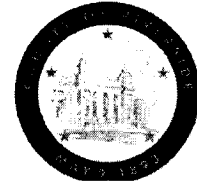


**SUBMITTAL TO THE BOARD OF COMMISSIONERS
HOUSING AUTHORITY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 10.3
(ID # 12841)

MEETING DATE:
Tuesday, July 14, 2020

FROM: HOUSING AUTHORITY:

SUBJECT: HOUSING AUTHORITY: Approve the Form of Subordination Agreement between Coachella Housing Investors, L.P. and the Housing Authority of the County of Riverside as Housing Successor to former Coachella Redevelopment Agency, Subordinating the Construction Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing in Connection with Redevelopment Loan for Project Located in the City of Coachella, Redevelopment Area 4; District 4, [\$0]

RECOMMENDED MOTION: That the Board of Commissioners:

1. Approve the attached form of Subordination Agreement between Coachella Housing Investors, L.P., a California limited partnership and the Housing Authority of the County of Riverside as Housing Successor to the former Coachella Redevelopment Agency (Housing Authority), subordinating the Construction Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated March 27, 2001 and executed by Coachella Housing Investors, L.P. for the benefit of the Housing Authority, to the lien of a Deed of Trust securing a loan in the not to exceed amount of \$1,250,000 from new senior lender, COMERICA BANK;

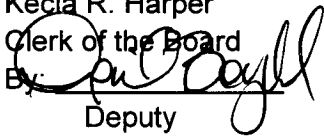
ACTION: Policy


Heidi Marshall Director of Housing, Homelessness Prevention 6/25/2020

MINUTES OF THE BOARD OF COMMISSIONERS

On motion of Supervisor Jeffries, seconded by Supervisor Spiegel and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, and Hewitt
Nays: None
Abstain: Perez
Date: July 14, 2020
xc: Housing

Kecia R. Harper
Clerk of the Board
By: 
Deputy

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

2. Authorize the Executive Director, or designee, to execute a Subordination Agreement substantially conforming in form and substance to the attached form of Subordination Agreement, subject to approval by County Counsel; and
3. Authorize the Executive Director, or designee, to take all necessary steps to implement the Subordination Agreement, including, but not limited to, signing subsequent necessary and relevant documents, subject to approval by County Counsel.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	2020/21

C.E.O. RECOMMENDATION: [CEO use]

BACKGROUND:

Summary

Coachella Housing Investors, L.P., a California limited partnership (Owner), is the owner and operator of El Jardin Apartments, an 81-unit affordable housing multifamily complex, located at 84711 Avenue 51 in the City of Coachella. The site is identified as Assessor's Parcel Map Number 768-210-019-8 (Property).

On March 27, 2001, the former Coachella Redevelopment Agency (Agency) and Owner entered into that certain Redevelopment Loan Agreement (RDA Loan) which specified an amount of \$906,000 derived from Agency's Low and Moderate Income Housing Fund, for projects within its Redevelopment Plan and Redevelopment Project Area #4 as approved and adopted by Coachella City Council Ordinance No. 547, relating to, among other things, the construction and operation an 81-unit affordable housing complex (Project).

The RDA Loan is secured by a Construction Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated March 27, 2001 and recorded on the Property as Instrument Number 2001-138081. The RDA Loan is currently in second lien position to a permanent loan from The Equitable Life Assurance Society of the United States, in the amount of \$1,581,000 (Senior Loan). The senior loan matures August 1, 2020.

Subsequent to the RDA Loan, Assembly Bill No. x1 26, as modified by Assembly Bill No. 1484 (the "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 Agency was dissolved on February 1, 2012 such that the Agency is deemed a former redevelopment agency under Health and Safety Code section 34173.

Pursuant to Health and Safety Code Section 34176 (a), all housing functions previously performed by the former Agency, including related rights, powers, duties, obligations, and

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

housing assets, were transferred to the Housing Authority of the County of Riverside (Housing Authority). As such, the Housing Authority is the successor in interest to the former Agency under the RDA Loan Agreement and other loan documents that include Promissory Note, Regulatory Agreement, Subordination Agreement, and all other documents executed in connection with the RDA Loan.

Because the senior loan matures in August 2020, Owner desires to refinance the senior loan secured against the Property and obtain a no-cash out private loan from Comerica Bank (New Lender). As a condition to underwrite the new loan, the New Lender requires the Housing Authority to subordinate the RDA Loan to the New Lender's loan in the not to exceed amount of \$1,250,000 as a condition precedent to funding such loan. Owner has requested a rollover of the current RDA loan terms with no change. The RDA Loan will remain in second lien position to the new senior lender Comerica Bank.

Staff recommends approval of the subordination request as it will result in the Owner obtaining the necessary financing to ensure that the Project remain financially stable.

County Counsel has reviewed and approved the attached Subordination Agreement as to form. Staff recommends that the Board approve the attached Subordination Agreement.

Impact on Residents and Businesses

Approving the item will allow the Project to remain financially stable and continue providing affordable housing to 81 qualified households.

Additional Fiscal Information

No impact upon the County General Fund.

ATTACHMENT:

- Form of Subordination Agreement



Marcus Maltese 7/7/2020



Gregory L. Priamos, Director County Counsel 7/3/2020

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

COMERICA BANK
Attn: National Documentation Services
39200 Six Mile Road
Mail Code 7512
Livonia, Michigan 48152

THIS SPACE ABOVE FOR RECORDER'S USE

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR INTEREST (INCLUDING ANY SECURITY INTEREST) IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT (this "Agreement") is made as of August [], 2020 by and among COACHELLA HOUSING INVESTORS, L.P., a California limited partnership ("Owner"), 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 ("Subordinate Lender"), and COMERICA BANK ("Lender").

RECITALS

- A. Owner is the owner of a fee interest in the property (the "Property") described on Exhibit A attached hereto and made a part hereof. Owner constructed an 81 unit income restricted multifamily complex of rental housing on the Property ("Improvements"). The Property, the Improvements and all other collateral secured by the Deed of Trust (defined below) are referred to herein collectively as the "Project."
- B. Pursuant to that certain Redevelopment Loan Agreement between Owner and the former Coachella Redevelopment Agency (the "Agency"), Subordinate Lender dated as of March 27, 2001 (the "Subordinate Loan Agreement"), the Agency made a loan to Owner in the amount of \$906,000.00 (the "Subordinate Loan"). In connection therewith, Owner executed that certain Promissory Note Secured by Deed of Trust in the principal amount of \$906,000.00 dated as of March 27, 2001 (the "Subordinate Note"), in favor of the Agency, which Subordinate Note is secured by (i) that certain Construction Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of March 27, 2001 by Owner in favor of Subordinate Lender, encumbering the Property and recorded in the Official Records of Riverside County, California (the "Official Records") on April 3, 2001 as Instrument No. 2001-138081 (the "Subordinate Deed of Trust"), (ii) that certain Financing Statement dated as of March 27, 2001 with Owner, as debtor, and the Agency, as secured party, encumbering the personal property on the Project and recorded in the Official Records on April 3, 2001 as Instrument No

WHEN DOCUMENT IS FULLY EXECUTED RETURN
CLERK'S COPY
to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147
Thank you.

SMRH:4829-3812-7295.3

JUL 14 2020 10.3

2001-138083 (the "**Subordinate UCC**") and (iii) that certain Regulatory Agreement dated as of March 27, 2001 by Owner in favor of the Agency, encumbering the Project and recorded in the Official Records on April 3, 2001 as Instrument No 2001-138082 (the "**Subordinate Regulatory Agreement**"), and together with the Subordinate Note, the Subordinate Deed of Trust, the Subordinate UCC, and any and all other documents executed by Owner in connection therewith, the "**Subordinate Loan Documents**").

- C. Pursuant to Assembly Bill 26 ("**ABx1 26**"), which was signed into law on June 28, 2011, certain key dates of which were revised by the California Supreme Court in *California Redevelopment Assn. v. Matosantos* (2011) 53 Cal. 4th 231, the Agency was dissolved on February 1, 2012. Subordinate Lender is a public entity, corporate and politic, exercising governmental functions and powers, and organized and existing under the Housing Authorities Law of the State of California (California Housing and Safety Code section 34200 et. seq.). Subordinate Lender is also the "housing successor" to the Agency pursuant to California Health and Safety Code Section 34176.
- D. Pursuant to that certain Term Loan Agreement dated as of August [REDACTED], 2020 between Owner and Lender (as at any time amended or supplemented, the "**Loan Agreement**"), Owner has executed, or is about to execute, that certain Promissory Note in the principal amount of \$[REDACTED] dated as of August [REDACTED], 2020 (the "**Note**"), in favor of Lender, which Note evidences a loan (hereinafter referred to as the "**Loan**") to Owner, which Note is to be secured by that certain Deed of Trust, Security Agreement and Fixture Filing (with Assignment of Rents and Leases) dated as of August [REDACTED], 2020, encumbering the Project and to be recorded in the Official Records (the "**Deed of Trust**") substantially concurrently herewith.
- E. The Loan Agreement, the Note, the Deed of Trust, and all other documents executed by Owner or related parties in connection with the Loan, and any and all extensions, modifications and supplements thereof for which Subordinate Lender receives written notice of, are hereafter referred to collectively as the "**Senior Loan Documents**."
- F. As a condition precedent to obtaining the Loan, Lender requires that the Senior Loan Documents and the repayment of the Loan shall unconditionally be and remain at all times a lien or charge upon the Project, prior and superior to the lien or charge of the Subordinate Loan Documents with respect to the Project.

NOW THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the Loan, it is hereby declared, understood and agreed as follows:

1. That the Senior Loan Documents, and any modifications, amendments, renewals or extensions thereof (including, but not limited to, any modifications or amendments made as part of any workout or restructuring of the Loan such as an extension of the loan term, an increase in principal, and a change in the pay rate, the interest rate and/or the amortization schedule) for which Subordinate Lender receives written notice of, together with Lender's right to repayment of the Loan

and Lender's rights under the Senior Loan Documents, shall unconditionally be and remain at all times a lien or charge on the Project prior and superior to the lien or charge of the Subordinate Loan Documents, and all obligations secured thereby. Without limitation on the foregoing, Lender may accept partial payments of the Loan, settle, release (by operation of law or otherwise), compound, compromise, collect or liquidate any of the Loan, make loans or advances to the Owner secured in whole or in part by the Project or refrain from making any loans or advances to the Owner, change, alter or vary any of the other terms or provisions of the Loan or any present or future instrument, document or agreement between Lender and Owner, and take any other action or omit to take any other action with respect to the Loan or the Project as Lender deems necessary or advisable in its sole discretion. The Subordinate Lender waives any right to require Lender to marshal any assets in favor of the Subordinate Lender or against or payment of any or all of the Loan. In addition, all security interests now or hereafter acquired by Lender in any or all of the property secured by the Deed of Trust or any agreements or instruments executed in connection therewith shall at all times be prior and superior to any lien, ownership interest, security interest or other interest or claim now held or hereafter acquired by the Subordinate Lender in the Project. Said priority shall be applicable irrespective of the time or order of attachment or perfection of any security interest or the time or order of filing of any financing statements or other documents, or any statutes, rules or law, or court decisions to the contrary.

2. Until the Loan has been paid in full and Lender has released the Deed of Trust, Subordinate Lender shall not, without Lender's prior written consent, demand, receive or accept any payment (whether of principal, interest or otherwise) from Owner in respect of its Subordinate Loan, or exercise any right of or permit any setoff in respect of its Subordinate Loan, except that Subordinate Lender may accept scheduled payments (but not prepayments) of principal and interest that are required to be paid under the Subordinate Note, so long as no default has occurred and is continuing or will occur as a result of or immediately following any such payment under the Senior Loan Documents.
3. That Lender would not make the Loan without this Agreement.
4. That this Agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the Subordinate Loan Documents to the lien or charge of the Deed of Trust with respect to the Project, together with Lender's right to repayment of the Loan and Lender's rights under any other Senior Loan Documents, and shall supersede and cancel any prior agreements as to such subordination, including, but not limited to, those provisions, if any, contained in the Subordinate Loan Documents which provide for the subordination of the lien or charge thereof to a deed or deeds of trust or to a mortgage or mortgages to be thereafter executed.
5. Notwithstanding anything in the Deed of Trust or the Subordinate Loan Documents to the contrary, Subordinate Lender and Lender agree:

- (a) That Lender shall deliver to Subordinate Lender a copy of any and all notices that an Event of Default (as defined in the Loan Agreement) exists under the Senior Loan Documents, including, without limitation, any "notice of default" under Section 2924 of the California Civil Code (each a "**Default Notice**"), in each case, not later than the date on which such Default Notice is delivered to Owner.
 - (b) That Subordinate Lender shall have the right, but not the obligation, to cure an Event of Default by Owner under the Senior Loan Documents, provided that (i) Subordinate Lender provides Lender with written notice of its election to cure the applicable Event of Default within fifteen (15) days after Subordinate Lender's receipt of the Default Notice, and (ii) such cure by Subordinate Lender must take place within sixty (60) days after Subordinate Lender's receipt of the Default Notice, and Lender shall accept such cure by Subordinate Lender as if it were cured by Owner (the "**Cure Period**").
 - (c) That Lender has the continuing right to record a notice of default or obtain a court-ordered receiver and pursue any and all available remedies during the Cure Period (subject to subsection (d) below); provided, however, that if such cure is completed within the Cure Period and no other Events of Default then exist, Lender will rescind its notice of default and request dismissal of any receiver who has been appointed after reimbursement of all of its costs, including, without limitation, reasonable attorneys' fees and court costs, to the extent required under the Senior Loan Documents.
 - (d) That if Subordinate Lender cures an Event of Default by Owner under the Loan within the Cure Period, then Lender shall refrain from exercising any right it may have to accelerate the Loan by reason of the Event of Default (and that Event of Default only) so cured by Subordinate Lender.
 - (e) Without any limitation of the foregoing, Subordinate Lender shall not have any duty or obligation to cure any default by Owner.
6. The Subordinate Lender declares, agrees and acknowledges that:
- (a) It consents to (i) all provisions of the Loan Agreement, the Note, and the Deed of Trust, (ii) all agreements, including, but not limited to, any loan or escrow agreements relating to the Loan and/or the disbursement thereof, and (iii) all other Senior Loan Documents.
 - (b) In making disbursements, Lender is under no obligation or duty to, nor has Lender represented that it will, see to the application of any proceeds of its Loan, and any application or use of such proceeds for purposes other than those provided for in such agreements shall not defeat the subordination herein made in whole or in part.

- (c) The Subordinate Lender intentionally and unconditionally waives, relinquishes, subjects, and subordinates the liens, claims or charges of the Subordinate Loan Documents in favor of the lien or charge upon the Project of the Deed of Trust, and all present and future indebtedness and obligations secured thereby, and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made and, as part thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.
 - (d) Subordinate Lender has not assigned, transferred or otherwise alienated any of its interests under the Subordinate Loan Documents and agrees not to terminate, amend, modify, assign or transfer the Subordinate Loan Documents or any rights in respect thereof without the prior written consent of Lender.
 - (e) Notwithstanding anything to the contrary in the Subordinate Loan Documents, in the event of any default by Owner or its successors or assigns under the Subordinate Loan Documents, the Subordinate Lender agrees to give Lender notice of such default not later than the date on which the Subordinate Lender delivers such default notice to Owner. In connection therewith, Lender has the right, but not the obligation, to cure the noticed default by sixty (60) days after the applicable notice and cure periods in favor of Owner for such default have expired, and Subordinate Lender shall accept such cure by Lender as if it were cured by Owner. Without limitation on the foregoing, Lender shall not have any duty or obligation to cure any default by Owner.
 - (f) Subordinate Lender will not, without prior written notice to, and consent from, Lender: (i) commence any action to foreclose or exercise any power of sale under the Subordinate Deed of Trust or the Subordinate Loan Documents; (ii) accept a deed or assignment in lieu of foreclosure for the Property or any part or portion thereof; (iii) take possession or control of the Property, or collect or accept any rents from the Property; (iv) seek or obtain appointment of a receiver for the Property; (v) take any action that would terminate any leases or other rights held by or granted to or by third parties with respect to the Property; or (vi) take any other enforcement action against the Property or any part or portion thereof.
7. This Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of Lender and the Subordinate Lender. Subordinate Lender as used in this Agreement includes the Housing Authority of the County of Riverside and any assignee of or successor to its rights, powers and responsibilities.

8. Each party agrees, upon the other's reasonable request, to execute all such documents and instruments and take all such actions as may be necessary or advisable in order to carry out the purposes of this Agreement (but this Agreement shall remain fully effective notwithstanding any failure to execute any additional documents or instruments).
9. This Agreement is solely for the benefit of Lender and Subordinate Lender and their respective successor and assigns, and except as expressly provided for herein, neither Owner nor any other person shall have any right, benefit, priority or interest under, or because of the existence of, this Agreement. This Agreement sets forth in full the terms of Lender's and the Subordinate Lender's agreement with respect to the subject matter hereof, and may not be modified or amended, nor may any rights hereunder be waived, except in a writing signed by Lender and Subordinate Lender.
10. All actions and proceedings based upon, arising out of or relating in any way directly or indirectly to this Agreement shall be litigated exclusively in courts located within Riverside County, California, and the parties consent to the jurisdiction of any such court and consent to the service of process in any such action or proceeding as permitted by law, and waive any and all rights to transfer or change the venue of any such action or proceeding to any court located outside Riverside County, California. This Agreement shall be construed in accordance with and governed by the laws of the State of California.
11. Subordinate Lender agrees not to commence or join with any other creditor of Owner in commencing any bankruptcy, reorganization, or insolvency proceedings against the Owner without the prior written consent of Lender.
12. If any party to this Agreement brings an action to interpret or enforce its rights hereunder, then the prevailing party will be entitled to recover its costs and reasonable attorneys' fees as awarded in the action.
13. All periods of time referred to in this Agreement shall include all Saturdays, Sundays and California or national holidays, provided that if the last date to perform any act or give any notice with respect to this Agreement shall fall on a Saturday, Sunday or California or national holiday, such act or notice may be timely performed or given on the next succeeding day which is not a Saturday, Sunday or California or national holiday.
14. This Agreement may be executed in counterparts, and all counterparts constitute but one and the same document.
15. All notices given under this Agreement must be in writing and will be served effectively upon delivery or if mailed, upon the first to occur of receipt or the expiration of forty-eight (48) hours after deposit in certified United States mail, postage prepaid, sent to the party at its address appearing below. Any party may change its address by notice to all other parties.

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

Owner: Coachella Housing Investors, L.P.
330 West Victoria Street
Gardena, CA 90248
Attn: Legal Department

With a copy to: TELACU Homes, Inc.
604 North Eckhoff Street
Orange, CA 92868
Attn: John Clem

And a copy to: Chernove & Associates, Inc.
16027 Ventura Boulevard, Suite 515
Encino, CA 91436
Attn: Sheldon Chernove, Esq.

Lender: COMERICA BANK
2000 Avenue of the Stars, Suite 210
Century City, California 90067
Attn: Ms. Monica Pulido

With a copy to: Sheppard, Mullin, Richter & Hampton LLP
650 Town Center Drive, 10th Floor
Costa Mesa, California 92626
Attn: Ken Fox, Esq.

16. Exhibit A is attached hereto and incorporated herein by this reference.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR PURPOSES OTHER THAN IMPROVEMENT OF THE LAND

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the day and year first above written.

"OWNER"

COACHELLA HOUSING INVESTORS, L.P.,
a California limited partnership

By: TELACU Homes, Inc.,
a California non-profit public benefit corporation,
its general partner

By: _____
John Clem, President

"SUBORDINATE LENDER"

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

By: _____
Name: _____
Title: _____

"LENDER"

COMERICA BANK

By: _____
Monica Pulido, Assistant Vice President

FORM APPROVED COUNTY COUNSEL
BY AMRITA Dhillon
DATE 2/2/2020

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

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

State of California)
County of _____)

On _____, 2020, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____

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

State of California)
County of _____)

On _____, 2020, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____

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

State of California)
County of _____)

On _____, 2020, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____

EXHIBIT A
DESCRIPTION OF PROPERTY

All that certain land located in the City of Coachella, County of San Riverside, State of California, described as follows:

THAT PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6, ACCORDING TO THE OFFICIAL PLAT THEREOF FOR TOWNSHIP 6 SOUTH, RANGE 8 EAST SAN BERNARDINO BASE AND MERIDIAN IN THE CITY OF COACHELLA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE SOUTH $0^{\circ} 13' 33''$ WEST ALONG THE WEST LINE THEREOF 44.00 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT SOUTHERLY 44.00 FEET, FROM THE NORTH LINE OF SAID NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6, THENCE ALONG SAID PARALLEL LINE SOUTH $89^{\circ} 51' 50''$ EAST A DISTANCE 54.96 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH $47^{\circ} 34' 14''$ WEST, A DISTANCE 33.94 FEET TO A LINE PARALLEL WITH AND DISTANT EASTERLY 30.00 FEET FROM THE WEST LINE OF SAID NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 6; THENCE SOUTH $00^{\circ} 13' 33''$ WEST A DISTANCE OF 303.21 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF $40^{\circ} 53' 14''$ AN ARC LENGTH OF 121.31 FEET; THENCE SOUTH $40^{\circ} 39' 41''$ EAST, 50.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 230.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF $40^{\circ} 54' 31''$, AN ARC LENGTH OF 164.22 FEET TO A POINT IN THE EASTERLY RIGHT OF WAY LINE OF MECCA STREET, PER MAP RECORDED IN BOOK 79 OF PARCEL MAPS, AT OF PARCEL MAPS, AT PAGE 10, RECORDS OF SAID COUNTY; THENCE SOUTH $89^{\circ} 58' 05''$ EAST A DISTANCE 425.36 FEET TO A POINT; THENCE NORTH $00^{\circ} 08' 03''$ EAST A DISTANCE OF 625.26 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF AVENUE 51 PER DOC. RECORDED SEPTEMBER 11, 1990 #336780; THENCE NORTH $89^{\circ} 51' 28''$ WEST A DISTANCE OF 529.73 FEET ALONG THE SAID SOUTH RIGHT OF WAY LINE OF AVENUE 51 TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION DEDICATED TO THE CITY OF COACHELLA, BY DEED RECORDED MARCH 16, 2001 AS INSTRUMENT NO. **108125 OFFICIAL RECORDS**.

EXCEPTING THEREFROM THAT PORTION DEDICATED TO THE CITY OF COACHELLA, BY DEED RECORDED MARCH 16, 2001 AS INSTRUMENT NO. **108124, OFFICIAL RECORDS**.

APN: 768-210-019-8