

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 Aor
 - 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.



CHICAGO TITLE
COMPANY

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
PIQ

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

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

Order: 101316192 Doc: RV:A 768-37

PIQ

EMPALEME CALLE

371

35

372

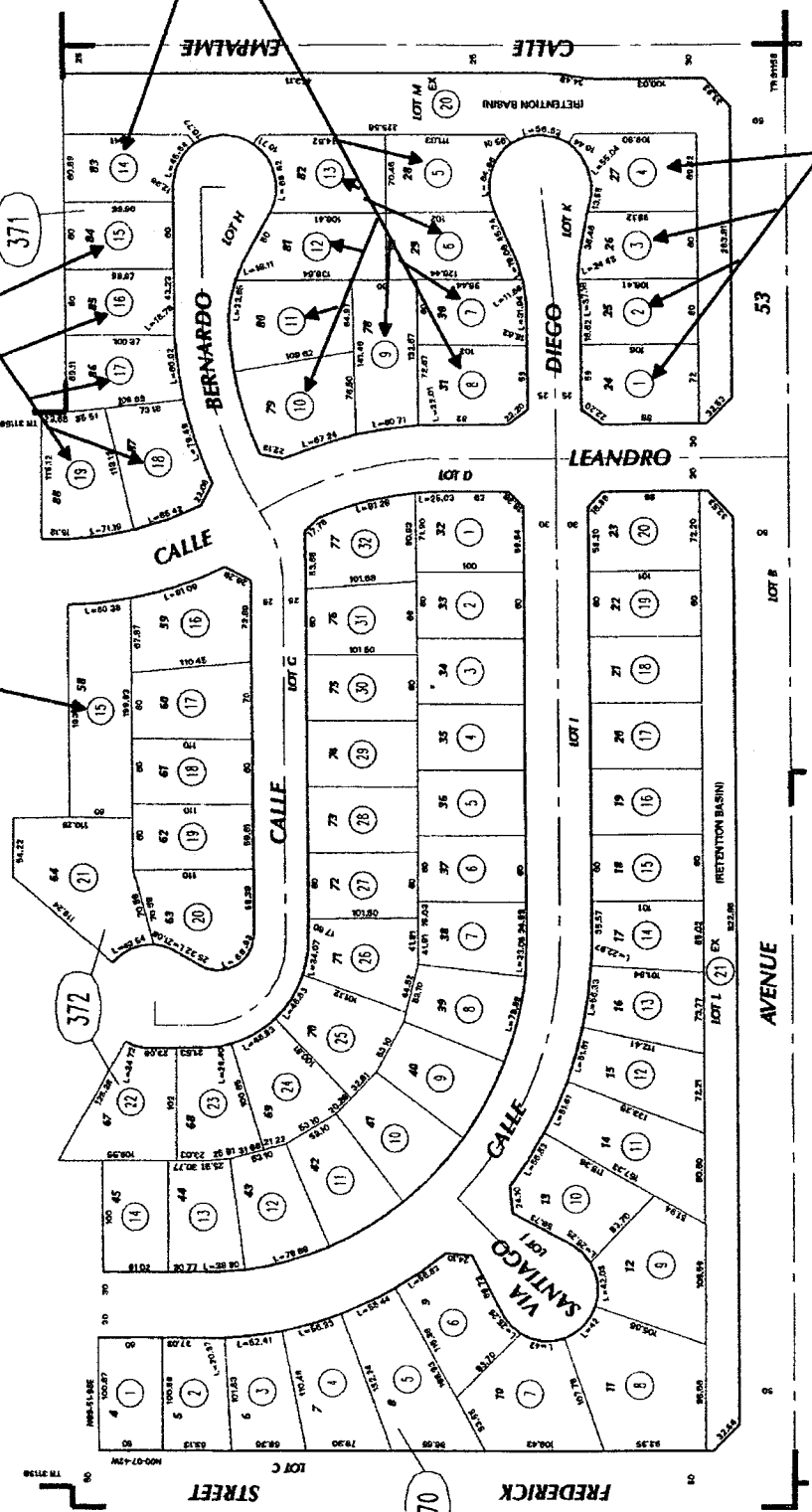
PIQ

36

370

370

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42

PIQ

53

MB 367/1-5 TRACT MAP NO. 31158
Sep 2006

43

30

ASSESSOR'S MAP BK768 PG.37
Riverside County, Calif. BCB

"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
765-89

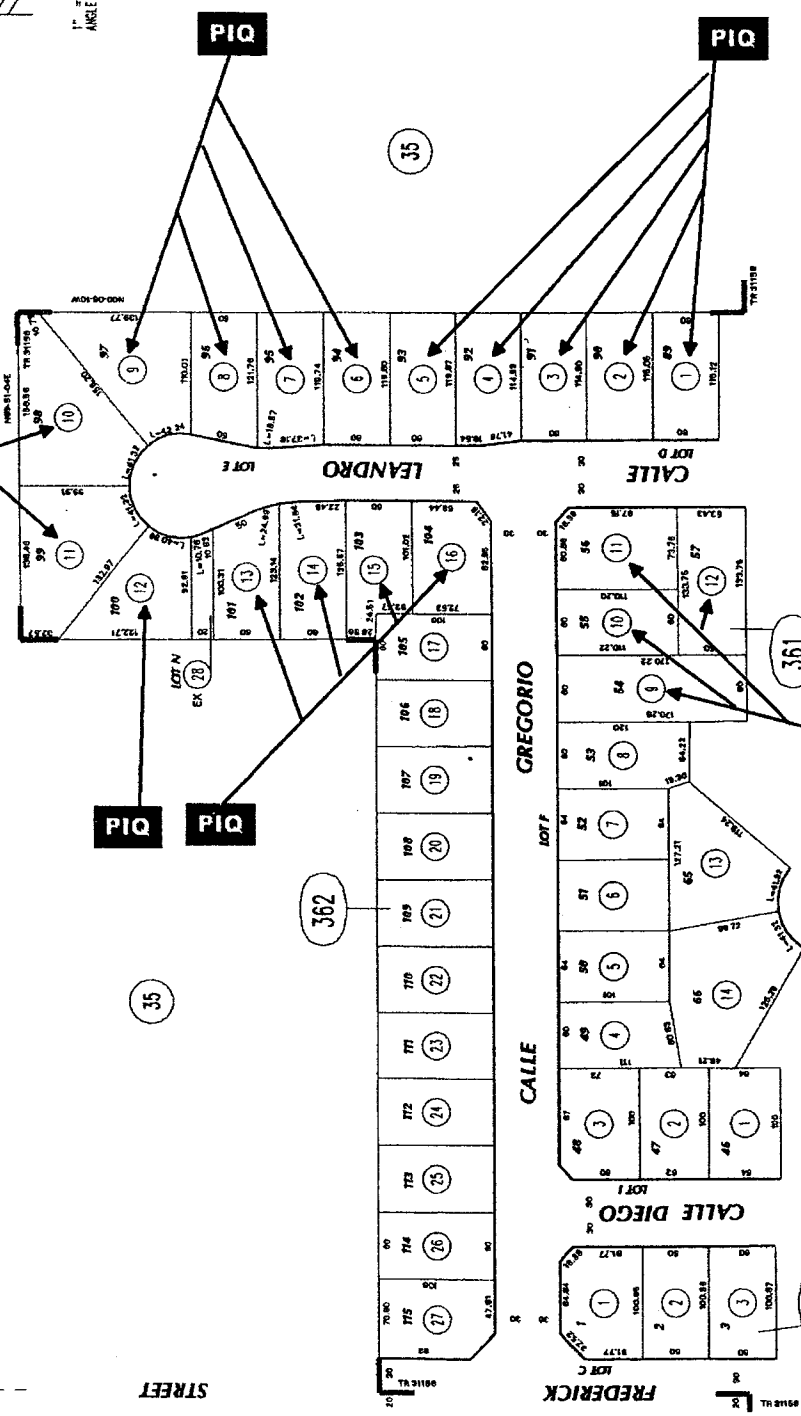
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ANGLE = 0

T.R.A. 012-054

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

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

MAR 15 2007 28



MB 387/1-5 TRACT MAP NO. 31158

ASSESSOR'S MAP 86768 PG.36
Riverside County, Calif.

0208

Sep 2006

"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
765-30
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42

T.R.A. 012-053
PIQ

Sep 2006

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

MB 367/1-5 TRACT MAP NO. 31158

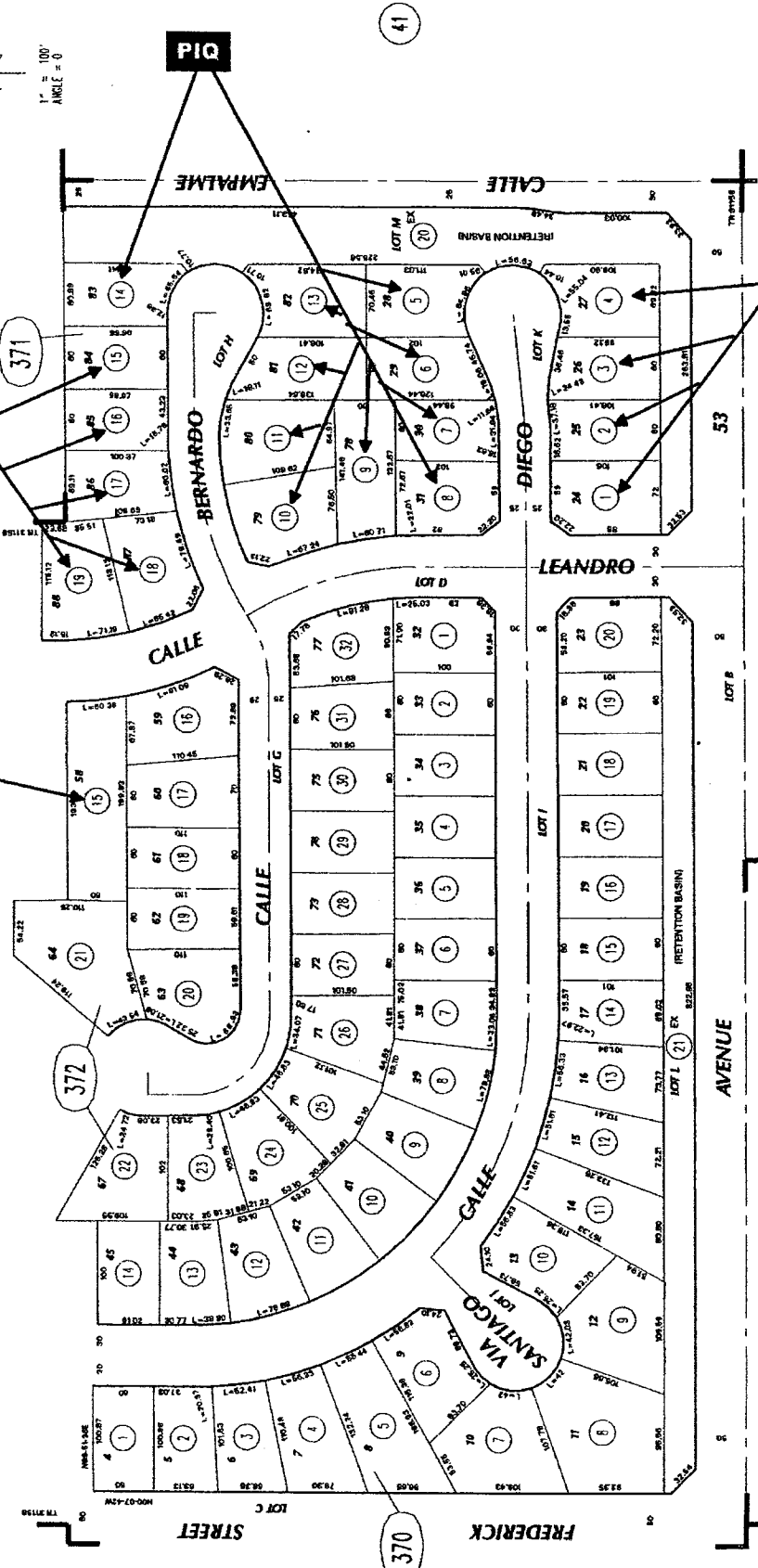
35

43

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

30

ASSESSOR'S MAP BK768 PG.37
Riverside County, Calif. 0008



"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
765-88

T. R. A. 012-054

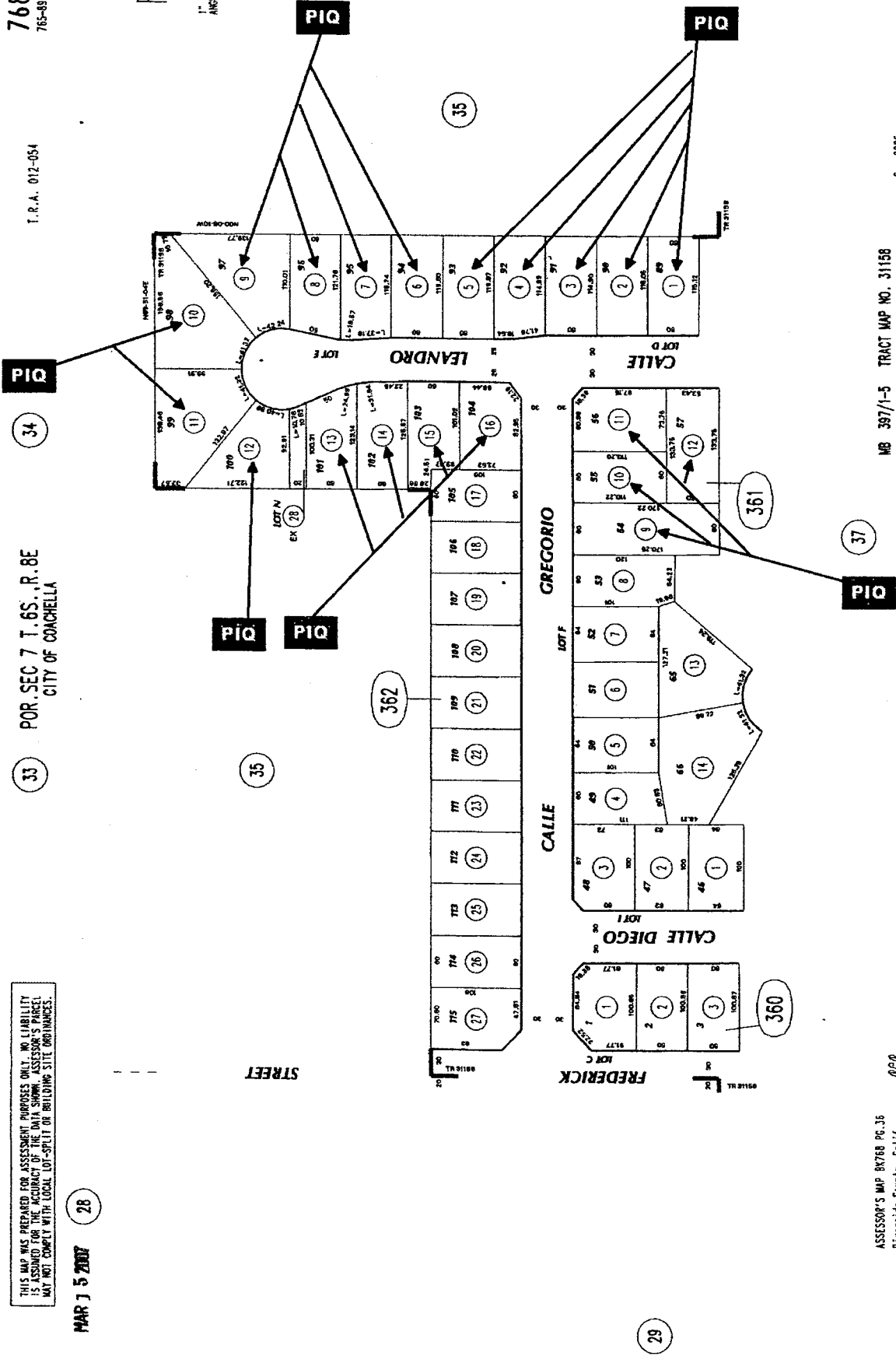
POR. SEC 7 T. 6S. R. 8E
CITY OF COACHELLA

33

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

MAR 3 5 2007 28

1" = 100'
ANGLE = 0



Sep 2005

MB 397/1-5 TRACT MAP NO. 31158

37

PIQ

660

ASSESSOR'S MAP 84788 PG.36
Riverside County, Calif.

29

"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 so do 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:

DEVELOPER:

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

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

By: _____

Name _____

Its _____

By: _____

_____, Executive Director

Date: _____

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 xxxxx, 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 individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.	_____ Tom Fan/Principal Development Specialist
<p>CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT STATE OF CALIFORNIA COUNTY OF <u>RIVERSIDE</u> } S.S.</p> <p>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.</p> <p>I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.</p> <p>WITNESS my hand and official seal</p> <p>Signature _____</p>	
<p align="right">Loan No. FILE NO</p>	

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.