited to escrow or sub-escrow accounts. The mandatory hold period for cashier's checks, certified checks and teller's checks is one business day after the day deposited. Other checks require a hold period of from two to five business days after the day deposited. In the event that the parties to the contemplated transaction wish to record prior to the time that the funds are available for disbursement (and subject to Company approval), the Company will require the prior written consent of the parties. Upon request, a form acceptable to the company authorizing said early recording may be provided to Escrow for execution.

Wire Transfers

There is no mandated hold period for funds deposited by confirmed wire transfer. The Company may disburse such funds the same day.

Chicago Title will disburse by Wire (Wire-out) only collected funds or funds received by confirmed Wire (Wire-in). Wiring Instructions for Chicago Title Company, San Bernardino, CA, are as follows:

Receiving Bank: Union Bank
1980 Saturn Street
Monterey Park, CA 91755

ABA Routing No.: 122000496

Credit Account Name: Chicago Title Company

Credit Account No.: 9101051085

Escrow No.: 7101316192

These wiring instructions are for this specific transaction involving the Title Department of the San Bernardino office of Chicago Title Company. These instructions therefore should not be used in other transactions without first verifying the information with our accounting department. It is imperative that the wire text be exactly as indicated. Any extraneous information may cause unnecessary delays in confirming the receipt of funds.

- Note 4.** Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

Note 5. This Company will require the following documents for review prior to the issuance of any title assurance predicated upon a conveyance or encumbrance by the corporation named below.

Name of Corporation: Rancho Housing Alliance, Inc.

- a. A copy of the corporation By-laws and Articles of Incorporation.
- b. An original or certified copy of the resolution authorizing the subject transaction, together with a Certificate of Compliance pursuant to Section 5912 or 7912 Corporations Code.
- c. If the Articles and/or By-laws require approval by a "parent" organization, a copy of those By-laws and Articles of Incorporation is required.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

jn/vb
lsd

END OF NOTES

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): see smart view

Lots 24 through 31, 55 through 58, and 78 through 104 inclusive of Tract No. 31158, in the City of Coachella, County of Riverside, State of California, as shown by map on file in Book 397, pages 1 to 5 inclusive of maps, in the office of the county recorder of said county.

**FIDELITY NATIONAL FINANCIAL
PRIVACY NOTICE
Effective: May 1, 2015**

Order No.: 7101316192--DG

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing real estate- and loan-related services (collectively, "FNF", "our" or "we") respect and are committed to protecting your privacy. This Privacy Notice lets you know how and for what purposes your Personal Information (as defined herein) is being collected, processed and used by FNF. We pledge that we will take reasonable steps to ensure that your Personal Information will only be used in ways that are in compliance with this Privacy Notice. The provision of this Privacy Notice to you does not create any express or implied relationship, or create any express or implied duty or other obligation, between Fidelity National Financial, Inc. and you. See also **No Representations or Warranties** below.

This Privacy Notice is only in effect for any generic information and Personal Information collected and/or owned by FNF, including collection through any FNF website and any online features, services and/or programs offered by FNF (collectively, the "Website"). This Privacy Notice is not applicable to any other web pages, mobile applications, social media sites, email lists, generic information or Personal Information collected and/or owned by any entity other than FNF.

How Information is Collected

The types of personal information FNF collects may include, among other things (collectively, "Personal Information"): (1) contact information (e.g., name, address, phone number, email address); (2) demographic information (e.g., date of birth, gender marital status); (3) Internet protocol (or IP) address or device ID/UDID; (4) social security number (SSN), student ID (SIN), driver's license, passport, and other government ID numbers; (5) financial account information; and (6) information related to offenses or criminal convictions.

In the course of our business, we may collect Personal Information about you from the following sources:

- Applications or other forms we receive from you or your authorized representative;
- Information we receive from you through the Website;
- Information about your transactions with or services performed by us, our affiliates, or others; and
- From consumer or other reporting agencies and public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others.

Additional Ways Information is Collected Through the Website

Browser Log Files. Our servers automatically log each visitor to the Website and collect and record certain information about each visitor. This information may include IP address, browser language, browser type, operating system, domain names, browsing history (including time spent at a domain, time and date of your visit), referring/exit web pages and URLs, and number of clicks. The domain name and IP address reveal nothing personal about the user other than the IP address from which the user has accessed the Website.

Cookies. From time to time, FNF or other third parties may send a "cookie" to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive and that can be re-sent to the serving website on subsequent visits. A cookie, by itself, cannot read other data from your hard disk or read other cookie files already on your computer. A cookie, by itself, does not damage your system. We, our advertisers and other third parties may use cookies to identify and keep track of, among other things, those areas of the Website

and third party websites that you have visited in the past in order to enhance your next visit to the Website. You can choose whether or not to accept cookies by changing the settings of your Internet browser, but some functionality of the Website may be impaired or not function as intended. See the **Third Party Opt Out** section below.

Web Beacons. Some of our web pages and electronic communications may contain images, which may or may not be visible to you, known as Web Beacons (sometimes referred to as "clear gifs"). Web Beacons collect only limited information that includes a cookie number, time and date of a page view; and a description of the page on which the Web Beacon resides. We may also carry Web Beacons placed by third party advertisers. These Web Beacons do not carry any Personal Information and are only used to track usage of the Website and activities associated with the Website. See the **Third Party Opt Out** section below.

Unique Identifier. We may assign you a unique internal identifier to help keep track of your future visits. We may use this information to gather aggregate demographic information about our visitors, and we may use it to personalize the information you see on the Website and some of the electronic communications you receive from us. We keep this information for our internal use, and this information is not shared with others.

Third Party Opt Out. Although we do not presently, in the future we may allow third-party companies to serve advertisements and/or collect certain anonymous information when you visit the Website. These companies may use non-personally identifiable information (e.g., click stream information, browser type, time and date, subject of advertisements clicked or scrolled over) during your visits to the Website in order to provide advertisements about products and services likely to be of greater interest to you. These companies typically use a cookie or third party Web Beacon to collect this information, as further described above. Through these technologies, the third party may have access to and use non-personalized information about your online usage activity.

You can opt-out of certain online behavioral services through any one of the ways described below. After you opt-out, you may continue to receive advertisements, but those advertisements will no longer be as relevant to you.

- You can opt-out via the Network Advertising Initiative industry opt-out at <http://www.networkadvertising.org/>.
- You can opt-out via the Consumer Choice Page at www.aboutads.info.
- For those in the U.K., you can opt-out via the IAB UK's industry opt-out at www.youronlinechoices.com.
- You can configure your web browser (Chrome, Firefox, Internet Explorer, Safari, etc.) to delete and/or control the use of cookies.

More information can be found in the Help system of your browser. Note: If you opt-out as described above, you should not delete your cookies. If you delete your cookies, you will need to opt-out again.

Use of Personal Information

Information collected by FNF is used for three main purposes:

- To provide products and services to you or one or more third party service providers (collectively, "Third Parties") who are obtaining services on your behalf or in connection with a transaction involving you.
- To improve our products and services that we perform for you or for Third Parties.
- To communicate with you and to inform you about FNF's, FNF's affiliates and third parties' products and services.

When Information Is Disclosed By FNF

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To agents, brokers, representatives, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers who provide services or perform marketing services or other functions on our behalf;
- To law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders; and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

In addition to the other times when we might disclose information about you, we might also disclose information when required by law or in the good-faith belief that such disclosure is necessary to: (1) comply with a legal process or applicable laws; (2) enforce this Privacy Notice; (3) respond to claims that any materials, documents, images, graphics, logos, designs, audio, video and any other information provided by you violates the rights of third parties; or (4) protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep the Personal Information that is disclosed to us secure. We provide Personal Information and non-Personal Information to our subsidiaries, affiliated companies, and other businesses or persons for the purposes of processing such information on our behalf and promoting the services of our trusted business partners, some or all of which may store your information on servers outside of the United States. We require that these parties agree to process such information in compliance with our Privacy Notice or in a similar, industry-standard manner, and we use reasonable efforts to limit their use of such information and to use other appropriate confidentiality and security measures. The use of your information by one of our trusted business partners may be subject to that party's own Privacy Notice. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

We also reserve the right to disclose Personal Information and/or non-Personal Information to take precautions against liability, investigate and defend against any third-party claims or allegations, assist government enforcement agencies, protect the security or integrity of the Website, and protect the rights, property, or personal safety of FNF, our users or others.

We reserve the right to transfer your Personal Information, as well as any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets. We also cannot make any representations regarding the use or transfer of your Personal Information or other information that we may have in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors, and you expressly agree and consent to the use and/or transfer of your Personal Information or other information in connection with a sale or transfer of some or all of our assets in any of the above described proceedings. Furthermore, we cannot and will not be responsible for

any breach of security by any third parties or for any actions of any third parties that receive any of the information that is disclosed to us.

Information From Children

We do not collect Personal Information from any person that we know to be under the age of thirteen (13). Specifically, the Website is not intended or designed to attract children under the age of thirteen (13). You affirm that you are either more than 18 years of age, or an emancipated minor, or possess legal parental or guardian consent, and are fully able and competent to enter into the terms, conditions, obligations, affirmations, representations, and warranties set forth in this Privacy Notice, and to abide by and comply with this Privacy Notice. In any case, you affirm that you are over the age of 13, as **THE WEBSITE IS NOT INTENDED FOR CHILDREN UNDER 13 THAT ARE UNACCOMPANIED BY HIS OR HER PARENT OR LEGAL GUARDIAN.**

Parents should be aware that FNF's Privacy Notice will govern our use of Personal Information, but also that information that is voluntarily given by children – or others – in email exchanges, bulletin boards or the like may be used by other parties to generate unsolicited communications. FNF encourages all parents to instruct their children in the safe and responsible use of their Personal Information while using the Internet.

Privacy Outside the Website

The Website may contain various links to other websites, including links to various third party service providers. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites. Other than under agreements with certain reputable organizations and companies, and except for third party service providers whose services either we use or you voluntarily elect to utilize, we do not share any of the Personal Information that you provide to us with any of the websites to which the Website links, although we may share aggregate, non-Personal Information with those other third parties. Please check with those websites in order to determine their privacy policies and your rights under them.

European Union Users

If you are a citizen of the European Union, please note that we may transfer your Personal Information outside the European Union for use for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information, you consent to both our collection and such transfer of your Personal Information in accordance with this Privacy Notice.

Choices With Your Personal Information

Whether you submit Personal Information to FNF is entirely up to you. You may decide not to submit Personal Information, in which case FNF may not be able to provide certain services or products to you.

You may choose to prevent FNF from disclosing or using your Personal Information under certain circumstances ("opt out"). You may opt out of any disclosure or use of your Personal Information for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization by notifying us by one of the methods at the end of this Privacy Notice. Furthermore, even where your Personal Information is to be disclosed and used in accordance with the stated purposes in this Privacy Notice, you may elect to opt out of such disclosure to and use by a third party that is not acting as an agent of FNF. As described above, there are some uses from which you cannot opt-out.

Please note that opting out of the disclosure and use of your Personal Information as a prospective employee may prevent you from being hired as an employee by FNF to the extent that provision of your Personal Information is required to apply for an open position.

If FNF collects Personal Information from you, such information will not be disclosed or used by FNF for purposes that are incompatible with the purpose(s) for which it was originally collected or for which you subsequently gave authorization unless you affirmatively consent to such disclosure and use.

You may opt out of online behavioral advertising by following the instructions set forth above under the above section "Additional Ways That Information Is Collected Through the Website," subsection "Third Party Opt Out."

Access and Correction

To access your Personal Information in the possession of FNF and correct inaccuracies of that information in our records, please contact us in the manner specified at the end of this Privacy Notice. We ask individuals to identify themselves and the information requested to be accessed and amended before processing such requests, and we may decline to process requests in limited circumstances as permitted by applicable privacy legislation.

Your California Privacy Rights

Under California's "Shine the Light" law, California residents who provide certain personally identifiable information in connection with obtaining products or services for personal, family or household use are entitled to request and obtain from us once a calendar year information about the customer information we shared, if any, with other businesses for their own direct marketing uses. If applicable, this information would include the categories of customer information and the names and addresses of those businesses with which we shared customer information for the immediately prior calendar year (e.g., requests made in 2015 will receive information regarding 2014 sharing activities).

To obtain this information on behalf of FNF, please send an email message to privacy@fnf.com with "Request for California Privacy Information" in the subject line and in the body of your message. We will provide the requested information to you at your email address in response.

Please be aware that not all information sharing is covered by the "Shine the Light" requirements and only information on covered sharing will be included in our response.

Additionally, because we may collect your Personal Information from time to time, California's Online Privacy Protection Act requires us to disclose how we respond to "do not track" requests and other similar mechanisms. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

FNF Compliance with California Online Privacy Protection Act

For some websites which FNF or one of its companies owns, such as the Customer CareNet ("CCN"), FNF is acting as a third party service provider to a mortgage loan servicer. In those instances, we may collect certain information on behalf of that mortgage loan servicer for fulfilling a service to that mortgage loan servicer. For example, you may access CCN to complete a transaction with your mortgage loan servicer. During this transaction, the information which we may collect on behalf of the mortgage loan servicer is as follows:

- First and Last Name
- Property Address
- User Name
- Password
- Loan Number
- Social Security Number - masked upon entry
- Email Address
- Three Security Questions and Answers
- IP Address

The information you submit is then transferred to your mortgage loan servicer by way of CCN.

The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through this website. For example, if you believe that your payment or user information is incorrect, you must contact your mortgage loan servicer.

CCN does not share consumer information with third parties, other than those with which the mortgage loan servicer has contracted to interface with the CCN application.

All sections of the FNF Privacy Notice apply to your interaction with CCN, except for the sections titled Choices with Your Personal Information and Access and Correction. If you have questions regarding the choices you have with regard to your personal information or how to access or correct your personal information, you should contact your mortgage loan servicer.

No Representations or Warranties

By providing this Privacy Notice, Fidelity National Financial, Inc. does not make any representations or warranties whatsoever concerning any products or services provided to you by its majority-owned subsidiaries. In addition, you also expressly agree that your use of the Website is at your own risk. Any services provided to you by Fidelity National Financial, Inc. and/or the Website are provided "as is" and "as available" for your use, without representations or warranties of any kind, either express or implied, unless such warranties are legally incapable of exclusion. Fidelity National Financial, Inc. makes no representations or warranties that any services provided to you by it or the Website, or any services offered in connection with the Website are or will remain uninterrupted or error-free, that defects will be corrected, or that the web pages on or accessed through the Website, or the servers used in connection with the Website, are or will remain free from any viruses, worms, time bombs, drop dead devices, Trojan horses or other harmful components. Any liability of Fidelity National Financial, Inc. and your exclusive remedy with respect to the use of any product or service provided by Fidelity National Financial, Inc. including on or accessed through the Website, will be the re-performance of such service found to be inadequate.

Your Consent To This Privacy Notice

By submitting Personal Information to FNF, you consent to the collection and use of information by us as specified above or as we otherwise see fit, in compliance with this Privacy Notice, unless you inform us otherwise by means of the procedure identified below. If we decide to change this Privacy Notice, we will make an effort to post those changes on the Website. Each time we collect information from you following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you may submit in any manner that we may choose without notice or compensation to you.

If you have additional questions or comments, please let us know by sending your comments or requests to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer
(888) 934-3354
privacy@fnf.com

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EFFECTIVE AS OF: MAY 1, 2015

ATTACHMENT ONE

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)**

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown In Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$5,000.00

**ATTACHMENT ONE
(CONTINUED)**

**AMERICAN LAND TITLE ASSOCIATION
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)**

EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - Improvements on the land
 - land division
 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date.
This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking
3. Title Risks:
 - that are created, allowed, or agreed to by you
 - that are known to you, but not to us, on the Policy Date-unless they appeared in the public records
 - that result in no loss to you
 - that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - to any land outside the area specifically described and referred to in Item 3 of Schedule A

or

 - in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

ATTACHMENT ONE (CONTINUED)

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Companies

CTC - Chicago Title Company

Underwritten by FNF Underwriters

CTIC - Chicago Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY TITLE REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within twelve (12) to thirty-six (36) months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge.

DISASTER LOANS (CTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be thirty-two percent (32%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.



EXHIBIT A

Order No.: 7101316192

For APN/Parcel ID(s): *see smart view*

Lots 24 through 31, 55 through 58, and 78 through 104 inclusive of Tract No. 31158, in the City of Coachella, County of Riverside, State of California, as shown by map on file in Book 397, pages 1 to 5 inclusive of maps, in the office of the county recorder of said county.

768-37
765-90

40

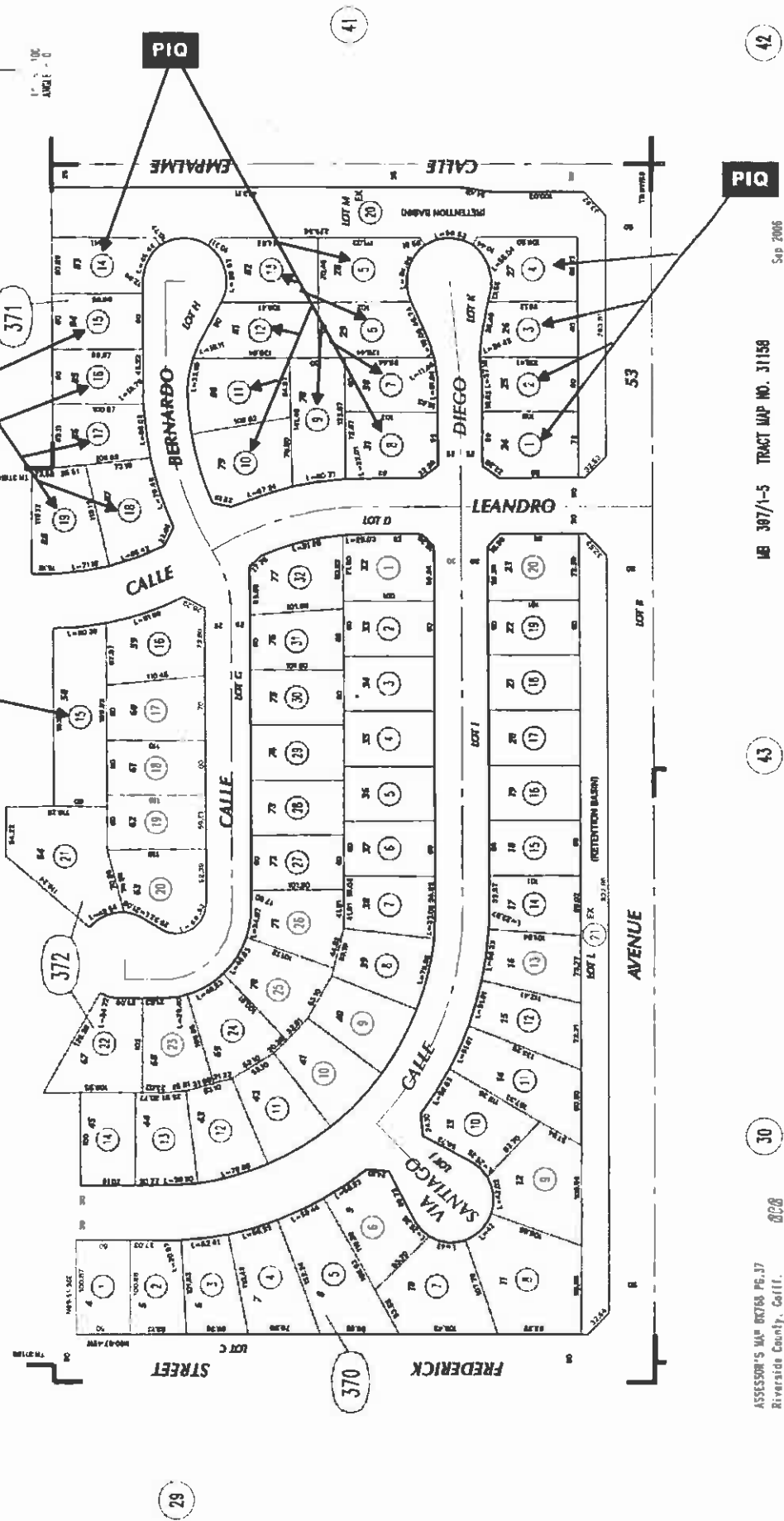
T.R.A. 012-053

35

POR. SEC 7 T. 6S., R. 8E
CITY OF CONCHELLA

36

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSURED FOR THE ACCURACY OF THE DATA SHOWN. ASSASSOR'S PARCELS MAY NOT CORRELATE WITH LOCAL LOT-SPLIT OR BUILDING SET-BACK ORDINANCES.
MAR 15 2007



42

PIQ

MB 307/1-5 TRACT MAP NO. 31150
Sep 2006

43

30

ASSESSOR'S MAP BCT168 PG.37
Riverside County, Calif. DCCB

29

"This plat is for your aid in locating your land with reference to streets and other parcels the Company assumes no liability for any loss occurring by reason of reliance thereon " It is not a survey While this plat is believed to be correct, CHICAGO TITLE INSURANCE COMPANY

768-36
763-85

1" = 100'
ANGLE = 0

I.R.A. 012-054

Sep 2006

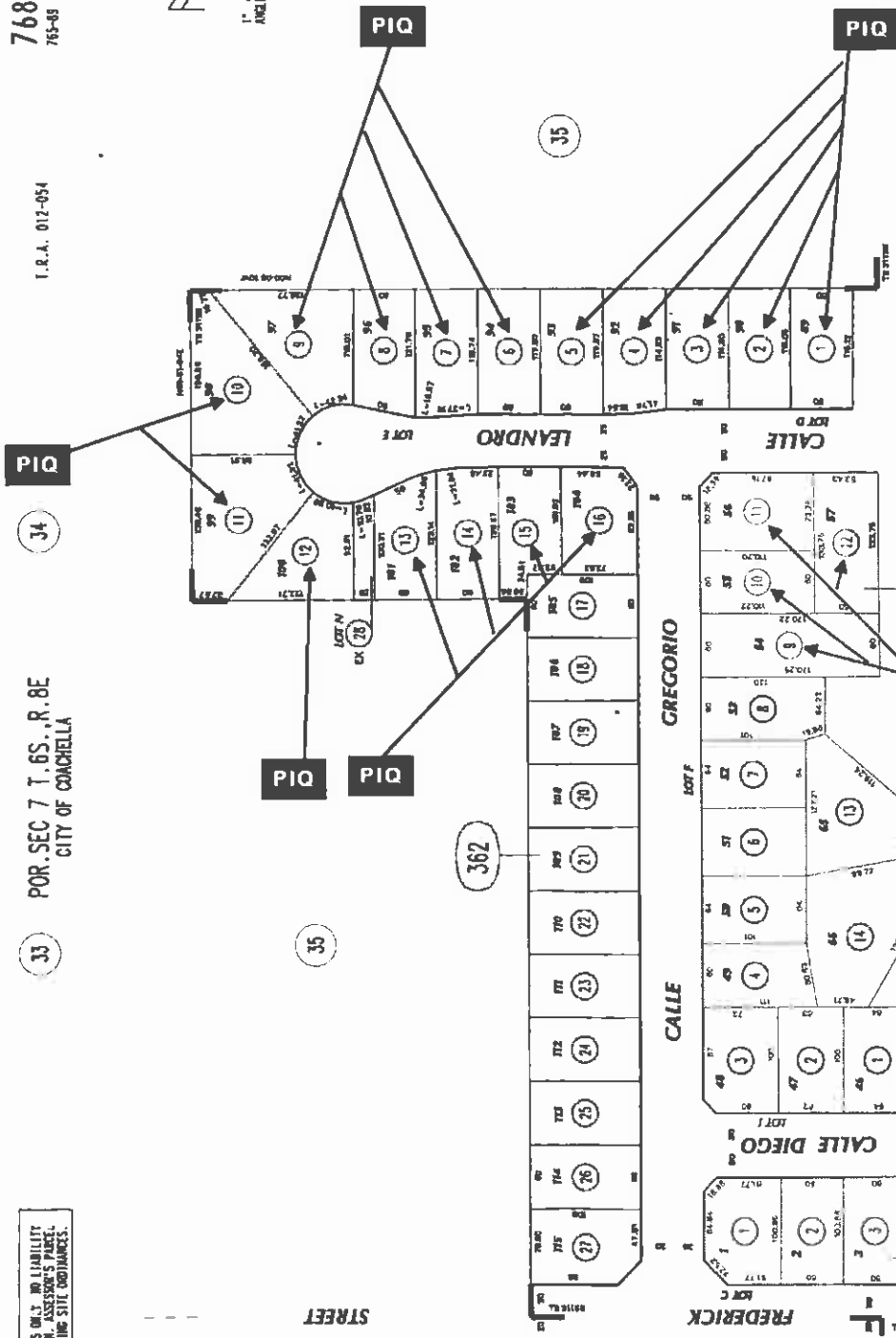
POR. SEC 7 T. 6S., R. 8E
CITY OF CONCHELLA

TRACT MAP NO. 31158
MR 397/1-5

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY FOR INADEQUACIES OR OMISSIONS SHALL BE ASSUMED BY THE COMPANY. THIS MAP MAY NOT COMPLY WITH LOCAL UP-SPLIT OR BUILDING SITE ORDINANCES.

MAR 3 5 2007 28

ASSESSOR'S MAP BCT68 PG. 36
Etraville Centr., Calif.



"This plat is for your aid in locating your land with reference to streets and other parcels. It is not a survey. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon." CHICAGO TITLE INSURANCE COMPANY

768-37
765-90
40

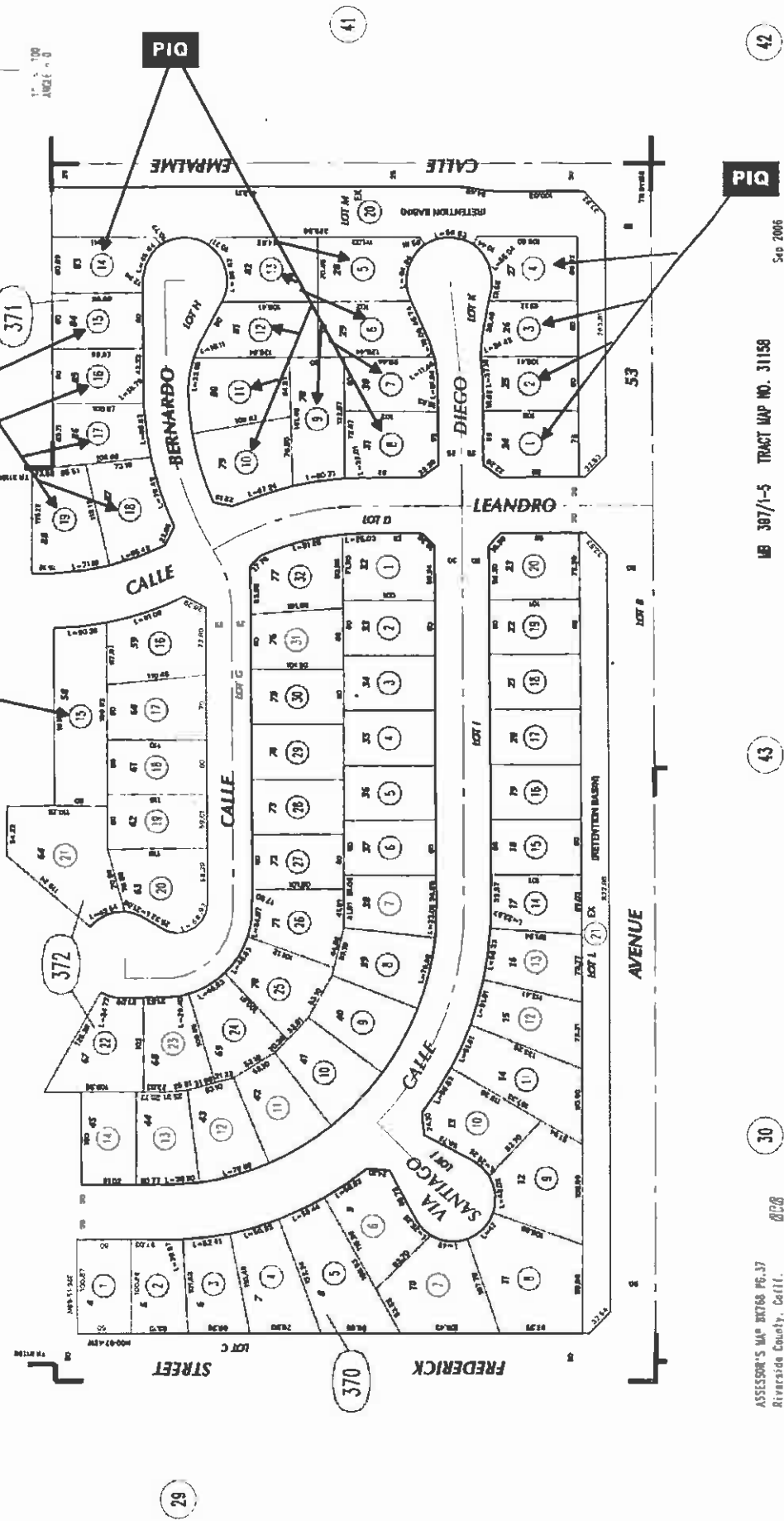
T.R.A. 012-053
PIQ

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POR. SEC 7 T. 65., R. 8E
CITY OF CONCHELLA

36

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S OFFICE MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.
MAR 15 2007



42

PIQ

LB 387/1-5 TRACT MAP NO. 31158
Sep 2006

43

30

ASSESSOR'S MAP 80768 PG. 37
Riverside County, Calif.
DCCB

"This plat is for your aid in locating your land with reference to streets and other parcels. It is not a survey. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon." CHICAGO TITLE INSURANCE COMPANY

768-36
765-49

1" = 100'
ANGLE = 0

T.R.A. 012-054

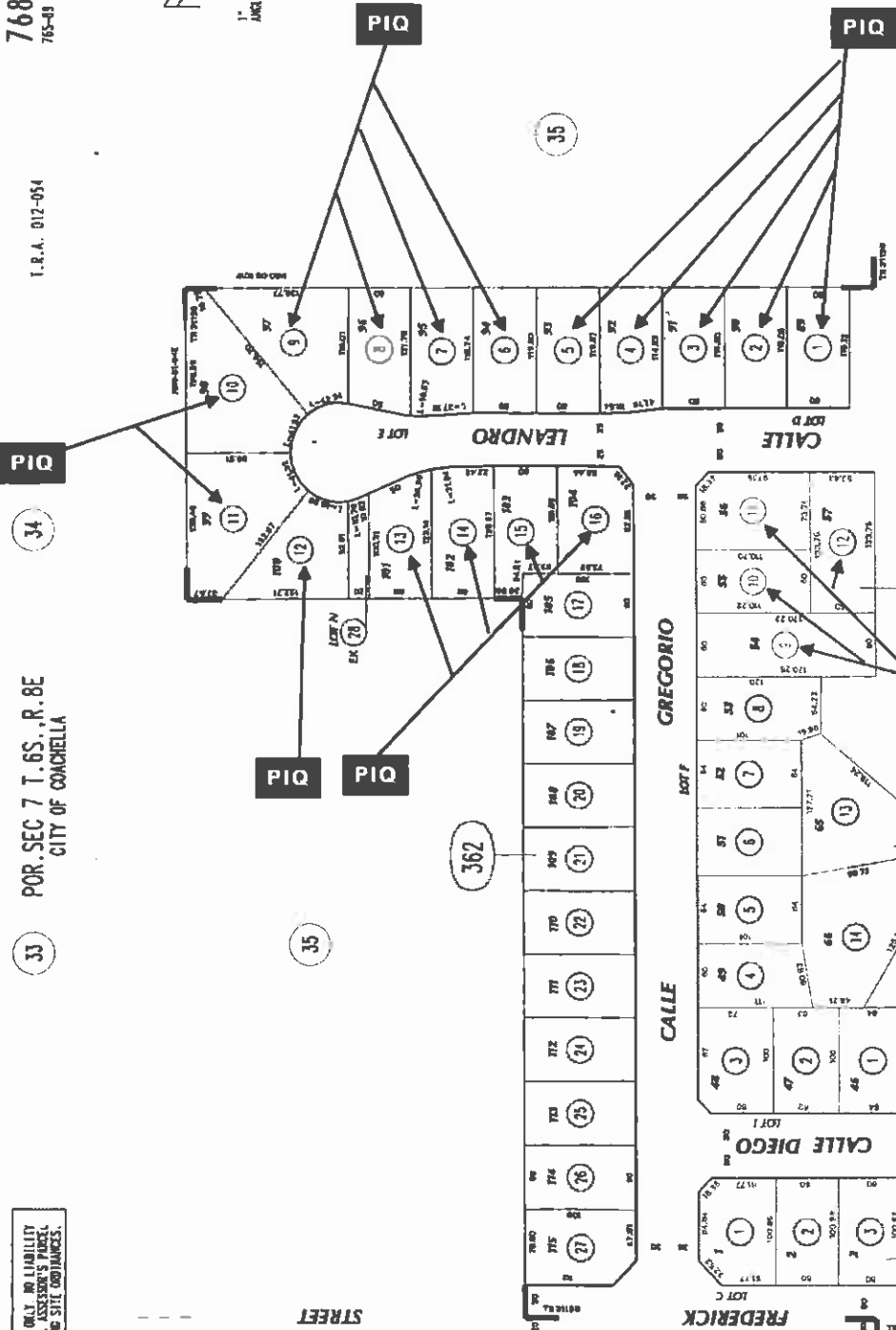
POR. SEC 7 T. 6S., R. 8E
CITY OF CONCHELLA

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MAR 15 2011 28

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.



Sep 2006

MB 397/1-5 TRACT MAP NO. 31158

ASSESSOR'S MAP 00768 PG. 36
Biverside County, Calif.

"This plat is for your aid in locating your land with reference to streets and other parcels. It is not a survey. While this plat is believed to be correct, the Company assumes no liability for any loss occurring by reason of reliance thereon." CHICAGO TITLE INSURANCE COMPANY

ATTACHMENT NO. D-1
ENVIRONMENTAL INDEMNITY
[Behind this page]

ATTACHMENT NO. D-1

ENVIRONMENTAL INDEMNITY

THIS ENVIRONMENTAL INDEMNITY (this "Indemnity"), dated as of _____, 2015, is made by THE COACHELLA VALLEY HOUSING COALITION, a California nonprofit public benefit corporation (referred to as "Developer"), whose address for purposes of giving notices is 45-701 Monroe Street, Suite G, Indio, CA 92201, in favor of the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, whose address for purposes of giving notices is 5555 Arlington Avenue, Riverside, CA 92504 (the "Authority").

WITNESSETH

WHEREAS, Developer is the owner of the real property in the City of Coachella, as more particularly described on Exhibit A attached hereto and made a part hereof, and the real property improvements thereon (collectively referred to as the "Property");

WHEREAS, Developer and the Authority, entered into that certain Disposition and Development Agreement, dated as of _____, 2015 (the "DDA"), pursuant to which the Authority agreed to convey the Property to Developer for the purpose of developing 39 residential single-family units and related improvements and amenities on the Property and provide financial assistance ("Loan") directly to qualified households to purchase said single family homes (the DDA and certain documents and instruments referred to therein which are being executed by Developer concurrently herewith in connection with the Property);

WHEREAS, Developer has agreed to execute and deliver to the Authority this Indemnity to induce the Authority to convey the Property and provide the Loan.

NOW, THEREFORE, in consideration of the foregoing and in consideration of the mutual agreements hereinafter set forth, Developer hereby agrees with the Authority as follows:

Section 1. DEFINITIONS

For the purpose of this Indemnity, "Hazardous Materials" or "Hazardous Substances" shall include, but not be limited to, any substance or material (whether a raw material, building component or waste, a product or by-product of manufacturing or other activities, or any other substance or material) which is or becomes designated, classified or regulated as being "hazardous" or "toxic", or is or becomes otherwise similarly designated, classified or regulated, under any Federal, state or local law, regulation or ordinance, including without limitation (i) any substance defined as a "hazardous substance" or a "hazardous waste" for purposes of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 *et seq.*, or the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*, respectively, (ii) any substance defined as a "hazardous waste" or a "hazardous substance" for purposes of applicable state or local law and (iii) petroleum, flammable explosives, urea formaldehyde insulation, asbestos and radioactive materials, substances defined as "extremely hazardous substances," "hazardous substances," "hazardous materials,"

“hazardous waste” or “toxic substances” the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq.; and those substances defined as “hazardous waste” in Section 25117 of the California Health and Safety Code, as “infectious waste” in Section 25117.5 of the California Health and Safety Code, or as “hazardous substances” in Section 25316 of the California Health and Safety Code or “hazardous materials” as defined in Section 353 of the California Vehicle Code; and in the regulations adopted and publications promulgated pursuant to said laws.

Section 2. COVENANTS AND INDEMNITY

The following covenants, and indemnities are hereby given and made by Developer:

2.1 Covenants.

(a) Developer covenants that it shall comply with any and all laws, regulations, and/or orders which may be promulgated, from time to time, with respect to the discharge and/or removal of Hazardous Materials, to pay immediately when due the costs of the removal of, or any other action required by law with respect to, any such Hazardous Materials, and to keep the Property free of any lien imposed pursuant to any such laws, regulations, or orders.

(b) Developer covenants that the Property will not, while Developer is the owner thereof, be used for any activities involving, directly or indirectly, the use, generation, treatment, storage, release, or disposal of any Hazardous Materials, except for de minimis quantities used at the Property in compliance with all applicable environmental laws and required in connection with the development of the Property in conformance with the DDA.

(c) Developer further agrees that Developer shall not release or dispose of any Hazardous Materials at the Property without the express written approval of the Authority and that any such release or disposal shall be effected in strict compliance with all applicable laws and all conditions, if any, established by the Authority.

(d) The Authority shall have the right, at any time, to conduct an environmental audit of the Property at the Authority’s expense, unless Hazardous Materials are found in violation of this Indemnity, then at Developer’s sole cost and expense, and Developer shall cooperate in the conduct of any such environmental audit but in no event shall such audit be conducted unless the Authority believes that such audit is warranted. Other than in an emergency, such audit shall be conducted only after prior notice has been given to Developer and only in the presence of a representative of Developer. Developer shall give the Authority and its agents and employees access to the Property to remove, or otherwise to mitigate against the effects of, Hazardous Materials.

(e) Developer shall not install, or permit to be installed, on the Property friable asbestos or any substance containing asbestos and deemed hazardous by federal or state regulations respecting such material, and, with respect to any such material currently present in the Property, Developer shall promptly either (i) remove or cause to be removed any material that such regulations deem hazardous and require to be removed, or (ii) otherwise comply with such federal and state regulations, at Developer’s sole cost and expense. If Developer shall fail to do so within the cure period permitted under applicable law, regulation, or order, the Authority may do whatever is necessary to eliminate said substances from the premises or to otherwise comply with the applicable law, regulation, or order, and the costs thereof shall be added to the Obligations (as hereinafter defined) of Developer under this Section 2.

(f) Developer shall immediately advise the Authority in writing of any of the following: (i) any pending or threatened environmental claim against Developer or the Property, (ii) any condition or occurrence on the Property that (A) results in noncompliance by Developer with any applicable environmental law, (B) could reasonably be anticipated to cause the Property to be subject to any restrictions on the ownership, occupancy, use or transferability of the Property under any environmental law, or (C) could reasonably be anticipated to form the basis of an environmental claim against the Property or Developer.

2.2 Indemnity. Developer shall indemnify, protect, and hold the Authority and its directors, officers, employees, and agents harmless from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements, or expenses (including, without limitation, attorneys' and experts' fees and disbursements) of any kind or of any nature whatsoever (collectively, the "Obligations") which may at any time be imposed upon, incurred by or asserted or awarded against the Authority and arising from or out of:

- (a) The presence of any Hazardous Materials on, in, under, or affecting all or any portion of the Property, which were stored, discharged, released or emitted after the Close of Escrow conveying the Property from the Authority to Developer;
- (b) The breach of any covenant made by Developer in Section 2.1 hereof; or
- (c) The enforcement by the Authority of any of the provisions of this Section 2.2 or the assertion by Developer of any defense to its obligations hereunder.

Subject to the qualifications set forth in Section 2.3, below, Developer shall be liable for payment and performance of the Obligations to the full extent (but only to the extent) of the property and assets (including the Property) which constitute security for such Obligations. If default occurs in the timely and proper payment and performance of any such Obligations, any judicial proceedings brought by the Authority against Developer shall be limited to the protection and preservation of the Property, the preservation, enforcement and foreclosure of the liens, mortgages, assignments, rights and security interests securing such Obligations and enforcement and collection of such Obligations for which Developer remains directly liable as provided in this Section. If there is a foreclosure of any such liens, mortgages, assignments, rights and security interests by power of sale or otherwise, no personal judgment for any deficiency thereon shall be sought or obtained by the Authority against Developer, or its officers, directors, agents, attorneys, servants or employees.

2.3 Exceptions to Non-Recourse Liability. Notwithstanding the foregoing provisions of Section 2.2 or any other agreements,

(a) the Authority may proceed against any other person or entity whatsoever with respect to the enforcement of any guarantees, surety bonds, letters of credit, reimbursement agreements or similar rights to payment or performance; and

(b) The Authority may recover personally from any person or entity:

(1) any damages, costs and expenses incurred by the Authority as a result of the negligence of such person or entity, involving, directly or indirectly, the use, generation, treatment, storage, release, or disposal of any Hazardous Materials by such person or entity or by others; provided, however, that neither Developer nor any officer, director, agent, attorney, servant or employee of Developer shall have any personal liability if the act or omission complained of was performed in good faith and was not reckless, wanton, intentional or grossly negligent;

(2) any damages, costs and expenses incurred by Authority as a result of fraud or any criminal act or acts of Developer or any partner, shareholder, officer, director or employee of Developer, or of any general or limited partner of Developer;

(3) any damages, costs and expenses incurred by Authority as a result of any misappropriation of funds provided for the construction of the Project, as described in the DDA, rents and revenues from the operation of the Project, or proceeds of insurance policies or condemnation proceeds; and

(4) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions (provided that Authority shall pay Developer's reasonable court costs and attorneys' fees if Developer is the prevailing party in any such enforcement or collection action).

Section 3. DEVELOPER'S UNCONDITIONAL OBLIGATIONS

3.1 Unconditional Obligations. Developer hereby agrees that the Obligations will be paid and performed strictly in accordance with the terms of this Indemnity, regardless of any law, regulation, or order now or hereafter in effect in any jurisdiction affecting the DDA or affecting any of the rights of the Authority with respect thereto. The obligations of Developer hereunder shall be absolute and unconditional irrespective of:

(a) The validity, regularity, or enforceability of the DDA or any other instrument or document executed or delivered in connection therewith;

(b) Any alteration, amendment, modification, release, termination, or cancellation of the DDA;

(c) The insolvency or bankruptcy of Developer; or

(d) Any other circumstance that might otherwise constitute a defense available to, or a discharge of, Developer with respect to any or all of the Obligations.

3.2 Continuation. This Indemnity is a continuing indemnity and shall remain in full force and effect until the satisfaction in full of all of the obligations but not later than 15 years from the recordation of the Release of Construction Covenants in the official records.

3.3 Termination. Notwithstanding the payment (and performance) in full of all of the Obligations and the payment (or performance) in full of all of Developer's obligations under the DDA, this Indemnity shall not terminate if any of the following shall have occurred:

(a) The Authority has at any time or in any manner participated in the management or control of, taken possession of (whether personally, by agent or by appointment of a receiver), or taken title to the Property or any portion thereof, whether by foreclosure, deed in lieu of foreclosure, sale under power of sale or otherwise; or

(b) There has been a change, between the date hereof and the date on which all of the Obligations are paid and performed in full, in any Hazardous Materials laws, the effect of which may be to make a lender or mortgagee liable in respect of any of the Obligations, notwithstanding the fact that no event, circumstance, or condition of the nature described in paragraph (a) above ever occurred.

Section 4. WAIVER

Developer hereby waives the following:

- (a) Promptness and diligence;
- (b) Notice of acceptance and notice of the incurrence of any obligation by Developer;
- (c) Notice of any action taken by the Authority, Developer, or any other interested party under the DDA or under any other agreement or instrument relating thereto;
- (d) All other notices, demands, and protests, and all other formalities of every kind, in connection with the enforcement of the Obligations, the omission of or delay in which, but for the provisions of this Section 4, might constitute grounds for relieving Developer of its Obligations hereunder;
- (e) The right to a trial by jury with respect to any dispute arising under, or relating to, this Indemnity; and
- (f) Any requirement that the Authority protect, secure, perfect, or insure any security interest or lien in or on any property subject thereto,
- (g) Any requirement that the Authority exhaust any right or take any action against Borrower or any other person or collateral;
- (h) Any defense that may arise by reason of:
 - (1) The incapacity, lack of authority, death or disability of, or revocation hereof by, any person or persons; or
 - (2) The failure of the Authority to file or enforce any claim against the estate (in probate, bankruptcy, or any other proceedings) of any person or persons;
 - (3) Any defense based upon an election of remedies by the Authority, including, without limitation, an election to proceed by nonjudicial foreclosure or which destroys or otherwise impairs the subrogation rights of Developer or any other right of Developer to proceed against Developer.

Section 5. NOTICES

Any notice, demand, statement, request, or consent made hereunder shall be in writing and shall be personally served, mailed by first-class registered mail, return receipt requested, to the address set forth in the first paragraph of this Indemnity, above, or given by telecopier to the telecopier numbers stated below, with confirmations mailed by first class registered mail, return

receipt requested to the address set forth above, of the party to whom such notice is to be given (or to such other address as the parties hereto, shall designate in writing):

In the case of the Authority:

Housing Authority of the
County of Riverside
5555 Arlington Avenue
Riverside, CA 92504
Attn: Deputy Executive Director

In the case of Developer:

The Coachella Valley Housing Coalition
45-701 Monroe Street, Suite G
Indio, CA 92201
Attn: Executive Director

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; 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.

Section 6. MISCELLANEOUS

6.1 Developer shall make any payment required to be made hereunder in lawful money of the United States of America, and in same day funds, to the Authority at its address specified in the first paragraph hereof.

6.2 No amendment of any provision of this Indemnity shall be effective unless it is in writing and signed by Developer and the Authority, and no waiver of any provision of this Indemnity, and no consent to any departure by Developer from any provision of this Indemnity, shall be effective unless it is in writing and signed by the Authority, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6.3 No failure on the part of the Authority to exercise, and no delay in exercising, any right hereunder or under the DDA shall operate as a waiver thereof, nor shall any single or partial exercise of any right preclude any other or further exercise thereof or the exercise of any other right. The rights and remedies of the Authority provided herein and in the other loan documents are cumulative and are in addition to, and not exclusive of, any rights or remedies provided by law.

6.4 Any provision of this Indemnity that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or

unenforceability without invalidating the remaining portions hereof and without affecting the validity or enforceability of such provision in any other jurisdiction.

6.5 This Indemnity shall (a) be binding upon Developer, and Developer's successors and assigns; and (b) inure, together with all rights and remedies of the Authority hereunder, to the benefit of the Authority, its respective directors, officers, employees, and agents, any successors to the Authority's interest in the Property, any other person who acquires any portion of the Property at a foreclosure sale or otherwise through the exercise of the Authority's rights and remedies under the DDA, any successors to any such person, and all directors, officers, employees, and agents of all of the aforementioned parties. Without limiting the generality of clause (b) of the immediately preceding sentence, the Authority may, subject to, and in accordance with, the provisions of the DDA, assign or otherwise transfer all or any portion of its rights and obligations under the DDA, to any other person, and such other person shall thereupon become vested with all of the rights and obligations in respect thereof that were granted to the Authority herein or otherwise. None of the rights or obligations of Developer hereunder may be assigned or otherwise transferred without the prior written consent of the Authority, except as provided in the DDA.

6.6 Developer hereby (a) irrevocably submits to the jurisdiction of the Superior Court of Riverside County in any action or proceeding arising out of or relating to this Indemnity, (b) waives any defense based on doctrines of venue or forum non convenient or similar rules or doctrines, and (c) irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such California or federal court. Developer irrevocably consents to the service of any and all process which may be required or permitted in any such action or proceeding to the address specified in the first paragraph of this Indemnity, above. Developer agrees that a final judgment in any such action or proceeding shall be inclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

6.7 The title of this document and the captions used herein are inserted only as a matter of convenience and for reference and shall in no way define, limit, or describe the scope or the intent of this Indemnity or any of the provisions hereof.

6.8 This Indemnity shall be governed by, and construed and interpreted in accordance with, the laws of the State of California applicable to contracts made and to be performed therein, except to the extent that the laws of the United States preempt the laws of the State of California.

6.9 This Indemnity may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one agreement.

[Remainder of Page Intentionally Blank]

[Signatures on the Following Page]

IN WITNESS WHEREOF, Developer has duly executed this Indemnity as of the date first set forth above.

DEVELOPER

THE COACHELLA VALLEY HOUSING
COALITION
a California non-profit public benefit
corporation

By: _____
John F. Mealey, Executive Director

Exhibit A
LEGAL DESCRIPTION

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

LOTS 24 THROUGH 31, 55 THROUGH 58 AND 78 THROUGH 104, INCLUSIVE OF TRACT NO. 31158, IN THE CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 397, PAGES 1 TO 5 INCLUSIVE OF MAPS, IN THE OFFICE OF THE RIVERSIDE COUNTY RECORDER.

ASSESSOR PARCEL NUMBERS 768-361-010 THROUGH -012, AND 768-362-001 THROUGH -016, AND 768-371-001 THROUGH -019, AND 768-372-015

ATTACHMENT NO. D-2

ASSIGNMENT OF AGREEMENTS

[Behind this page]

ASSIGNMENT OF AGREEMENTS

FOR VALUE RECEIVED, the undersigned, The Coachella Valley Housing Coalition, a California nonprofit public benefit corporation (“Developer”), assigns to the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE (“Authority”), all of its right, title and interest in and to:

1. All architectural, design, engineering and development agreements, and any and all amendments, modifications, supplements, addenda and general conditions thereto (collectively, “Architectural Agreements”); and
2. All plans and specifications, shop drawings, working drawings, amendments, modifications, changes, supplements, general conditions and addenda thereto (collectively “Plans and Specifications”)

heretofore or hereafter into or prepared by any architect, engineer or other person or entity (collectively “Architect”), for or on behalf of Developer in connection with the construction and/or rehabilitation of the Improvements. The Plans and Specifications, as of the date hereof, are those which Developer has heretofore, or will hereafter deliver to Authority. The Architectural Agreements include, but are not limited to, the architectural contract between Developer and _____, located at _____.

This ASSIGNMENT OF AGREEMENT AND PLANS AND SPECIFICATION (“Assignment”) constitutes a present and absolute assignment to Authority as of the Effective Date, subordinate to the rights of United States Department of Agriculture Rural Development _____ Bank (“Construction/Permanent Lender”); provided, however, Authority confers upon Developer the right to enforce the terms of the Architectural Agreements and Developer’s rights to the Plans and Specifications so long as no Default or event which would constitute a Default after notice or the passage of time, or both, has occurred and is continuing under the Disposition and Development Agreement, dated as of _____, 20__ between the Authority and Developer (the “DDA”), as well as any future amendments and implementation agreements between Developer and Authority which refer to this Assignment. Capitalized terms not otherwise defined herein shall have the meaning set forth in the DDA. Upon the occurrence of a default or event which would constitute a default after notice or the passage of time, or both, under the DDA, Authority may, in its sole discretion, give notice to Architect of its intent to 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. Developer acknowledges that by accepting this

Assignment, Authority does not assume any of Developer's obligations under the Architectural Agreements or with respect to the Plans and Specifications.

Developer represents and warrants to Authority, as of Developer's execution hereof, that: (a) all Architectural Agreements entered into by Developer are in full force and effect and are enforceable in accordance with their terms and no default, or event which would constitute a default after notice or the passage of time, or both, exists with respect to said Architectural Agreements; (b) all copies of the Architectural Agreements and Plans and Specifications delivered to Authority are complete and correct; and (c) Developer has not assigned any of its rights under the Architectural Agreements or with respect to the Plans and Specifications, other than to the Construction/Permanent Lender.

Developer agrees: (a) to pay and perform all obligations of Developer under the Architectural Agreements; (b) to enforce the payment and performance of all obligations of any other person or entity under the Architectural Agreements; (c) not to modify the existing Architectural Agreements nor to enter into any future Architectural Agreements without Authority's prior written approval except as otherwise may be permitted in the DDA; and (d) not to further assign (other than assignment in connection with a loan from the Construction/Permanent Lender), for security or any other purposes, its rights under the Architectural Agreements or with respect to the Plans and Specifications with Authority's prior written consent.

This Assignment secures performance by Developer of all obligations of Developer under the DDA. This Assignment is supplemented by the provisions of the DDA and said provisions are incorporated herein by reference.

This Assignment shall be governed by the laws of the State of California, and Developer consents to the jurisdiction of the Superior Court of the County of Riverside, State of California having proper venue for the filing and maintenance of any action arising hereunder and agrees that the prevailing party in any such action shall be entitled, in addition to any other recovery, to reasonable attorney's fees and costs.

This Assignment shall be binding upon and inure to the benefit of the heirs, legal representatives, assigns, and successors-in-interest of Developer and Authority; provided, however, this shall not be construed and is not intended to waive any restrictions on assignment, sale, transfer, mortgage, pledge, hypothecation or encumbrance by Developer contained in the DDA.

The attached Architect's Consent, Schedule 1 and Exhibit A are incorporated by reference.

DEVELOPER

THE COACHELLA VALLEY
HOUSING COALITION, a California
non-profit public benefit corporation

By: _____
John F. Mealey, Executive Director

Date: _____

ARCHITECT'S CONSENT

The undersigned architect ("Architect") hereby consents to the foregoing Assignment to which this Architect's Consent ("Consent") is part, and acknowledges that there presently exists no unpaid claims due to the Architect except as set forth on Schedule 1 attached hereto, arising out of the preparation and delivery of the Plans and Specifications to Developer and/or the performance of the Architect's obligations under the Architectural Agreements.

Architect agrees that if, at any time, Authority shall become the owner of said Property, or, pursuant to its rights under the DDA, elects to undertake or cause the completion of construction of the Improvements on any portion of the Property, in accordance with the Plans and Specifications, and gives Architect written notice of such election; THEN, so long as Architect has received, receives or continues to receive the compensation called for under the Architectural Agreements, Authority may, at its option, use and rely on the Plans and Specifications for the purposes for which they were prepared, and Architect will continue to perform its obligations under the Architectural Agreements for the benefit and account of Authority in the same manner as if performed for the benefit or account of Developer in the absence of the Assignment.

Architect further agrees that, in the event of a breach by Developer of the Architectural Agreements, or any agreement entered into with Architect in connection with the Plans and Specifications, so long as Developer's interest in the Architectural Agreements and Plans and Specifications is assigned to Authority, Architect will give written notice to Authority of such breach at the address shown below. Authority shall have thirty (30) days from the receipt of such written notice of default to remedy or cure said default. Nothing herein shall require Authority to cure said default or to undertake completion of construction of the Improvements.

Architect warrants and represents that it/he has no knowledge of any prior assignment(s) of any interest in either the Plans and Specifications and/or the Architectural Agreements. Except as otherwise defined herein, the terms used herein shall have the meanings given them in the Assignment.

Executed _____, 2015.

[insert name of architect]

By: _____

Name:

Title:

[insert address of architect]

Authority's Address:

HOUSING AUTHORITY OF
THE COUNTY OF RIVERSIDE

Attn:

SCHEDULE OF UNPAID CLAIMS

Schedule 1 to Assignment of Architectural Agreements and Plans and Specifications dated as of _____, 2015 between THE COACHELLA VALLEY HOUSING COALITION, a California nonprofit public benefit company, as Developer, and HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, as Authority.

PROPERTY DESCRIPTION

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

LOTS 24 THROUGH 31, 55 THROUGH 58 AND 78 THROUGH 104, INCLUSIVE OF TRACT NO. 31158, IN THE CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 397, PAGES 1 TO 5 INCLUSIVE OF MAPS, IN THE OFFICE OF THE RIVERSIDE COUNTY RECORDER.

ASSESSOR PARCEL NUMBERS 768-361-010 THROUGH -012, AND 768-362-001 THROUGH -016, AND 768-371-001 THROUGH -019, AND 768-372-015

ATTACHMENT NO. D-3

FORM OF NOTICE OF AFFORDABILITY RESTRICTIONS

[Behind this page]

OFFICIAL BUSINESS

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Notice of Affordability Restrictions on Transfer of Property

NOTICE IS HEREBY GIVEN that pursuant to Health & Safety Code Section 33334.3(f) as amended effective January 1, 2008, the Housing Authority of the County of Riverside ("Housing Authority") is recording this Notice of Affordability Restrictions on Transfer of Property (hereinafter the "Notice") with regard to the property located at _____, Coachella, California, known as APNs: _____, and more particularly described in Exhibit "A" attached hereto and incorporated herein by this notice ("Property").

The Property is subject to the conditions and restrictions contained in that certain Disposition and Development Agreement ("DDA") entered into between the Housing Authority and The Coachella Valley Housing Coalition, a California nonprofit public benefit corporation ("CVHC") dated _____, 2015 and recorded concurrently herewith in the Official Records of Riverside County ("Official Records"), and that certain Agreement Containing Covenants ("Covenants") entered into between Housing Authority and CVHC dated _____ and recorded concurrently herewith in the Official Records pertaining to the Property, which restrict the use of the Property as follows (Note, all capitalized terms used herein shall have the meaning ascribed to such terms in the DDA):

- (1) CVHC, such successors and such assignees shall use the Property for the development thereon and sale thereafter of thirty-nine (39) single family homes ("Restricted Units") consisting of the following: (a) 33 single family homes containing four bedrooms and a minimum of 1,600 square feet,

and (b) 6 single family homes containing 3 bedrooms and a minimum of 1400 square feet, with related infrastructure and parking, all as described in the Scope of Development (Attachment No. 6 to the DDA), as more particularly described in the DDA and Covenants.

- (2) Each of the Purchaser Parcels shall be sold exclusively to qualified Low Income First Time Homebuyers at an Affordable Housing Cost as provided in California Health and Safety Code Section 50052.5.
- (3) The maximum incomes of eligible Low Income purchasers shall be as set forth in California Health and Safety Code Section 50079.5 and determined on the basis of the income limits for households in the Riverside-San Bernardino-Ontario Standard Metropolitan Statistical Area, as determined by the U.S. Department of Housing and Urban Development and published approximately annually by the California Department of Housing and Community Development (“Area Median Income”). If the California Department of Housing and Community Development discontinues publishing such income limits, the term “Lower Income” shall mean a household income that does not exceed 80% of the area median income for Riverside County, adjusted for family size.
- (4) An Affordable Housing Cost means, pursuant to California 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 Restricted Unit. For purposes of this definition, the phrase “adjusted for household size appropriate for the Restricted Unit” shall mean a household size equal to the number of bedrooms in the Restricted Unit plus one.

The affordability and other restrictions imposed on the Restricted Units by the DDA and Covenants are scheduled to expire on the date that is fifteen (15) years after the issuance of a certificate of occupancy for a Restricted Unit.

CVHC is the current owner of the Property.

This Notice is recorded for the purpose of providing notice only and it in no way modifies the provisions of the DDA or Covenants.

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[Signatures on Following Page]

AUTHORITY:

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity,
corporate and politic, in its capacity as housing successor to the former Coachella
Redevelopment Agency

By: _____
Heidi Marshall,
Deputy Executive Director

Date: _____

APPROVED AS TO FORM:

GREGORY P. PRIAMOS
COUNTY COUNSEL

By: _____
Jhaila R. Brown, Deputy County Counsel

DEVELOPER:

THE COACHELLA VALLEY HOUSING COALITION, a California non-profit
public benefit corporation

By: _____
John F. Mealey, Executive Director

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

State of California)
) ss.
County of _____)

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

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

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary seal above

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

State of California)
) ss.
County of _____)

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

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

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary seal above

Exhibit "A"

All that certain real property in the City of Coachella, County of Riverside, State of California, described as follows:

LOTS 24 THROUGH 31, 55 THROUGH 58 AND 78 THROUGH 104, INCLUSIVE OF TRACT NO. 31158, IN THE CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 397, PAGES 1 TO 5 INCLUSIVE OF MAPS, IN THE OFFICE OF THE RIVERSIDE COUNTY RECORDER.

ASSESSOR PARCEL NUMBERS 768-361-010 THROUGH -012, AND 768-362-001 THROUGH -016, AND 768-371-001 THROUGH -019, AND 768-372-015

ATTACHMENT NO. D-4

AGREEMENT CONTAINING COVENANTS

[Behind this page]

OFFICIAL BUSINESS
Document entitled to free
recording per Government
Code Section 6103

Recording Requested by and When
Recorded Return to:

HOUSING AUTHORITY OF
THE COUNTY OF RIVERSIDE
5555 Arlington Avenue
Riverside, California 92504
Attn: Leah Rodriguez

Space above this line for Recorder's use only

AGREEMENT CONTAINING COVENANTS
(INCLUDING RESALE RESTRICTIONS)

THIS AGREEMENT CONTAINING COVENANTS ("Agreement") is entered into as 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 Coachella Redevelopment Agency (herein referred to as "Authority") and THE COACHELLA VALLEY HOUSING COALITION, a California nonprofit public benefit corporation (herein referred to as "Owner").

A. Owner holds fee title interest to that certain real property (the "Property") located in the City of Coachella, County of Riverside, State of California, legally described in the "Legal Description" attached hereto as **Exhibit A** and incorporated herein by this reference.

B. Authority and Owner entered into that certain Disposition and Development Agreement ("DDA") dated _____, 2015, and recorded in the Official Records of the Recorder's Office of the County of Riverside ("Official Records") on _____ as Document No. _____, relating to, among other things, the sale of the property by the Authority to Owner, the sale of individual lots in the Property ("Lots") to qualified purchasers, and the construction thereon through a self-help model of thirty-nine (39) single family homes ("Units"), with related infrastructure and parking, as more specifically described in the DDA ("Project"). The term "DDA" as used herein shall mean, refer to and include the DDA, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in the DDA. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the DDA.

C. Pursuant to the DDA, each of the Lots shall be sold to and occupied by qualified low income first time homebuyers, for an affordable sales price that does not exceed an Affordable Housing cost for a period of no less than fifteen (15) years from the date the Certificate of

Occupancy is issued for such Unit.

D. Authority and Owner desire to memorialize Owner's obligation to sell the Lots and thereafter construct and/or cause the construction of the Units, and maintain the affordability thereof, pursuant to the DDA, as more particularly set forth below.

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

1. Development of the Property. Owner covenants and agrees for itself, its successors and assigns and every successor in Owner's interest in the Property or any part thereof, that Owner, its successors and assigns, shall develop and construct, or cause the development and construction, of the Improvements on Property in accordance with the provisions of the DDA, including, but not limited to the Scope of Development (**Attachment No. 5** to the DDA), consisting of thirty-nine (39) new residential single-family units, consisting of the following: (a) thirty-three (33) single family homes containing four bedrooms and a minimum of 1600 square feet, and (b) six (6) single family homes containing three bedrooms and a minimum of 1400 square feet, (collectively the "Restricted Units"), with related infrastructure and parking.

2. Use of the Property. Owner, on behalf of itself and its successors, assigns, and each successor in interest to Owner's interest in the Property or any part thereof, hereby covenants and agrees as follows:

a. Owner covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that Owner, such successors and such assignees shall use the Property only for the uses specified the DDA, and this Agreement. No change in the use of the Property shall be permitted without the prior written approval of the Authority.

b. Notwithstanding the generality of subsection (a), above, Owner, its successors and assigns, shall use the Property only for the uses permitted in this Agreement, specifically including the following: residential for sale housing consisting of the Restricted Units, with related infrastructure and parking.

c. Residential Uses. For a period of fifteen (15) years commencing on the date the City of Coachella issues the certificate of occupancy for a Restricted Unit ("Covenant Period"). Owner on behalf of itself and its successors, assigns, and each successor in interest to Owner's interest in the Property or any part thereof, hereby covenants and agrees as follows with respect to each such Unit:

(1) Affordability shall be restricted as follows:

A. 100% of the Lots and the shall be sold to and occupied exclusively by "lower income households" (as that term is defined in Health and Safety Code Section 50079.5) who are "First Time Homebuyers" (as that term is defined in the DDA) for an Affordable Sales Price (including a Down

Payment) such that their total housing cost is as follows, for lower income households whose gross incomes exceed the maximum income for very low income households and do not exceed 70% of the area median income adjusted for family size, the product of 30% times 70% of the area median income adjusted for family size appropriate for the unit. In addition, for any lower income household that has a gross income that equals or exceeds 70% of the area median income adjusted for family size, the housing cost shall not exceed 30% of the gross income of the household. The aforementioned affordability restrictions shall also apply in the event of a re-sale of a Restricted Unit ; however, any subsequent purchaser of a Restricted Unit is not required to be a First Time Homebuyer but must qualify as a low income household.

B. As used herein, the term, "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, and the phrase "adjusted for household size appropriate to the unit" means a household size equal to the number of bedrooms in the unit plus one.

(2) Concurrently with the close of escrow for the initial sale of each Lot from Owner to a qualified lower income First Time Homebuyer, Owner shall cause such qualified lower income First Time Homebuyer to execute and record in the Official Records (i) an Addendum to Grant Deed substantially conforming in form and substance to **Attachment No. P-3** to the DDA, and (ii) Affordable Housing Resale Restriction substantially conforming in form and substance to the Resale restrictions attached to the DDA as **Attachment No. P-4**.

(3) Owner agrees that prior to the initial sale of the Lots, Owner shall consult with and obtain the approval of the Authority in developing a fair marketing plan for sale of the Restricted Units.

(4) Authority and its successors and assigns, shall have the right, but not the obligation, to monitor and enforce the covenants contained herein. Owner covenants that it shall comply with any monitoring program set up by Authority to enforce said covenants. In complying with such monitoring program, Owner or its agent shall prepare and submit to Authority an occupancy report, financial information and income verification documents for each qualified purchaser of Restricted Unit, and all supporting documentation, on forms provided by Owner, upon initial sale of the unit setting forth the required information.. Authority agrees to accept any form required by any other lender or governmental agency providing similar information. Owner shall pay such costs associated with said monitoring and enforcement efforts as required by the Authority.

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

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

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

(1) 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."

(2) 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."

(3) 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."

f. Owner shall adopt written purchaser selection policies and criteria that meet the following requirements:

(1) Are consistent with the purpose of providing housing for Lower Income Households that are First Time Homebuyers.

(2) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the sale.

(3) Provide for:

(A) The selection of households from a written waiting list in the chronological order of their satisfaction of all eligibility requirements, insofar as is practicable; and

(B) The prompt written notification to any rejected applicant of the grounds for any rejection;

(4) To the extent permitted by law, provide first priority in the selection of otherwise eligible households to persons displaced by the Housing Authority (if any); and

(5) Carry out the affirmative marketing procedures of the Housing Authority, to provide information and otherwise attract eligible persons from all racial, ethnic and gender groups in the housing market area. Owner and Housing Authority shall cooperate to effectuate this provision during the Owner's sale of the Restricted Units.

3. Maintenance of the Property. Owner, its successors and assigns, shall maintain the Improvements on the Property in the same aesthetic and sound condition (or better) as the condition of the Property at the time of Completion, reasonable wear and tear excepted. This standard for the quality of maintenance of the Property shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and prompt repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash receptacles and removal of litter; sweeping of public sidewalks adjacent to the Property, on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as necessary; cleaning windows on a regular basis; painting the buildings on a regular

program and prior to the deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices in good working order. In the event Owner, its successors or assigns fails to maintain the Improvements in accordance with the standard for the quality of maintenance, Housing Authority or its designee shall have the right but not the obligation to enter the Property upon prior written notice to Owner, correct any violation, and hold Owner, or such successors or assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property; provided, however such lien shall be subordinate to any lien in favor of the Owner's lenders permitted pursuant to the DDA. Owner shall have the right to assign its responsibilities pursuant to this Section 3. to the purchasers of the Restricted Units through inclusion of those obligations in the Grant deed conveying the Restricted Unit to such purchaser from Owner or otherwise.

4. Covenants Running with the Land. All conditions, covenants and restrictions contained in this Agreement shall be covenants running with the land, and shall, in any event, and without regard to technical classification or designation, legal or otherwise, be, to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by Housing Authority, its successors and assigns, against Owner, its successors and assigns, to or of Owner's interest in the Property, or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof. Housing Authority shall be deemed the beneficiary of the covenants, conditions and restrictions of this Agreement both for and in its own right and for the purposes of protecting the interests of the community. The covenants, conditions, and restrictions shall run in favor of the Housing Authority, without regard to whether the Housing Authority has been, remains, or is an owner of any land or interest therein in the Property. Except as provided in the preceding sentence, the covenants, conditions and restrictions contained in this Agreement shall not benefit nor be enforceable by any other owner of real property except the Housing Authority.

5. Permitted Mortgages. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Agreement shall defeat or render invalid or in any way impair the lien or charge of any mortgage permitted by the DDA.

6. Term. Subject to Subsection (b), every covenant and condition and restriction contained in this Agreement shall remain in effect for the Covenant Period, except for the non-discrimination provisions set forth in Section 2.d. and 2.e. which shall remain in effect in perpetuity.

7. Notice and Opportunity to Cure. Prior to exercising any remedies hereunder, Authority shall give Owner notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Owner shall have such period to effect a cure prior to exercise of remedies by Authority. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and Owner (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Owner shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Authority, but in no event no more than sixty (60) days of receipt of such notice of default from the Authority. If Owner fails to take corrective action or to cure the default within a reasonable time. Authority shall give Owner and Owner's lenders written notice thereof, provided Authority

receives in writing the aforementioned parties addresses for purposes of notice, whereupon Owner's lender may effect a cure within a reasonable time thereafter in accordance with the foregoing provisions.

8. Enforcement. If violation of any of the covenants or provisions of this Agreement remains uncured after the respective time period set forth in **Section 7** above, Authority and its successors and assigns, without regard to whether Authority or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceedings at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by Owner of its obligations hereunder. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recover for the continuation or repetition of such breach or violations or any similar breach or violation hereof at any later time.

9. Liens. Nothing herein contained shall be deemed to prohibit Owner from contesting the validity or amounts of any encumbrance, lien, levy or attachment, nor to limit the remedies available to Owner in respect thereto.

10. Sale, Assignment or Transfer of the Project or Property. Except for the sale of a Lot to a qualified purchaser as permitted in the DDA, Owner hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the Project, the Property or any portion thereof, without obtaining the prior written consent of the Authority, in its reasonable discretion. Any sale, assignment or transfer of the Project or Property, shall be memorialized in an assignment and assumption agreement the form and substance of which have been first approved in writing by the Authority in its sole discretion. Such assignment and assumption agreement shall, among other things, provide that the transferee has assumed in writing and in full, and is reasonably capable of performing and complying with Owner's duties and obligations under the DDA. Thereafter Owner shall be released from, provided, however Owner shall not be released of all obligations under the DDA and this Agreement.

11. Governing Law; Venue; Severability. This Agreement shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Agreement shall be filed only in the Superior Court of the State of California located in Riverside California, and the parties waive any provision of law providing for a change of venue to another location. In the event any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

12. Binding Effect. The rights and obligations of this Agreement shall bind and inure to the benefit of the respective heirs, successors and assigns of the parties.

13. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. The signature pages of one or more counterpart copies may be removed from such counterpart copies and all attached to the same copy of this Agreement, which, with all attached signature pages, shall be deemed to be an original Agreement.

[REMAINDER OF PAGE BLANK]

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Housing Authority and Owner have signed this Agreement as of the dates set opposite their signatures.

AUTHORITY:

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Coachella Redevelopment Agency

By: _____
Name _____
Its _____

Date: _____

DEVELOPER:

THE COACHELLA VALLEY HOUSING COALITION, a California non-profit public benefit corporation

By: _____
_____, Executive Director

Date: _____

APPROVED AS TO FORM:

GREGORY P. PRIAMOS
COUNTY COUNSEL

By: _____
Jhaila R. Brown, Deputy County Counsel

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

State of California)
) ss.
County of _____)

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

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

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary seal above

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

State of California)
) ss.
County of _____)

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

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

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary seal above

EXHIBIT A

LEGAL DESCRIPTION

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

LOTS 24 THROUGH 31, 55 THROUGH 58 AND 78 THROUGH 104, INCLUSIVE OF TRACT NO. 31158, IN THE CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 397, PAGES 1 TO 5 INCLUSIVE OF MAPS, IN THE OFFICE OF THE RIVERSIDE COUNTY RECORDER.

ASSESSOR PARCEL NUMBERS 768-361-010 THROUGH -012, AND 768-362-001 THROUGH -016, AND 768-371-001 THROUGH -019, AND 768-372-015

ATTACHMENT NO. D-5

REQUEST FOR NOTICE

[Behind this page]

Recording Requested By:
RIVERSIDE COUNTY
AND WHEN RECORDED MAIL TO
Riverside County
Economic Development Agency
5555 Arlington Avenue
Riverside, CA 92504
Attn: Leah Rodriguez, Housing Division
Loan Number: **file no.**

EXEMPT RECORDING FEE CODE 6103

**REQUEST FOR NOTICE
UNDER SECTION 2924b CIVIL CODE**

In accordance with Civil Code, section 2924b, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust dated date the senior lien holder DOT recorded and recorded as Instrument No. Senior lien holder DOT recorded instrument number in book xxxxxx, page xxxxxx, Official Records of RIVERSIDE County, California, and describing land therein as:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A"

APN: **PARCEL NO.** Property also known as: **PROPERTY ADDRESS**

Executed by INSERT BUYER'S NAMES, INSERT VESTING, as trustor in which First lender name is named as Beneficiary, and First Deed of Trust/Senior lien holder TRUSTEE, as Trustee, be mailed to Housing Authority for the County of Riverside – Coachella SA Homebuyer at 5555 Arlington Avenue, Riverside, CA 92504.

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

Dated _____

HOUSING AUTHORITY FOR THE COUNTY OF RIVERSIDE

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
STATE OF CALIFORNIA
COUNTY OF RIVERSIDE } S.S.

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

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

WITNESS my hand and official seal

Signature _____

(This area for official notarial seal)

Loan No. FILE NO

ATTACHMENT NO. D-6

ESCROW AGREEMENT

[Behind this page]

ESCROW AGREEMENT
(Tierra Bonita 39 Unit Homeownership Project)

THIS ESCROW AGREEMENT ("Agreement") is entered into on _____, 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 Coachella Redevelopment Agency (hereinafter called the "**Authority**") and THE COACHELLA VALLEY HOUSING COALITION, 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

WHEREAS, 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");

WHEREAS, Authority owns fee title to the subject property located at Avenue 53 and Calle Leandro with Assessor's Parcel Numbers 768-361-010 through -012, and 768-362-001 through -016, and 768-371-001 through -019, and 768-372-015 , which consists of approximately 9.308 acres as described in the legal description attached hereto as **Exhibit A** and incorporated herein by this reference ("Property");

WHEREAS, Authority desires to convey the Property to Developer for the purpose of developing and constructing 39 single-family homes, which shall be affordable to Lower Income First Time Homebuyers ("Project") as more particularly set forth in the Disposition and Development Agreement executed by Authority and Developer dated _____ as recorded on _____ in the official records by Instrument No. _____ ("DDA"). All capitalized terms not defined herein shall have the meaning ascribed to such term set forth in the DDA; and

WHEREAS, in connection with the DDA and sale of the Property by Authority to Developer, the Parties desire to set forth the escrow terms relating to such sale, as more specifically discussed below.

NOW, THEREFORE, in consideration of the payments to be made hereunder and the mutual covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Escrow.**

Developer agrees to open an escrow for the conveyance of the Property with Title Company or such other escrow company, escrow department of a bank, or escrow department of a title insurance company first approved by Authority and Developer (the "Escrow Agent"), no later than the applicable dates established in the Schedule of Performance (Attachment No. 3 to the DDA).

This Agreement shall constitute the joint escrow instructions of Developer and Authority with respect to the conveyance of the Property, and a duplicate original of this Agreement and the executed DDA shall be delivered to the Escrow Agent upon the opening of the escrow.

Authority and Developer shall provide such additional escrow instructions as shall be necessary to close the escrow with respect to the conveyance of the Property, and consistent with this Agreement and the DDA. The Escrow Agent hereby is empowered to act under such instructions, and upon indicating its acceptance thereof in writing, delivered to Authority and to Developer within five (5) days after the opening of the escrow, shall carry out its duties as Escrow Agent hereunder.

Upon receipt by the Escrow Agent of all executed and acknowledged documents, as required by this Agreement and the DDA, the Escrow Agent shall record all documents in accordance with Section 3 below, when the Property can be vested in Developer in accordance with the terms and provisions of the DDA. The Escrow Agent shall buy, affix and cancel any transfer stamps required by law. Any insurance policies governing the Property or any portion thereof are not to be transferred.

Developer shall pay in escrow to the Escrow Agent the following fees, charges and costs promptly after the Escrow Agent has notified Developer of the amount of such fees, charges and costs, but not earlier than one (1) day prior to the Closing Date (as defined in the DDA) for conveyance of the Property from the Authority to Developer:

- Escrow fees;
- Recording fees;
- Notary fees;
- Premiums for the title insurance policy or policies ordered by Developer; and
- State, county, city or other documentary stamps and transfer taxes, if any.

The Escrow Agent is authorized to:

1. Pay, and charge Developer, for any fees, charges and costs payable under this Section. Before such payments are made, the Escrow Agent shall notify Authority and Developer of the fees, charges and costs necessary to clear title and convey the Property;
2. Disburse funds and deliver the DDA and other documents to the parties entitled thereto when the conditions of the escrow have been fulfilled by Authority and Developer; and
3. Record any instruments delivered through the escrow if necessary or proper to vest fee title to the Property in Developer in accordance with the terms and provisions of this Agreement and the DDA.

All funds received in the escrow shall be deposited by the Escrow Agent in an interest bearing account for the benefit of the depositing party as directed by the depositing party.

If escrow is not in condition to close on or before the closing date, either party who then shall have fully performed the acts to be performed before the closing date may, in writing, demand the return of its money, papers or documents. No demand for return shall be recognized until ten (10) days after the Escrow Agent shall have mailed copies of such demand to the other party at the address of its principal place of business. Objections, if any, shall be raised by written notice to the Escrow Agent and to the other party within the ten- (10) day period. If any objections are raised within the ten- (10) day period, the Escrow Agent is authorized to hold the money, paper and documents until instructed by mutual agreement of the parties or, upon failure thereof, by a court of competent jurisdiction. Notwithstanding the foregoing, the termination rights of Authority and Developer and other rights and remedies on default are governed by the termination and default

terms of the DDA, and no demand for such return shall affect such rights or remedies. If no such demands are made, the escrow shall be closed as soon as possible.

The Escrow Agent shall not be obligated to return any such money, papers or documents except upon the written instructions of both Authority and Developer affected thereby, or until the party entitled thereto has been determined by a final decision of a court of competent jurisdiction.

Any amendments to these escrow instructions shall be in writing and signed by both Authority and Developer. At the time of any amendment the Escrow Agent shall agree to carry out its duties as escrow agent under such amendment.

All communications from the Escrow Agent to Authority or Developer shall be directed to the addresses and in the manner established in Section 6.1 of the DDA for notices, demands and communications between Authority and Developer.

The liability of the Escrow Agent under this Agreement and the DDA is limited to performance of the obligations imposed upon it in this Agreement.

2. **Title Insurance.**

Concurrently with the recordation of the DDA, Title Company shall provide and deliver to Developer a Title Insurance Policy (as defined in the DDA), issued by the Title Company insuring that the Property interest to be conveyed is vested in Developer in the condition required by Sections 2.5 and 2.7 of the DDA ("Property Title Policy"). The Title Company shall provide Authority with a copy of the Property Title Policy. The Property Title Policy shall be in the amount specified by Developer. Developer shall pay for all premiums for all title insurance policies and coverage and special endorsements with respect to the Property.

3. **Recordation of Documents.**

Authority and Developer, respectively, agree to perform all acts necessary to achieve recordation and delivery of documents in sufficient time for escrow to be closed in accordance with the foregoing provisions.

a. The following documents shall be recorded in the following order ("Recorded Documents"):

Order of Recordation	Document Name
1 st	Grant Deed
2 nd :	DDA
2 nd	Agreement Containing Covenants
2 nd	Notice of Affordability Restrictions

b. All documents to be recorded shall be recorded in the Official Records of the County of Riverside.

[Remainder of page Intentionally Blank]

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

AUTHORITY:

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Coachella Redevelopment Agency

By: _____

Name:

Its:

DEVELOPER:

The Coachella Valley Housing Coalition, a California non-profit public benefit corporation

By: _____

Executive Director

By: _____

APPROVED AS TO FORM:

GREGORY P. PRIAMOS
COUNTY COUNSEL

By: _____

Jhaila R. Brown, Deputy County Counsel

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

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

LOTS 24 THROUGH 31, 55 THROUGH 58 AND 78 THROUGH 104, INCLUSIVE OF TRACT NO. 31158, IN THE CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 397, PAGES 1 TO 5 INCLUSIVE OF MAPS, IN THE OFFICE OF THE RIVERSIDE COUNTY RECORDER.

ASESSOR PARCEL NUMBERS 768-361-010 THROUGH -012, AND 768-362-001 THROUGH -016, AND 768-371-001 THROUGH -019, AND 768-372-015

ATTACHMENT NO. P-3

FORM OF ADDENDUM TO GRANT DEED

[Behind this page]

ATTACHMENT NO. D-7

RIGHT OF ENTRY

[Behind this page]

RIGHT OF ENTRY AGREEMENT

This Right of Entry ("ROE") Agreement is made and entered into this _____ day of _____, 2015, between the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body, corporate and politic in the State of California, in its capacity as housing successor to the former Coachella Redevelopment Agency, hereinafter called "Authority," and THE COACHELLA VALLEY HOUSING COALITION, a California nonprofit public benefit corporation, hereinafter called "Developer." Authority and Developer are sometimes collectively referred to as "Parties."

RECITALS

- A. Authority and Developer entered into that certain Disposition and Development Agreement (DDA) dated _____ and recorded on _____ as Document # _____ in the official records of the County of Riverside providing for, among other things, the sale of property defined below to Developer.
- B. Pursuant to Section 2.12 of the DDA, Authority granted Developer the Right of Access to the Property prior to the close of escrow therein to conduct certain due diligence provided a Right of Entry Agreement was executed by the Parties.
- C. Authority is the owner of certain real property described in the area detail sheets in Exhibit "A" attached hereto and incorporated herein by reference ("Property") and has the right to grant to Developer permission to enter upon and use the Property.
- D. Developer desires to obtain Authority's permission to enter upon and use the Property, on a temporary basis, for predevelopment work on the Authority's Property pursuant to the DDA.
- E. Authority desires to accommodate Developer's request for permission to enter upon Authority's Property, on a temporary basis, for predevelopment work on the Authority's Property.

NOW, THEREFORE, County and Developer do hereby agree as follows:

AGREEMENT

1. Right of Entry. Authority hereby grants to Developer and its agents, employees and contractors the temporary right to enter onto the Property for predevelopment work pursuant to the terms of the DDA.

2. Term. The term of this Right of Entry shall commence on the date this ROE Agreement is executed by all Parties hereto ("Effective Date"). This ROE shall terminate two (2) months from the Effective Date of this Agreement. The term may be extended by written notice to Developer in the sole and absolute discretion of Authority. This ROE is subordinate to all prior or future rights and obligations of Authority in the Property, except that Authority shall grant no rights inconsistent with the reasonable exercise by Developer of its rights under this ROE.

3. Reserved.

4. Notice of work. Prior to any entry upon the Property for any of the purposes hereinabove set forth, Developer shall notify the authorities in charge named below by written and/or oral notice at least twenty-four (24) hours prior to commencement of entry and work.

Name: Leah Rodriguez
Address: 5555 Arlington Avenue, Riverside, CA 92504
Phone: (760) 863-2552
Email: lmrodriguez@rivcoeda.org

5. Liens. Developer shall not permit to be placed against the Property, or any part thereof, any design professionals', mechanics', material man's contractors' or subcontractors' liens with the regard to Developer's actions upon the Property, and shall ensure that any such lien is removed or bonded to the Authority's satisfaction within ten (10) days of recording. Developer agrees to hold Authority harmless for any loss or expense, including reasonable attorneys' fee, arising from any such liens which might be file against the Property.

6. Indemnification. 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 from any liability whatsoever, based or asserted upon any act or omission of Developer, its officers, employees, contractors, subcontractors, agents or representatives arising out of or in any way relating to or in any way connected with Developer's use of the premises or this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever. 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 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 any claim or action based upon such alleged acts or omissions. The obligations set forth in this paragraph shall survive the termination of this agreement.

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 Authority as set forth herein.

Developer's obligation hereunder shall be satisfied when Developer has provided to Authority the appropriate form of dismissal relieving Authority 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 the Authority 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 the Authority to the fullest extent allowed by law.

7. Insurance. Without limiting or diminishing Developer's obligation to indemnify or hold the Authority harmless, Developer shall procure and maintain or cause to be procured and maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. In respects to the insurance section, the Authority herein refers to the Housing Authority of the County of Riverside, 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 as Additional Insureds.

7.1 Workers' Compensation. 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 County of Riverside.

7.2 Commercial General Liability. Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified 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 County 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.

7.3 Vehicle Liability. If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, 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 County as Additional Insureds.

7.4 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 the Authority Risk Manager. If the Authority's 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 must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds \$500,000 per occurrence each such retention shall have the prior written consent of the Authority Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the Authority, and at the election of the Country's Risk Manager, Developer's carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the Authority, or 2) 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 either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the Authority Risk Manager, provide original Certified 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. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate unless the Authority receives another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. *Developer shall not commence*

operations until the Authority has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. 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 the 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 the Agreement; or, there is a material change in the scope of entry or permitted activities under this Agreement; or, the term of this Agreement, including any extensions thereof, exceeding five (5) years; the Authority reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if in the Authority 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 contractors and subcontractors working under this Agreement.

7) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the Authority.

8) 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 this Agreement.

8. Compliance with Laws. Developer shall, in all activities undertaken pursuant to this ROE, comply and cause its contractors, agents, and employees to comply with all federal, state, and local laws, statutes, orders, ordinances, rules, regulations, plans, policies, and decrees. Without limiting the generality of the foregoing, Developer, at its sole cost and expense, shall

obtain any and all permits which may be required by any law, regulation or ordinance for any activities Developer desires to conduct or have conducted pursuant to this ROE.

9. Inspection. Authority and its representatives, employees, agents or independent contractors may enter and inspect the Property or any portion thereof or any improvements thereon at any time and from time to time at reasonable times to verify Developer's compliance with the terms and conditions of this ROE.

10. Not Real Property Interest. It is expressly understood that this ROE is not exclusive and does not in any way whatsoever grant or convey any permanent easement, lease, fee or other real property interest in the Property to Developer.

11. Protection and Restoration of the Property. Developer shall protect the Property, including all improvements and the natural resources thereon, at all times at Developer's sole cost and expense, and Developer shall strictly adhere to the following restrictions:

11.1 Developer may not place or dump garbage, trash or refuse anywhere upon or within the Property, except for self-contained trash receptacles that are maintained to Authority's satisfaction by Developer;

11.2 Developer may not commit or create, or suffer to be committed or created, any waste, hazardous condition and/or nuisance to occur upon the Property;

11.3 Developer may not cut, prune or remove any native trees or brush upon the Property, except for the elimination of safety hazards without first obtaining written permission by the Authority;

11.4 Developer may not disturb, move or remove any rocks or boulders upon the Property except for the elimination of safety hazards without first obtaining written permission by the Authority;

11.5 Developer must exercise due diligence in the protection of the Property against damage or destruction by fire, vandalism or other cause.

Upon the termination or revocation of this ROE, but before its relinquishment to Authority, Developer shall, at its own cost and expense, remove any debris generated by its use and

Property shall be left in a neat condition. Developer agrees not to damage Property in the process of performing permitted activities.

12. Public safety. Developer shall, or cause its contractors or subcontractors to take any and all other necessary and reasonable steps to protect the public from harm due to the work.

13. Entire agreement. This ROE Agreement is the result of negotiations between the Parties hereto. The Parties further declare and represent that no inducement, promise or agreement not herein expressed has been made to them and this ROE contains the entire agreement of the Parties, and that the terms of this agreement are contractual and not a mere recital. Any ambiguity in the Agreement or any of its provisions shall not be interpreted against the Party drafting the agreement.

14. Warranty of Authority. The undersigned represents that it has the authority to, and does, bind the person or entity on whose behalf and for whom it is signing this ROE and the attendant documents provided for herein, and this agreement and said additional documents are, accordingly, binding on said person or entity.

15. Assignment. This ROE shall not, nor shall any interest herein be assigned, mortgaged, hypothecated, or transferred by Developer, whether voluntary or involuntary or by operation of law, nor shall Developer let or sublet or grant any license of permit with respect to the use and occupancy of the Property or any portion thereof.

16. Choice of Law. This Right of Entry Agreement will be governed and construed by the laws of the State of California.

17. Modification. The agreement shall not be changed, modified, or amended except upon the written consent of the Parties hereto.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Right of Entry Agreement on the dates written below.

AUTHORITY:

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Coachella Redevelopment Agency

By: _____
Heidi Marshall, Deputy Executive Director

Date: _____

APPROVED AS TO FORM:

GREGORY P. PRIAMOS
COUNTY COUNSEL

By: _____
Jhaila R. Brown, Deputy County Counsel

DEVELOPER:

THE COACHELLA VALLEY HOUSING COALITION, a California non-profit public benefit corporation

By: _____
John Mealey, Executive Director

Date: _____

By: _____

Date: _____

EXHIBIT A

DESCRIPTION/DEPICTION OF THE PROPERTIES

[ON FOLLOWING PAGES]

LEGAL DESCRIPTION

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

LOTS 24 THROUGH 31, 55 THROUGH 58 AND 78 THROUGH 104, INCLUSIVE OF TRACT NO. 31158, IN THE CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE IN BOOK 397, PAGES 1 TO 5 INCLUSIVE OF MAPS, IN THE OFFICE OF THE RIVERSIDE COUNTY RECORDER.

ASSESSOR PARCEL NUMBERS 768-361-010 THROUGH -012, AND 768-362-001 THROUGH -016, AND 768-371-001 THROUGH -019, AND 768-372-015

ATTACHMENT NO. D-8
PERFORMANCE GUARANTY

[Behind this page]

**PERFORMANCE GUARANTY BY
THE COACHELLA VALLEY HOUSING COALITION
IN FAVOR OF THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE**

THIS PERFORMANCE GUARANTY ("Guaranty"), dated for reference purposes _____, ___2015, is made by THE COACHELLA VALLEY HOUSING COALITION , a California nonprofit public benefit corporation ("Guarantor") in favor of THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic ("Lender").

RECITALS

- A. Pursuant to the terms of that certain Disposition and Development Agreement dated _____, ___2015 by and between Guarantor ("Developer" therein) and Lender ("Authority" therein) recorded on _____ in the Official Records of the County of Riverside as Document No. _____ ("DDA") Lender has agreed to (i) convey to Guarantor certain real property as legally described in Attachment No. 1 to the DDA ("Property") for the subsequent sale by Guarantor of the thirty-nine (39) parcels located on the Property (the "Purchaser Parcels") to qualified low income first-time buyers for an affordable sales price, and the construction of 39 single family homes thereon pursuant to the self-help method, and (ii) provide financial assistance to the Project in the not to exceed total amount of One Million, One Hundred Eighty Nine Thousand, Eight Hundred Dollars 00/100 (\$1,189,800) ("Loan") derived from derived from the former Coachella Redevelopment Agency 2006 Series A Taxable Housing Bonds, for the purpose of providing individual purchase money loans to qualified low income first time homebuyer households to purchase the Purchaser Parcels and construct Restricted Units (the "Project"). Capitalized terms used in this Guaranty and not defined shall have the meanings set forth in the DDA.
- B. The DDA requires that the Developer guaranty the construction of the Restricted Units.

THEREFORE, to induce Lender to enter into the DDA and to make the Loan, and in consideration thereof, Guarantor unconditionally guarantees and agrees as follows:

1. **GUARANTY.** Guarantor hereby guarantees the performance by the Purchasers of the construction of the Restricted Units on the Purchaser Parcels andn Guarantor's construction obligations pursuant to the DDA. Without limiting the generality of the foregoing, Guarantor guarantees that: (a) construction of the Improvements shall commence and be completed within the time limits set forth in the DDA; (b) the

Improvements shall be constructed and completed in accordance with the Plans and Specifications and the other provisions of the DDA, without substantial deviation therefrom unless approved by Lender in writing; (c) the Improvements shall be constructed and completed free and clear of any mechanic's liens, materialman's liens and equitable liens, except as permitted by the DDA; and (d) all costs of constructing the Improvements shall be paid when due.

2. **LIEN FREE COMPLETION.** Completion of the Improvements free and clear of liens shall be deemed to have occurred upon satisfaction of all of the conditions to "Completion" in the DDA.
3. **OBLIGATIONS OF GUARANTOR UPON DEFAULT BY PURCHASERS.** If the Improvements are not commenced and completed in the manner and within the time required by the DDA, or if, prior to the expiration of the time limits for said completion set forth in the DDA, construction of the Improvements should cease or be halted prior to completion and such cessation or halt constitutes a Default (as defined in the DDA), Guarantor shall, promptly upon demand of Lender: (a) diligently proceed to complete construction of the Improvements at Guarantor's sole cost and expense; (b) fully pay and discharge all claims for labor performed and material and services furnished in connection with the construction of the Improvements; (c) release and discharge all claims of stop notices, mechanic's liens, materialman's liens and equitable liens that may arise in connection with the construction of the Improvements; and (d) pay to Lender the amount of any loss or damage incurred by Lender as a result of any delay in the completion of construction of the Improvements beyond the time specified in the DDA for such completion. Without in any way limiting the above obligations of Guarantor, Lender may make the undisbursed Loan funds available to Guarantor for the purposes of completing the Improvements and fulfilling Guarantor's other obligations under this Guaranty; provided, however, that the obligation of Lender to make such undisbursed Loan funds available to Guarantor is expressly conditioned upon there being no continuing default by Guarantor under this Guaranty. If the Improvements are not maintained and operated in accordance with the Agreement Containing Covenants (Attachment no. D-4 to the DDA and/or the Resale restrictions (Attachment No. P-4 to the DDA), Guarantor shall, promptly upon demand of Lender: (a) diligently proceed to correct any defect and cure any default in such maintenance and operation at Grantor's sole cost and expense; (b) fully pay and discharge all claims for labor performed and material and services furnished in connection with such corrective actions; and (c) release and discharge all claims of stop notices, mechanic's liens, materialman's liens and equitable liens that may arise in connection with such corrective actions. .
4. **REMEDIES.** If Guarantor fails to promptly perform its obligations under this Guaranty, Lender shall have the following remedies:

- 4.1 At Lender's option, and without any obligation to do so, to proceed to perform on behalf of Guarantor any or all of Guarantor's obligations hereunder and Guarantor shall, upon demand and whether or not construction of the Improvements or the requisite corrective action is actually completed by Lender, pay to Lender all sums expended by Lender in performing Guarantor's obligations hereunder; and
 - 4.2 From time to time and without first requiring performance by any Purchaser or exhausting any or all security for any Authority loan, to bring any action at law or in equity or both to compel Guarantor to perform its obligations hereunder, and to collect in any such action compensation for all loss, cost, damage, injury and expense sustained or incurred by Lender as a direct or indirect consequence of the failure of Guarantor to perform its obligations.
5. **RIGHTS OF LENDER.** Guarantor authorizes Lender, without giving notice to Guarantor or obtaining Guarantor's consent and without affecting the liability of Guarantor, from time to time to: (a) approve modifications to the Plans and Specifications so long as such modifications do not materially increase the cost of constructing the Improvements nor materially increase the time necessary to complete the Improvements; (b) change the terms or conditions of disbursement of any Lender loan so long as such changes do not materially interfere with Guarantor's ability to construct the Improvements as and when required under the DDA; (c) otherwise modify the Lender loan documents, including, without limitation, making changes in the terms of repayment of the Lender loan or modifying, extending or renewing payment dates; releasing or subordinating security in whole or in part; changing the interest rate; or advancing additional funds in its discretion for purposes related to the purposes specified in the DDA or any Lender loan documents executed by a Purchaser; or (d) assign this Guaranty in whole or in part.
6. **GUARANTOR'S WAIVERS.** Guarantor waives: (a) any defense based upon any legal disability or other defense of any Purchaser, any other guarantor or other person, or by reason of the cessation or limitation of the liability of any Purchaser from any cause other than full payment and performance of those obligations of Purchaser which are guaranteed hereunder; (b) any defense based upon the application by a Purchaser of the proceeds of the Lender loan for purposes other than the purposes represented by a Purchaser to Lender or intended or understood by Lender or Guarantor; (d) any and all rights and defenses arising out of an election of remedies by Lender, even though that election of remedies, such as a non judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Guarantor's rights of subrogation and reimbursement against the principal by the operation of Section 580d of the California Code of Civil Procedure or otherwise; (e) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in any other respects more burdensome than that of a principal; (f) any defense based upon

Lender's election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the Federal Bankruptcy Code or any successor statute; (g) any defense based upon any borrowing or any grant of a security interest under Section 364 of the Federal Bankruptcy Code; (i) any right of subrogation, any right to enforce any remedy which Lender may have against a Purchaser and any right to participate in, or benefit from, any security for the Lender loan promissory note or the other Lender loan documents now or hereafter held by Lender; (j) presentment, demand, protest and notice of any kind; and (k) the benefit of any statute of limitations affecting the liability of Guarantor hereunder or the enforcement hereof. Guarantor further waives any and all rights and defenses that Guarantor may have because a Purchaser's debt is secured by real property; this means, among other things, that: (1) Lender may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by a Purchaser; (2) if Lender forecloses on any real property collateral pledged by a Purchaser, then (A) the amount of the debt may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price, and (B) Lender may collect from Guarantor even if Lender, by foreclosing on the real property collateral, has destroyed any right Guarantor may have to collect from a Purchaser; and (3) if a lender whose lien is senior in priority to the lien of Lender forecloses on any real property collateral pledged by a Purchaser, then (A) the amount of the debt may be reduced only by the net proceeds received by Lender from the foreclosure sale, even if the collateral is worth more than the sale price, and (B) Lender may collect from Guarantor even if such foreclosure has destroyed any right Guarantor may have to collect from a Purchaser. The foregoing sentence is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because a Purchaser's debt is secured by real property. These rights and defenses being waived by Guarantor include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d or 726 of the California Code of Civil Procedure. Without limiting the generality of the foregoing or any other provision hereof, Guarantor further expressly waives to the extent permitted by law any and all rights and defenses, including without limitation any rights of subrogation, reimbursement, indemnification and contribution, which might otherwise be available to Guarantor under California Civil Code Sections 2787 to 2855, inclusive, 2899 and 3433, or under California Code of Civil Procedure Sections 580a, 580b, 580d and 726, or any of such sections. Finally, Guarantor agrees that the performance of any act or any payment which tolls any statute of limitations applicable to the Lender loan documents shall similarly operate to toll the statute of limitations applicable to Guarantor's liability hereunder.

7. **GUARANTOR'S WARRANTIES.** Guarantor warrants and acknowledges that: (a) Lender would not enter into the DDA or make the Loan but for this Guaranty; (b) Guarantor has reviewed all of the terms and provisions of the DDA; (c) there are no conditions precedent to the effectiveness of this Guaranty; (d) Guarantor has established adequate means of obtaining from sources other than Lender, on a continuing basis,

financial and other information pertaining to the Property and the progress of construction of the Improvements and the status of a Purchaser's performance of its construction obligations under any Lender loan documents, and Lender has made no representation to Guarantor as to any such matters; (e) the most recent financial statements of Guarantor previously delivered to Lender, if any, are true and correct in all respects, have been prepared in accordance with generally accepted accounting principles consistently applied (or other principles acceptable to Lender) and fairly present the financial condition of Guarantor as of the respective dates thereof, and no material adverse change has occurred in the financial condition of Guarantor since the respective dates thereof; and (f) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein, other than in the ordinary course of Guarantor's business.

8. OMITTED

9. OMITTED

10. **LOAN SALES AND PARTICIPATIONS; DISCLOSURE OF INFORMATION.**

Guarantor agrees that Lender may elect, at any time, to sell, assign, or grant participations in all or any portion of its rights and obligations under the Lender Loan documents, the DDA and this Guaranty, and that any such sale, assignment or participation may be to one or more financial institutions, private investors, and/or other entities, at Lender's sole discretion. In the event of any such sale, assignment or participation, Lender and the parties to such transaction shall share in the rights and obligations of Lender as set forth in the DDA and Lender Loan documents only as and to the extent they agree among themselves. In connection with any such sale, assignment or participation, Guarantor further agrees that the Guaranty shall be sufficient evidence of the obligations of Guarantor to each purchaser, assignee, or participant, and upon written request by Lender, Guarantor shall consent to such amendments or modifications to the DDA as may be reasonably required in order to evidence any such sale, assignment, or participation.

11. **ADDITIONAL, INDEPENDENT AND UNSECURED OBLIGATIONS.**

The obligations of Guarantor hereunder shall be in addition to and shall not limit or in any way affect the obligations of Guarantor under any other existing or future guaranties unless said other guaranties are expressly modified or revoked in writing. This Guaranty is independent of the obligations of the Developer under the DDA and any documents executed in connection therewith. Lender may bring a separate action to enforce the provisions hereof against Guarantor without taking action against any Purchaser or any other party or joining any Purchaser or any other party as a party to such action. Except as otherwise provided in this Guaranty, this Guaranty is not secured and shall not be

deemed to be secured by any security instrument unless such security instrument expressly recites that it secures this Guaranty.

12. **ATTORNEYS' FEES; ENFORCEMENT.** If any attorney is engaged by Lender to enforce or defend any provision of this Guaranty or the DDA relating to the construction of the Improvements, or as a consequence of any Default, breach or failure of condition under the DDA relating to the construction of the Improvements, with or without the filing of any legal action or proceeding, Guarantor shall pay to Lender, immediately upon demand all attorneys' fees and costs incurred by Lender in connection therewith, together with interest thereon from the date of such demand at a rate which does not exceed the legally permissible rate of interest. Lender shall be entitled to recover an amount equal to the fair market value of legal services provided by attorneys employed by it as well as any attorneys' fees paid to third parties, with interest thereon.
13. **RULES OF CONSTRUCTION.** The term "person" as used herein shall include any individual, company, trust or other legal entity of any kind whatsoever. If this Guaranty is executed by more than one person, the term "Guarantor" shall include all such persons. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural and vice versa. All headings appearing in this Guaranty are for convenience only and shall be disregarded in construing this Guaranty.
14. **CREDIT REPORTS.** Each legal entity and individual obligated on this Guaranty hereby authorizes Lender to order and obtain, from a credit reporting agency of Lender's choice, a third party credit report on such legal entity and individual.
15. **GOVERNING LAW.** This Guaranty shall be governed by, and construed in accordance with, the internal laws of the State of California, except to the extent preempted by federal laws. Guarantor and all persons and entities in any manner obligated to Lender under this Guaranty consent to the jurisdiction of any federal or state court within the State of California having proper venue and also consent to service of process by any means authorized by California or federal law.
16. **MISCELLANEOUS.** The provisions of this Guaranty will bind and benefit the heirs, executors, administrators, legal representatives, nominees, successors and assigns of Guarantor and Lender. The liability of all persons and entities who are in any manner obligated hereunder shall be joint and several. If any provision of this Guaranty shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that portion shall be deemed severed from this Guaranty and the remaining parts shall remain in full force as though the invalid, illegal or unenforceable portion had never been part of this Guaranty.

17. **ADDITIONAL PROVISIONS.** Such additional terms, covenants and conditions as may be set forth on any exhibit executed by Guarantor and attached hereto which recites that it is an exhibit to this Guaranty are incorporated herein by this reference.
18. **ENFORCEABILITY.** Guarantor hereby acknowledges that: (a) the obligations undertaken by Guarantor in this Guaranty are complex in nature, and (b) numerous possible defenses to the enforceability of these obligations may presently exist and/or may arise hereafter, and (c) as part of Lender's consideration for entering into this transaction, Lender has specifically bargained for the waiver and relinquishment by Guarantor of all such defenses, and (d) Guarantor has had the opportunity to seek and receive legal advice from skilled legal counsel in the area of financial transactions of the type contemplated herein. Given all of the above, Guarantor does hereby represent and confirm to Lender that Guarantor is fully informed regarding, and that Guarantor does thoroughly understand: (i) the nature of all such possible defenses, and (ii) the circumstances under which such defenses may arise, and (iii) the benefits which such defenses might confer upon Guarantor, and (iv) the legal consequences to Guarantor of waiving such defenses. Guarantor acknowledges that Guarantor makes this Guaranty with the intent that this Guaranty and all of the informed waivers herein shall each and all be fully enforceable by Lender, and that Lender is induced to enter into this transaction in material reliance upon the presumed full enforceability thereof.
19. **WAIVER OF RIGHT TO TRIAL BY JURY.** EACH PARTY TO THIS GUARANTY, AND BY ITS ACCEPTANCE HEREOF, LENDER, HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THE DDA, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE MODIFICATION THEREOF OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THE DDA (AS NOW OR HEREAFTER MODIFIED) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY AND LENDER HEREBY AGREES AND CONSENTS THAT ANY PARTY TO THIS GUARANTY AND LENDER MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO AND LENDER TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date appearing below.

“GUARANTOR”

THE COACHELLA VALLEY HOUSING
COALITION, a California nonprofit public benefit
corporation

Date: _____, 2015

By: _____

Title: _____

ATTACHMENT NO. P-1

AUTHORITY PROMISSORY NOTE

[Behind this page]

FORM OF
AUTHORITY LOAN
PROMISSORY NOTE

\$ _____
0.00%

Coachella, California
_____, 2015

FOR VALUE RECEIVED, and at the times hereinafter specified, _____, _____ ("Borrower") promises to pay to the Housing Authority of the County of Riverside, a public entity, corporate and politic, in its capacity as the housing successor to the former Coachella Redevelopment Agency ("Lender") located at _____, or at such other address as Lender may direct from time to time in writing, the principal sum of _____ and 00/100 DOLLARS (\$ _____) (the "Note Amount"), as hereinafter provided. All sums hereunder shall be payable in lawful money of the United States of America.

Borrower further agrees as follows:

1. **Definitions.** For the purpose of this Promissory Note ("Note"), the following terms shall have the meanings set forth below. Except as otherwise provided herein, any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the DDA (as defined below).

"Capital Improvements" means physical improvements legally made on the Property by Borrower, as evidenced by building permits or other documentation acceptable to Lender that materially add to the value of the Property or considerably prolong its useful life, as determined by the Lender. Examples of Capital Improvements include, but are not limited to, adding a new bathroom, installing new plumbing or wiring, installing a new roof. Repairs, reconstruction or maintenance of the Property are not considered Capital Improvements.

"Closing Date" shall mean the date of recordation of the Lender Deed of Trust.

"CVHC" shall mean The Coachella Valley Housing Coalition

"DDA" shall mean that certain Disposition and Development Agreement entered into between Lender ("Authority" therein) and CVHC, dated _____ and recorded on _____ in the Official Records of the County of Riverside on _____.

"Default" shall mean any of the following, subject to the notice and cure periods in Section 8:

- (1) if Borrower fails to complete construction of the Improvements to be developed on the Property pursuant to the DDA on or before

_____ which shall be evidenced by the issuance of a certificate of occupancy by the City of Coachella;

- (2) if Borrower no longer occupies the Property as required by the Resale Restrictions;
- (3) an uncured default by Borrower under this Note, the Lender Deed of Trust, the Resale Restrictions or the Addendum to Grant Deed;
- (4) an uncured default by Borrower on the promissory note evidencing or deed of trust securing the First Mortgage Loan;
- (5) an uncured default by Borrower on the promissory note evidencing or deed of trust securing the AHP Loan, CalHome Loan and/or Serna Loan;
- (6) any mortgage, pledge, encumbrance, lien, or charge of any kind is recorded on any of the Property, without Lender's prior express written consent, except for liens for taxes not yet delinquent; or
- (7) an uncured default by Borrower on any other monetary obligation which is secured by the Property.

"Eligible Persons and Families" shall mean a Low Income household as defined in Health and Safety Code Section 50079.5. If the California Department of Housing and Community Development discontinues publishing the Low Income limits, the term "Low 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.

"Equity Sharing" shall have the meaning as provided in Section 5.

"Fixed Interest" shall mean interest on the outstanding principal balance of the Lender Loan.

"Lender Loan" shall mean the amount of this Note.

"Lender Deed of Trust" means the deed of trust securing the Lender Loan, executed by Borrower for the benefit of Lender, dated on or about the date hereof and recorded in the Official Records of the County of Riverside on or about the date hereof.

"Maximum Sales Price" means the total consideration to be paid to the Borrower upon a Sale of the Property by the Borrower to an Eligible Person and Family as determined by the Authority in its discretion. In determining the maximum sales price, Authority shall consider the following: The Maximum Sales Price shall be the purchase price which would result in a Monthly Housing Cost, as determined by the Authority, which does not exceed the product of one-twelfth (1/12th) of thirty percent (30%) times seventy (70%) of the Riverside County median family income for the County of Riverside, as annually estimated by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937 and as published from time to time

by the California Department of Housing and Community Development, as adjusted from time to time and as further adjusted for household size appropriate for the Property, but does not exceed thirty percent (30%) of the gross income of the household. In the case where there is no Owner of the Property, the Authority shall calculate the principal and interest payments assuming a five (5%) percent down payment and that the annual interest rate is the then Fannie Mae 90-day delivery rate.

“Property” means the real property described in the legal description attached to the Lender Deed of Trust as Exhibit “A.”

“Purchase Price” means the price paid by the Borrower, as such amount is set forth in the purchase agreement between Borrower and CVHC.

“Resale Price” means (i) in the event of a Sale of the Property by the Borrower to a buyer other than to an Eligible Person and Family, the total consideration to be paid to the Borrower by such buyer as first approved by Authority, and (ii) in the event of acceleration of the Loan due to an uncured Default, the imputed amount established pursuant to Section 4.

“Resale Restrictions” means that certain Affordable Housing Resale Restriction executed by Borrower on _____ in favor of Lender and recorded in the Official Records of the County of Riverside on or about the date hereof.

“Sale” means any sale, transfer, assignment, refinance or conveyance of the Property, and any portion thereof or interest therein, including, without limitation, any lease, exchange, or other disposition of any interest in the Property, whether voluntary or involuntary, including a transfer upon the close of a probate estate.

“Term” shall mean Forty-Five (45) years from the Closing Date.

2. **DDA.** This Note is made and delivered as of the date set forth above pursuant to and in implementation of that certain Disposition and Development Agreement entered into by and between the Lender and CVHC on _____, and recorded in the Official Records of the County of Riverside on _____, as Document No. _____ (“DDA”). The Borrower acknowledges that but for the execution of this Note, the Lender would not make the loan set forth herein (“Lender Loan”). To secure this Note, Borrower has executed and recorded the following instruments (i) Lender Deed of Trust, (ii) Addendum to Grant Deed dated _____, and (iii) Resale Restrictions, which are each incorporated herein by this reference. This Note, the Lender Deed of Trust, Addendum to Grant Deed, and Resale Restrictions are collectively referred to herein as the “Lender Loan Documents.”

3. **Term.** The Term of this Note shall be forty-five (45) years, commencing on the Closing Date.

4. **Fixed Interest; No Payments for Term of Lender Loan; Default Interest.** Except in an event of acceleration described in Section 6, this Note shall bear interest at the rate of zero percent (0%) per annum. In the case of an event of acceleration described in Section 6, the unpaid balance of the Note Amount shall bear interest at a default rate (“Default Interest Rate” or

“Default Interest”) equal to the lesser of ten percent (10%) per annum, compounded monthly, or the highest rate of interest permitted by law, from the date of the first disbursement of the Note Amount until the date of payment in full. The imposition of the Default Interest Rate shall be in addition to and not in lieu of any other rights and remedies provided for in the Lender Deed of Trust or otherwise by law. The remedies of a holder of this Note as provided herein and in the Lender Deed of Trust shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of the holder, and may be exercised on multiple occasions as permitted under the terms of such documents. There shall be no Payments during the Term of the Lender Loan, except in the event of a default under this Note or Sale of the Property. Unless the Lender Loan becomes due and payable prior to the end of the Term and/or unless there is an uncured default, at the end of the Term the Lender Loan shall be forgiven in its entirety.

5. **Repayment to Lender Upon Sale of Property Prior to Expiration of Term; Equity Share.** In the event of the Sale of the Property within the first fifteen (15) years of the Term, Borrower shall repay the outstanding principal balance of the Note from the proceeds of the sale, and Lender shall be required to recapture a share of the Borrower’s “Equity” upon the sale of the Property as set forth below. If the Property is sold at any time after expiration of the fifteen (15) year period and prior to the expiration of the forty-five (45) year Term, Borrower shall repay the outstanding principal balance of the Note from the proceeds of the sale, but Lender shall not be entitled to any share of Borrower’s Equity.

(a) Equity share repayment is required upon the Sale of the Property within the first fifteen (15) years of the Term.

1. The Borrower’s “Equity” is defined as the dollar amount that constitutes the difference between the sales price of the Property, including improvements located thereon, and the sum of the following:

- i. The principal amount of the Loan;
- ii. Borrower’s actual down payment amount whether subsidized or paid with cash;
- iii. All costs paid by Borrower in connection with the sale of the Property, including costs of broker’s commissions, escrow fees, title costs and fees, recording costs, which have been approved by Lender, but not including real estate taxes paid as a condition of the sale; and
- iv. Costs of any Capital Improvements to the Property made by the Owner, including all improvements located on the Property, provided such improvements have been documented to the satisfaction of the Authority as more specifically discussed in Section 5.(a) 3.below.

2. The “Lender’s Equity Share” is a percentage of the Borrower’s Equity equal to the percentage calculated by dividing the original principal balance of the Loan by the then fair market value of the Property, including the improvements located thereon.

- i. Commencing from year five (5) through year fifteen (15) of the Term, the Lender's Equity Share will be reduced by 10 percent each year.
 - ii. If the Borrower sells the Property any time after the 15th year of the Term, the Owner may retain 100% of the Borrower's Equity, provided Borrower shall be required to pay principal pursuant to Section 5(b) below.
3. The cost of Capital Improvements to the Property made while Borrower owns and occupies the Property shall be added to the Purchase Price for the purposes of calculating the Borrower's Equity, to the extent such costs are approved by the Lender. Borrower shall submit the following to the Lender: (1) an itemized list of the Capital Improvements for Lender approval or disapproval (2) reliable proof of completion of the Capital Improvements (as evidenced, for example, by final building permits or certificate of completion), and (3) reliable evidence of the actual and reasonable cost of the Capital Improvements (as evidenced, for example, by an itemized invoice and paid receipt). Lender reserves right to review, approve, disapprove, or approve a lower Capital Improvements cost.
- (b) In the event Borrower sells the Property between year sixteen (16) and year forty-five (45) of the Term, Borrower shall pay to Lender from the proceeds of sale the entire original principal amount of the Note.

6. **Acceleration.**

- a. The outstanding principal balance of the Lender Loan, and any Default Interest, shall become due and immediately payable upon the occurrence of any one of the following events prior to the expiration of the Term hereof:
 - i. any Sale of the Property (as defined in Section 1), provided, however, that the transfer of the Property (i) by gift, devise or inheritance to an existing spouse, surviving joint tenant, or (ii) a spouse as part of a dissolution proceeding, or (iii) in connection with marriage, or by devise or inheritance to a child that is a qualified Low Income Household solely as a result of the incompetency or death of the Borrower or any person constituting the Borrower, when Transferee is a relative of Borrower, or (iv) by a transfer into an inter vivos trust in which the Borrower is and shall remain the beneficiary and occupant of the Property, or (v) to an Eligible Person or Family shall not accelerate the Lender Loan so long as the transferee gives notice to Lender of such event within thirty (30) days of its occurrence and the transferee assumes Borrower's obligations under the Lender Loan Documents, by execution of an assignment and assumption agreement to be provided by Lender;
 - ii. any mortgage, pledge, encumbrance, lien, or charge of any kind on any of the Property, without Lender's prior express written consent, except for liens for taxes not yet delinquent;

- iii. any prepayment of the Lender Loan, other than from the proceeds of a Sale;
 - iv. any refinancing of the First Mortgage Loan; provided, that Borrower, with the written consent of the Lender, in Lender's sole discretion, may refinance the First Mortgage Loan for a loan amount equal to or less than the original loan balance secured by the First Mortgage on the Property, without accelerating the Lender Loan; and
 - v. any Default, as defined in Section 1, subject to the notice and cure periods in Section 8.
- b. In the event the Lender Loan becomes due and payable as the result of an uncured Default, the Resale Price for purposes of determining the Equity Share shall be determined by a market rate appraisal of the Property. Lender shall appoint a certified independent appraiser to conduct an appraisal of the Property, at Borrower's expense.

7. Loan Repayment Upon Acceleration.

If there is an uncured Default prior to the expiration of the Term hereof, Borrower shall repay the Lender Loan in accordance with this Section 6.

- a. Repayment Upon Sale. If there is a Sale of the Property, other than as permitted under Section 6(a)(i), Borrower shall repay the Loan in accordance with this paragraph a. After paying all costs and fees relating to the Sale (such as escrow fees, transfer taxes, recording fees, brokerage commission and similar costs), the net proceeds of any such Sale shall be distributed in the following order of priority:
- i. Payment in full of the First Mortgage Loan to the First Mortgage Lender;
 - ii. Payment in full to the Lender of the Note Amount;
 - iii. Payment to the Lender of the Default Interest, if any, in accordance with Section 4;
 - iv. Payment in full of all mortgages secured against the Property junior to the Lender Note and Lender Deed of Trust; and
 - v. The balance of the Resale Price shall be retained by the Borrower.
- b. Repayment Upon Default Other Than a Sale. In the event the Lender Loan is due and payable as the result of an uncured Default other than a Sale of the Property, Borrower shall repay the Loan in accordance with this paragraph b., as follows:
- i. Payment in full to the Lender of the Note Amount; and

- ii. Payment to the Lender of the Default Interest, if any, in accordance with Section 4; provided, however, that for purposes of calculating the Equity Share, the Resale Price shall be imputed in accordance with paragraph b. of Section 5, above.

BORROWER ACKNOWLEDGES AND AGREES THAT UPON THE ACCELERATION OF THE LENDER LOAN PRIOR TO THE EXPIRATION OF THE TERM OF THIS NOTE, BORROWER SHALL PAY TO THE LENDER:

- (1) THE PRINCIPAL AMOUNT OF THE LENDER LOAN;
- (2) DEFAULT INTEREST EQUAL AS CALCULATED PURSUANT TO SECTION 4 OF THIS NOTE.

Initials of Borrower

Initials of Borrower

8. **Defaults.** Failure or delay by Borrower to perform any term or provision of this Note, the Lender Deed of Trust or any lender Loan Document that is to be performed by Borrower constitutes a default under this Note. The Lender (the “Complaining Party”) shall give written notice of default to Borrower specifying in reasonable detail the matter constituting the default. If a monetary event of default occurs, Borrower shall have a period of ten (10) calendar days after such notice is received or deemed received within which to cure the default prior to the Lender exercising its remedies. If a non-monetary event of default occurs, Borrower shall have thirty (30) calendar days following receipt of notice to cure the default. Except as required to protect against further damages, the Complaining Party shall not institute proceedings against the Borrower unless the matter is not cured within such thirty (30) calendar day period, or, if the default is of a nature requiring more than thirty (30) calendar days to cure, the Borrower commences to cure the matter within such thirty (30) calendar day period and diligently and in good faith pursues such cure to completion within a reasonable time, but in no event more than sixty (60) days after notice of default. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Failure to cure the default within the applicable cure period shall entitle the Complaining Party to terminate the Lender Loan, accelerate payment under this Note, and exercise any other remedies available to such party, including, without limitation, foreclosure on the Lender Deed of Trust against the Property.

9. **Limited Recourse.** Subject to the provisions and limitations of this Section 9, the obligation to repay the Note Amount is a nonrecourse obligation of Borrower. Borrower shall not have any personal liability for repayment of the Note Amount, except as provided in this Section 9. The sole recourse of Lender shall be the exercise of its rights against the Property (or any portion thereof) and any related security for the Lender Loan; provided, however, that the foregoing shall not (i) constitute a waiver of any other obligation evidenced by this Promissory Note or the Lender Deed of Trust; (ii) limit the right of the Lender to name Borrower as a party defendant in any action or suit for judicial foreclosure and sale under this Promissory Note and the Lender Deed of Trust or any action or proceeding hereunder so long as no judgment in the

nature of a deficiency judgment shall be asked for or taken against Borrower; (iii) release or impair either this Promissory Note or the Lender Deed of Trust; (iv) prevent or in any way hinder Lender from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, any other remedy against the mortgaged Property or any other instrument securing this Promissory Note or as prescribed by law or in equity in case of default; (v) prevent or in any way hinder Lender from exercising, or constitute a defense, an affirmative defense, a counterclaim or other basis for relief in respect of the exercise of, its remedies in respect of any deposits, insurance proceeds, condemnation awards or other monies or other collateral or letters of credit securing this Promissory Note; or (vi) affect in any way the validity of any guarantee or indemnity from any person of all or any of the obligations evidenced and secured by this Promissory Note and the Lender Deed of Trust. The foregoing provisions of this Section 9 are limited by the provision that in the event of the occurrence of a default, after expiration of all applicable cure periods, Borrower and its successors and assigns shall have personal liability hereunder for any deficiency judgment. Notwithstanding the first sentence of this Section 9, Lender may recover directly from Borrower or, unless otherwise prohibited by any applicable law, from any other party:

(a) any damages, costs and expenses incurred by Lender as a result of fraud or any criminal act or acts of Borrower;

(b) any damages, costs and expenses incurred by Lender as a result of any misappropriation of funds provided to pay a portion of the purchase price for the Property, or proceeds of insurance policies or condemnation proceeds;

(c) any and all amounts owing by Borrower pursuant to any indemnity set forth in any Lender Loan Documents, and

(d) all court costs and attorneys' fees reasonably incurred in enforcing or collecting upon any of the foregoing exceptions.

10. **Security for Note.** This Promissory Note is secured by the Lender Deed of Trust, dated on or about the date of this Note, executed by Borrower as Trustor in favor of Lender, as Beneficiary.
11. **Assignment by Lender Permitted.** Lender may, at its option, assign its right to receive payment under this Note without necessity of obtaining the consent of the Borrower or the First Mortgage Lender.
12. **Assignment by Borrower Prohibited.** In no event shall Borrower assign or transfer any portion of this Note or any rights herein without the prior express written consent of the Lender, which consent the Lender may give or withhold in its sole and absolute discretion. In the absence of specific written agreement by the Lender, no unauthorized assignment or transfer, or approval thereof by the Lender, shall be deemed to relieve Borrower or any other party from any obligations under the Lender Loan Documents or this Note. This provision shall not affect or diminish the Lender's assignment rights under this Note.

13. **Other Liens Prohibited.** Except as to those Deeds of Trust approved by Lender herein and in the DDA, Borrower shall not encumber the Property for the purpose of securing financing either senior or junior in priority or subordinated to the Lender Deed of Trust without the prior written approval of the Lender in its sole and absolute discretion.
14. **Relationship of Lender and Borrower.** The relationship of Borrower and Lender pursuant to this Note is that of debtor and creditor and shall not be, or be construed to be, a joint venture, equity venture, partnership or other relationship.
15. **Compliance with Laws.** The Borrower shall comply with all applicable federal, state, and local laws and ordinances pertaining to the Property and/or the Lender Loan Documents.
16. **Joint and Several.** If the Borrower consists of more than one individual, each shall be jointly and severally liable for the Borrower's obligations hereunder.
17. **Attorneys' Fees.** Borrower agrees to pay the following costs, expenses, and attorneys' fees paid or incurred by Lender, or adjudged by a court: (1) Reasonable costs of collection, costs, and expenses, and attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed; and (2) costs of suit and such sum as the court may adjudge as attorneys' fees in any action to enforce payment of this Note or any part of it in which Lender is the prevailing party.

In addition to the foregoing award of attorneys' fees and costs, Lender shall be entitled to its attorneys' fees incurred in any post-judgment proceedings to enforce any judgment in connection with this Note. This provision is separate and several and shall survive the merger of this provision into any judgment.

18. **Amendments.** No modification, rescission, waiver, release or amendment of any provision of this Note shall be made except by a written agreement executed by Borrower and the duly authorized representative of Lender.
19. **Severability.** The covenants, terms and provisions of this Note are severable. Invalidation of any covenant, term or provision or any part thereof by law, judgment, or court order shall not affect any other covenant, term or provision.
20. **Borrower's Waivers.** Borrower waives any right to require the Lender to do certain things. Those things are: (a) to demand payment of amounts due (known as "presentment"); (b) to give notice that amounts due have not been paid (known as "notice of dishonor"); (c) to obtain an official certification of nonpayment (known as "protest").
21. **Notices.** Formal notices, demands and communications between Lender Borrower shall be deemed sufficiently given if made in writing and dispatched by any of the following methods to the addresses of the Lender and Borrower as set forth below: (i) registered or certified mail, postage prepaid, return receipt requested (in which

event, the notice shall be deemed delivered on the date of receipt thereof); (ii) electronic facsimile transmission, followed on the same day by delivery of a "hard" copy via first-class mail, postage prepaid (in which event, the notice shall be deemed delivered on the date of its successful facsimile transmission as evidenced by a facsimile confirmation or "kick-out" sheet); or (iii) personal delivery, including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service (in which event, the notice shall be deemed delivered on the documented date of receipt). Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by mail.

To Borrower:

To Lender:

22. **Non-Waiver.** Failure or delay in giving any notice required hereunder shall not constitute a waiver of any default or late payment, nor shall it change the time for any default or payment.
23. **Successors Bound.** This Note shall be binding upon Borrower and its heirs, successors and assigns, and shall benefit Lender and its successors and assigns.
24. **Jurisdiction; Venue** This Note has been negotiated and entered in the State of California, and shall be governed by, construed and enforced in accordance with the internal laws of the State of California, applied to contracts made in California by California domiciliaries to be wholly performed in California. Any action at law or in equity arising under this Note or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Note shall be filed in the Superior Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.
25. **Captions; Headings.** The captions and headings in this Note are for convenience only and are not to be used to interpret or define the provisions hereof.

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

“Borrower”

By: _____

Name: _____

Date: _____

By: _____

Name: _____

Date: _____

ATTACHMENT NO. P-2
AUTHORITY DEED OF TRUST
[Behind this page]

AUTHORITY LOAN DEED OF TRUST

OFFICIAL BUSINESS

Document entitled to free
recording per Government
Code Section 6103.

Recording Requested by and
When Recorded Mail to:

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Housing Authority of the
County of Riverside
5555 Arlington Avenue
Riverside, CA 92504
Attn: Leah Rodriguez

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**SUBORDINATE DEED OF TRUST,
SECURITY AGREEMENT AND FIXTURE FILING**

This Subordinate Deed of Trust, Security Agreement and Fixture Filing (With Assignment of Rents) is made as of _____, 2015, by _____, _____, a _____ (hereinafter referred to as "Trustor"), whose address is _____, Coachella, CA _____ to _____ (hereinafter called "Trustee"), for the benefit of the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Coachella Redevelopment Agency (hereinafter called "Beneficiary"), whose address is 5555 Arlington Avenue, Riverside, California 92504.

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

(A) That certain real property in the City of Coachella, County of Riverside, State of California more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof (such interest in real property is hereafter referred to as the "Subject Property"):

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

(C) all tenements, hereditaments, appurtenances, privileges, franchises and other rights and interests now or in the future benefiting or otherwise relating to the Subject Property or the Improvements, including easements, rights-of-way and development rights (the

“Appurtenances”). (The Appurtenances, together with the Subject Property and the Improvements, are hereafter referred to as the “Real Property”):

(D) all rents, issues, income, revenues, royalties and profits now or in the future payable with respect to or otherwise derived from the Trust Estate or the ownership, use, management, operation leasing or occupancy of the Trust Estate, including those past due and unpaid (the “Rents”):

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

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

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

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

1. due, prompt and complete observance, performance and discharge of each and every condition, obligation, covenant and agreement contained herein or contained in the following:

(a) that certain Promissory Note to the Housing Authority of the County of Riverside executed by Trustor ("Borrower" therein) of even date herewith (the "Note"); and

(b) that certain Affordable Housing Resale Restrictions ("Resale Restrictions") dated on or about the date hereof and recorded concurrently herewith in the Official Records of the Recorder's Office for the County of Riverside, between Trustor ("Initial Purchaser" therein) and Beneficiary ("Authority" therein).

2. payment of indebtedness of the Trustor to the Beneficiary not to exceed _____ HUNDRED AND _____ THOUSAND DOLLARS AND NO CENTS (\$_____.00) (the "Authority Loan") according to the terms of the Note.

Said Note and Resale Restrictions (collectively, referred to as the "Secured Obligations") and all of their terms are incorporated herein by reference and this conveyance shall secure any and all extensions, amendments, modifications or renewals thereof however evidenced, and additional advances evidenced by any note reciting that it is secured hereby. The Note, and Resale Restrictions as used herein shall mean, refer to and include the Note and Resale Restrictions, as well as any riders, exhibits, addenda, implementation agreements, amendments, or attachments thereto (which are hereby incorporated herein by this reference). Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the Resale Restrictions.

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

1. That Trustor shall pay the Note at the time and in the manner provided therein, and perform the obligations of the Trustor as set forth in the Resale Restrictions at the time and in the manner respectively provided therein.

2. That Trustor shall not permit or suffer the use of any of the property for any purpose other than the use set forth in the Resale Restrictions. Trustor shall observe and perform all of the covenants and agreements of the Resale Restrictions.

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

4. Reserved.

5. That upon default hereunder or under the aforementioned agreements, and after the giving of notice and the expiration of any applicable cure period, Beneficiary shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the property described herein and operate same and collect the rents, profits and income therefrom.

6. That Trustor will keep the improvements now existing or hereafter erected on the property insured against loss by fire and such other hazards, casualties, and contingencies as may reasonably be required in writing from time to time by the Beneficiary, and all such insurance shall be evidenced by standard fire and extended coverage insurance policy or policies. In no event shall the amounts of coverage be less than 100 percent of the insurable value of the Property. Such policies shall be endorsed with standard mortgage clause with loss payable to the Beneficiary and certificates thereof together with copies of original policies shall be deposited with the Beneficiary. Unless approved otherwise in writing by the Executive Director of the

Beneficiary, or his or her designee, Trustor shall maintain insurance as required by the Resale Restrictions, which is incorporated herein by this reference.

7. To pay, before delinquency, any taxes and assessments affecting said Property; to pay, when due, all encumbrances, charges and liens, with interest, on said Property or any part thereof which appear to be prior or superior hereto; and to pay all costs, fees, and expenses of this Trust. Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as Trustor is contesting the legality thereof in good faith and by appropriate proceedings, and Trustor has adequate funds to pay any liabilities contested pursuant to this Section 7.

8. To keep said property in good condition and repair, subject to ordinary wear and tear, casualty and condemnation, not to remove or demolish any buildings thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon (subject to Trustor's right to contest the validity or applicability of laws or regulations); not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law and/or covenants, conditions and/or restrictions affecting said property; not to permit or suffer any material alteration of or

addition to the buildings or improvements hereafter constructed in or upon said property without the consent of the Beneficiary.

9. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of evidence of title and reasonable attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

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

11. Beneficiary shall have the right to pay fire and other property insurance premiums when due should Trustor fail to make any required premium payments. All such payments made by the Beneficiary shall be added to the indebtedness and obligations secured hereby.

12. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, under permission given under this Deed of Trust, with interest from date of expenditure at the lesser of ten percent (10%) or the highest rate of interest permitted by law.

13. That upon the failure of Trustor, after the giving of notice and the expiration of any applicable cure period, to keep and perform all the covenants, conditions, and agreements of said Note and Resale Restrictions, the entire indebtedness evidenced by the Note shall at the option of the Beneficiary of this Deed of Trust become due and payable, anything contained herein to the contrary notwithstanding.

14. Trustor further covenants that it will not voluntarily create, suffer, or permit to be created against the property subject to this Deed of Trust any lien or liens except as authorized by Beneficiary and further that they will keep and maintain the property free from the claims of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on said premises. Notwithstanding anything to the contrary contained in this Deed of Trust, Trustor shall not be obligated to pay any claims for labor, materials or services which Trustor in good faith disputes and is diligently contesting, provided that Trustor shall, at Beneficiary's written request, within thirty (30) days after the filing of any claim or lien (but in any event, and without any requirement that Beneficiary must first provide a written request, prior to foreclosure) record in the Office of the Recorder of the County of Riverside, a surety bond in the amount of such claim item to protect against a claim of lien, or provide such other security reasonably satisfactory to Beneficiary.

15. That any and all improvements made or about to be made upon the premises covered by the Deed of Trust, and all plans and specifications, comply with all applicable municipal ordinances and regulations and all other applicable regulations made or promulgated, now or hereafter, by lawful authority, and that the same will upon completion comply with all such municipal ordinances and regulations and with the rules of the applicable fire rating or inspection organization, bureau, association or office.

IT IS MUTUALLY AGREED THAT:

16. Should the property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, subject to the rights of any beneficiary of a deed of trust senior in priority to this Deed of Trust ("Senior Lender"), Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor which are not used to reconstruct, restore or otherwise improve the property or part thereof that was taken or damaged, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. Subject to the rights of any Senior Lender, all such compensation, awards, damages, rights of action and proceeds which are not used to reconstruct, restore or otherwise improve the property or part thereof that was taken or damaged, including the proceeds of any policies of fire and other insurance affecting said property, are hereby assigned to Beneficiary. After deducting therefrom all its expenses, including reasonable attorneys fees, the balance of the proceeds which are not used to reconstruct, restore or otherwise improve the property or part thereof that was taken or damaged, shall be applied to the amount due under the secured hereby. No amount applied to the reduction of the principal shall relieve the trustor from making regular payments as required by the Promissory Note.

17. Reserved.

18. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its Deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale. The Trustee shall apply the proceeds of sale to payment of (1) the expenses of such sale, together with the reasonable expenses of this trust including therein reasonable Trustee s fees or attorney s fees for conducting the sale, and the actual cost of publishing, recording, mailing and posting notice of the sale; (2) the cost of any search and/or other evidence of title procured in connection with such sale and revenue stamps on Trustee s Deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest at the

rate specified in the Note; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto.

19. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

20. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

21. Upon written request of Beneficiary stating that all sums secured hereby have been paid and all obligations secured hereby have been satisfied, and upon surrender of this Deed of Trust and the to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or fact shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto." Notwithstanding prepayment of all sums secured hereby, the affordability and use restrictions set forth in the Resale Restrictions shall remain obligations of Trustor until the expiration of the applicable term contained in the Resale Restrictions.

22. The trust created hereby is irrevocable by Trustor.

23. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term "Beneficiary" shall include not only the original Beneficiary hereunder but also any future owner and holder including pledgees, of the Note secured hereby. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. All obligations of Trustor hereunder are joint and several.

24. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law the Trustee is not obligated to notify any party hereto of pending sale under this Deed of Trust or of any action of proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

25. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address set forth in the first paragraph of this Deed of Trust.

26. Trustor agrees at any time and from time to time upon receipt of a written request from Beneficiary, to provide written certification that the Property is Trustor's primary residence.

27. Trustor agrees that the indebtedness secured by this Deed of Trust is made expressly for the purpose of financing the acquisition of the Property and the development and construction of the improvements thereon, pursuant to the DDA, and to be used as provided in the Resale Restrictions.

28. Trustor agrees that, except as otherwise provided in the Note or Resale Restrictions, upon sale or refinancing of the property, the entire indebtedness secured by this Deed of Trust shall at the option of Beneficiary be immediately due and payable.

29. Notwithstanding specific provisions of this Deed of Trust, non-monetary performance hereunder shall not be deemed to be in default where delays or defaults are due to: 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; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor or supplier; acts of the other party; or acts or failure to act of Beneficiary or any other public or governmental agency or entity (except that any act or failure to act of Beneficiary shall not excuse performance by Beneficiary). An extension of time for any such cause (a "Force Majeure Delay") shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause. If, however, notice by the party claiming such extension is sent to the other party more than thirty (30) days after the commencement of the cause, the period shall commence to run only thirty (30) days prior to the giving of such notice. Times of performance under this Deed of Trust may also be extended in writing by the Executive Director or designee of Beneficiary and Trustor. Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure Delay unless and until Trustor delivers to Beneficiary written notice describing the event, its cause, when and how Trustor obtained knowledge, the date the event commenced, and the estimated delay resulting therefrom. Trustor shall deliver such written notice within fifteen (15) days after it obtains actual knowledge of the event.

30. If the rights and liens created by this Deed of Trust shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the obligations described herein, the unsecured portion of such obligations shall be completely performed and paid prior to the performance and payment of the remaining and secured portion of the obligations, and all performance and payments made by Trustor shall be considered to have been performed and paid on and applied first to the complete payment of the unsecured portion of the obligations.

31. (a) Subject to the extensions of time set forth in Section 29, and subject to the notice and cure provisions of this Section 31, failure or delay by Trustor to perform any term or provision respectively required to be performed under the Note, the Resale Restrictions, this Deed of Trust, a Senior Loan, the AHP Loan, CalHome Loan, Serna Loan or under any deed of trust secured against the Property, constitutes a default under this Deed of Trust;

(b) Beneficiary shall give written notice of default to the party in default, specifying the default complained of by the Beneficiary. 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 Deed of Trust, any failures or delays by Beneficiary 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 Beneficiary in asserting any of its rights and remedies shall not deprive Beneficiary 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 Beneficiary shall give the Trustor written notice of such default. The Trustor shall have a period of ten (10) calendar days after such notice is received or deemed received within which to cure the default prior to exercise of remedies by the Beneficiary.

(d) If a non-monetary event of default occurs, prior to exercising any remedies hereunder, the Beneficiary shall give the Trustor notice of such default. If the default is reasonably capable of being cured within thirty (30) calendar days after such notice is received or deemed received, the Trustor shall have such period to effect a cure prior to exercise of remedies by the Beneficiary. If the default is such that it is not reasonably capable of being cured within thirty (30) days after such notice is received, and the Trustor (1) initiates corrective action within said period, and (2) diligently, continually, and in good faith works to effect a cure as soon as possible, then the Trustor 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 any event no more than sixty (60) days of receipt of such notice of default from the Beneficiary.

(e) Any notice of default that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice of default 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 Trustor; and any notice of default that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof.

(h) After the giving the notice and cure specified in this Section 31, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale, and of written notice of default and of election to cause the property to be sold, which notice Trustee shall cause to be duly filed for record and Beneficiary may foreclose this Deed of Trust. Beneficiary shall also deposit with Trustee this Deed, the Note and all documents evidencing expenditures secured hereby.

32. This Deed of Trust shall be subordinate and junior to the Deed of Trust recorded concurrently herewith securing the Senior Loan made by [insert name _____] (the "Senior Lender") and its successors and assigns.

33. In the event of any fire or other casualty to the Property or eminent domain proceedings resulting in condemnation of the Property or any part thereof, Trustor shall have the right to rebuild the Property, and to use all available insurance or condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep the Authority Loan in balance and rebuild the Property in a manner that provides adequate security to Beneficiary for repayment of the Authority Loan or if such proceeds are insufficient then Trustor shall have funded any deficiency, (b) Beneficiary shall have the right to approve plans and specifications for any major

rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and (c) no material default then exists under the Authority Loan Documents. If the casualty or condemnation affects only part of the Property and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the Authority Loan in a manner that provides adequate security to Beneficiary for repayment of the remaining balance of the Authority Loan.

IN WITNESS WHEREOF Trustor has executed this Deed of Trust as of the day and year set forth above.

TRUSTOR

By: _____

Name: _____

Date: _____

INSERT ACKNOWLEDGMENT

EXHIBIT "A"

LEGAL DESCRIPTION

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

[to be inserted]

**ATTACHMENT NO. P-3
FORM OF ADDENDUM TO GRANT DEED**

**FORM OF ADDENDUM TO GRANT DEED
FROM DEVELOPER TO PURCHASER**

A. Purpose of this Addendum. This Addendum to Grant Deed (this "Addendum") is attached to and made part of that certain Grant Deed between The Coachella Valley Housing Coalition, a California nonprofit public benefit corporation ("Developer" herein) and _____ ("Owner" herein) and provides that the property which is the subject of the Grant Deed (the "Property") is conveyed by Developer subject to the deed restrictions (collectively the "Deed Restriction") set forth below. Words and phrases used in this Addendum shall have the same meanings as in the Grant Deed unless specifically provided otherwise. If there is any conflict between the provisions of this Addendum and the provisions of the Grant Deed, the provisions of this Addendum will prevail.

B. Subsidy. In accepting said Deed Restriction, the undersigned Owner understands and acknowledges that the Property is being sold to the Owner because Owner is a Low Income First Time Homebuyer; that the Property being sold to Owner for a sales price that results in an Affordable Housing Cost to Owner as the result of a subsidy ("Subsidy") provided to Developer by the Housing Authority of the County of Riverside ("Authority") in accordance with a certain Disposition and Development Agreement (the "DDA") by and between Authority and Developer, dated as of _____, 2015 and recorded in the Official Records of the County of Riverside on _____, 2015 as Document No. _____, which DDA is a public record on file in the office of the Authority; that the Subsidy has been passed along and made available to Owner by means of the purchase money loan made by the Authority to Owner and secured by a deed of trust recorded against the Property on the Dwelling Unit ("Authority Mortgage"); and that without the Subsidy, the sales price of the Property would exceed the amount that is affordable to Owner. Provided, however, that nothing contained herein is intended to prohibit Owner from benefiting from additional financing subsidies.

C. Authority to Act as Loan Servicer. So long as Authority is the beneficiary of the Authority Deed of Trust, the Authority shall act as loan servicer.

D. Deed Restrictions. in return for and in consideration of the opportunity for the Developer to sell and the Owner to purchase the Property under the above-referenced circumstances and for other good and valuable consideration, the receipt and legal sufficiency of which the undersigned hereby acknowledge, the Owner, on behalf of himself, herself, or themselves and with the express intent to bind all those defined as "Owner" in Paragraph 1 below, hereby agrees as follows:

1. Definitions

"Affordable Housing Cost" shall mean, 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 Dwelling

Unit. For purposes of this definition, the phrase “adjusted for household size appropriate for the Dwelling Unit” shall mean a household size equal to the number of bedrooms in the Dwelling Unit plus one.

“Affordable Housing Resale Restriction” means that certain “Affordable Housing Resale Restriction Option to Designate Eligible Purchaser with Alternative Option to Purchase and Option to Purchase Upon Default”, to be executed by Owner on or prior to the close of escrow for the acquisition of the Property. The Affordable Housing Resale Restriction includes, among other things, a first right of refusal in favor of the Authority to the purchased dwelling unit to be constructed on the Property.

“Area median income” shall mean 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.

“Capital Improvements” means physical improvements legally made on the Property by Owner, as evidenced by building permits or other documentation acceptable to the Authority that materially add to the value of the Property or considerably prolong its useful life, as determined by the Authority. Examples of Capital Improvements include, but are not limited to, adding a new bathroom, installing new plumbing or wiring, installing a new roof. Repairs, reconstruction or maintenance of the Property are not considered Capital Improvements.

“USDA” means the United States Department of Agriculture.

“DDA” shall mean the Disposition and Development Agreement entered by and between the Authority and The Coachella Valley Housing Coalition., a California nonprofit public benefit corporation, dated as of _____, 2015.

“Dwelling Unit” means the single-family home to be constructed on the Property.

“AHP Loan” means a purchase money loan of Federal Home Loan Bank of San Francisco Affordable Housing Program (AHP) funds which may be made by Rabobank to Owner to pay a portion of the construction costs of the Dwelling Unit.

“First Time Homebuyer” means an individual and his or her spouse, partner or family member who have not owned a home during the three (3)-year period immediately preceding the purchase of the Property, 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 Property, a dwelling unit whose structure is not permanently affixed to a permanent foundation in accordance with local or other applicable regulations.

“Senior Loan” means the first priority loan from the USDA to Owner to pay a portion of the construction costs for the Dwelling Unit.

“Serna Loan” means a purchase money loan of Joe Serna Jr. Farmworker Housing Grant Program funds which may be made by HCD to Owner to pay a portion of the construction costs of the Dwelling Unit.

“HCD” means the California Department of Housing and Community Development.

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

“Low Income” or “Low 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.

“Owner” shall mean and include the undersigned Owner and any or all successors in interest (whether voluntary or involuntary), transferees, assigns, heirs, executors, or administrators of the undersigned.

“Right of First Refusal” shall mean the Authority’s right of first refusal to purchase the Dwelling Unit pursuant to the Affordable Housing Resale Restriction.

“Authority Loan” means a purchase money loan in the amount of _____ made by the Authority to Purchaser. The Authority Loan shall be evidenced by a promissory note in favor of the Authority and secured by a subordinated deed of trust encumbering the Property.

“Subsidy” shall mean, the assistance provided by Authority to Developer under the DDA and the Authority Loan.

“CalHome Loan” means a purchase money loan which may be made by Developer to Owner using CalHome Program funds, to pay a portion of the construction costs of the Dwelling Unit.

2. Affordability.

Owner covenants and agrees for itself, its successors, assigns and any successor in interest to the Property, the Dwelling Unit, or any portion thereof, as follows: the Dwelling Unit shall be sold to and occupied exclusively by Low Income Households for an affordable sale price (including a down payment) which results in an Affordable Housing Cost .

Owner, its successors, assigns and any successor in interest to the Dwelling Unit, and all subsequent purchasers in the chain of title, shall be subject to the income, occupancy and resale restrictions set forth herein for a period of fifteen (15) years (“Affordability Period”) commencing on the date the certificate of occupancy for the Dwelling Unit is recorded in the Official Records.

3. Method of Resale or Recapture

(a) If the Owner sells the Dwelling Unit during the Affordability Period, the Owner will be required to pay the Authority a share of the Owner's "Equity" concurrently with that sale..

(i) The Owner's "Equity" is defined as the difference between the sales price of the Dwelling Unit, including any improvements located thereon, and the sum of the following, and as more specifically set forth in the Authority Note:

1. The principal amount of the First Mortgage Loan;
2. The principal amount of the Authority Loan;
3. Owner's actual down payment amount, whether subsidized or paid with cash;
4. All costs paid by Owner in connection with the sale of the Dwelling Unit, including costs of broker's commissions, escrow fees, title costs and fees, recording costs, etc;
5. Costs of any Capital Improvements made by the Owner to the Dwelling Unit, provided such improvements have been documented to the satisfaction of the Authority; and

(ii) The Owner's "Equity" will be shared between the Authority and Owner based on the fifteen (15) year Affordability Period according to the following:

1. The Authority's share of the Owner's Equity is a percentage of the Owner's Equity equal to the percentage calculated by dividing the original principal balance of the Authority Loan by the value of the Dwelling Unit, including any improvements located thereon, (as it was determined in connection with the origination of the first mortgage). The Owner shall pay the Authority the Authority's share of the Owner's Equity concurrently with the close of escrow of the sale of the Dwelling Unit.

2. Commencing from year five (5) through year fifteen (15) of the Affordability period, the share of Equity payable to the Authority from any sale of the Dwelling Unit will be reduced by ten percent (10%) each year

3. If the Owner sells the Dwelling Unit any time after the 15-year Affordability Period, the Owner may retain 100% of the Owner's Equity, provided such Owner shall be required to pay the principal pursuant to Section 3(b) below.

(b) In the event owner sells the Dwelling unit between year 16 and 45 of the Term, Owner shall pay to Authority the entire principal amount of the Authority Note.

(c) Procedures to Notify Authority

(i) Notice of Intent to Transfer. Owner shall not sell or otherwise transfer the Dwelling Unit except in accordance with this Addendum and the Senior Loan and Authority Loan documents. If the Owner of the Dwelling Unit desires to sell or otherwise transfer the Dwelling Unit, the Owner shall notify the Authority in writing (hereinafter referred to as the "Notice of Intent to Transfer") in the form attached to the Resale Restrictions and provide such information as the Authority shall reasonably request regarding the proposed sale or transfer. The Notice of Intent to Transfer shall state the street address of the Dwelling Unit, the Owner's full name(s), the name and current address of the proposed purchaser, and the terms of the proposed transaction. The Notice of Intent to Transfer shall be personally delivered or deposited into the U.S. mail, postage prepaid, first class, certified mail, return receipt requested, addressed to:

Housing Authority of the
County of Riverside
5555 Arlington Avenue
Riverside, CA 92504
Attn: Deputy Executive Director

(ii) Submission of Additional Information. Representatives of the Authority may at any time after the Authority's receipt of the Notice of Intent to Transfer, request that the Owner or the proposed purchaser provide additional information regarding the proposed transaction for the transfer of the Dwelling Unit, and the Owner and/or purchaser shall supply such information as soon as practicable.

(iii) Determination relating to Purchase or Recapture. Within thirty (30) days following receipt of the Notice of Intent to Transfer, the Authority (or its delegated representative) shall notify Owner whether Authority (or Authority's assignee) elects to exercise its Right of First Refusal to purchase the Dwelling Unit. If Authority (or Authority's assignee) does not elect to exercise its Right of First Refusal, the Dwelling Unit may be sold without restriction, in which case the Authority shall promptly determine and notify Owner of the amount required to fully repay the outstanding balance of the Authority Loan.

(iv) Assignment or Extinguishment and Release of Addendum.

(1) If the Authority (or Authority's assignee) elects to exercise its Right of First Refusal to purchase the Dwelling Unit for sale to a Low Income Household, the sale shall occur on the same terms as indicated in the Notice of Intent to Transfer, and the Authority and Owner shall execute and record such instruments as may be necessary to permit the Low Income Household to assume Owner's obligations under this Addendum; or

(2) If the Authority (or Authority's assignee) elects not to exercise its Right of First Refusal to purchase the Dwelling Unit and the Dwelling Unit is allowed to be sold without restriction, upon the sale or other transfer of the Dwelling Unit and the Owner pays the Authority all amounts then due under the Authority Note, the Authority

shall execute and record such instruments as may be necessary to extinguish and release this Addendum.

(d) Notice of Default Under Deed of Trust or Mortgage, and Authority's Right to Enforce.

The Owner covenants to cause to be filed in the Office of the Recorder of the County of Riverside a request for a copy of any notice of sale or notice of default under any deed of trust or mortgage with power of sale encumbering the Dwelling Unit or any part thereof. Such request shall specify that any such notice shall be mailed to:

Housing Authority of the
County of Riverside
5555 Arlington Avenue
Riverside, CA 92504
Attn: Deputy Executive Director

(e) Disposition of the Dwelling Unit Contrary to Agreement: Other Defaults.

If the Owner sells, transfers, conveys or otherwise disposes of the Dwelling Unit contrary to this Addendum to Grant Deed, the Senior Loan and/or the AHP Loan, the Authority shall at any time thereafter, at its election, have the right to declare such disposition or other act null and void and/or seek enforcement of the terms and conditions thereof in any manner whatsoever and by law or equity.

4. Limits on Liability

Neither the County of Riverside ("County") nor the Authority shall be liable to Owner or become obligated in any manner to any Owner by reason of the enforcement of this Addendum, nor shall the County or the Authority be in any way obligated or liable to Owner or any subsequent Owner for any failure of any person to consummate a purchase of the Dwelling Unit or to comply with the terms of any agreement of escrow for the sale of the Dwelling Unit. Only the purchaser executing a purchase agreement or escrow instruction shall be liable to Owner or any subsequent Owner pursuant to the terms of any such agreement or escrow instructions. Neither the County nor the Authority shall be liable or responsible for any defect in the condition of the Dwelling Unit of whatever nature and Owner, on behalf of itself and each subsequent Owner, agrees to release the County and the Authority from any such liability and/or responsibility and further agrees to hold the County and the Authority harmless from any claim or cause of action brought by third parties arising out of any such defect.

5. Transfers and Conveyances

Until such time as this Addendum is released by the Authority or expires, the Dwelling Unit and any interest or title thereto shall not be sold, leased, rented, assigned, or otherwise transferred to any person or entity except in accordance with this Addendum.

6. Permitted Transfers

The following transfers of title or any interest therein are permitted by this Addendum and shall not trigger the payment of any Owner's Equity to the Authority, any rights of the Authority to purchase the Dwelling Unit, or result in acceleration of the Authority Loan provided owner provides written notice of such transfer to Authority no later than seven (7) days after the occurrence of such an event:

- (a) A transfer resulting from the death of the Owner where the transfer is to the spouse who is also an Owner;
- (b) A transfer by an Owner to his/her spouse where the spouse becomes the co-owner of the Dwelling Unit and enters into an assumption agreement relating to the Senior Loan and Authority Loan;
- (c) A transfer resulting from a decree of dissolution of the marriage or legal separation or from a settlement agreement incidental to such a decree which requires the Owner to continue to make loan payments by which a spouse who is an obligor becomes the sole owner of the Dwelling Unit; or
- (d) A transfer into an inter vivos trust in which the obligor or obligors are beneficiaries.

Provided, however, that the covenants contained in and the restrictions imposed upon the Owner and the Dwelling Unit by this Addendum shall continue to encumber and run with the title to the Dwelling Unit following said transfers.

7. Permitted Encumbrances

This Addendum is based upon the aforementioned Authority promissory note which is secured by a subordinate lien deed of trust ("Authority Mortgage") on the Property in favor of the Authority. Except for the Senior Loan, CalHome Loan, Serna Loan and AHP Loan, Owner shall not encumber the Property for the purpose of securing financing either senior in priority or subordinated to said promissory note without the prior written approval of the Authority. If the Dwelling Unit is acquired at a foreclosure sale under any deed of trust or mortgage encumbering the Dwelling Unit which is junior to the Authority Deed of Trust, or by deed in lieu of foreclosure sale under any such junior mortgage, title to the Dwelling Unit shall be taken subject to the covenants, restrictions and terms of the Grant Deed (including, but not limited to this Addendum).

8. OMITTED

9. Acceptance of Terms by Owner

By acceptance of the Grant Deed (including this Addendum), the Owner accepts and agrees to be bound by all of the covenants and restrictions contained in this Addendum, and further acknowledges receipt of this Addendum.

10. Default by Owner

In the event of a default by Owner hereunder, Authority shall have the right to exercise all remedies available in law and equity, including, but not limited to having the right, at its election,

to declare a non-Authority approved sale, lease, transfer, assignment or rental, null and void and seek judicial enforcement thereof..

Nothing contained in this Addendum shall prevent the Authority from enforcing the provisions of Health and Safety Code Section 52022 or Civil Code Section 711.5, as amended from time to time, or from commencing foreclosure proceedings at any time if a default occurs under any deed of trust or mortgage.

11. Term of Addendum

The term of the provisions of the Grant Deed, including this Addendum, restricting the sale and resale of the Dwelling Unit shall be fifteen (15) years following the date of the issuance of the certificate of occupancy for the Dwelling Unit, except if the Authority releases this Addendum sooner in accordance with this Addendum.

12. Miscellaneous Provisions

(a) Independent and Severable Provisions. In the event that any provision of this Addendum is held by a court of competent Jurisdiction to be unenforceable or invalid, such holding shall not render unenforceable any other provision hereof, each provision hereof being expressly severable and independently enforceable to the fullest extent permitted by law.

(b) Further Assurances and Recordation. The Owner covenants that upon the request of the Authority, he, she or they will execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further instruments and agreements and do so such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of this Addendum and other instruments required hereunder, including, but not limited to, promissory notes of indebtedness and the Authority, CalHome, Serna and AHP Deeds of Trust. Upon the sale or other transfer of an interest subject to any of said deeds of trust on the Dwelling Unit, the Owner shall cause the purchaser or transferee to execute and acknowledge an Addendum to Grant Deed in a form acceptable to the Authority, which shall be attached to the grant deed by which the undersigned conveys title to the Dwelling Unit.

(c) Captions and Paragraph Headings. Captions and paragraph headings used herein are for convenience only and shall not be used in construing this Addendum.

(d) Waiver. No waiver by the Authority of any breach by the Owner of any covenant, restriction or condition herein contained shall be effective unless such waiver is in writing, signed by the Authority and delivered to the undersigned. The waiver by the Authority of any such breach of breaches, or the failure by the Authority to exercise any right or remedy in any and all such breach or breaches, shall not constitute a waiver or relinquishment for the future of any such covenant or condition nor bar any right or remedy of the Authority in respect of any such subsequent breach.

(e) Enforcement. The terms and provisions of this Addendum shall, without regard to technical classification and designation, be binding on Owner and any successor in interest to the

Dwelling Unit or any part thereof for the benefit and in favor of the Authority, its successors and assigns, and the County of Riverside. The Authority shall have the right, if any provisions of this Addendum 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 beneficiary of this Addendum are entitled.

By signature herein below the Owner hereby accepts and approves the foregoing, agrees to be bound by the provisions of this Addendum and the Grant Deed to which this Addendum is attached, and grants to the Authority such powers and rights that are set forth in this Addendum to Grant Deed.

“OWNER”

By: _____
Name: _____
Date: _____

Accepted and agreed to by the Authority this ____ day of _____, 2015.

HOUSING AUTHORITY OF THE
COUNTY OF RIVERSIDE

By: _____
Name: _____
Its: _____

[NOTARIZE SIGNATURE]

ATTACHMENT NO. P-4

RESALE RESTRICTIONS

[Behind this page]

GOVERNMENT RECORDING REQUESTED PURSUANT
TO GOVERNMENT CODE SECTION 27383

RECORDING REQUESTED BY AND,
AFTER RECORDING, RETURN TO:

Authority of the
County of Riverside
5555 Arlington Avenue
Riverside, CA 92504
Attention: Leah Rodriguez

[SPACE ABOVE THIS LINE FOR RECORDER'S USE]

AFFORDABLE HOUSING RESALE RESTRICTIONS

This Affordable Housing Resale Restrictions, Option to Designate Eligible Purchasers with Alternative Option to Purchase and Option to Purchase Upon Default ("Resale Restriction") is executed this _____ day of _____, 20__, by the Housing Authority of the County of Riverside, a public entity, corporate and politic, in its capacity as housing successor to the former Coachella Redevelopment Agency ("Authority"), and by _____, an individual [OR indicate how title is held: _____], as initial purchaser ("Initial Purchaser") of the real property located in the City of Coachella, County of Riverside, State of California, more particularly described on Exhibit "A" attached hereto (the "Property").

RECITALS

WHEREAS, Authority and the The Coachella Valley Housing Coalition, a California nonprofit public benefit corporation ("CVHC") entered into that certain Disposition and Development Agreement dated _____ and recorded in the Official Records of the County of Riverside ("Official Records") on _____ as Document No. _____ ("DDA") relating to, among other things, (i) the sale of certain real property by Authority to CVHC and CVHC's sale of the subdivided parcels located on such real property to qualified low income first time home buyers for an affordable sale price and the construction of single family homes pursuant to the self-help method, and (ii) the provision of financial assistance in the form of purchase money loans by the Authority to such qualified purchasers to be used to pay a portion of the purchase price for such single family homes;

WHEREAS, Authority provided a loan to Initial Purchaser in the amount of \$ _____ derived from Authority's Low and Moderate Income Housing Asset Fund ("Authority Loan") to be used to pay a portion of the purchase price for the Property by Initial Purchaser. The Authority Loan is evidenced by a Promissory Note ("Authority Promissory Note") executed by Initial Purchaser in favor of Authority dated _____ and secured

by a Deed of Trust executed by Initial Purchaser for the benefit of Authority dated _____ and recorded in the Official Records concurrently herewith ("Authority Deed of Trust").

WHEREAS, Initial Purchaser executed that certain Addendum to Grant dated _____ attached to the Grant Deed conveying the Property from CVHC to Initial Purchaser which _____ ("Addendum to Grant Deed").

WHEREAS, as additional security for the Authority Loan and in order to further assist in the development of below market rate affordable housing, the Authority and Initial Purchaser have agreed to enter into this Resale Restriction to be covenants, conditions and restrictions and equitable servitudes running with the land with respect to the Property;

WHEREAS, the purpose of this Resale Restriction is to (i) establish resale and occupancy restrictions for the residential unit on the Property, (ii) to restrict the Property with this Resale Restriction for a period of fifteen (15) years, (iii) to grant to the Authority an option to designate Eligible Purchasers, as hereafter defined, to acquire the Property, (iv) to grant to the Authority an alternative option to purchase the Property, and (v) to grant to Authority an option to acquire the Property in the event of a default by the Initial Purchaser or Owner, as hereinafter defined, of the terms of this Resale Restriction.

NOW, THEREFORE, Authority and Owner hereby declare and restrict the Property as follows:

1. Acknowledgment and Certification. Any purchaser of the Property from Initial Purchaser and any subsequent purchaser from such purchaser or successors (hereinafter collectively referred to as "Owner") shall certify his/her acknowledgment and receipt of this Resale Restriction and all the provisions and restrictions contained herein. The Purchaser shall certify his/her acknowledgment by executing the form attached hereto as Exhibit "B" and incorporated herein by this reference.

2. Residency. The Owner covenants and agrees that he/she or they will occupy the Property as his/her or their principal place of residence throughout his/her or their ownership of the Property during the "Affordability Period" (as defined in Section 3, below). The Owner shall be considered as occupying the Property as a principal place of residence if the Owner is living on the Property for at least eleven (11) months out of each calendar year. Owner shall not lease or rent the Property.

3. Restrictions on Transfer.

(a) Fifteen Year Affordability Period. For a period of fifteen (15) years measured from the date the Initial Purchaser obtains a certificate of occupancy for the single family home constructed on the Property ("Affordable Term"), any Transfer of the Property by the Initial Purchaser or any subsequent Owner shall be subject to the provisions of this Resale Restriction. . Any subsequent Owner shall qualify as an Eligible Purchaser as the term is defined in Section 3(c) below.

(b) Transfer Defined. "Transfer" shall mean any sale, assignment, conveyance, lease or transfer, voluntary or involuntary, of any interest in the Property, including

an unpermitted financing or refinancing of the Property. Without limiting the generality of the foregoing, Transfer shall include (i) a transfer by devise, inheritance or intestacy to a party who does not meet the definition of a Low Income Household; (ii) a life estate; (iii) creation of a joint tenancy interest; (iv) a gift of all or any portion of the Property; (v) any voluntary conveyance of the Property; or (vi) a refinance of any mortgage loan encumbering the Property not approved in writing by Authority. Transfer shall not include transfer to a spouse in a dissolution proceeding, to a spouse who marries the Owner after the Owner has acquired title to the Property, or to an Owner who originally acquired title to the Property as a co-owner with a spouse, who acquires the deceased spouse's interest in the Property, upon a death of that spouse.

(c) Eligible Purchaser Defined. "Eligible Purchaser" shall mean a household that meets all of the following qualifications:

(i) A household who intends to occupy the Property as its principal place of residence; and

(ii) A household with an annual income that does not exceed eighty percent (80%) of the median family income for the County of Riverside, as annually estimated by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937 and as published from time to time by the California Department of Housing and Community Development, based on the applicable household size, as adjusted annually. Income is subject to verification by the Authority.; and

(iii) A household that pledges not to lease or rent the Property during the fifteen (15) year Affordable Term.

4. Maintenance and Inspection of Property. The Owner shall maintain the Property and the improvements thereon in good condition and repair throughout the Owner's period of ownership of the Property. In addition, upon Authority's receipt of a notice of intent to transfer as detailed in Section 5 below, Authority shall be given the right to enter and to inspect the Property to determine whether any violations of applicable building, plumbing, electric, fire, housing or other applicable codes exist and whether the Property has been maintained in good condition, upon reasonable written notice of not less than five (5) days. Authority shall notify Owner with regard to any noted code violations and maintenance deficiencies (collectively, the "Deficiencies"), and Owner shall cure the Deficiencies in a reasonable manner acceptable to the Authority within thirty (30) days of being notified in writing of the result of the inspections. Should the Owner fail to cure all the Deficiencies prior to the scheduled date for the close of escrow, at the option of the Authority or an Eligible Purchaser as defined in Section 3 above, escrow may be closed, title passed and money paid to the Owner subject to the condition that such funds as are necessary to pay for curing the Deficiencies, based upon written estimates obtained by the Authority, shall be withheld from the money due the Owner and held by the escrow holder for the purpose of curing the Deficiencies. The Authority and/or the Eligible Purchaser shall cause the Deficiencies to be cured and, upon certification of completion of work by the Authority, the escrow holder shall utilize such funds to pay for said work. Any remaining funds shall be paid to the Owner.

5. Notice of Transfer. In the event the Owner intends to Transfer the Property, the Owner shall promptly notify the Authority in writing of such intent. Prior to executing any documents effecting such a transfer, the Owner shall send the notice (hereinafter referred to as the "Notice of Intent to Transfer,") in the form attached hereto as Exhibit "D" and incorporated herein by this reference by certified mail return receipt requested, to the Housing Authority of the County of Riverside, 5555 Arlington Avenue, Riverside, California 92504, Attention: Senior Housing Manager, or such other address as the Authority may designate. The Owner has the right to withdraw the Notice of Intent to Transfer prior to the opening of escrow to purchase the Property.

6. Authority's Options to Designate an Eligible Purchaser or Acquire the Property. In the event the Owner wishes to sell the Property, Owner shall use best efforts and shall have the right to sell the Property to an Eligible Purchaser for a sales price that does not exceed the Maximum Sales Price, as defined in Section 8, below. In the event the Owner proposes to Transfer the Property to a purchaser or a transferee who is not an Eligible Purchaser or for a sales price that exceeds the Maximum Sales Price, the Authority shall have the rights of first refusal set forth in subparagraphs (a) and (b), below. The Authority shall have the right but not the obligation to exercise either right in its sole and absolute discretion.

(a) Designation of Eligible Purchaser. Upon receipt of the Notice of Intent to Transfer, the Authority is hereby granted a right of first refusal (the "ROFR for Eligible Purchaser"), the consideration for which is hereby acknowledged, but not the obligation, to designate an Eligible Purchaser to purchase the Property in the manner set forth hereunder, if the Owner's proposed transferee is not an Eligible Purchaser.

(b) Right of First Refusal to Purchase. Upon receipt of the Notice of Intent to Transfer, the Authority is hereby granted the right, the consideration for which is hereby acknowledged, but not the obligation, to purchase the Property instead of designating an Eligible Purchaser (the "ROFR for Authority Purchase").

(c) Within thirty (30) days of receipt by the Authority of the Notice of Intent to Transfer, the Authority shall: (1) determine whether the proposed transferee is an Eligible Purchaser (2) notify the Owner of the Maximum Sales Price, as defined in Section 8 herein, to be paid for the Property; (3) inspect the Property as described in Section 4, above; and (4) notify the Owner regarding whether or not the Authority intends to exercise its ROFR for Eligible Purchaser or ROFR for Authority Purchase. The notification to the Owner regarding the option to designate an Eligible Purchaser or ROFR for Authority Purchase shall be sent by certified mail, return receipt requested.

(d) If the Authority exercises the ROFR for Eligible Purchaser to designate an Eligible Purchaser, it shall cause an escrow to be opened within thirty (30) days following such notification to the Owner, and it shall cause the Property to be purchased by its designated Eligible Purchaser for the Purchase Price (defined in Section 6(f)) within ninety (90) days following the receipt by the Authority of the Owner's Notice of Intent to Transfer.

(e) If the Authority exercises the ROFR for Authority Purchase, then within thirty (30) days following such notification to the Owner, an escrow shall be opened with an escrow company mutually acceptable to Authority and Owner for the conveyance of the Property to the Authority. The Authority shall deposit the Purchase Price (as defined in Section 6(f) below) in escrow not later than one (1) business day prior to the anticipated close of escrow date. The Authority's obligation to close escrow shall be subject to the Authority's approval of a then-current preliminary title report and, at Authority's option, environmental and other site testing. Any exceptions shown on such preliminary title report created on or after the Owner's acquisition of the Property shall be removed by Owner at its sole expense prior to the close of escrow pursuant to this Section 6(b) unless such exception(s) is(are) accepted by Authority in its reasonable discretion; provided, however, that Authority shall accept the following exceptions to title: (i) current taxes not yet delinquent, (ii) matters affecting title existing on the date of Owner's acquisition of the Property, (iii) any First Lien, as defined below (iv) this Resale Restriction, and (v) matters shown as printed exceptions in the standard form CLTA owner's policy of title insurance. The parties shall each be responsible for one-half of the escrow fees, documentary transfer taxes, recording fees and any other costs and expenses of the escrow, and the Owner shall be responsible for the costs of a CLTA owner's policy of title insurance. Authority shall have thirty (30) days after exercise of the Option to enter upon the Property to conduct any tests, inspections, investigations, or studies of the condition of the Property. Owner shall permit the Authority access to the Property for such purposes. Escrow shall close promptly after acceptance by Authority of the condition of title and the physical and environmental condition of the Property, and in no event later than ninety (90) days after the date that the Authority has exercised this right to purchase the Property. Until the close of escrow, the terms of this Resale Restriction and the documents executed and recorded pursuant hereto shall remain in full force and effect.

(f) Purchase Price. In the exercise of a sale under Subsections (a) or (b) above, the purchase price payable (by the Eligible Purchaser or the Authority, as the case may be) to the Owner for the Property (the "Purchase Price") shall be the greater of (a) the Maximum Sales Price, as defined in Section 8 hereof, or (b) the sum of the current balance of any First Lien ("First Lien" means the lien of the institution making the loan to the Owner for the purchase of the Property; and/or any refinancings approved by the Authority; and/or any new purchase money deed of trust securing a loan to finance the purchase of the Property by an Eligible Purchaser for a sales price that does not exceed the Maximum Sales Price, as determined in accordance with this Resale Restriction, that occurs subsequent to the initial purchase of the Property), plus the Owner's share of escrow, title and other closing costs. The rights of first refusal created hereby shall be irrevocable by Owner and shall be binding upon the successors and assigns of Owner. The Authority shall have the right of specific performance to enforce the terms of these rights of first refusal.

(g) Term for the Rights of First Refusal The term of the rights of first refusal ("Term") shall exist for the Affordable Term (defined in Section 3(a) above) , and shall automatically expire upon the expiration or earlier termination of the Affordable Term, subject to Section 7, below.

7. Non-exercise of Rights of First Refusal.

(a) In the event the Authority does not timely exercise its rights of first refusal as set forth in Section 6, above, Owner shall thereafter have the right to Transfer the Property for its Fair Market Value to any buyer without the Resale Restriction; provided, however, upon Transfer pursuant to this Section 7, Owner shall immediately pay in full to the Authority the Note Amount (as such term is defined in the Promissory Note) plus, for any sale which occurs during the Affordable Term, the Owner shall pay to the Authority the "Lender's Equity Share" of the Owner's "Equity", as defined in Paragraph 5 of the Promissory Note. Upon payment in full of amounts owing to the Authority, the Authority shall cancel and deliver the Authority Loan Promissory Note to the Owner and shall reconvey the Authority Loan Deed of Trust, and Authority shall release these Resale Restriction from the Property (the "Notice of Release") The Authority shall record the Notice of Release with the County Recorder of the County of Riverside.

8. Determination of Maximum Sales Price.

(a) Calculation of Maximum Sales Price. In the event the Property is transferred to an Eligible Purchaser, the amount of money and/or other consideration that the Owner may receive for any transfer of the Property shall be called the "Maximum Sales Price." The Maximum Sales Price shall be the purchase price which would result in a Monthly Housing Cost, as determined by the Authority, which does not exceed the product of one-twelfth (1/12th) of thirty percent (30%) times seventy (70%) of the Riverside County median family income for the County of Riverside, as annually estimated by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937 and as published from time to time by the California Department of Housing and Community Development, as adjusted from time to time and as further adjusted for household size appropriate for the Property, but does not exceed thirty percent (30%) of the gross income of the household. In the case where there is no Owner of the Property, the Authority shall calculate the principal and interest payments assuming a five (5%) percent down payment and that the annual interest rate is the then Fannie Mae 90-day delivery rate.

(b) Insurance Coverage. Insurance premiums shall be the average of three quotes obtained by the Authority for the coverage required for any First Lien holder. The deductible for the insurance shall not exceed the sum of Five Hundred Dollars (\$500.00) per occurrence.

(c) Appropriate Household Size. Household size appropriate for the Property means two (2) persons for a one-bedroom house, three (3) persons for a two-bedroom house, four (4) persons for a three-bedroom house and five persons (5) for a four-bedroom house.

(d) Monthly Housing Cost. As used herein "Monthly Housing Cost" means, for a Low Income Household purchasing the Property, all of the following associated with the Property, estimated or known as of the date of the proposed sale of the Property: (i) principal and interest payments on a mortgage loan, and any loan insurance fees associated therewith; (ii) property taxes and assessments; (iii) fire and casualty insurance covering replacement value of property improvements (to the extent not covered by the homeowner association encompassing

the Property); and (iv) any homeowner association fees. Monthly housing cost of an Owner shall be an average of estimated costs for the next twelve (12) month period as of the date of the Notice of Intent to Transfer.

(e) Capital Improvements. The Maximum Sales Price shall be increased by a sum equal to Capital Improvements to the Property, approved by the Authority, in writing, prior to their installation, during the term of the Owner's ownership (as further defined in the Promissory Note) and reasonable closing costs and marketing expenses as approved by the Authority.

(f) Maximum Sales Price Requests. At any time during the term of this Resale Restriction, an Owner may obtain an estimated Maximum Sales Price for the Property from the Authority, by requesting the same in writing, provided that such Maximum Sales Price may not be obtained more frequently than every ninety (90) days during the term of this Resale Restriction. The Authority shall use its diligent efforts to respond to an Owner's request within sixty (60) days.

9. Defaults and Remedies. Upon a violation of any of the provisions of this Resale Restriction or any other "Default" as defined in the Promissory Note, the Authority shall give written notice to the Owner by certified mail, return receipt requested, specifying the nature of the violation. If the violation is not corrected to the satisfaction of the Authority within a reasonable period of time, not longer than thirty (30) days after the date the notice is mailed, or within such further time as the Authority determines is necessary to correct the violation, the Authority may declare a default under this Resale Restriction. Upon the declaration of a default, the Authority may apply to a court of competent jurisdiction for specific performance of the obligations of this Resale Restriction, for an injunction prohibiting a proposed transfer in violation of this Resale Restriction, for a declaration that a transfer in violation of the provisions of this Resale Restriction is void, or for any such other relief at law or in equity as may be appropriate. In addition, the Authority may foreclose under its Promissory Note and Deed of Trust, as such terms are defined in Section 19 of this Resale Restriction. In the event of a default by the Owner, and/or by the Owner's transferee in those circumstances where a transfer has occurred in violation of this Resale Restriction, the Owner and/or the Owner's transferee shall hold the Authority and the Owner and their respective employees or other agents harmless and reimburse the expenses, legal fees and costs for any action the Authority takes in enforcing the provisions of this Resale Restriction.

10. Authority's Option to Purchase Upon Default. In addition to the remedies provided the Authority in Section 9, above, the Authority has and is hereby granted the option ("Default Option") to purchase the Property effective upon the declaration of a written default by the Authority and the expiration of any applicable cure period without a cure of the default by Owner. The Authority's option to purchase may be exercised upon an uncured default under this Resale Restriction on the following terms and conditions:

(a) Grant of Default Option. The Owner hereby grants to Authority an option ("Default Option"), the consideration for which is hereby acknowledged, to purchase the Property on the terms and conditions set forth herein. The purchase price payable by the Authority to the Owner for the Property (the "Default Option Price") shall be the greater of (a)

the Maximum Sales Price, as defined in Section 8 hereof, or (b) the sum of the current balance of any First Lien ("First Lien" means the lien of the institution making the purchase money loan to the Owner for the purchase of the Property and/or any Authority-approved refinancings), plus the Owner's share of escrow, title and other closing costs. The Option created hereby shall be irrevocable by Owner and shall be binding upon the successors and assigns of Owner. The Authority shall have the right of specific performance to enforce the terms of this Default Option.

(b) Term for Default Option. The term of the Default Option ("Default Option Term") shall commence on the date of this Resale Restriction and shall expire upon the expiration or termination of the Affordable Term subject to Section 7(b) above.

(c) Exercise of Default Option. The Default Option may be exercised by Authority's delivery to Owner of written notice of such exercise ("Exercise Notice") only upon the occurrence of an uncured Default. In the event that the Authority exercises the Default Option, but the Owner cures the default of the First Lien prior to the sale of the Property to the Authority, the Authority's exercise of the Default Option shall be deemed revoked. The revocation of the exercise of the Default Option shall not terminate the Default Option or preclude the Authority from subsequently exercising the Default Option upon a later event of default under the First Lien.

(d) Escrow and Completion of Sale. Within five (5) days after the Authority has exercised the Default Option, or as soon thereafter as reasonably practicable, an escrow shall be opened with an escrow company mutually acceptable to Authority and Owner for the conveyance of the Property to the Authority. The Authority shall deposit the Default Option Price in escrow not later than one (1) business day prior to the anticipated close of escrow date. The Authority's obligation to close escrow shall be subject to the Authority's approval of a then-current preliminary title report and, at Authority's option, environmental and other site testing. Any exceptions shown on such preliminary title report created on or after the Owner's acquisition of the Property shall be removed by Owner at its sole expense prior to the close of escrow pursuant to this Section 10(d) unless such exception(s) is (are) accepted by Authority in its reasonable discretion; provided, however, that Authority shall accept the following exceptions to title: (i) current taxes not yet delinquent, (ii) matters affecting title existing on the date of Owner's acquisition of the Property, (iii) any First Lien, (iv) the Restriction, and (v) matters shown as printed exceptions in the standard form CLTA owner's policy of title insurance. The parties shall each be responsible for one-half of the escrow fees, documentary transfer taxes, recording fees and any other costs and expenses of the escrow, and the Owner shall be responsible for the costs of a CLTA owner's policy of title insurance. Authority shall have thirty (30) days after exercise of the Option to enter upon the Property to conduct any tests, inspections, investigations, or studies of the condition of the Property. Owner shall permit the Authority access to the Property for such purposes. The Authority shall indemnify, defend, and hold harmless Owner and its officers, directors, shareholders, partners, employees, agents, and representatives from and against all claims, liabilities, or damages, and including expert witness fees and reasonable attorney's fees and costs, caused by Authority's activities with respect to or arising out of such testing, inspection, or investigatory activity on the Property. Escrow shall close promptly after acceptance by Authority of the condition of title and the physical and environmental condition of the Property, and in no event later than ninety (90) days after the date

that the Authority has exercised the Option. Until the close of escrow, the terms of the Resale Restriction and the documents executed and recorded pursuant thereto shall remain in full force and effect.

11. Non-liability of the Authority. In no event shall the Authority become in any way liable or obligated to the Owner or to any successor-in-interest of the Owner by reason of its Options set forth in Section 6 or its Default Option set forth in Section 10 herein; nor shall the Authority be in any way obligated or liable to the Owner or any successor-in-interest of the Owner for the Authority's failure to exercise such Options or Default Option.

12. Binding on Successor and Assigns. This Resale Restriction shall bind, and the benefit hereof shall inure to the Owner, and to his/her or their respective heirs, legal representative executors, successors in interest and assigns, and to the Authority and its successors except as provided in Section 3. Provided, however, upon a release of this Resale Restriction pursuant to Section 7, above, this Resale Restriction shall not thereafter reattach.

13. Reserved.

14. Invalid Provisions. If any one or more of the provisions contained in this Resale Restriction shall for any reason be held to be invalid, illegal or unenforceable in any respect then such provision or provisions shall be deemed severable from the remaining provisions contained in this Resale Restriction, and this Resale Restriction shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

15. Controlling Law. The terms of this Resale Restriction shall be interpreted under the laws of the State of California.

16. Notices. All notices required herein shall be sent to the Authority by certified mail return receipt requested, as follows:

Housing Authority for the County of Riverside
5555 Arlington Avenue
Riverside, CA 92504
Attention: Senior Housing Manager

or such other address that the Authority may subsequently request in writing. Notices to the Owner shall be sent by certified mail return receipt requested to the Property address.

17. Interpretation of Restrictive Covenants. The terms of this Resale Restriction shall be interpreted to encourage to the extent possible that the Maximum Sales Price of and mortgage payments for the Property remain affordable to households earning eighty percent (80%) or below of the area medium income, as adjusted annually and as further adjusted for household size.

18. Non-Discrimination Covenants. Owner 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 Owner, 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."

In addition to the obligations and duties of Owner set forth herein, Owner shall, upon notice from Authority, promptly pay to Authority all fees and costs, including administrative and attorneys' fees, incurred by Authority in connection with responding to or defending any discrimination claim brought by any third party and/or local, state or federal government entity,

arising out of or in connection with this Agreement, Agreement Containing Covenants, Resale Restrictions and/or the Addendum to Grant Deed (each attached hereto).

19. Promissory Note in Favor of Authority.

(a) Execution by Owner and Calculation of Principal Amount. During the Affordable Term, Owner shall be obligated to execute a promissory note in favor of the Authority, substantially in the form attached hereto as Exhibit "E" and incorporated herein by this reference (the "Promissory Note"), to ensure the continued affordability of the Property. The principal amount of the Promissory Note shall be an amount equal to the difference between (i) the Fair Market Value, as defined in Section 19(b) below, of the Property at the time of the initial purchase of the Property, and (ii) the initial purchase price of the Property. Such amount will not actually be paid by the Authority to the Owner, but will be used to pay a portion of the costs to construct the improvements located on the Property pursuant to the DDA and represents the subsidy received by the Owner as a result of purchasing the Property at a price below its Fair Market Value. No payments will be due under the Promissory Note except in the case of an uncured Default, as defined in the Promissory Note. The Promissory Note shall be secured by a second lien deed of trust which encumbers the Property, substantially in the form attached hereto as Exhibit "F" and incorporated herein by this reference (the "Deed of Trust"). The Owner's obligation to repay the Promissory Note may be assumed by a subsequent Owner of the Property who acquires the Property through a Transfer approved by the Authority.

(b) Fair Market Value. For purposes of this Resale Restriction, "Fair Market Value" shall be determined based on the assumption that no resale restrictions are applicable to the Property and the Property is freely alienable. The Fair Market Value of the Property shall be the value as determined by an appraisal conducted by or for the Authority, such appraisal shall be conducted in accordance with the appraisal standards of Fannie Mae or FHLMC, as they shall be amended from time to time during the term of this Resale Restriction, without regard to the affordability restrictions set forth herein.

(c) Subordination of the Deed of Trust. The Authority shall execute such subordination agreements subordinating the Deed of Trust securing the Promissory Note as may be reasonably requested by the holder of a First Lien. Any such subordination agreements shall be in a form approved by the Authority in its reasonable discretion.

20. Written Consent of Authority Required Before Transfer. During the Affordable Term, the Property, and any interest therein, shall not be conveyed by any Transfer or refinancing, except as expressly provided in this Resale Restriction and except with the express written consent of the Authority.

21. Encumbrances.

(a) Priority of Restriction. The provisions of this Resale Restriction shall be subordinate to any First Lien on the Property held by the lender.

(b) Effect of Foreclosure. Subject to the receipt of any required approvals from the First Lien holder, upon the expiration of the statutory period after the receipt of a filed and unrestricted ninety (90) day notice of default concerning any First Lien, including all

extensions of such notice, in the manner and in the time which is required to be given to subordinate lenders under California Civil Code Section 2924b (or successor code section), the Authority may perform one of the following actions, at its sole election:

(i) It may cure the default under the terms of the First Lien on or before the fifth day after the filing of a Notice of Sale by the holder of the First Lien, and shall thereafter diligently pursue its remedies, including without limitation foreclosure, pursuant to the Promissory Note and Deed of Trust in favor of the Authority; or

(ii) It may acquire the Property, and shall, pay off the full amount due under the First Lien at the close of escrow for the acquisition of the Property; or

(iii) It may allow the foreclosure to proceed, upon the completion of the foreclosure or recordation of a deed in lieu of foreclosure (provided that such deed in lieu of foreclosure is made and recorded no earlier than six (6) days after the filing of a notice of sale of the Property pursuant to California Civil Code Section 2924b, et seq., or successor code sections).

(c) Request for Notice of Default. The Authority shall cause a Request for Notice to be recorded on the Property subsequent to the recordation of any First Lien deed of trust or mortgage requesting a statutory notice of default as set forth in California Civil Code Section 2924b. The recordation of the Request for Notice shall not be deemed to waive the Authority's right to receive any other notices required by statute or otherwise.

(d) Additional Encumbrances. The Initial Purchaser and any subsequent owner subject to these Resale Restrictions may not encumber the Property without the prior written consent of the Authority.

22. Monitoring. The Owner shall annually report to the Authority, in writing, confirming that they continue to reside in the Property, have not leased or rented the Property, providing evidence of insurance, evidence of the payment of taxes, if not impounded, and any and all other information reasonably requested by the Authority to assure compliance with the terms of the Resale Restriction on a form or forms prepared by the Authority. Within fifteen (15) days of a written request from the Authority to the Owner, Owner shall respond with all information requested to allow the Authority complete its monitoring responsibilities under the terms of the Resale Restriction. Failure to completely and timely comply with requests shall be deemed a material default under the terms of the Resale Restriction.

23. Right of First Lien Holder to Condemnation Proceeds and Insurance Proceeds. Nothing contained in this Resale Restriction shall impair the right of any First Lien holder to first priority to any and all hazard insurance proceeds and/or condemnation awards, as set forth in the loan documentation of the First Lien Holder, to the extent of the First Lien and any and all costs, interest and fees incurred or accrued under the First Lien at the time of the settlement.

N WITNESS WHEREOF, the parties have executed this Resale Restriction on or as of the date first written above.

HOUSING AUTHORITY FOR THE
COUNTY OF RIVERSIDE

By: _____
Print Name: _____
Its: _____

APPROVED AS TO FORM:

OWNER:
THE COACHELLA VALLEY HOUSING
COALITION, a California nonprofit public benefit
corporation

Print Name: _____
Title: _____

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

State of California)
) ss.
County of _____)

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

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

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary seal above

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

State of California)

) ss.

County of _____)

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

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

WITNESS my hand and official seal.

Place Notary seal above

Signature of Notary Public

EXHIBIT "A"

Property Description

EXHIBIT "B"

County of Riverside

**ACKNOWLEDGMENT OF
AFFORDABLE RESTRICTIVE COVENANTS**

The undersigned acknowledges as follows:

1. We have purchased the property at _____, Riverside, California designated as:
2. There is recorded against this property a certain Affordable Housing Resale Restrictions recorded in the Official Records of the County of Riverside, State of California on _____, _____, as Instrument No. _____ ("Resale Restriction").
3. We meet the current requirements established by the Authority in order to be deemed an "Eligible Purchaser" under Exhibit "C" of the Resale Restriction (attached).
4. We have read and fully understand the Resale Restriction and have had the opportunity to ask Authority staff any questions we have about the document.
5. We understand that the Resale Restriction runs with the land and is binding on us when we decide to transfer or sell the property, and we agree to comply fully with its terms.

OWNER(S):

Print Name: _____

Print Name: _____

Dated: _____

EXHIBIT "C"

Program Requirements for Eligible Purchaser(s) (effective _____)

To qualify as an "Eligible Purchaser" for an affordable home under the Program, the proposed purchaser(s) shall meet the following requirements:

- 1) The proposed purchaser(s) shall occupy the Property as provided in Section 2 of this Resale Restriction.
- 2) The proposed purchaser's household income at the time of the purchase shall not exceed eighty percent (80%) of the median family income for the County of Riverside, as annually estimated by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937 and as published from time to time by the California Department of Housing and Community Development, based on the applicable household size. The proposed purchaser, and no member of any household which comprises proposed purchaser, may own any real property at the time of closing.
- 3) This Exhibit "C" is hereby made a part of the Resale Restriction and the income and asset limitation contained in this paragraph 2 shall bind all successors and assigns of proposed purchaser and all future owners of the Property for the term of the Resale Restriction, except as provided in Section 7 of the Resale Restriction. The proposed purchaser shall provide appropriate documentation (e.g., recent tax returns) to the Authority prior to the purchase so that the Authority can verify the income and confirm the proposed purchaser's eligibility.
- 4) The proposed purchaser is aware that the sales price of the Property and the eligibility to refinance the Property is limited as set forth in this Resale Restriction.

EXHIBIT "D"

NOTICE OF INTENT TO TRANSFER

NOTICE OF INTENT TO TRANSFER MUST BE DELIVERED TO THE RIVERSIDE AUTHORITY PRIOR TO PROCEEDING WITH ANY TRANSFER OF THE PROPERTY:

From: _____ ("Owner")

To: Riverside Authority
5555 Arlington Avenue
Riverside, CA 92504
Attention: Senior Housing Manager

Re: _____ (street address)
Coachella, California (the "Property")

Circle appropriate words: Owner desires to [sell, convey, transfer by inheritance or devise, lease, gift, otherwise transfer] the Property.

Proposed Transferee: _____

Income of Proposed Transferee: _____

Household Size of Proposed Transferee: _____

Proposed Transfer Price: _____

If the Authority has a program to help locate a Moderate Income purchaser, does the Owner want the Authority to help look for a Moderate Income purchaser to buy the Property?

Yes: _____ No: _____

Date: _____

Signature of Owner

(____) _____
Daytime Telephone Number of Owner

EXHIBIT "E"

Pro Forma Promissory Note

EXHIBIT "F"

Pro Forma Deed of Trust