

**SUBMITTAL TO THE BOARD OF COMMISSIONERS
HOUSING AUTHORITY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

334



FROM: Housing Authority

SUBMITTAL DATE:
September 24, 2015

SUBJECT: Exclusive Negotiation Agreement Between the Housing Authority of the County of Riverside and Northtown Housing Development Corporation in Connection with the Crestmore Mixed Use Project, City of Jurupa Valley, District 2, [\$0]

RECOMMENDED MOTION: That the Board of Commissioners:

1. Approve the attached Exclusive Negotiation Agreement (ENA) between the Housing Authority of the County of Riverside and Northtown Housing Development Corporation in connection with the Crestmore Mixed Use Project in the City of Jurupa Valley, 18 month term, with 1 year option to extend;
2. Authorize the Chairman of the Board of Commissioners to execute the attached ENA; and
3. Authorize the Executive Director or designee to take all necessary steps to implement the attached ENA, including but not limited to, signing subsequent necessary and relevant documents, subject to County Counsel approval to form.

BACKGROUND:

Summary

(Commences on Page 2)

Robert Field
Executive Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: N/A

Budget Adjustment: No
For Fiscal Year: 2015/16

C.E.O. RECOMMENDATION:

APPROVE

BY:
Rohini Dasika

County Executive Office Signature

MINUTES OF THE HOUSING AUTHORITY BOARD OF COMMISSIONERS

On motion of Commissioner Benoit, seconded by Commissioner Washington and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Tavaglione, Washington, Benoit and Ashley
Nays: None
Absent: Jeffries
Date: October 6, 2015
xc: Housing Authority

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

Prev. Agn. Ref.:

District: 2

Agenda Number:

10-1

FORM APPROVED COUNTY COUNSEL
BY: ANITA C. WILLIS
DATE: 9-15-15

Departmental Concurrence

- A-30
- Positions Added
- 4/5
- Change Order
- Vote

SUBMITTAL TO THE BOARD OF COMMISSIONERS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Housing Authority

FORM 11: Exclusive Negotiation Agreement Between the Housing Authority of the County of Riverside and Northtown Housing Development Corporation in Connection with the Crestmore Mixed Use Project, City of Jurupa Valley, District 2, [\$0]

DATE: September 24, 2015

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BACKGROUND:

Summary

The Housing Authority of the County of Riverside, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside pursuant to the Redevelopment Dissolution Act (Housing Authority), is the current owner of 4.43 acres of land located at 3640 Crestmore Road, 3720 Crestmore Road, and 5171 Mission Boulevard in the City of Jurupa Valley. The site is identified by assessor parcel numbers 179-330-002, 179-330-003 and 179-330-005 (Site).

Northtown Housing Development Corporation (NHDC) proposes to acquire the Site from the Housing Authority for the development and construction thereon of a mixed use project that will include affordable rental housing, with a preference for veteran households with related infrastructure improvements, and commercial facilities with commercial uses (Project). The Project is proposed to be developed with 68 affordable rental housing units consisting of a mix of 2, 3, and 4-bedroom units. Proposed commercial development and uses include a child care center, medical service center, grocery store, and the construction of certain public improvements. Forty-nine percent of the 68 rental housing units are proposed to be rented to and occupied by low income households earning 80% or less of the County of Riverside area median income, with a preference for veteran households. Rents shall be affordable and equal the product of 30% times 60% of the area median income adjusted for family size appropriate for the unit.

NHDC desires to enter into the attached proposed Exclusive Negotiation Agreement (ENA) with the Housing Authority to explore and negotiate in good faith a possible Disposition and Development Agreement (DDA), or such other type of agreement as the parties may deem appropriate to specify the rights and obligations of the parties with respect to the disposition of the Site, including the purchase price, and development of the Project as discussed above. Under the proposed ENA NHDC is required to pay the Authority a \$10,000 non-refundable fee to off-set the Authority's costs to process the ENA. The ENA does not constitute a commitment for conveyance or development of the Site or a promise to enter into a DDA. Any resulting DDA, or other agreement, will be subject to the prior approval of the Board of Commissioners. NHDC will process the entitlements and may seek other leveraging sources for the development of the Project. The term of the proposed ENA is for approximately 18 months with a 1 year extension, should the parties mutually agree.

County Counsel has reviewed and approved, as to form, the attached ENA. Staff recommends approval of the attached ENA.

Impact on Citizens and Businesses

Should the Board of Commissioners approve the project, the residents of the City of Jurupa Valley will benefit as it will provide needed resources to this area. The provision of 68 housing units that are both decent and affordable to households will directly impact quality of life for working Veteran family households. The proposed commercial services will benefit the community at large by providing needed services and goods as well as increased economic opportunities in this underserved area.

(Continued)

SUBMITTAL TO THE BOARD OF COMMISSIONERS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

Housing Authority

FORM 11: Exclusive Negotiation Agreement Between the Housing Authority of the County of Riverside and Northtown Housing Development Corporation in Connection with the Crestmore Mixed Use Project, City of Jurupa Valley, District 2, [\$0]

DATE: September 24, 2015

PAGE: 3 of 3

SUPPLEMENTAL:

Additional Fiscal Information

No general funds will be used for the proposed Exclusive Negotiation Agreement. NHDC will bear its own costs and expenses incurred or to be incurred in connection with negotiating and preparing in good faith for a possible Disposition and Development Agreement for the Crestmore Mixed Use Project. Overall, the expected investment from all third-party sources of financing for the development and construction of the proposed project totals approximately \$28 million.

Attachment

Exclusive Negotiation Agreement

EXCLUSIVE NEGOTIATION AGREEMENT

THIS EXCLUSIVE NEGOTIATION AGREEMENT ("Agreement") is entered into as of October 6, 2015 by and between the Housing Authority of the County of Riverside, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside ("Authority"), and Northtown Housing Development Corporation, a California nonprofit public benefit corporation ("NHDC"), on the terms and provisions set forth below:

RECITALS

A. The 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"). As such the Authority administers the development, rehabilitation or financing of affordable housing programs. The mission of the Housing Authority is to transform and promote healthy, thriving communities, re-ignite hope and restore human dignity through the creation and preservation of high quality and innovative housing and community development programs which enhance the quality of life and revitalize neighborhoods to foster self-sufficiency;

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

C. Pursuant to Health and Safety Code Section 34176 (a), and Authority Resolution Nos. 2012-035, 2012-001 and 2012-005, all housing functions previously performed by the former RDA, including related rights, powers, duties, obligations, and housing assets (excluding amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the successor agency) were transferred to the Authority, including the Property (defined below);

D. The Authority owns fee title to that certain real property identified as Assessor Parcel Numbers 179-330-002, 179-330-003 and 179-330-005 also known as 3640 Crestmore Road, 3720 Crestmore Road, and 5171 Mission Boulevard in the City of Jurupa Valley consisting of approximately 4.43 acres as generally depicted on the Site Map and described in the Legal Description attached hereto as Exhibit A and Exhibit B respectively and each incorporated herein by this reference ("Property");

E. NHDC is a California nonprofit public benefit corporation engaged in building safe and affordable housing for low-income families;

F. NHDC desires the Authority convey the Property to NHDC for the development and construction thereon of a mixed use project that will consist of approximately sixty-eight

(68) affordable rental housing units comprised of 2-bedroom, 3-bedroom and 4-bedroom units, a portion of which shall be rented to and occupied by low income households with a preference for veterans, new construction of commercial facilities, and related infrastructure (collectively the "Project");

G. The Authority desires to encourage and effectuate the development of the Property which will serve to preserve, protect, improve and increase the affordable housing stock and help eliminate blight within the County of Riverside ("County");

H. Facilitating the development of the Property for affordable multi-family rental housing through the conveyance of land would also assist the County and the State of California in achieving its goals of assisting families of low-income, including low-income veterans and their families; and

I. The purpose of this Agreement is to establish the procedures and standards for the negotiation by the Authority and NHDC (hereinafter the "Parties") of a DDA or such other type of agreement as the parties may deem appropriate for the disposition of the Property and development of the Project. This Agreement in itself does not grant NHDC or any successor or affiliated entity the right to acquire the Property and/or develop the Project.

NOW, THEREFORE, Authority and NHDC hereby mutually agree as follows:

I. Recitals

The aforementioned recitals are incorporated herein by this reference and made a part of this Agreement.

II. Negotiation

A. Good Faith Negotiations

The Parties agree for the Negotiating Period (defined below) to negotiate diligently and in good faith, pursuant to this Agreement, to prepare a DDA to be entered into between the Parties with respect to the sale and development of the Property; provided, however, by entering into this Agreement, the Parties are not required to enter into a DDA. Authority agrees for the Negotiating Period, including the Extension Period (defined below), not to negotiate with any other third-party or entity to enter into any agreement regarding the development of the Property. "Good faith negotiations" as used herein shall mean that the Parties shall use their best efforts to communicate frequently and follow reasonable negotiation procedures to develop a DDA mutually acceptable to the Parties.

Each of the Parties will bear its own costs and expenses, including, but not limited to, attorneys' fees, incurred or to be incurred in connection with negotiating and preparing this Agreement and the DDA and in carrying out the obligations under this Agreement (the "Direct Costs").

Nothing in this Agreement shall be deemed a covenant, promise, or commitment by the Authority with respect to the disposition of the Property.

B. Period of Negotiations

The negotiating period shall commence on the Effective Date (defined below) and end eighteen (18) months from the Effective Date (“Negotiating Period”), subject to extension. The Negotiating Period may be extended for one additional one-year period (the “Extension Period”) by the written mutual agreement of the Parties. The Executive Director of the Authority, or designee, has the authority, in his or her discretion, to consent to an extension of the Negotiating Period on behalf of the Authority. In determining whether or not to consent to an extension of the Negotiating Period, the Executive Director or designee may consider the following factors, (i) whether sufficient progress in accomplishing the tasks set forth in the Schedule of Performance, attached hereto as Exhibit C and incorporated herein by this reference, has occurred, and (ii) whether the Parties are continuing to work toward a mutually acceptable DDA.

If a DDA has not been executed by the Parties by the expiration of the Negotiating Period, including any Extension Period, then this Agreement shall terminate, and neither party shall have any further rights or obligations under this Agreement except as set forth in Section IX of this Agreement, and the Authority shall be free to negotiate with any other persons or entities with regard to the Property. If a DDA is executed by the Parties, then, upon such execution, this Agreement shall terminate and all rights and obligations of the Parties shall be as set forth in the fully executed DDA.

The term “Effective Date” used herein shall mean that certain date this Agreement is executed by the Chairman of the Authority Board of Commissioners.

Time is of the essence with respect to the performance of each of the covenants and agreements contained in this Agreement. While it is understood that all Parties will work in good faith, care will also be taken to ensure consistent and regular progress toward timely completion of the obligations set forth herein.

C. NHDC Obligations During the Negotiating Period

NHDC shall, within the Negotiating Period (including any mutually agreed upon Extension Period) satisfy the following obligations (unless otherwise waived in writing by the Authority’s Executive Director or designee):

1. Investigate the projected costs of developing the Project, including the costs of all related on-site and off-site improvements for the Project;
2. Identify and develop a plan to obtain the necessary land use entitlements required for the Project and secure those land use entitlements required herein no later than the dates set forth in the Schedule of Performance attached hereto as Exhibit “C”;
3. Agree to participate and/or conduct community meetings as requested by the Authority in relation to the Project;

4. Identify sources of funding and submit funding applications after consultation with Authority staff within the timeframes set forth in the attached Schedule of Performance. Evaluate and provide a comprehensive written description of the estimated competitive score and feasibility of all funding applications to be submitted in connection with financing the Project on a quarterly basis commencing upon the Effective Date;
5. Conduct necessary geotechnical, cultural, traffic and environmental studies and investigations for the development of the residential, service facility and commercial uses at the Property;
6. Contract and pay for the Authority consultant services set forth in Sections II. D. 2, II. D. 5 and II. D. 6 below;
7. Initiate and submit to the appropriate Governmental Authorities all applications for necessary entitlements (i.e., General Plan amendments, zoning changes, parcel maps, etc.) required for the development and construction of the Project as contemplated herein within the Negotiating Period. The requirements set forth in this subsection 7 include performing any necessary studies and or plans required for the entitlement process; and
8. Prepare and submit the following to Authority for its review in accordance with the Schedule of Performance attached hereto as Exhibit "C" and incorporated herein by this reference:
 - a. A preliminary and final site plan and architectural/design concept for the proposed development of the Project, showing building layout and dimensions, parking, landscaping and access.
 - b. A schedule of the development of all structures and improvements proposed for the Project and an estimate of development costs including hard and soft costs.
 - c. A detailed financial plan for the Project containing matters typically contained in such analysis, including, without limitation, a detailed pro forma, development cost budget and sources of equity and debt capital securing construction and long term financing. The estimates and project date shall be in sufficient detail to permit adequate financial analysis by the Authority.
 - d. Copies of all completed reports, studies, analyses, and similar documents, but excluding confidential or proprietary information, prepared or commissioned by NHDC with respect to this Agreement and the Project, promptly upon their completion.

D. Authority's Obligations

Authority shall, within the Negotiating Period (and mutually agreed upon Extension Period) satisfy the following obligations:

1. Negotiate exclusively through its staff with NHDC for the disposition and development of the Project;
2. Determine and process any California Environmental Quality Act ("CEQA") documentation, at NHDC's expense, including the fees and expenses of any consultants to Authority employed in connection with the preparation of said CEQA documentation required in connection with the proposed sale of the Property to NHDC and Authority's approval of a DDA;
3. Review site plans and, without cost to Authority, use its best efforts to assist NHDC with securing Project Entitlements (as hereinafter defined), which may be required by the County of Riverside or any other Governmental Authorities (as defined in Section III. A. 4. below);
4. Review NHDC's proposal;
5. Prepare a summary report, at NHDC's expense, in accordance with Section 33433 of the Health and Safety Code, including the fees and expenses of any consultants to Authority employed in connection with the preparation of said summary report; and
6. Arrange for and obtain, at NHDC's expense, publication of notices of the public hearing for consideration of the DDA.

E. Non-Refundable Administrative Fee

1. In order to off-set Authority's cost to process this Agreement, within ten (10) calendar days after the Effective Date of this Agreement NHDC agrees to pay to Authority a non-refundable administrative fee in the amount of TEN THOUSAND DOLLARS (\$10,000.00) ("Administrative Payment"). The Administrative Payment shall be in the form of a wire transfer, cashier's check or certified check naming the Authority as payee.
2. NHDC agrees that the Administrative Payment shall be used to off-set Authority's cost to process this Agreement.
3. Authority shall be under no obligation to pay or earn interest on the Administrative Payment, but, if interest shall accrue or be payable thereon, such interest, when received by Authority, shall be retained by and belong to Authority as its sole property and may be disposed of by Authority as Authority sees fit.
4. NHDC acknowledges and agrees that the Administrative Payment shall be non-refundable and shall remain non-refundable even if the Parties enter into a DDA and/or this Agreement is terminated.

III. Proposed Development

A. Development Concept and Essential Terms and Conditions

The proposed development to be negotiated hereunder shall include the development on the Property of the project more specifically consisting of the following (i) a multi-family rental apartment complex consisting of approximately sixty-eight (68) affordable housing units comprised of twenty-two (22) 2-bedroom/1-bathroom units, forty (40) 3-bedroom/2-bathroom units (one 3-bedroom unit shall be an onsite manager's unit), and six (6) 4-bedroom/2-bathroom units, 49% of which shall be rented to and occupied by low-income households for an affordable rent, with related infrastructure, and (ii) commercial facilities to provide commercial and community services, including, but not limited to medical services and child care services.

The essential terms and conditions of any such DDA entered into with NHDC shall be in conformance with the following requirements:

1. NHDC shall acquire the Property from Authority in accordance with the Schedule of Performance and satisfaction of certain conditions precedent to be negotiated as part of the DDA. The sale will occur after NHDC has satisfactory evidence of committed financing for the development of the Property as contemplated by the DDA;
2. NHDC shall design and construct the Project on the Property, at its own cost and expense, in accordance with a Schedule of Performance to be negotiated as part of the DDA and in accordance with the scope of development and plans and specifications prepared by NHDC and approved in writing by Authority;
3. NHDC shall design and construct, if applicable, all on-site infrastructure improvements in connection with the Project on the Property and develop a plan for financing the cost of infrastructure improvements;
4. NHDC shall secure at its own cost and expense, as required, in accordance with the Schedule of Performance to be negotiated as part of the DDA, any required amendment to the General Plan for the City of Jurupa Valley ("City"), as the case may be, including a change of zoning for the Property and any and all entitlements (other than grading or building permits or approvals which are simply ministerial and nondiscretionary in nature) (the "Entitlements"), which may be required by the City, County or any other governmental authority with jurisdiction over the construction and development of the Project (the "Governmental Authorities") to allow development of the Project;
5. NHDC shall be responsible for marketing the Project;
6. Other terms and conditions applicable to the DDA are as follows:

- a. It is understood by NHDC that design and architectural approval by Authority will be required for the Project and that sketches, plans, working drawings, specifications and similar documents will be required to be submitted for written approval pursuant to the terms and provisions in the DDA.
 - b. It is understood that in developing the Property NHDC will coordinate with Authority the design and architectural theme of the Project to be compatible with other developments in the area.
7. Forty-nine percent (49%) of the housing units developed and operated as part of the Project shall be rented to and occupied by low income households earning 80 percent or less of the area median income, as determined by California Department of Housing and Community Development, adjusted for household size appropriate for the unit. The final affordability, maximum income and lease rate requirements will be established in the DDA and shall conform to the CRL, including, but not limited to the requirements set forth in Health and Safety Code Sections 34176 and 34176.1.

B. NHDC's Findings, Determinations, Studies, and Reports

From time-to-time, as reasonably requested by Authority, NHDC shall provide oral Project status, and on the 5th of every month NHDC shall provide written progress reports, advising Authority on all matters related to the development, including financial feasibility analyses, construction cost estimates, marketing studies, and similar due diligence matters. Should negotiations not result in a DDA between Authority and NHDC, Authority may use the information provided by NHDC (excluding any confidential or proprietary information prepared or commissioned by NHDC, and subject to the proprietary rights of the authors or preparers, any confidentiality agreements and any privileges recognized by applicable law, subject to the requirements set forth in the California Public Records Act) in any way deemed by Authority to be of benefit to Authority. All costs incurred by NHDC in the preparation and presentation of such findings, determinations, studies, reports or other requests by the Authority under this Agreement shall be at the sole expense of NHDC.

IV. Purchase Price and/or Other Consideration

The purchase price for the Property to be paid to the Authority by NHDC will be established in the DDA.

V. Environmental Requirements

Certain State and local environmental requirements under CEQA may be applicable to the proposed Project. Authority's Board of Commissioners will consider the DDA upon submission of Authority's successful negotiations with NHDC on the terms and conditions of the DDA. City will act as the "lead agency" and the County of Riverside will act as "responsible agency" under CEQA. Accordingly, NHDC agrees to supply information and otherwise cooperate with City, the County of Riverside and the Authority, as requested to determine the

environmental impact of the proposed Project, and to allow City, County of Riverside and Authority to prepare such environmental documents as City, County of Riverside and Authority may determine to be necessary pursuant to CEQA and the City's, County's and Authority's guidelines and procedures.

NHDC will indemnify and hold harmless the Authority and the County of Riverside, their respective Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, Board of Commissioners, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as "Indemnities" for purposes of this Section V.) against all claims, actions, damages and losses, including attorneys' fees and costs, in the event of any legal challenge to the approval of this Project arising out of or relating to CEQA. NHDC shall pay, at its sole expense, all costs and fees, including, but not limited to attorneys' fees, cost of investigation, defense and settlements of awards, of the Indemnitees in any claim or action based upon such alleged acts or omissions.

VI. Assignment

NHDC shall not assign all or any part of this Agreement without the prior written approval of Authority, except to a limited partnership, limited liability company or other entity formed for financing the Project, in which NHDC is a co-general partner (if a limited partnership) or a managing member (if a limited liability company); provided, however, any of the aforementioned transfers shall be subject to approval of documentation by the Executive Director or designee. Authority, in its reasonable discretion, may approve an assignment to any other entity if, in the reasonable determination of Authority, the proposed assignee is comparable in all material respects (including experience, character and financial capability) to NHDC. Any such change (or assignment of this Agreement in connection therewith) shall be by instruments approved in writing as to form and content by the Authority's Executive Director or designee and County Counsel, and if Authority approval is required pursuant to this Section VI, subject to the approval by Authority's Board of Commissioners of evidence of the proposed assignee's qualifications to meet the obligations of NHDC under this Agreement. NHDC shall promptly notify Authority of any and all changes whatsoever in the identity of the parties in control of NHDC or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information.

VII. Condition of Site

NHDC will assume the full and complete responsibility to make all investigations of surface and subsurface conditions as may be necessary or appropriate and to evaluate the suitability of the Property for the proposed Project. Neither Authority nor the County shall make any representations or warranties concerning the Property, its suitability for the use intended by NHDC, or the surface or subsurface conditions of the Property.

Upon successful negotiation and approval of a DDA, the Property shall be conveyed to NHDC "AS IS", meaning that NHDC will be accepting the Property in its present condition, including, but not limited to, the physical condition of the Property and all laws, rules and regulations, whether federal, state or local, having or potentially having any impact on ownership, use, subdivision, improvement or other aspects of the Property. If a DDA is executed

and approved by Authority, NHDC shall be responsible, at its own sole cost and expense, for improvements on the Property in connection with the construction of the Project, and will do all things necessary to prepare the Property for the construction and development of the Project in accordance with the Entitlements therefore.

VIII. Right of Entry

Authority hereby grants to NHDC and its employees, agents and contractors (herein referred to collectively as "NHDC Designees") the nonexclusive right to enter upon the Property at any time during the Negotiating Period to perform a survey and certain work, consisting of geotechnical investigation, soil testing, a Phase I Environmental Assessment prepared in compliance with the most recent published American Society for Testing and Materials Phase I Environmental Property Assessment Standard, a Phase II Environmental Investigation and Report, if required, and other due diligence related activities (collectively, "Work"), and for no other purposes without the prior written approval of Authority's Executive Director.

Prior to each entry onto the Property, NHDC shall provide three (3) working days advance written notice to Authority to arrange for access. Email communications shall constitute valid written notice provided such notice is (i) submitted three (3) days in advance, (ii) sent to Mervyn Manalo at mmanalo@rivcoeda.org, and (iii) delivery of such email notice is confirmed with a document reply and confirmation from Mervyn Manalo at mmanalo@rivcoeda.org.

Prior to any entry onto the Property for the taking of environmental samples or testing, NHDC shall provide Authority with a work plan for on-site activity, including but not limited to a copy of its sampling and testing procedures. Such work plan shall be provided not less than three (3) working days in advance of any environmental testing or sampling activity contemplated under this Agreement.

NHDC shall provide to Authority a copy of all results generated by the sampling and testing performed pursuant to this Agreement. NHDC acknowledges and agrees for itself and on the behalf of NHDC Designees as follows:

- A. NHDC will not permit any dangerous condition to be created on the Property as a result of the activities of NHDC or NHDC Designees;
- B. That all acts and things done by NHDC on the Property will be done in a careful and reasonable manner, in accordance with all federal, state and local laws;
- C. NHDC will enter the Property entirely at its own cost, risk and expense;
- D. That prior to NHDC's entry upon the Property and during the term of this Agreement, NHDC shall require each and all of NHDC's contractors/consultants responsible for the Work under this Agreement with whom NHDC enters into a written contract for such Work to maintain, in full force and effect, statutory workers' compensation insurance coverage and a commercial general liability policy in the amount of at least One Million Dollars (\$1,000,000) combined single limit policy. Not less than three (3) working days prior to entry on the Property,

NHDC shall cause NHDC's contractors/consultants with whom NHDC enters into a written contract for such Work to provide certificates evidencing such coverage and naming Authority as additionally insured, as its interests may appear;

- E. NHDC shall not suffer or permit to be enforced against the Property, or any part thereof, any mechanics', materialmen's, contractors' or subcontractors' liens or any claim for damage arising from any Work performed by NHDC or NHDC's designee's use of and activities upon the Property pursuant to this Agreement. NHDC shall pay, or cause to be paid, all said liens, claims or demands before any action is brought to enforce the same against the Property.
- F. NHDC shall not have any interest in the Property or be entitled to any reimbursement or repayment for any Work performed upon the Property pursuant to this Agreement;
- G. NHDC shall take all necessary precautions to prevent the import and/or release into the environment of any hazardous materials which are imported to, in, on or under the Property during the performance of the Work. If hazardous materials are imported onto the Property as a result of the performance of the Work, NHDC shall be solely responsible for removing such imported hazardous materials in conformance with all governmental requirements. NHDC shall report to Authority, as soon as possible after each incident, any material incidents with respect to the environmental condition of the Property;
- H. NHDC shall obtain and maintain all governmental permits and approvals required for the Work conducted under this Agreement and shall comply with all statutes, ordinances, rules, regulations, orders and requirements now in effect or that become effective during the term of this Agreement applicable to its sampling and other activities pursuant to the access granted by this Agreement; and
- I. NHDC shall initiate the process for the necessary entitlements required for the Project within the Negotiating Period. This includes performing any necessary studies and or plans required for the entitlement process.

IX. Indemnity

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

With respect to any action or claim subject to indemnification herein by NHDC, NHDC shall, at its sole cost, have the right to use counsel of its 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 NHDC's indemnification to Indemnitees as set forth herein.

NHDC's obligation hereunder shall be satisfied when NHDC has provided to Authority the appropriate form of dismissal relieving Authority and the other Indemnitees from any liability for the action or claim involved.

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

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

X. Default and Remedies

(a) Failure by either party to negotiate in good faith as provided in this Agreement shall constitute an event of default under this Agreement. The non-defaulting party shall give written notice of a default to the defaulting party, specifying the nature of the default and the required action to cure the default. If a default remains uncured thirty (30) days after receipt by the defaulting party of such notice, the non-defaulting Party may exercise the remedies set forth in subsection (b) below.

(b) Remedies.

(1) Authority Default. In the event of an uncured default by Authority under this Agreement, NHDC shall be entitled to terminate this Agreement in which case following such termination, neither party shall have any further right, remedy or obligation under this Agreement.

(2) NHDC Default. In the event of an uncured default by NHDC under this Agreement, Authority shall be entitled to terminate this Agreement.

(3) Limited Obligations Following Termination. Following such termination, neither party shall have any right, remedy or obligation under this Agreement; provided, however, that the indemnification obligations pursuant to Section IX shall survive such termination.

(4) Waiver of Specific Performance. NHDC and the Authority hereby waive the right to specific performance as a remedy under this Agreement.

(c) Waiver of Default.

Except as otherwise expressly provided in this Agreement, any failure or delay by either Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of said default or of any rights or remedies in connection therewith or of any subsequent default or any rights or remedies in connection therewith, or deprive such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

XI. NHDC Employees and Liabilities

It is understood that persons engaged or employed by NHDC as employees, agents, or independent contractors shall be engaged or employed by NHDC and not by Authority. NHDC alone is responsible for their work, direction, compensation and personal conduct. Nothing included in any provision of this Agreement shall impose any liability or duty upon Authority to persons, firms, or corporations employed or engaged by NHDC in any capacity whatsoever, or make Authority liable to any such persons, firms, or corporations, or to any government, for the acts, omissions, liabilities, obligations, and taxes, of whatsoever nature, of NHDC or of its employees, agents, or independent contractors.

XII. NHDC's Obligation to Refrain from Discrimination; NHDC's Obligation Toward Equal Opportunity

NHDC covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, religion, creed, national origin, ancestry, sex, sexual orientation, age, disability, medical condition, or marital status, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property nor shall NHDC itself or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases, or vendors of the Property.

NHDC will not discriminate against any employees or applicants for employment because of race, color, religion, creed, national origin, ancestry, sex, sexual orientation, age, disability, medical condition, or marital status.

XIII. Nonliability of Officials, Officers, Members, and Employees

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

XIV. Waivers; Amendments

All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorities of the Authority and NHDC.

XV. Actions By Authority

The Executive Director of Authority or designee(s) are authorized to take such ministerial actions as may be necessary or appropriate to implement the terms, provisions, and conditions of this Agreement as it may be amended from time to time by Authority.

XVI. Real Estate Commissions

Authority shall not be liable for any real estate commissions or brokerage fees which may arise herefrom. Authority and NHDC each represents that it has engaged no broker, agent or finder in connection with this transaction, and NHDC agrees to hold the Authority harmless from any claim by any broker, agent or finder which it has retained.

XVII. Acknowledgments and Reservations

If the negotiations hereunder culminate into a DDA, such DDA will become effective only after and if it has been considered and approved by Authority's Board of Commissioners and the County Board of Supervisors, as required by law.

a. Not Binding

The Parties acknowledge and agree that this Agreement is for the sole purpose of stating the intention of the Parties to negotiate a DDA. The Parties have not reached agreement on the matters to be set forth in a DDA, and do not intend to be bound to the disposition and development of the Property until such time as a final written DDA is executed by both Parties. The Authority's acknowledgment of this Agreement is merely an agreement to enter into a period of negotiations according to the concepts presented herein, reserving final discretion and approval by the Authority's Board of Commissioners, or any other agencies of the County as to any actions required of them, if any.

b. No Further Obligations

The Authority and NHDC agree that neither the Authority nor NHDC shall be under any further obligation to each other regarding the assembly and disposition of the Property or the development of the proposed project on the Property if this Agreement expires, is terminated for any reason, or a DDA is not executed by both the Authority and NHDC.

c. No Agreement

NHDC acknowledges and agrees that no provision of this Agreement shall be deemed to be an offer by the Authority, nor an acceptance by the Authority of any offer or proposal from NHDC, for the Authority to convey to NHDC any interest in all or a portion of the Property or in

or to the Property, or for the Authority to provide any financial or other assistance to NHDC for development of the Property.

d. No Acquisition

NHDC acknowledges and agrees that it has not acquired, nor will acquire, by virtue of the terms of this Agreement, any legal or equitable interest in the Property or any other real or personal property of the Authority.

e. Limitations of this Agreement

Nothing contained in this Agreement shall constitute a waiver, amendment, promise or agreement by the Authority or County (or any of its departments or boards) as to the granting of any approval, permit, consent or other entitlement in the exercise of the Authority or County's regulatory capacity or function. The final form of any proposed DDA to be negotiated may contain matters not contemplated by this Agreement, including, but not limited to, matters necessary to accommodate compliance with law, including without limitation CEQA.

XVIII. Insurance

Concurrently with the execution of this Agreement by NHDC, NHDC shall procure and keep in full force and effect during the term of this Agreement, including any extensions thereto, the following insurance policies:

- a. Worker's Compensation Insurance. If NHDC has employees as defined by the State of California, NHDC 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, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.
- b. Comprehensive General Liability Insurance. Comprehensive General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of NHDC'S performance of its obligations hereunder. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.
- c. Vehicle Liability Insurance. If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then NHDC 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 of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured or provide similar evidence of coverage approved by Authority's Risk Manager.

d. 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 Authority's Risk Manager. If 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) NHDC's insurance carrier(s) must declare its insurance self-insured retentions. If such self-insured retentions exceed \$500,000 per occurrence such retentions shall have the prior written consent of Authority's Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to Authority, and at the election of Authority's Risk Manager, NHDC's carriers shall either: (a) reduce or eliminate such self-insured retention as respects this Agreement with Authority, or (b) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.
- 3) NHDC shall cause NHDC's insurance carrier(s) to furnish Authority with copies of the Certificate(s) of Insurance and Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by Authority's Risk Manager, provide copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside 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 forthwith, unless the Authority receives, prior to such effective date, another Certificate of Insurance and copies of endorsements, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. NHDC shall not commence operations until Authority has been furnished Certificate(s) of Insurance and copies of endorsements and if requested, copies of policies of insurance including all endorsements and any and all other attachments as required 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 NHDC's insurance shall be construed as primary insurance, and Authority's insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.
- 5) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or, the term of this Agreement, including any extensions thereof, exceeds five (5) years Authority reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in Authority's Risk Manager's reasonable judgment, the amount or type of insurance carried by NHDC has become inadequate.
- 6) NHDC shall pass down the insurance obligations contained herein to all tiers of 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 Authority.
- 8) NHDC 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.

XIX. Authority to Execute

The persons executing this Agreement or exhibits attached hereto on behalf of the parties to this Agreement hereby warrant and represent that they have the authority to execute this Agreement and warrant and represent that they have the authority to bind the respective parties to this Agreement to the performance of its obligations hereunder.

XX. Notices

Formal notices, demands and communications between the Parties shall be sufficiently given if, and shall not be deemed given unless, dispatched by certified mail, postage prepaid, return receipt requested, or sent by express delivery or overnight courier service, to the office of the Parties shown as follows, or such other addresses as the Parties may designate in writing from time to time:

AUTHORITY:

Housing Authority of the
County of Riverside
Attention: Assistant Director
5555 Arlington Avenue
Riverside, CA 92504

NHDC:

Northtown Housing Development Corporation
Attention: President
10071 Feron Boulevard
Rancho Cucamonga, CA 91730

Such written notices, demands and communications shall be effective on the date shown on the delivery receipt as the date delivered or the date on which delivery was refused.

XXI. Entire Agreement

This Agreement constitutes the entire agreement of the Parties regarding the subject matter of this Agreement and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the Property.

XXII. Conflict of Interest

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

XXIII. No Third Party Beneficiaries.

The parties to this Agreement acknowledge and agree that the provisions of this Agreement are for the sole benefit of the Authority and NHDC, and not for the benefit, directly or indirectly, of any other person or entity, except as otherwise expressly provided herein. The Parties acknowledge and agree that the County of Riverside is an intended third party beneficiary of this Agreement.

XXIV. Further Assurances.

Each of the Parties hereto shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all necessary acts and things in connection with the performance of their obligations hereunder and to carry out the intent and agreements of the parties.

XXV. Severability

In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

XXVI. Jurisdiction and Venue

Any action at law or in equity arising under this Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed in the consolidated 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.

XXVII. Interpretation and Governing Law

This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the internal laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

XXVIII. Counterparts

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

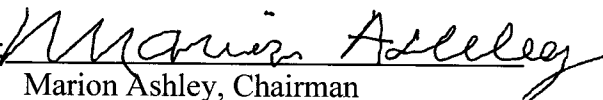
[Remainder of Page Intentionally Blank]

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below.

AUTHORITY:

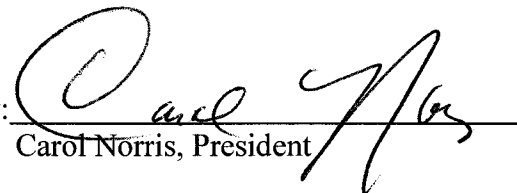
HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public entity, corporate and politic, in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside

By: 
Marion Ashley, Chairman
Board of Commissioners

Date: OCT 06 2015

NHDC:

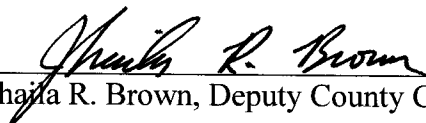
Northtown Housing Development Corporation, a California nonprofit public benefit corporation

By: 
Carol Norris, President

Date: Sept 16, 2015

APPROVED AS TO FORM:

GREGORY PRIAMOS
COUNTY COUNSEL

By: 
Jhanna R. Brown, Deputy County Counsel

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board

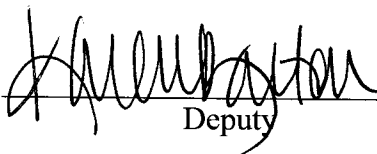
By: 
Deputy

Exhibit A

SITE MAP

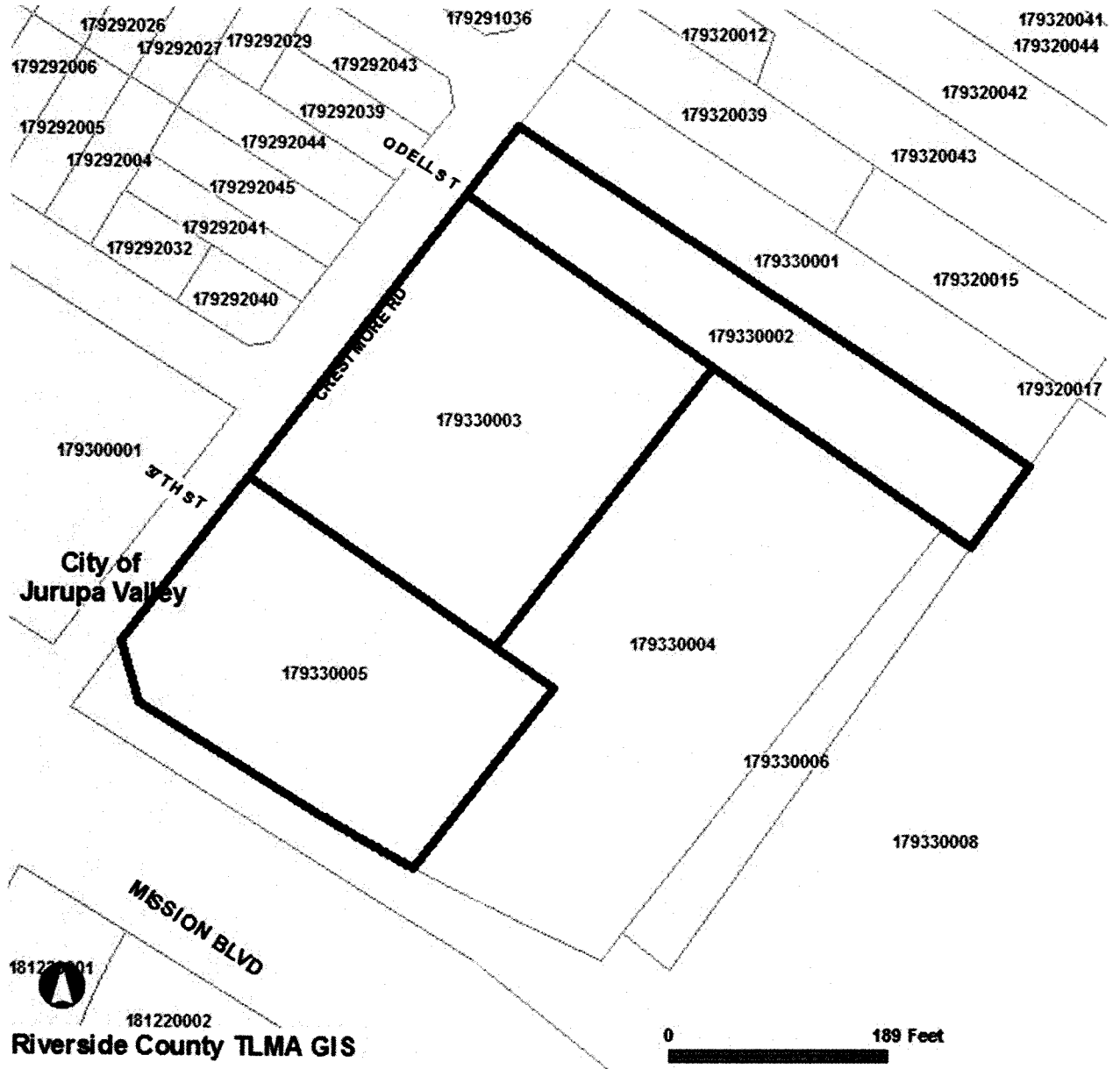


Exhibit B

LEGAL DESCRIPTION

[behind this page]

All that real property located in the County of Riverside, State of California legally described as follows:

APN: 179-330-002-7

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

A PORTION OF LOT 2 OF THE AMENDED MAP OF THE INDIAN HILL TRACT, IN THE CITY OF RIVERSIDE, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 10 PAGE 3 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF LOT 2 AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF MISSION BOULEVARD WITH THE EASTERLY LINE OF CRESTMORE ROAD, SAID MISSION BOULEVARD BEING THE ROAD SHOWN ON SAID MAP BORDERING UPON AND ADJACENT TO THE SOUTHERLY LINE OF SAID MAP LYING BETWEEN LOT 3 OF SAID TRACT AND A PORTION OF SAID LOT 2:

THENCE ALONG SAID EASTERLY LINE OF CRESTMORE ROAD NORTH 37 DEGREES 42' EAST 604.00 FEET TO THE POINT OF BEGINNING TO THE PROPERTY HEREIN DESCRIBED;

THENCE CONTINUING ALONG SAID EASTERLY LINE OF CRESTMORE ROAD, NORTH 37 DEGREES 42' EAST 75.68 FEET:

THENCE SOUTH 59 DEGREES 46' EAST 745.71 FEET;

THENCE SOUTH 3 DEGREES 24" 00" WEST 101.80 THENCE NORTH 58 DEGREES 33' WEST 799.37 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION TAKEN BY FINAL ORDER OF CONDEMNATION BY THE RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 28, 1958 IN BOOK 2245 PAGE 243 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA

APN: 179-330-003-8

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

PARCEL 1:

THAT PORTION OF LOT 2 OF AMENDED MAP OF INDIAN HILL TRACT, AS SHOWN ON MAP RECORDED IN BOOK 10, PAGE 3 OF MAPS, IN THE OFFICE OF

THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF MISSION BOULEVARD WITH THE SOUTHEASTERLY LINE OF CRESTMORE ROAD; THENCE NORTH 37 DEGREES 42' EAST, ALONG SAID SOUTHEASTERLY LINE OF CRESTMORE ROAD, A DISTANCE OF 300 FEET TO THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED;

THENCE CONTINUING ALONG SAID SOUTHEASTERLY LINE OF CRESTMORE ROAD, NORTH 37 DEGREES 42' EAST, A DISTANCE OF 304 FEET; THENCE SOUTH 58 DEGREES 33' EAST, A DISTANCE OF 265 FEET; THENCE SOUTH 37 DEGREES 42' WEST, A DISTANCE OF 304 FEET; THENCE NORTH 58 DEGREES 33' WEST, A DISTANCE OF 265 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THE NORTHEASTERLY 100 FEET THEREOF, SAID NORTHERLY 100 FEET BEING MEASURED AT RIGHT ANGLES TO THE NORTHERLY LINE OF THE ABOVE DESCRIBED LAND.

PARCEL 2:

THE NORTHEASTERLY 100 FEET OF THAT PORTION OF LOT 2, AS AMENDED MAP OF INDIAN HILL TRACT, AS SHOWN ON MAP RECORDED IN BOOK 10, PAGE 3, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF MISSION BOULEVARD WITH THE SOUTHEASTERLY LINE OF CRESTMORE ROAD; THENCE NORTHEASTERLY ALONG THE SAID SOUTHEASTERLY LINE, 300 FEET FOR THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE, A DISTANCE OF 304 FEET; THENCE SOUTH 58 DEGREES 33" EAST, 325 FEET; THENCE SOUTH 37 DEGREES 42' WEST, 304 FEET; THENCE NORTH 58 DEGREES 33' WEST, 325 FEET TO THE TRUE POINT OF BEGINNING;

EXCEPTING THEREFROM THE SOUTHEASTERLY RECTANGULAR 60 FEET THEREOF.

APN: 179-330-005-0

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

THAT PORTION OF LOT 2, AS SHOWN BY AMENDED MAP OF INDIAN HILL TRACT, AS SHOWN ON MAP RECORDED IN BOOK 10, PAGE 3 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF MISSION BOULEVARD AND THE SOUTHEASTERLY LINE OF CRESTMORE ROAD; THENCE SOUTHEASTERLY, ALONG SAID NORTHEASTERLY LINE OF MISSION BOULEVARD, 325 FEET; THENCE NORTH 37 DEGREES 42' EAST, 300 FEET; THENCE NORTH 58 DEGREES 33' WEST, 325 FEET, MORE OR LESS, TO SAID SOUTHEASTERLY LINE OF CRESTMORE ROAD; THENCE SOUTHWESTERLY ON SAID SOUTHEASTERLY LINE OF CRESTMORE ROAD, 300 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPT THEREFROM A RIGHT OF WAY AND INCIDENTS THERETO FOR STATE HIGHWAY, UPON, OVER AND ACROSS THE SOUTHWESTERLY PORTION OF SAID PROPERTY, CONVEYED TO STATE OF CALIFORNIA BY DEED RECORDED OCTOBER 26, 1931 IN BOOK 55, PAGE 74 OF OFFICIAL RECORDS;

ALSO EXCEPT THEREFROM THAT PORTION CONVEYED TO STATE OF CALIFORNIA BY DEED RECORDED NOVEMBER 30, 1942 IN BOOK 563, PAGE 83 OF OFFICIAL RECORDS;

ALSO EXCEPT THEREFROM THAT PORTION SET OUT AS PARCEL NO. 73 IN THAT CERTAIN JUDGMENT IN EMINENT DOMAIN ENTERED IN AN ACTION IN THE SUPERIOR COURT OF RIVERSIDE COUNTY, CASE NO. 68711, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWESTERLY CORNER OF SAID LOT 2; THENCE NORTH 38 DEGREES 24' 10" EAST, ALONG THE NORTHWESTERLY LINE OF SAID LOT 2, A DISTANCE OF 40.06 FEET TO A POINT THEREON, FOR THE TRUE POINT OF BEGINNING, SAID POINT BEING THE MOST NORTHERLY CORNER OF THE CERTAIN PARCEL OF LAND CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED IN BOOK 563, PAGE 83 OF OFFICIAL RECORDS;

THENCE SOUTH 57 DEGREES 36' 50" EAST, ALONG THE NORTHEASTERLY LINE OF THE PARCEL SO CONVEYED TO THE STATE, A DISTANCE OF 324.86 FEET TO THE MOST EASTERLY CORNER THEREOF, SAID POINT BEING IN THE SOUTHEASTERLY LINE OF THAT CERTAIN PARCEL OF LAND CONVEYED TO DAVID J. DENIERS, ET AL, BY DEED RECORDED IN BOOK 1972, PAGE 324 OF OFFICIAL RECORDS OF SAID RIVERSIDE COUNTY;

THENCE NORTH 38 DEGREES 24' 10" EAST, ALONG SAID SOUTHEASTERLY LINE, A DISTANCE OF 60.35 FEET TO THE POINT THEREON, SAID POINT BEING ON A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 1460.00 FEET, FROM WHICH THE CENTER OF SAID CURVE BEARS NORTH 25 DEGREES 59' 42" EAST; THENCE NORTHWESTERLY, ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 03 DEGREES 22' 58", AN ARC DISTANCE OF 86.20 FEET TO THE END THEREOF, FROM WHICH THE CENTER OF SAID CURVE BEARS NORTH 29 DEGREES 22' 40" EAST; THENCE NORTH 60 DEGREES 37' 20" WEST, A DISTANCE OF 181.38 FEET; THENCE NORTH 17 DEGREES 31' WEST, A DISTANCE OF 71.54 FEET TO AN INTERSECTION WITH SAID NORTHWESTERLY LINE OF SAID LOT 2, A DISTANT THEREON NORTH 38 DEGREES 24' 10" EAST, A DISTANCE OF 90.00 FEET FROM THE MOST NORTHERLY CORNER OF THE

PARCEL CONVEYED TO THE STATE AS AFORESAID; THENCE SOUTH 38 DEGREES 24' 10" WEST, ALONG SAID NORTHWESTERLY LINE, A DISTANCE OF 90.00 FEET TO THE TRUE POINT OF BEGINNING.

Exhibit C

SCHEDULE OF PERFORMANCE

1. Investigate the projected costs of developing the Project, including the costs of all related on-site and off-site improvements for the Project. Upon approval of ENA
2. Identify and develop a plan to obtain the necessary land use entitlements required for the Project. Within three (3) months of "Effective Date" of ENA
3. Agree to participate and/or conduct community meetings as requested by the Authority in relation to the Project. Ongoing, as requested by Authority
4. Identify sources of funding for Project and commence financing process for Phase I after consultation with Authority staff. Evaluate and provide a comprehensive written description of the estimated competitive score and feasibility of all funding applications to be submitted in connection with financing the Project on a quarterly basis commencing upon the effective date of the ENA. Quarterly report commencing upon "Effective Date" of ENA
5. Conduct necessary studies and investigations for the development of the residential, service facility and commercial uses at the Property such as geotechnical, cultural, traffic, and environmental. Within six (6) months of "Effective Date" of ENA
6. NHDC shall initiate and submit application for the necessary entitlements (General Plan Amendment / Change of Zoning / Parcel Map) required for the Project within the Negotiating Period. The requirements set forth in Section II, subsection C.7. include performing any necessary studies and or plans required for the entitlement process. Within fifteen (15) months of "Effective Date" of ENA
7. A preliminary and final site plan and architectural/design concept for the proposed development of the Project, showing building layout and dimensions, parking, landscaping and access. Preliminary site plan within six (6) months of "Effective Date" of ENA; Final site plan within fifteen (15) months of "Effective Date" of ENA
8. Prepare and submit to Authority for its review a schedule of the development of all structures and improvements proposed for the Project and an estimate of development costs including hard and soft costs. Within six (6) months of "Effective Date" of ENA
9. Prepare and submit to Authority for its review a detailed financial plan for the Project containing matters typically contained in such analysis, including, without limitation, a detailed pro forma, development cost budget and sources of equity and debt capital securing construction and long term financing. The estimates and project date shall be in sufficient detail to permit adequate financial analysis by the Authority. Within nine (9) months of "Effective Date" of ENA
10. Prepare and submit to Authority for its review copies of all completed reports, studies, analyses, and similar documents, prepared or commissioned by NHDC with respect to this Agreement and the Project, promptly upon their completion. Ongoing, as completed and as required in ENA