

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



**ITEM: 10.2**  
(ID # 15294)

**MEETING DATE:**

Tuesday, June 15, 2021

**FROM:** HOUSING AUTHORITY:

**SUBJECT:** HOUSING AUTHORITY: Public Hearing for Adoption of Resolution Number 2021-005, A Resolution of the Board of Commissioners of the Housing Authority for the County of Riverside Making Certain Findings Pursuant to the California Health and Safety Section 33433; Authorization to Sell Fee Simple Interest in Real Property Located in the County of Riverside, State of California, Identified with Assessor Parcel Numbers 751-160-004, 007, 009, 012, 014, and 015 ("Master Property") by Grant Deed to Coachella Valley Housing Coalition (CVHC); and Approval of the Disposition, Development and Loan Agreement Between the Housing Authority of the County of Riverside and the Coachella Valley Housing Coalition for the Sale and Development of the Master Property for Affordable Housing Purposes Supportive Commercial Purposes, Located in the Unincorporated Community of Oasis; District 4. [\$0]; CEQA Exempt (Clerk of the Board to File the Notice of Exemption)

**RECOMMENDED MOTION:** That the Board of Commissioners:

1. Find that the Disposition, Development and Loan Agreement does not constitute a project under California Environmental Quality Act (CEQA) and Section 15004(b) of the CEQA Guidelines in that it does not vest any development rights or result in the physical changes in the environment, requires the Coachella Valley Housing Coalition (Developer) to comply with CEQA and obtain all land use entitlements from the County of Riverside as the lead agency, and does not commit the lead agency to any definite course of action or foreclose alternatives or mitigation measures that would ordinarily be part of CEQA;
2. Conduct a public hearing with the Board of Commissioners pursuant to Health and Safety Code Sections 33431 and 33433;

Continued on Page 2

**ACTION: Policy**

  
Heidi Marshall, Director of Housing, Homelessness Prevention 5/20/2021

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**MINUTES OF THE BOARD OF COMMISSIONERS**

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

Ayes: Jeffries, Spiegel, Washington, Perez, and Hewitt  
Nays: None  
Absent: None  
Date: June 15, 2021  
xc: Housing Authority

Kecia R. Harper  
Clerk of the Board

By:   
Deputy

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**RECOMMENDED MOTION:** That the Board of Commissioners:

3. Adopt Resolution Number 2021-005, A Resolution of the Board of Commissioners of the Housing Authority for the County of Riverside Making Certain Findings Pursuant to the California Health and Safety Section 33433; Authorization to Sell Fee Simple Interest in Real Property Located in the County of Riverside, State of California, Identified with Assessor Parcel Numbers 751-160-004, 007, 009, 012, 014, and 015 ("Master Property") by Grant Deed to Coachella Valley Housing Coalition (CVHC); and Approval of the Disposition, Development and Loan Agreement Between the Housing Authority of the County of Riverside and the Coachella Valley Housing Coalition for the Sale and Development of the Master Property for Affordable Housing Purposes Supportive Commercial Purposes;
4. Approve the form of the attached Disposition, Development and Loan Agreement, including all attachments thereto ("Agreement") between the Housing Authority of the County of Riverside ("HACR") and Developer, a California corporation, providing for, among other things, the disposition of real property located in the unincorporated community of Oasis, County of Riverside, State of California, identified with Assessor's Parcel Numbers 751-160-004-8, 751-160-007-1, 751-160-009-3, 751-160-012-5, 751-160-014-7 and 751-160-015 by HACR to Developer for the development thereon by Developer of affordable housing for extremely low, low and moderate income households and supportive commercial uses in multiple phases;
5. Authorize the Executive Director of HACR to execute an Agreement, substantially conforming in form and substance to the attached Agreement, on behalf of HACR, subject to approval as to form by County Counsel;
6. Direct the Clerk of the Board to file the attached Notice of Exemption within five (5) days approval of the Agreement; and
7. Authorize the Executive Director of HACR, or designee, to execute any other documents and administer all actions necessary to implement, complete and memorialize the transactions contemplated in the Agreement, including, but not limited to executing the Grant Deed and Agreement(s) Containing Covenants in substantially the form attached to the Agreement, and any escrow instructions, subject to approval as to form by County Counsel.

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> 2011 Tax Exempt Bonds, 2011 Taxable Bonds			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	20/21

**C.E.O. RECOMMENDATION:** Approve.

**BACKGROUND:**

**Summary**

The Housing Authority of the County of Riverside ("HACR") is or will be the legal owner of record of the real property located at the intersection of Avenue 66 and Middleton Street in the unincorporated community of Oasis, County of Riverside, State of California, identified with Assessor's Parcel Numbers 751-160-004, 007, 009, 012, 014 and 015, depicted on the attached Site map ("Master Property"). The Coachella Valley Housing Coalition ("Developer" or "CVHC") is a California corporation engaged in building safe and affordable housing for low-income families.

HACR anticipates acquiring certain tax defaulted property commonly known as Assessor's Parcel Number 751-160-015 within the next few months. The remainder of the Master Property was acquired by the former Redevelopment Agency of the County of Riverside ("RDA") with proceeds from 2011 tax exempt and taxable bonds deposited into the low- and moderate-income housing fund. California redevelopment agencies were dissolved on February 1, 2012 and the RDA is now deemed a former redevelopment agency under Health and Safety Code section 34173 and AB x1 26, as modified by Assembly Bill No. 1484 (as modified to date, the "Dissolution Law"), which 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 CRL section 34176 (a) and Housing Authority Resolution No. 2012-035, all housing functions previously performed by the former RDA, including related rights, powers, duties, obligations, and housing assets (excluding unencumbered amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the non-housing successor agency under the Dissolution Law (the "Successor Agency")) were transferred to the HACR, including the Master Property (exclusive of Assessor's Parcel Number 751-160-015), making the HACR the "Housing Successor" to the former RDA under the Dissolution Law.

Pursuant to applicable provisions of the Dissolution Law, the CRL and the "Housing Authorities Law" (California Health and Safety Code, Sections 34200, et seq.), notwithstanding any other provision of law, whenever the Board of Commissioners determines that any real property owned by the HACR can be used to provide housing affordable to low income families, and this use is in the HACR's best interest, the HACR may sell, convey or otherwise dispose of the real property to provide that affordable housing without complying with other provisions of Title 3, Division 2, Part 2, Chapter 5, Article 8 of the California Government Code. The HACR is

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committed to providing affordable housing and services to the residents of the County of Riverside.

On February 26, 2019, HACR and Developer entered into an Exclusive Negotiation Agreement in Connection with a Proposed Mixed-Use Affordable Housing Project, and which continues to be in effect and will expire in 2022 with an option to extend to 2024.

Developer desires to acquire the Master Property from the HACR to develop, in three separate phases, a mixed use project that would include one hundred and sixty (160) affordable housing units to be rented to and occupied by extremely low and low income households with a preference for farmworkers, and commercial and public service facilities, such as a public laundromat, grocery store, day care center, and medical services, and related infrastructure such as public improvements and other utilities (collectively, the "Project").

The affordable multifamily rental housing project is to be comprised of approximately one hundred sixty (160) apartment units consisting of one, two, three and four bedrooms, with a community center pool and other amenities and related infrastructure. Under the terms of the proposed Agreement, forty-nine percent (49%) of the units not occupied by an on-site manager will be restricted to extremely low and low income households whose incomes do not exceed sixty percent (60%) of the Area Median Income for Riverside County (AMI). At least thirty percent (30%) of these "Restricted Units" will be restricted to occupancy by extremely low-income households whose incomes do not exceed thirty percent (30%) of AMI. The maximum qualifying income for all other units in the project will be one hundred twenty percent (120%) of AMI.

A portion of the Master Property will be sold to Developer for the purpose of development of and use by commercial tenants whose businesses are supportive of the affordable housing located on the Master Property. The portion of the Master Property to be sold for commercial purposes will be sold to the Developer for fair market value concurrently with the sale of the portion of the Master Property sold to Developer for the first phase of the affordable housing. The proceeds of the sale of the portion of the Master Property to be used for supportive commercial purposes will be loaned to Developer to reimburse Developer for predevelopment costs incurred in connection with the first phase of the affordable housing project.

There is an unmet need for affordable housing within the County of Riverside. Staff recommends the Board of Commissioners authorize the sale of the Property to Developer to provide housing affordable to extremely low, low- and moderate-income families in furtherance of and consistent with the interests of HACR. Staff recommends the Board of Commissioners adopt Resolution No. 2021-005, A Resolution of the Board of Commissioners of the Housing Authority of the County of Riverside Making Certain Findings Pursuant to the California Health and Safety Section 33433; Authorization to Sell Fee Simple Interest in Real Property Located in the unincorporated community of Oasis, County of Riverside, State of California, Identified with Assessor's Parcel Numbers 751-160-004, 007, 009, 012, 014 and 015 (collectively, "Master Property") by Grant Deed to Developer; and Approval of the Disposition, Development and Loan

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Agreement Between the Housing Authority of the County of Riverside and Developer for the Sale and Development of the Property for Affordable Housing Purposes.

Consistent with applicable provisions of the Health and Safety Code and subject to the satisfaction of certain conditions precedent, the Master Property will be sold at fair market value determined by appraisal. The real property constituting each phase of the Project shall be sold for fair market value at the time of the sale and paid for by delivery to the HACR of a note secured by deed of trust, except for the property on which the commercial services will be developed, which will be paid for by the Developer in cash. The proceeds of the sale of the commercial property will be loaned to the Developer to reimburse the Developer for predevelopment costs of the first phase of the affordable housing project. Such loan will be evidenced by a promissory note secured by deed of trust.

Developer shall be responsible for all (i) entitlements, land use approvals, permits and CEQA compliance, (ii) construction and development costs, (iii), securing financing, construction, on-site and off-site improvements, and (iv) property maintenance obligations. CVHC has submitted for entitlements (County of Riverside Planning Department: GPA190017, CZ1900048, TPM37590 and PPT190037) and desires to cause the division or reconfiguration of the Master Property into up to four (4) parcels, to purchase the parcels constituting each phase at different times and to develop the proposed commercial and housing projects in up to three (3) separate and distinct phases. The Developer is proposing to transfer the parcels constituting each phase to a limited partnership developer entity at separate times in accordance to the Disposition, Development and Loan Agreement when sufficient financing has been secured for each individual phase, except that Developer is required to purchase the commercial property at the same time as it purchases the first phase of the affordable housing development. All land use and development entitlements, including compliance with CEQA must be obtained from the County of Riverside.

All HACR loans to the partnership assignees of CVHC for the purchase of parcels on which affordable housing will be developed will be evidenced by a promissory note to be paid from residual receipts from the respective affordable housing phase of the project. To ensure the long-term affordability of the units consistent with the Agreement and applicable law, each affordable housing phase will be subject to an Agreement Containing Covenants substantially in the form attached to the Agreement requiring the housing to remain affordable for fifty-five (55) years. The property sold for supportive commercial use will be subject to an Agreement Containing Covenants substantially in the form attached to the Agreement.

The terms of the Master Property sale and applicable affordability restrictions are set forth in the attached form of Disposition, Development and Loan Agreement, including attachments, to be executed by HACR and Developer. The deed restriction requiring development of approximately one hundred and sixty (160) new units, with approximately 49% affordable to low and extremely low income households, is in the best interests of HACR, the County of Riverside, and residents of the unincorporated Oasis area.

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Pursuant to California Health and Safety Code Sections 33431 and 33433, HACR published a Notice of Public Hearing notifying the public of the public hearing and consideration of the proposed Disposition, Development and Loan Agreement with Developer relating to the conveyance of the Master Property for affordable housing purposes. In addition, pursuant to Health and Safety Code Section 33433, HACR made available for public review on the date the Notice of Joint Public Hearing was published the attached Agreement, including all attachments, and the attached Summary Report.

The Agreement does not constitute a project pursuant to the California Environmental Quality Act and State CEQA Guidelines (CEQA). Pursuant to CEQA Guidelines Section 15004(b), approval of the Agreement provides for the sale of property and financing subject to specific conditions. Approval by the HACR of the Agreement does not vest any development rights and will not result in any physical change to the environment. The Agreement requires the Developer to obtain all necessary land use approvals and entitlements from the County of Riverside, including compliance with CEQA. As the jurisdiction exercising land use control over the Property, the County of Riverside will be the lead agency for purposes of CEQA. The Agreement does not commit the lead agency to any definite course of action or foreclose alternatives or mitigation measures that would ordinarily be part of CEQA review.

County Counsel has reviewed and approved as to form the attached Resolution No. 2021-005 and the Disposition, Development and Loan Agreement, including all attachments. Staff recommends that the Board adopt Resolution No. 2021-005 and approve the Disposition, Development and Loan Agreement, including all attachments.

**Impact on Residents and Businesses**

Approval of the Disposition, Development and Loan Agreement will provide the land and financing for a new affordable housing project and supportive commercial uses, which will create temporary construction jobs and result in an increase of affordable housing options in the unincorporated community of Oasis.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

No general funds will be used for this Agreement. Developer will bear its own costs and expenses incurred, or to be incurred, in connection with the development, construction and operation of the proposed project.

Attachments:

- Resolution No. 2021-005
- Form of the Disposition, Development and Loan Agreement, including all attachments
- 33433 Summary Report, Site Map
- Notice of Exemption
- Public Notice

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Steven Atkeson 6/7/2021

  
Gregory V. Priamos, Director County Counsel 6/3/2021

1 **BOARD OF COMMISSIONERS**

**HOUSING AUTHORITY OF THE**  
2 **COUNTY OF RIVERSIDE**

3 **RESOLUTION NUMBER 2021-005**

4 **A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING**  
5 **AUTHORITY OF THE COUNTY OF RIVERSIDE MAKING CERTAIN FINDINGS**  
6 **PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 33433;**  
7 **AUTHORIZATION TO SELL FEE SIMPLE INTEREST IN REAL PROPERTY**  
8 **LOCATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA,**  
9 **IDENTIFIED WITH ASSESSOR PARCEL NUMBERS 751-160-004, 007, 009, 012,**  
10 **014, AND 015 ("MASTER PROPERTY") BY GRANT DEED TO COACHELLA**  
11 **VALLEY HOUSING COALITION (CVHC); AND APPROVAL OF THE DISPOSITION**  
12 **DEVELOPMENT AND LOAN AGREEMENT BETWEEN THE HOUSING**  
13 **AUTHORITY OF THE COUNTY OF RIVERSIDE AND COACHELLA VALLEY**  
14 **HOUSING COALITION FOR THE SALE AND DEVELOPMENT OF THE MASTER**  
15 **PROPERTY FOR AFFORDABLE HOUSING PURPOSES AND SUPPORTIVE**  
16 **COMMERCIAL PURPOSES**

17 **WHEREAS**, the Housing Authority of the County of Riverside, a public body  
18 corporate and politic, ("HACR" or "Housing Authority"), is a housing authority duly  
19 created, established and authorized to transact business and exercise its power,  
20 under and pursuant to the provisions of the Housing Authorities Law which is Part 2 of  
21 Division 24 of the California Health and Safety Cde (commencing with Section 34200  
22 et seq, the "Housing Authority Law");

23 **WHEREAS**, HACR is the legal owner of record of approximately 26.23 gross  
24 acres of real property located at Avenue 66 and Middleton Street in the  
25 Unincorporated Community of Oasis, County of Riverside, State of California,  
26 identified with Assessor's Parcel Numbers 751-160-004, 751-160-007, 751-160-009,  
27 751-160-012, 751-160-014 and 751-160-015, described in the Legal Description  
28 (Exhibit A) attached hereto and depicted on the Site Map (Exhibit B) attached hereto  
("Master Property"). The Master Property is unimproved;

FORM APPROVED COUNTY COUNSEL  
BY: AMINAH PHILLON  
DATE: 6/21/2021



1           **WHEREAS**, the Master Property was acquired (i) by the former Redevelopment  
2 Agency of the County of Riverside (“RDA”) in 2006/2007 and in 2010/2011 with  
3 proceeds from housing bonds (taxable and tax exempt) deposited into the low and  
4 moderate income housing fund, and (ii) by HACR in 2021 with low and moderate  
5 income housing asset funds (as to APN 751-160-015);

6           **WHEREAS**, California redevelopment agencies were dissolved on February 1,  
7 2012 such that the RDA is now deemed a former redevelopment agency under  
8 Health and Safety Code section 34173 and AB x1 26, as modified by Assembly Bill  
9 No. 1484 (as modified to date, the “Dissolution Law”), which added Parts 1.8 and 1.85  
10 to Division 24 of the California Community Redevelopment Law (Health and Safety  
11 Code sections 33000 et seq., the “CRL”);

12           **WHEREAS**, pursuant to CRL Section 34176(a), and Housing Authority  
13 Resolution No. 2012-035, all housing functions previously performed by the former  
14 RDA, including related rights, powers, liabilities, duties, obligations, and housing  
15 assets (excluding unencumbered amounts in the Low and Moderate Income Housing  
16 Fund and enforceable obligations retained by the successor agency) including the  
17 Master Property (excluding APN 751-160-015), were transferred to the HACR,  
18 making the HACR the “Housing Successor” to the former RDA under the Dissolution  
19 Law;

20           **WHEREAS**, pursuant to applicable provisions of the Dissolution Law, the CRL  
21 and the Housing Authorities Law, HACR, in its capacity as Housing Successor to the  
22 former RDA, after a public hearing, may dispose of real property without complying  
23 with any provision of law concerning the disposition of surplus property, including  
24 without limitation Sections 34315 and 34315.7 of the Health and Safety Code,  
25 provided the proceeds and net cost of the disposition of real property are to be used  
26 directly to assist a housing project for low income households;

1           **WHEREAS**, Parcels 3 and 4 identified on the Site Map shall be referred to as  
2 the “Property” herein, and the parcels identified as Parcels 1 and 2 on the Site Map  
3 shall be referred to herein as the “Commercial Property”;

4           **WHEREAS**, the Coachella Valley Housing Coalition (“CVHC”), a California  
5 nonprofit public benefit corporation and affordable housing developer, is engaged in  
6 the development, construction and operation of affordable housing, serving residents  
7 of the County of Riverside;

8           **WHEREAS**, CVHC desires to acquire (i) the Property from HACR and develop,  
9 construct and operate thereon an affordable multifamily rental housing project  
10 comprised of approximately one hundred sixty (160) units, approximately 49% of  
11 which are to be occupied by and rented to Extremely Low and Low Income  
12 Households at an affordable rent, and (ii) the Commercial Property from HACR and  
13 develop, construct and operate thereon general retail and commercial businesses  
14 that will provide services to residents of the affordable housing project, including a  
15 childcare facility, market, general retail, medical clinic, or other service business(es)  
16 reasonably approved by HACR.. The acquisition and development of the Property  
17 and Commercial Property shall collectively be referred to herein as the “Proposed  
18 Project;”

19           **WHEREAS**, CVHC desires to cause the division or reconfiguration of the  
20 Master Property into four (4) developable parcels as set forth on the Site Map, and to  
21 purchase and develop the Master Property in up to three (3) separate and distinct  
22 phases. Each individual parcel will be transferred to a limited partnership developer  
23 entity controlled by CVHC at separate times in accordance with the proposed  
24 Disposition, Development and Loan Agreement (“DDLA”) when sufficient financing  
25 has been secured for each individual phase;

26           **WHEREAS**, CVHC proposes to develop the Proposed Project in three (3)  
27 phases. Parcel 3 on the Site Map is comprised of approximately 9.57 acres and will  
28 be developed as the “First Phase” of the Proposed Project, with 80 multi-family

1 affordable residential units within 68,976 square feet of buildings, a 3,500 square foot  
2 community center, tot lot, pool and pool house. Parcel 4 on the Site Map is comprised  
3 of approximately 9.49 acres and will be developed as the "Second Phase" of the  
4 Proposed Project, with 80 multi-family affordable residential units within 68,976  
5 square feet of buildings and one or more tot lots. Parcel 1 on the Site Map is  
6 comprised of approximately 2.54 acres and will be developed for general retail and  
7 commercial uses. Parcel 2 is comprised of approximately 1.02 acres and will also be  
8 developed for general retail and commercial uses;

9 **WHEREAS**, pursuant to the DDLA, the HACR will sell each parcel constituting  
10 a phase for the fair market value of the parcel and, for the sale of the Property, carry  
11 back a residual receipts promissory note secured by a deed of trust for the purchase  
12 price of the real property;

13 **WHEREAS**, CVHC will purchase the real property constituting the Commercial  
14 Property at Construction Closing (as defined in the DDLA) for the First Phase. The  
15 proceeds of the sale of the Commercial Property shall be loaned by HACR to CVHC  
16 for the purpose of funding predevelopment costs for the First Phase of the Proposed  
17 Project, in accordance with the terms and conditions set forth in the DDLA;

18 **WHEREAS**, the Housing Authority promissory notes will each be secured by a  
19 deed of trust recorded against the property for each phase;

20 **WHEREAS**, CVHC will be responsible for all (i) entitlements, land use  
21 approvals, permits and CEQA compliance, (ii) construction and development costs,  
22 (iii), securing financing, construction, on-site and off-site improvements, and (iv)  
23 Property maintenance obligations;

24 **WHEREAS**, the sale of the Master Property to CVHC or its assignee, the  
25 development of the Proposed Project, and the provision of the HACR Loans in  
26 accordance with the DDLA will eliminate existing blight by resulting in the  
27 development of much needed low income affordable housing that will benefit the  
28 Oasis community and surrounding neighborhoods;

1           **WHEREAS**, in accordance with California Health and Safety Code Sections  
2 33431 and 33433 the HACR published a Notice of Public Hearing notifying the public  
3 of the public hearing and consideration of the proposed DDLA relating to the  
4 conveyance of the Master Property for affordable housing purposes and made  
5 available for public review on the date the Notice of Public Hearing was published a  
6 Summary Report and the attached DDLA, including all attachments;

7           **WHEREAS**, the Board of Commissioners has also considered all the terms and  
8 conditions of the proposed sale of the Master Property set forth in the proposed  
9 DDLA, and the information contained in the submittal to the Board of Commissioners  
10 by staff and provided at the public hearing, and believes that conveyance of the  
11 Master Property in accordance with the proposed DDLA is in the best interests of the  
12 HACR and the health, safety and welfare of its residents, and in accord with the  
13 public purposes and provisions of applicable State and local law and requirements;  
14 and

15           **WHEREAS**, pursuant to the California Environmental Quality Act and State  
16 CEQA Guidelines ("CEQA") Section 15004(b), the DDLA does not constitute a  
17 project, does not vest any development rights and will not result in any physical  
18 changes to the environment in that the DDLA requires the Developer to obtain all  
19 necessary land use approvals and entitlements, including compliance with CEQA,  
20 from the County of Riverside as lead agency and does not commit the lead agency to  
21 any definite course of action or foreclose alternatives or mitigation measures that  
22 would ordinarily be part of CEQA.

23           **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**  
24 **ORDERED** by the Board of Commissioners of the County of Riverside, State of  
25 California ("Board"), in regular session assembled on or about June 15, 2021, in the  
26 meeting room of the Board located on the 1<sup>st</sup> floor of the County Administrative  
27 Center, 4080 Lemon Street, Riverside, California, and based upon the evidence and  
28 testimony presented on the matter, both written and oral, including the Administrative

1 Record as it relates to the DDLA and the Proposed Project, as follows:

- 2 1. That it has received and heard all oral and written objections (if any) to the  
3 proposed DDLA for the proposed sale of the Master Property to CVHC or  
4 its assignee, the proposed Authority loans in connection therewith, and the  
5 other matters pertaining to this transaction, and that all such oral and  
6 written objections (if any) are hereby overruled.
- 7 2. The foregoing recitals are true and correct.
- 8 3. The Board of Commissioners hereby finds and determines that the sale  
9 of the Master Property to CVHC for fair market value, plus additional  
10 consideration provided therein, for affordable housing purposes in  
11 accordance with the DDLA will provide housing for extremely low, low  
12 and moderate income persons.
- 13 4. The Board of Commissioners hereby finds and determines that the sale  
14 of the Master Property to CVHC in accordance with the DDLA and  
15 provision of HACR loans in connection therewith is consistent with the  
16 Dissolution Law, the CRL and the Housing Authority Law.
- 17 5. The Board of Commissioners hereby approves the sale of the Master  
18 Property to CVHC and provision of HACR loans in connection therewith  
19 in accordance with the DDLA.
- 20 6. The Board of Commissioners hereby finds and determines that the  
21 DDLA between HACR and CVHC including all attachments thereto,  
22 attached hereto as Exhibit "C" and incorporated herein by this reference,  
23 is hereby approved.

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3 **RESOLUTION NO. 2021-005**

4 **A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF**  
5 **THE COUNTY OF RIVERSIDE MAKING CERTAIN FINDINGS PURSUANT TO CALIFORNIA**  
6 **HEALTH AND SAFETY CODE SECTION 33433; AUTHORIZATION TO SELL FEE SIMPLE**  
7 **INTEREST IN REAL PROPERTY LOCATED IN THE COUNTY OF RIVERSIDE, STATE OF**  
8 **CALIFORNIA, IDENTIFIED WITH ASSESSOR PARCEL NUMBERS 751-160-004, 007, 009, 012,**  
9 **014 AND 015 ("MASTER PROPERTY") BY GRANT DEED TO COACHELLA VALLEY HOUSING**  
10 **COALITION (CVHC); AND APPROVAL OF THE DISPOSITION DEVELOPMENT AND LOAN**  
11 **AGREEMENT BETWEEN THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE AND**  
12 **COACHELLA VALLEY HOUSING COALITION FOR THE SALE AND DEVELOPMENT OF THE**  
13 **MASTER PROPERTY FOR AFFORDABLE HOUSING PURPOSES AND SUPPORTIVE**  
14 **COMMERCIAL PURPOSES**

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16  
17 **ADOPTED** by Riverside County Housing Authority Board of Commissioners on  
18 **June 15, 2021.**

19 **ROLL CALL:**

20 **Ayes:** Jeffries, Spiegel, Washington, Perez and Hewitt  
21 **Nays:** None  
22 **Absent:** None

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24  
25  
26 The foregoing is certified to be a true copy of a resolution duly adopted by said Board of  
27 Commissioners on the date therein set forth.

28 **KECIA R. HARPER, Clerk of said Board**

29  
30 By:   
31 Deputy

EXHIBIT "A"

LEGAL DESCRIPTION OF THE MASTER PROPERTY

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

PARCEL A1:

THE NORTHWESTERLY HALF OF LOT 9 OF THE "SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP OF FILE IN BOOK 10, PAGE 23 OF MAPS, RIVERSIDE COUNTY RECORDS; THE SOUTHEASTERLY LINE OF SAID NORTHWESTERLY HALF BEING PARALLEL WITH THE NORTHWESTERLY LINE OF SAID LOT.

PARCEL A2:

A STRIP OF LAND 10 FEET WIDE, FOR ROAD PURPOSES, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF LOT 10 OF THE "SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RIVERSIDE COUNTY RECORDS;  
THENCE NORTHWESTERLY, ALONG THE SOUTHWESTERLY LINE OF SAID LOT, 350 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 10 FEET;  
THENCE AT A RIGHT ANGLE SOUTHEASTERLY, PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT, 350 FEET, TO THE SOUTHEASTERLY LINE THEREOF;  
THENCE SOUTHWESTERLY, ALONG THE SOUTHEASTERLY LINE OF SAID LOT 10 FEET, TO THE POINT OF BEGINNING.

PARCEL B:

THE SOUTHWESTERLY 10 ACRES OF LOT 10 OF SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE SOUTHWESTERLY 10 FEET OF SAID SOUTHEASTERLY 350 FEET.

PARCEL C:

LOT 10 OF THE SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE SOUTHWESTERLY 10 ACRES, THE NORTHEASTERLY LINE OF SAID 10 ACRES BEING PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT 10;

ALSO EXCEPT THAT PORTION OF SAID PROPERTY CONVEYED TO HENRY J. DIETRICH AND GEORGIA LEE DIETRICH, HUSBAND AND WIFE, BY DEED RECORDED APRIL 19, 1955 IN BOOK 1724, PAGE 578 OF OFFICIAL RECORDS OF SAID COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 10;  
THENCE SOUTH 45 DEGREES 35' WEST ON THE SOUTHEASTERLY LINE OF SAID LOT, 308.6 FEET; THENCE IN A NORTHWESTERLY DIRECTION, 216 FEET, MORE OR LESS, TO A POINT ON THE NORTHERLY LINE OF SAID LOT, 378 FEET WESTERLY FROM OF THE POINT OF BEGINNING; THENCE EASTERLY TO THE POINT OF BEGINNING.

ALSO EXCEPT ONE-HALF INTEREST IN AND TO ALL OIL, OTHER HYDROCARBONS, GAS AND OTHER ASSOCIATED SUBSTANCES AND OTHER MINERALS AND KINDRED SUBSTANCES IN AND/OR LYING UNDER SAID LAND, AS RESERVED IN DEED FROM OLLA J. GRANT AND ELISE M. GRANT, HUSBAND AND WIFE, RECORDED JUNE 22, 1954 IN BOOK 1600, PAGE 501 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL D:

LOT 1 OF THE SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1, THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID ONE-HALF ACRE BEING PARALLEL WITH THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID LOT 1;

ALSO EXCEPT THE PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1;  
THENCE SOUTH 44 DEGREES 25' EAST ON THE SOUTHWESTERLY LINE OF SAID ONE-HALF ACRE, 130 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE SOUTH 45 DEGREES 35' WEST 20 FEET;  
THENCE SOUTH 44 DEGREES 25' EAST 20 FEET;  
THENCE NORTH 45 DEGREES 35' EAST 20 FEET;  
THENCE NORTH 44 DEGREES 25' WEST 20 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH AN UNDIVIDED 15/320TH INTEREST IN AND TO FOUR CERTAIN WELLS, PUMPING HOUSE MACHINERY AND THE ONE-HALF ACRE OF LOT 1 OF



SAID SUBDIVISION UPON WHICH SAID WELLS ARE LOCATED, SAID ONE-HALF ACRE BEING THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1, THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID ONE-HALF ACRE BEING PARALLEL WITH THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID LOT 1.

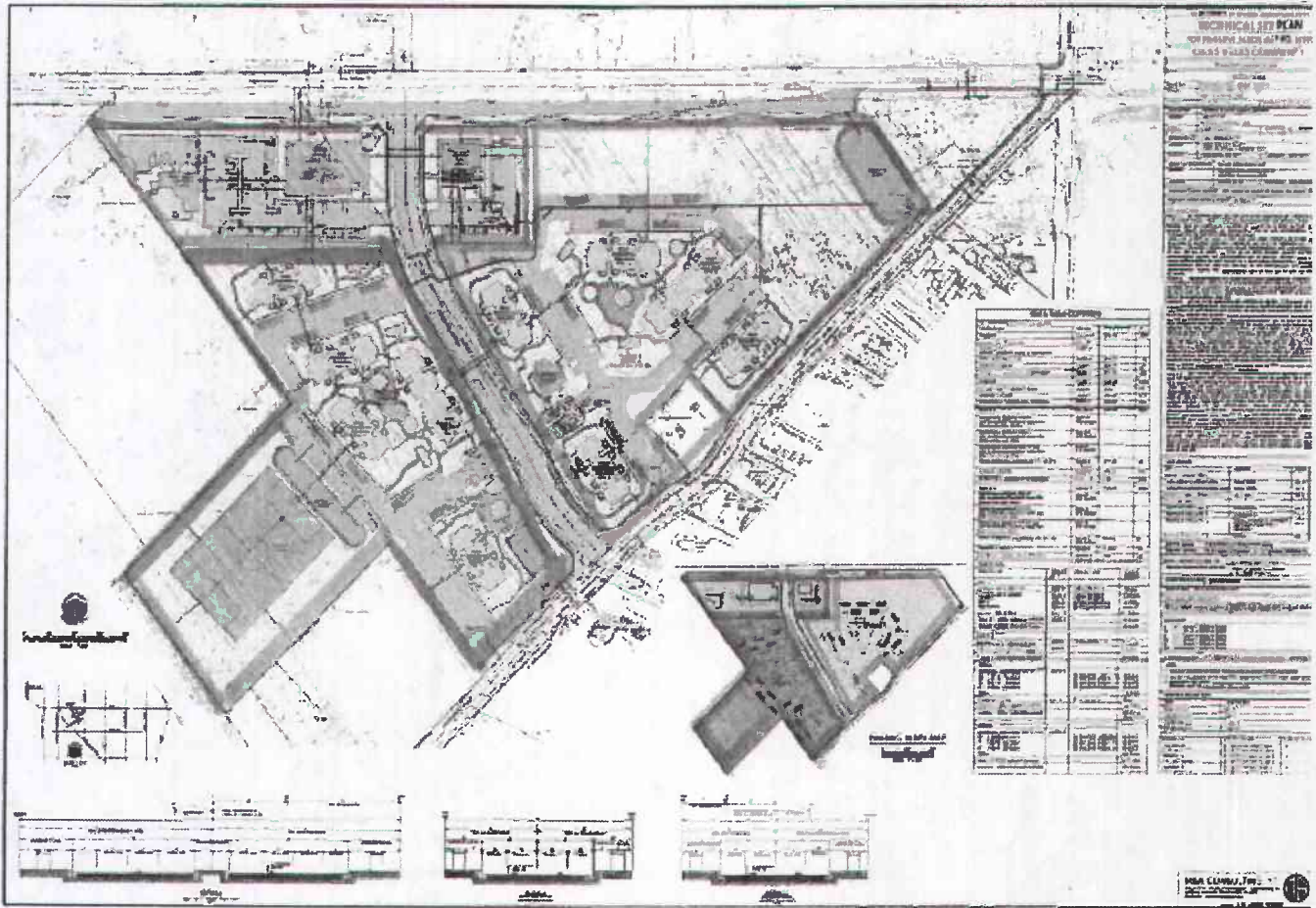
Assessor's Parcel Number: 751-160-004-8; 751-160-007-1; 751-160-009-3, 751-160-012-5; 751-160-014-7

THAT PORTION OF LOT 1 OF THE CAHUILLA FRUIT AND LAND CO. AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS: COMMENCING AT THE MOST WESTERLY CORNER OF THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1; THENCE SOUTH 44 DEGREES 25° EAST, ALONG THE SOUTHWESTERLY LINE OF SAID ONE-HALF ACRE, 130 FEET, TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 45 DEGREES 35° WEST, 20 FEET; THENCE SOUTH 44 DEGREES 25° EAST, 20 FEET; THENCE NORTH 45 DEGREES 35° EAST, 20 FEET; THENCE NORTH 44 DEGREES 25° WEST, 20 FEET TO THE TRUE POINT OF BEGINNING.

Parcel Identification Number: 751160015

Exhibit A

# EXHIBIT "B"



Site Map

GPA190017, CZ190048, TPM37590, AND PPT190037

Phase 1 – residential PARCEL 3 - ORANGE

Phase 2 – commercial PARCELS 1 AND 2 – GREEN

Phase 3 – residential PARCEL 4 – BLUE

751-160-004, 751-160-007, 751-160-009, 751-160-012, 751-160-014, 751-160-015

**EXHIBIT "C"**

**DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT**

[Behind this page]



Original Negative Declaration/Notice of Determination was routed to County Clerks for posting on.  
6/17/21 Date  
AR Initial

### Notice of Exemption

**To:**  
 Office of Planning and Research  
*For U.S Mail:* P.O. Box 3044  
 Sacramento, CA 95812-3044

*Street Address:* 1400 Tenth St.  
 Sacramento, CA 95814

**From:** Public  
**Agency:** Housing Authority of the County of Riverside  
**Address:** 5555 Arlington Avenue  
 Riverside, CA 92504  
**Contact:** Leah Rodriguez, Housing Specialist  
**Phone:** (760) 863-2534

County Clerk  
 County of Riverside  
 2724 Gateway Drive  
 P.O. Box 751  
 Address: Riverside, CA 92502-0751

Lead Agency (if different from above):  
 Address: \_\_\_\_\_  
 Contact: \_\_\_\_\_  
 Phone: \_\_\_\_\_

**SUBJECT: Filing of Notice of Determination in Compliance with Section 21108 or 21152 of the public Resources Code.**

State Clearinghouse Number (if submitted to State Clearinghouse): \_\_\_\_\_

Project Title: Disposition, Development and Loan Agreement

Project Location (include county): County of Riverside-Assessor Parcel Numbers 751-160-004, 007, 009, 012, 014, 015

Project Description:

The Housing Authority of the County of Riverside (HACR) owns that certain real property, located at Avenue 66 and Middleton Street, in the unincorporated community of Oasis, County of Riverside, State of California, identified with Assessor's Parcel Number 751-160-004, 751-160-007, 751-160-009, 751-160-012, 751-160-014 and 751-160-015 ("Master Property").

Pursuant to applicable provisions of the Dissolution Law, the CRL and the "Housing Authorities Law" (California Health and Safety Code, Section 34200, et seq.), notwithstanding any other provision of law, whenever the Board of Commissioners determines that any real property owned by the HACR can be used to provide housing affordable to low income families, and this use is in the HACR's best interest, the HACR may sell, convey or otherwise dispose of the real property to provide that affordable housing without complying with other provisions of Title 3, Division 2, Part 2, Chapter 5, Article 8 of the California Government Code. The HACR is committed to providing affordable housing and services to the residents of the County of Riverside.

Developer desires to acquire (i) a portion of the Master Property (the "Property") from HACR and develop, construct and operate thereon an affordable multifamily rental housing project comprised of approximately one hundred sixty (160) units consisting of one, two, three and four bedrooms units, with amenities, approximately forty-nine percent (49%) of which will be restricted to occupancy by and rented to Extremely Low and Low Income Households, and (ii) a portion of the Master Property (the "Commercial Property") from HACR and develop, construct and operate thereon general retail and commercial businesses that will provide services to residents of the affordable housing project, including a childcare facility, market, general retail, medical clinic, or other service business(es) reasonably approved by HACR. The acquisition and development of the Property and Commercial Property shall collectively be referred to herein as the "Proposed Project". Under the terms of the proposed Disposition, Development and Loan Agreement ("Agreement"), forty-nine percent (49%) of the units not occupied by an on-site manager will be restricted to extremely low and low income households whose incomes do not exceed sixty percent (60%) of the Area Median Income for Riverside County (AMI). At least thirty percent (30%) of these "Restricted Units" will be restricted to occupancy by extremely low income households whose incomes do not exceed thirty percent (30%) of AMI. The maximum qualifying income for all other units in the project will be one hundred twenty percent (120%) of AMI.

There is an unmet need for affordable housing within the County of Riverside. Consistent with applicable provisions of the

Health and Safety Code and subject to the satisfaction of certain conditions precedent, the Master Property will be sold at fair market value. Developer shall be responsible for all (i) entitlements, land use approvals, permits and CEQA compliance, (ii) construction and development costs, (iii) securing financing, construction, on-site and off-site improvements, and (iv) property maintenance obligations. Developer intends to build the Proposed Project in three (3) separate phases, which will be achieved by recording a parcel map and creating up to four (4) legal parcels during the entitlement stage of the Proposed Project. The Developer is proposing to transfer each individual parcel to a limited partnership developer entity at separate times in accordance to the Agreement when sufficient financing has been secured for each individual phase. All land use and development entitlements, including compliance with CEQA must be obtained from the County of Riverside.

The terms of the Master Property sale and applicable affordability restrictions are set forth in Agreement, including attachments, to be executed by the HACR and Developer. The deed restrictions of at least one hundred sixty (160) new housing units affordable to low and extremely low income households is in the best interests of the HACR, the County of Riverside, and residents of the unincorporated community of Oasis and surrounding areas.

Project Sponsor: Housing Authority of the County of Riverside

This is to advise that the County of Riverside Board of Commissioners approved the above project on

Lead agency or  Responsible Agency

June 15, 2021

(tentative date)

and has made the following determinations regarding the above described project:

The Agreement does not constitute a project pursuant to the California Environmental Quality Act and State CEQA Guidelines (CEQA). Pursuant to CEQA Guidelines Section 15004(b), approval of the Agreement provides for the sale of property and financings subject to specific conditions. Approval by the HACR of the Agreement does not vest any development rights and will not result in any physical change to the environment. The Agreement requires the Developer to obtain all necessary land use approvals and entitlements from the County of Riverside including compliance with CEQA. As the jurisdictions exercising land use control over the Master Property, the County of Riverside will be the lead agency for the purposes of CEQA. The Agreement does not commit the lead agency to any definite course of action or foreclose alternatives or mitigation measures that would ordinarily be part of CEQA review.

Housing Authority of the County of Riverside

Signature: (Public Agency)



Title:

Juan Garcia, Principal Development Specialist  
Housing Authority of the County of Riverside

Date:

6/02/2021

Date received for filing at OPR: \_\_\_\_\_

NOTICE OF PUBLIC HEARING BY THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE REGARDING A DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT TO CONVEY REAL PROPERTY IDENTIFIED AS ASSESSOR'S PARCEL NUMBERS 751-160-004, 751-160-007, 751-160-009, 751-160-012, 751-160-014, AND 751-160-015 LOCATED IN THE UNINCORPORATED COMMUNITY OF OASIS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, TO COACHELLA VALLEY HOUSING COALITION FOR THE DEVELOPMENT OF AFFORDABLE HOUSING

NOTICE IS HEREBY GIVEN THAT the Housing Authority of the County of Riverside's ("Authority") Board of Commissioners ("BOC") will hold a Public Hearing **on or about** June 15, 2021, at the hour of 9:30 a.m. or as soon thereafter as the matter can be heard, in the Board Chambers, County Administrative Center, 4080 Lemon Street 1<sup>st</sup> Floor, Riverside, CA 92501, for the purpose of considering a proposed Disposition, Development and Loan Agreement ("Agreement") by and between the Authority and Coachella Valley Housing Coalition, a California nonprofit public benefit corporation ("CVHC"), pursuant to Section Health and Safety Code Section 33433. The proposed Agreement provides for the conveyance by the Authority to CVHC of certain real property consisting of approximately 26.23 gross acres, identified as Assessor's Parcel Numbers 751-160-004, 751-160-007, 751-160-009, 751-160-012, 751-160-014, and 751-160-015, located at the intersection of Avenue 66 and Middleton Street, in the unincorporated community of Oasis, County of Riverside, State of California ("Site") and the development thereon of approximately one hundred and sixty (160) units, consisting of one, two, three and four bedrooms, to be occupied by and rented to extremely low, low and moderate income households, with a community center and pool and other amenities and related infrastructure. Forty-nine percent (49%) of the units not occupied by an on-site manager will be restricted to extremely low and low income households whose incomes do not exceed sixty percent (60%) of the Area Median Income for Riverside County (AMI). At least thirty percent (30%) of these "Affordable Units" will be restricted to occupancy by extremely low income households whose incomes do not exceed thirty percent (30%) of AMI. The Affordable Units shall be restricted by an Agreement Containing Covenants to remain continually affordable for the longest feasible time, but not less than 55 years.

The following documents are available for public inspection and copying during regular business hours (8:00 a.m. to 5:00 p.m., Monday through Friday) at the offices of the County located at 5555 Arlington Avenue, Riverside, CA 92504 or email [lmrodriguez@rivco.org](mailto:lmrodriguez@rivco.org): (1) A copy of the proposed Agreement and all attachments, and (2) A Summary Report prepared pursuant to Section 33433.

At any time before the date and time set forth above for the public hearing by the Authority, any written comments on or objections to the proposed Agreement and/or the Summary Report may be filed with the County Clerk. All persons wishing to question, comment, object to, or be heard on any or all such matters at the public hearing will be given an opportunity to appear and be so heard. If you later desire to challenge actions of

the Authority in connection with these actions, you could be limited to raising issues you have raised at or before the public hearing.

Further information concerning this matter may also be obtained by contacting Juan Garcia, Principal Development Specialist at 951-343-5473. This information will be made available in alternative formats upon request. If you require assistance or auxiliary aids to participate at this public hearing, please contact the County Clerk at 951-955-1060 or email [COB@RIVCO.ORG](mailto:COB@RIVCO.ORG) in advance of the meeting.

Publish:        May 27, 2021  
                      June 3, 2021

**NO FEE FOR RECORDING  
PURSUANT TO GOVERNMENT  
CODE SECTION 27383**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDERS USE

**DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT**

By and Between

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE

and

COACHELLA VALLEY HOUSING COALITION

for

Oasis Villas Affordable Housing Project

**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.

JUN 15 2021 10.2



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- ATTACHMENT NO. 3 - METHOD OF FINANCING
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- ATTACHMENT NO. 5 - FORM OF GRANT DEED
- ATTACHMENT NO. 6 - SCOPE OF DEVELOPMENT
- ATTACHMENT NO. 7 - FORM OF PROJECT BUDGET
- ATTACHMENT NO. 8 - PRELIMINARY TITLE REPORT
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**DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT  
(Oasis Villas)**

THIS DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT (“**DDLA**”) is entered into this 15th day of June, 2021, by and between the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic (“**HACR**”), and COACHELLA VALLEY HOUSING COALITION, a California nonprofit public benefit corporation (“**CVHC**” or “**Developer**”). HACR and CVHC are collectively referred to herein as the “**Parties**” and individually as a “**Party**.”

**RECITALS**

The following Recitals are a substantive part of this DDLA. Capitalized terms used in these Recitals and not otherwise defined shall have the meaning set forth in Section 1.2.

A. WHEREAS, HACR, established by action of the Board of Supervisors of the County of Riverside on November 23, 1942, pursuant to the California Housing Authorities Law (Health and Safety Code §§ 34200, et seq., the “**Housing Authorities Law**”), constitutes a corporate and politic public body, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out the purposes and provisions of the Housing Authorities Law;

B. WHEREAS, California redevelopment agencies were dissolved on February 1, 2012 such that the former Redevelopment Agency of the County of Riverside (“**RDA**”) is now deemed a former redevelopment agency under Health and Safety Code section 34173 and AB x1 26, as modified by Assembly Bill No. 1484 (as modified to date, the “**Dissolution Law**”), which 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**”);

C. WHEREAS, pursuant to CRL § 34176 (a) and HACR Resolution Nos. 2012-035, all housing functions previously performed by the former RDA, including related rights, powers, duties, obligations, and housing assets (excluding unencumbered amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the non-housing successor agency under the Dissolution Law (the “**Successor Agency**”)) were transferred to HACR, including the Property (defined below), making HACR the “**Housing Successor**” to the former RDA under the Dissolution Law;

D. WHEREAS, HACR is the legal owner of record of approximately 26.23 gross acres of real property located on Middleton Street in the County of Riverside, State of California, identified with Assessor’s Parcel Numbers 751-160-004, 751-160-007, 751-160-009, 751-160-012, 751-160-014 and 751-160-015, described in the **Legal Description** attached hereto as **Attachment No. 1** and incorporated herein by this reference, and depicted on the **Site Map**, attached hereto as **Attachment No. 2** and incorporated herein by this reference (“**Master Property**”). The Master Property is unimproved;

E. WHEREAS, there is an unmet need for affordable housing within the County of Riverside, California;

F. WHEREAS, CVHC is a California nonprofit public benefit corporation engaged in building safe and affordable housing for low-income households;

G. WHEREAS, CVHC desires to cause the division or reconfiguration of the Master Property into four (4) developable parcels as set forth on the Site Map, and to purchase and develop the Master Property in up to three (3) separate and distinct phases;

H. WHEREAS, Parcels 3 and 4 identified on the Site Map shall be referred to as the "**Property**" herein, and the parcels identified as Parcels 1 and 2 on the Site Map shall be referred to herein as the "**Commercial Property**";

I. WHEREAS, CVHC desires to acquire (i) the Property from HACR and develop, construct and operate thereon an affordable multifamily rental housing project comprised of approximately one hundred sixty (160) units to be occupied by and rented to Extremely Low and Low Income Households, and (ii) the Commercial Property from HACR and develop, construct and operate thereon general retail and commercial businesses that will provide services to residents of the affordable housing project, including a childcare facility, market, general retail, medical clinic or other service business(es) reasonably approved by HACR. The acquisition and development of the Property and Commercial Property shall collectively be referred to herein as the "**Proposed Project**;"

J. WHEREAS, Developer proposes to develop the Proposed Project in three (3) phases. Parcel 3 on the Site Map is comprised of approximately 9.57 acres and will be developed as the "**First Phase**" of the Proposed Project, with 80 multi-family residential units within 68,976 square feet of buildings, a 3,500 square foot community center, tot lot, pool and pool house. Parcel 4 on the Site Map is comprised of approximately 9.49 acres and will be developed as the "**Second Phase**" of the Proposed Project, with 80 multi-family residential units within 68,976 square feet of buildings and one or more tot lots. Parcel 1 on the Site Map is comprised of approximately 2.54 acres and will be developed for general retail and commercial uses. Parcel 2 is comprised of approximately 1.02 acres and will also be developed for general retail and commercial uses. The development of Parcels 1 and 2 for general retail and commercial uses shall be referred to herein as the "**Commercial Phase**" of the Proposed Project;

K. WHEREAS, CVHC shall purchase the real property constituting the Commercial Property at Construction Closing (as hereinafter defined) for the First Phase. The proceeds of the sale of the Commercial Property shall be loaned by HACR to CVHC for the purpose of developing the First Phase of the Proposed Project, in accordance with the terms and conditions set forth herein.

L. WHEREAS, forty-nine percent (49%) of the total residential units included in the First Phase and Second Phase not identified for occupancy by a property manager on the Property shall be Restricted Units (as defined herein);

M. WHEREAS, in furtherance of the housing functions transferred to the HACR pursuant to the Dissolution Law and public purposes set forth in the Housing Authorities Law, and in order to facilitate the Proposed Project, HACR desires to (i) sell the Property to CVHC for affordable housing purposes, as more specifically described herein, and provide for the HACR Loan and one or more Seller Loan(s) (as defined herein) in connection therewith, and (ii) sell the

Commercial Property to CVHC for the purpose of developing general retail and commercial space supportive of the affordable housing units; and

N. WHEREAS, the Parties intend, in this DDLA, following and contingent upon CVHC obtaining the necessary Project-related financing, discretionary entitlements, permits and full compliance with the California Environmental Quality Act, to provide for HACR's disposition of the Master Property to CVHC, the provision of the Seller Loans and HACR Loan by HACR to Developer, CVHC's construction of the Improvements and CVHC's operation of an affordable housing project on the Property, and CVHC's construction of the Commercial Phase on the Commercial Property.

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

## ARTICLE 1 SUBJECT OF AGREEMENT

**Section 1.1**            **Recitals** The Recitals set forth above are true and correct and incorporated herein by this reference.

### **Section 1.2**            **Definitions**

For purposes of this DDLA, the following capitalized terms shall have the following meanings:

**"Adjusted for Family Size Appropriate to the Unit"** shall mean the number of bedrooms in the Unit plus one; or, if permitted in accordance with the HSC, the number of bedrooms in the Unit multiplied by 1.5.

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

**"Affordability Period"** means a period of fifty-five (55) years, commencing from the recordation of the Notice of Completion in the Official Records for the last building for which construction is completed for each of the First Phase and Second Phase of the Project, in compliance with the Housing Authorities Law and applicable laws governing the housing functions transferred to HACR pursuant to the Dissolution Law.

"Affordable Rent" means the amount of monthly rent, including a reasonable utility allowance, that does not exceed the lesser of the maximum allowable rent to be charged by Developer and paid by Extremely Low Income Households and Low Income Households, Adjusted for Family Size Appropriate to the Unit, as applicable, occupying the Restricted Units as determined pursuant to (i) (a) the Agreement Containing Covenants, as to Restricted Units occupied by Low Income Households, or (b) HSC § 50053(b)(1) and the regulations promulgated pursuant to or incorporated therein, including, without limitation, any applicable regulations promulgated pursuant to HSC § 50093, as to Restricted Units Occupied by Extremely Low Income Households, (ii) any effective, applicable Tax Credit regulatory agreement; and (iii) applicable regulations pursuant to any other source of financing secured for, and continued to be secured by, the Project, including, if applicable, any effective Section 8 Program regulations as to any Restricted Unit designated as a project-based Section 8 unit or otherwise occupied by a holder of a Rental Voucher or Rental Certificate evidencing participation in the Section 8 Program.

Notwithstanding the foregoing, in the event that CVHC receives project based Section 8 financing, Developer shall be entitled (during such time as such Rental Voucher and/or project based Section 8 rental assistance is received) to receive up to fair market rent as determined in accordance with the Section 8 Program, provided that the tenant of the Affordable Unit does not pay an amount in excess of the amount determined in accordance with the immediately preceding paragraph. Affordable Rent shall be calculated annually by HACR in accordance with this definition. The tenant utility allowance shall be determined by HACR.

"Agreement Containing Covenants" means a regulatory agreement to be executed by CVHC in favor of HACR pursuant to the requirements of the CRL for the affordable housing to be developed on the Property. The Agreement Containing Covenants (Including Rental Restrictions) for the First Phase shall be substantially in the form attached hereto as **Attachment No. 11** and incorporated herein by this reference. The Agreement Containing Covenants (Including Rental Restrictions) for the Second Phase shall be substantially in the form attached hereto as **Attachment No. 11**, with such revisions as are appropriate to such Phase in accordance with this DDLA.

"Agreement Containing Covenants (Commercial Phase)" means a regulatory agreement to be executed by CVHC in favor of HACR substantially in the form attached hereto as **Attachment No. 13** and incorporated herein by this reference.

"Approved Financing" means the financing for each of the First Phase and Second Phase, as set forth in a Project Budget approved by HACR.

"Approved Annual Operating Budget" shall have the meaning set forth in the Method of Financing attached hereto as **Attachment No. 3**.

"Area Median Income" or "AMI" means the median family income (adjusted for family size) for the Riverside County area promulgated and published annually by HCD pursuant to Title 25, § 6932 of the California Code of Regulations. If HCD ceases annually to publish median incomes, the Parties will agree upon an adequate substitute manner for determining Area Median Income.



“Attachments” means one or more of Attachments nos. 1 through 15 to this DDLA, which are incorporated herein by this reference, and any modifications or amendments thereto.

“Board of Commissioners” means the governing, legislative body of the Housing Authority of County of Riverside.

“Building Permit” means the building permit(s) issued by the County of Riverside required for the development of the Project.

“Closing,” “Close of Escrow” or “Construction Closing” means with respect to the conveyance of a Parcel by HACR and the acquisition thereof by CVHC, the point in time when all conditions precedent to such conveyance and acquisition have been satisfied in accordance with this DDLA and the Grant Deed and other documents required to be recorded in connection with the Closing are recorded in the Official Records.

“Closing Date” means the date on which the Closing has occurred.

“Commercial Property” means that certain real property consisting of approximately 3.56 acres of land located on 66th Avenue, in the unincorporated community of Oasis, California, designated as Parcels 1 and 2 on the Site Map attached hereto as **Attachment No. 2**. The Commercial Property will be divided or reconfigured into up to two (2) legal parcels. The terms of such division or reconfiguration including, without limitation, designation of Parcel boundaries, shall be determined by CVHC, subject to the prior written approval of HACR, which shall not be unreasonably withheld or delayed, and subject to the subdivision requirements of the County. HACR agrees to assist CVHC at no cost to HACR in processing any such approved division or reconfiguration, whether through a lot line adjustment, recordation of a parcel map or transfer via a metes and bounds description using the authority of HACR to create parcels that are exempt from certain provisions of the Subdivision Map Act.

“Completion” means the point in time at which all of the following have been satisfied with respect to a particular Phase: (a) issuance of a certificate of occupancy by the County for all the buildings of the Phase, (b) recordation of a Notice of Completion pursuant to Civil Code section 8182, (c) submission to HACR of unconditional lien releases or waivers obtained by CVHC or CVHC’s agent, (d) payment, settlement or other extinguishment, discharge, release, waiver, bonding or insuring against any mechanic’s liens that have been recorded or stop notices that have been delivered; and (e) the applicable Parcel for such Phase have been developed in accordance with this DDLA, the Scope of Development and plans approved by HACR and any other Governmental Authority pursuant to this DDLA.

“Construction Closing Date” means the date on which the Construction Closing has occurred.

“Construction Lender” means an institutional or governmental lender which provides a Construction Loan to finance a portion or all of the costs to develop and construct a Phase.

“Construction Loan” means a construction loan to be made by a Construction Lender to Developer or a Partnership Assignee.

“Construction Loan Deed of Trust” means the deed of trust securing a Construction Loan.

“Conversion Date” means the date that construction of the First Phase or Second Phase has been completed and all of the other conditions precedent in order for a Permanent Lender to fund the Permanent Loan for such Phase have been satisfied.

“Conveyance” means the transfer of title to one or more Parcel(s) from HACR to Developer evidenced by recordation in the Official Records of a Grant Deed in the form attached hereto as **Attachment No. 5**.

“County” means the County of Riverside.

“CVHC” means Coachella Valley Housing Coalition, a California nonprofit public benefit corporation, and any assignee of or successor to its rights, powers and responsibilities hereunder permitted by this DDLA.

“DDLA” or “Agreement” means this Disposition, Development and Loan Agreement by and between HACR and CVHC, including all Attachments hereto and all agreements entered into in the form of an Attachment hereto, and any and all extensions, assignments, amendments or modifications thereof or thereto.

“Debt Service” means required debt service payments for a Construction Loan and/or a Permanent Loan including the funding obligations in respect of all reserves or escrows required thereunder.

“Deed of Trust” means a deed of trust substantially in the form of **Attachment No. 15** here securing a Seller Loan and/or HACR Loan, as applicable.

“Developer” means CVHC and its successors and assigns permitted by this DDLA, including, without limitation, any Partnership Assignee.

“Development Costs” means all costs which are actually incurred by Developer for the acquisition of a Parcel and the financing, design, development and construction of a Phase.

“Effective Date” means the date the Chairman of the Board of Commissioners executes this DDLA after approval by the Board of Commissioners.

“Entitlements” means any and all general plan amendments, zoning approvals or changes, required approvals and certifications under the California Environmental Quality Act (including and subject to all mitigation measures), tentative and final tract maps, variances, site plans, conditional use permits, demolition permits, excavation/foundation permits, grading permits, building permits, inspection reports and approvals, certificates of occupancy, and other approvals, permits, certificates, authorizations, consents, orders, entitlements, filings or registrations, and actions of any nature whatsoever required from any governmental entity in order to commence and complete the construction of the Improvements and occupancy and operation of a Phase of the Project.

“Environmental Indemnity” means an Environmental Indemnity substantially in the form of the Environmental Indemnity attached hereto as **Attachment No. 9** and incorporated herein by this reference.

“Escrow Instructions” or “Escrow Agreement” means escrow instructions prepared on behalf of HACR relating to the sale of a Parcel to Developer or a Partnership Assignee, in such form as reasonably required by HACR.

“Evidence of Financing” is defined in Section 2.18 of this DDLA.

“Evidence of Insurance” is defined in Section 3.12 of this DDLA.

“Executive Director” means the executive director of HACR, or his or her designee.

“Extremely Low Income Household” means a Household whose Gross Income does not exceed the requirements set forth in HSC § 50106 for the County of Riverside, adjusted for family size. For purposes of this definition, “adjusted for family size” means the actual number of persons in the applicable Household.

“First Phase” means the first Phase of the Proposed Project to be constructed on the Property by Developer, which shall consist of 80 multifamily residential units within 68,976 square feet of buildings, a 3,500 square foot community center, tot lot, pool and pool house.

“Final Plans” is defined in Section 3.4.

“Force Majeure” or “Force Majeure Event” means any of the following events, provided that it actually delays and interferes with the timely performance of the matter to which it applies and despite the exercise of diligence and good business practices is or would be beyond the reasonable control of the party claiming such interference: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation including litigation challenging the validity of this transaction or any element thereof; unusually severe weather; inability to secure necessary labor, materials or tools; acts of the other party; acts or failure to act of any Governmental Authority (except acts or failure to act of HACR shall not excuse performance by HACR); the imposition of any applicable moratorium by a Governmental Authority; or any other causes which despite the exercise of diligence and good business practices are or would be beyond the reasonable control of the party claiming such delay and interference.

The lack of funding to complete the development of the Project shall not constitute grounds for Force Majeure delay pursuant to this DDLA. Developer expressly assumes the risk of real estate market conditions, construction costs, interest rates, and other similar general economic circumstances that may make funding and/or construction of the Project difficult, more expensive, or infeasible, whether or not such events or causes are foreseeable as of the date of this DDLA. Developer acknowledges and agrees that Force Majeure shall not operate to excuse Developer from prompt payment when due under any Promissory Note or any other Seller Loan Document.

“Force Majeure Delay” means any delay in taking any action required by this DDLA, proximately caused by the occurrence of any Force Majeure Event. An extension of time for any Force Majeure Event shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) calendar days of the commencement of the cause. Times of performance under this DDLA may also be extended in writing by mutual agreement between HACR and the Developer. That notwithstanding, if said prevention or delay extends for one hundred and eighty (180) calendar days (or such longer period as may be permitted in a writing or by policy of TCAC in the event of a natural disaster, provided that the Partnership Assignee has obtained Tax Credits and the Tax Credits remain allocated to the Project and the Developer is not otherwise in material breach of the Construction Loan, Permanent Loan, Loan Documents, any other agreements for financing for the Project or any TCAC agreements or requirements), the Parties shall meet and confer to discuss whether to grant additional time as a result of the delay or consider terminating the DDLA with respect to such Phase.

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

“Governmental Authority(ies)” means the United States, the State of California, the County of Riverside or any other political subdivision in which the Property is located, and any court or political subdivision, agency or instrumentality having jurisdiction over the Property, the Developer or the Project.

“Governmental Requirements” means all laws, ordinances, statutes, codes, rules, resolutions, regulations, policy statements, orders, and decrees (including, without limitation, those relating to land use, subdivision, zoning, environmental, labor relations, prevailing wage, and building and fire codes) of the United States, the State of California, the County or any other political subdivision in which the Property is located or which exercises jurisdiction over the Developer or the construction, maintenance, management, use, or operation of the Project.

“Grant Deed” means the instrument by which HACR will convey title to one or more Parcel(s) to CVHC, substantially in the form attached hereto as **Attachment No. 5** and incorporated herein by this reference.

“Gross Income” shall be calculated in accordance with Title 25, § 6914 of the California Code of Regulations.

“HACR Indemnitees” is defined in Section 2.12 of this DDLA.

“HACR Loan” means a loan from HACR to Developer for predevelopment costs for the First Phase of the Proposed Project to be funded with the proceeds of the sale of the Commercial Property by HACR to Developer.

“HACR Note” means a promissory note evidencing the HACR Loan, substantially in the form attached as Attachment No. 14. The balance of the HACR Note may be combined into the Promissory Note for the First Phase.

“Hazardous Substances” and “Hazardous Materials” shall have the meaning set forth in Section 2.10.1 of this DDLA.

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

“Household” means one or more individuals occupying or applying to occupy a Unit.

“Housing Authorities Law” is defined in Recital A.

“Housing Successor” is defined in Recital C.

“HSC” means the California Health and Safety Code.

“Improvements” means the improvements to be constructed on the Property and the Commercial Property, respectively, as specifically described in the Scope of Development as to any Phase, and any other plans and/or specifications approved by Governmental Authorities in connection with the Project, including, but not limited to an approximately one hundred sixty (160) unit affordable housing complex and related amenities on the Property, and the development of the Commercial Phase on the Commercial Property.

“Lender” means a lender of a Loan.

“Loan” means a source of financing in the form of a Construction Loan, a Permanent Loan or any other loan, credit enhancement or construction period guaranty facility secured by a deed of trust or other instrument recorded against a Parcel. The definition of Loan shall include, but not be limited to, any Construction Loan, any Permanent Loan, the HACR Loan and any Seller Loan.

“Losses and Liabilities” means and includes all claims, suits, causes of action, arbitration proceedings, administrative proceedings, regulatory proceedings, expenses, liabilities, losses, damages (including, without limitation, penalties, fines and monetary sanctions), injuries, expenses, charges, penalties or costs of whatsoever character, nature and kind, including reasonable attorney’s fees and costs, expert witness fees, court costs, interest and defense costs, consultant fees, investigation and laboratory fees, and remedial and response costs incurred by the indemnified party with respect to counsel of its choice, whether to property or to person, whether by direct or derivative action, and whether known or unknown, suspected or unsuspected, latent or patent, actual alleged or threatened.

“Low Income Household” shall mean a Household whose Gross Income does not exceed sixty percent (60%) of AMI, adjusted for family size. For purposes of this definition, “adjusted for family size” means the actual number of persons in the applicable household.

“Manager Unit” means one or more Unit(s), as approved by HACR, per each of the First Phase or Second Phase to be occupied by an on-site property manager.

“Method of Financing” shall mean the document attached to this DDLA as **Attachment No. 3** incorporated herein by this reference.

“Monitoring Fee” means an annual fee in the amount of One Hundred Dollars (\$100) per Unit (as increased by three percent (3%) per annum) constructed in each of the First Phase and Second Phase, payable on April 1 of each year during the Affordability Period commencing on the first April 1 after the construction of the applicable Phase is complete.

“Notice of Affordability Restrictions” means a Notice of Affordability Restrictions substantially in the form of **Attachment No. 10** to be recorded against the Property in the Official Records at Closing of each of the First Phase and Second Phase.

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

“Operating Expenses,” with respect to each of the First Phase and Second Phase, includes the aggregate of the expenses directly incurred, paid and attributable to the following:

- i. Cost of utilities supplied to and used for the Phase and payable by the Partnership Assignee;
- ii. Cost of all insurance required for the Phase by this DDLA, Partnership Assignee’s partnership agreement, the Senior Financing documents, or any ancillary documents concerning the operation of the Phase;
- iii. Real property taxes, if any, and assessment payments;
- iv. Expenses and costs of any social services programs and compliance/monitoring reporting for the Phase;
- v. The deposits for the replacement reserves or operating reserves for the Phase, in the amount provided by the Senior Financing or required by Partnership Assignee’s partnership agreement or any junior lender, if a greater requirement;
- vi. On-site administrative costs (including payroll and payroll taxes and expenses, employee benefits);
- vii. Operating, maintenance and repair expenses and services, and necessary capital expenditures for the upkeep and repair of the Phase and any expenditures required based upon a physical needs assessment by the Partnership Assignee’s limited partner or Senior Financing lender (including materials and labor) not funded from reserves required for the Phase, such as charges for public services such as sewer charges, license and permit fees, goods, commodities, materials, equipment, furniture, furnishings, installation of appliances, fixtures, painting, cleaning, pest control, gardening, rubbish removal, security services, advertising and promotion, leasing commissions, accounting, and legal expenses attributable to the Parcel or the Phase which are directly attributable and customarily incurred in the operation of real estate projects similar to the Phase, including property management fees, expenses and costs payable to the property management agent;

- viii. Any post-Closing legal fees or other expenses, fees, and costs incurred by Partnership Assignee in connection with administering this DDLA or a Loan in connection with any Phase;
- ix. All scheduled, or otherwise due, payments of principal and/or interest on the Senior Financing, together with all financing fees and related charges payable by the Partnership Assignee under the terms of the Senior Financing, including without limitation, issuer fees, trustee fees, remarketing fees, and rebate analyst fees, interest rate cap deposits and credit enhancer charges;
- x. All other fees and expenses which may be provided in Partnership Assignee's Approved Annual Operating Budget, including, without limitation, the Monitoring Fee; and
- xi. Repayments of loans from a partner or affiliate of a partner of the Partnership Assignee in accordance with Partnership Assignee's partnership agreement for construction cost deficits, operating deficits or similar operating shortfalls; and
- xii. Repayments of any amounts owing to a general partner, or an affiliate of Partnership Assignee in accordance with the partnership agreement due to an adjustment in the tax credit equity caused by an adjustment to tax credits available to the Phase.

"Operating Expenses" shall not include the following: (a) repairs or replacements paid out of insurance proceeds received by or reserves held by the Partnership Assignee; (b) book depreciation of buildings or other similar non-cash items of expense; (c) principal and interest payments on all financing payable from residual receipts; (d) any deferred developer fee; and (e) any asset management or limited or general partner partnership management fees; (f) salaries of employees of Partnership Assignee or Partnership Assignee's general overhead expenses, or expenses, costs and fees paid to an affiliate of Partnership Assignee, to the extent any of the foregoing exceed the expenses, costs or fees that would be payable in a bona fide arms' length transaction between unrelated parties in the Riverside County area for the same work or services; (g) any amounts paid directly by a tenant of the applicable Phase to a third party in connection with expenses which, if incurred by Partnership Assignee, would be Operating Expenses; and (h) optional or elective payments with respect to debt secured by a lien senior to the Seller Loan (unless made with the consent of HACR in its reasonable discretion).

"Outside Closing Date" means, with respect to the First Phase and the Commercial Phase, December 31, 2024. Provided that the Closing of the First Phase and the Commercial Phase occurs by the Outside Closing Date, the Outside Closing Date for the Second Phase shall be within three (3) years after the Closing of the First Phase and the Commercial Phase. Notwithstanding the foregoing, the Parties hereto acknowledge that many of the potential sources of financing for the Project are subject to competitive awards, and that it is difficult to identify with certainty the period of time needed to obtain financing and entitlements necessary for construction of a Phase. In light of the foregoing, Outside Closing Dates shall be subject to written extension with the consent of the Executive Director through 2028. The Executive Director shall reasonably consider any request for extensions to the Outside Closing Date for each Phase based on CVHC's updates on progress toward obtaining financing and entitlements

for a particular Phase. Any extension of an Outside Closing Date for any Phase past December 31, 2028 shall require the consent of the Board of Commissioners.

“Parcel” means a legal parcel or parcels of land located within the boundaries of the Master Property upon which CVHC will develop a single Phase of the Project.

“Partnership Assignee” shall have the meaning set forth in Section 1.6(g) of this DDLA.

“Permanent Lender” means the institutional lender who at the Completion of a Phase takes out or reduces a Construction Loan and provides permanent financing for such Phase.

“Permanent Loan” means a loan made by the Permanent Lender at the Conversion Date for a particular Phase.

“Permitted Exceptions” means those encumbrances, liens, taxes, assessments, easements, rights of way, leases, covenants, agreements or other exceptions affecting title to a Phase as of the date of recordation of the Grant Deed for such Parcel which are approved in Section 2.5 below or otherwise in writing by the CVHC as set forth in the Preliminary Title Report. The Parties will use First American Title Insurance Company to close these transactions.

“Permitted Transfer” means assignment of all or any part of this DDLA or any right or obligation of Developer herein, or the sale, agreement to sell, transfer, encumbrance, conveyance or assignment of the Property, Proposed Project, Project or a Phase or any portion thereof or interest therein to any of the following:

- (1) A conveyance of a security interest in (i) any portion of the Property in connection with any Approved Financing, or (ii) any portion of the Commercial Property in accordance with the Agreement Containing Covenants (Commercial Property), and any transfer of title to either the Property or the Commercial Property by foreclosure, deed or other conveyance in lieu of foreclosure in connection therewith;
- (2) A conveyance of any portion of the Property or the Commercial Property to an Affiliate;
- (3) A conveyance of any portion of the Property or the Commercial Property to a partnership or limited liability company in which CVHC, or an entity controlled by CVHC, is a general partner or managing member and is in control thereof;
- (4) The admission of additional new general or limited partners or members, or the substitution or deletion of partners or members to any such partnership or limited liability company set forth in clause (3) above, so long as CVHC or an entity controlled by CVHC continues to exercise managerial control of such entity;
- (5) The removal of the entity controlled by CVHC from the limited partnership or limited liability company set forth in clause (3) above, by the limited partner in accordance with the terms of the partnership agreement or operating agreement, as applicable, and replacement of such entity with an entity controlled by the limited partner;
- (6) A corporation that is wholly owned and that is controlled by CVHC or an entity controlled by CVHC;
- (7) The lease for occupancy of (i) any Unit within the Property in accordance herewith, or (ii) any building or portion thereof constructed on the Commercial Property in accordance with the Agreement Containing Covenants (Commercial Property); and



- (8) The granting of easements, licenses or permits to facilitate the development of the Project in accordance with this DDLA.

Any transfer described in clauses (1) through (8) shall not require the consent of HACR.

“Permitted Transferee” means an entity which is the transferee in connection with a Permitted Transfer.

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

“Phase” means either of the First Phase, Second Phase or Commercial Phase of development of the Proposed Project on the Master Property. Each Phase will be separately owned, financed and operated.

“Plans” means any architectural and construction plans and drawings prepared on behalf of CVHC for a Phase in accordance with this DDLA.

“Preliminary Title Report” means that certain CVHC approved Preliminary Title Report for the Property issued by First American Title Insurance Company dated within sixty (60) days before or after approval by the Board of Commissioners and attached hereto as **Attachment No. 8** and incorporated herein by this reference.

“Project” means CVHC’s development, construction and operation on the Master Property or any portion thereof of the Improvements constituting any Phase the Proposed Project, in such form as is ultimately depicted in the Final Plans and subject to conditions of approval and mitigation measures as approved by the County, HACR and any other entity having jurisdiction over the Master Property, which shall be performed in accordance with this DDLA, including, but not limited to the Scope of Development attached hereto as **Attachment No. 6**. The Project will be constructed in up to three (3) Phases.

“Project Budget” means a schedule of construction and permanent sources and uses of funds necessary to pay Development Costs and operations for a particular Phase, including a projected cash flow for at least the first fifteen (15) years of operation, with such other information as may be reasonably requested by HACR, as approved by HACR in connection with Section 2.18 and the Method of Financing, substantially the form attached hereto as **Attachment No. 7**.

“Promissory Note” means a promissory note substantially in the form of **Attachment No. 14** to be given by Developer for the benefit of HACR in payment of some or all of the Purchase Price for the Property.

“Property” means that certain real property consisting of approximately 20 acres of land located on Middleton Road, in the unincorporated community of Oasis, California, designated as Parcels 3 and 4 on the Site Map attached hereto as **Attachment No. 2**. The Property will be divided or reconfigured into up to two (2) legal parcels. The terms of such division or reconfiguration including, without limitation, designation of Parcel boundaries, shall be determined by CVHC, subject to the prior written approval of HACR, which shall not be

unreasonably withheld or delayed, and subject to the subdivision requirements of the County. HACR agrees to assist CVHC at no cost to HACR in processing any such approved division or reconfiguration, whether through a lot line adjustment, recordation of a parcel map or transfer via a metes and bounds description using the authority of HACR to create parcels that are exempt from certain provisions of the Subdivision Map Act.

“Proposed Project” is defined in Recital G.

“Purchase Price” shall have the meaning set forth in **Attachment No. 3**, the Method of Financing.

“Restricted Unit(s)” means the Units not reserved as Manager Units within the First Phase and Second Phase of the Project that shall be exclusively rented to and occupied at an Affordable Rent by Extremely Low and Low Income Households in accordance with Section 4.1(e).

“Schedule of Performance” means the schedule attached hereto as **Attachment No. 4** and incorporated herein by this reference, as may be amended from time to time upon the written agreement of the Parties.

“Scope of Development” means the Scope of Development attached hereto as **Attachment No. 6** and incorporated herein by this reference, as may be amended from time to time upon the written agreement of the Parties.

“Second Phase” means the second Phase of the Project to be constructed on the Property by Developer, which shall consist of 80 residential multifamily units within 68,976 square feet of buildings and one or more tot lots.

“Seller Loan” shall refer to the loan or loans in the amount of the Purchase Price to be made by HACR to Developer in connection with the sale of each of the First Phase and Second Phase to a Partnership Assignee.

“Seller Loan Documents” shall refer to this DDLA, any agreement entered into in the form of an Attachment hereto or in connection herewith, and any extensions, modifications or amendments thereto.

“Senior Financing” and terms related to it shall refer to a Construction Loan and a Permanent Loan and any other Loan which is required by its Lender to be senior in lien priority to a Seller Loan or the HACR Loan. Each Seller Loan and the HACR Loan shall be subordinate to the Senior Financing, provided that HACR and the holder of the Senior Financing enter into a subordination agreement in such form as is acceptable to HACR in its reasonable discretion. Senior Financing shall also include such financing and instruments, if any, recorded upon a Parcel in conjunction with low income housing tax credits awarded to a Phase. Any subordination agreement required to be executed by HACR as a subordinate lender shall be delivered to HACR for review as soon as practicable, but in no event less than fifteen (15) days prior to the date upon which such agreement must be executed, provided, however, such condition may be waived by HACR.

“Site Map” means the site map attached hereto as Attachment No. 2.

“Successor Agency” is defined in Recital C.

“Tax Credit Investor” shall mean a limited partner entity admitted to a Partnership Assignee.

“Tax Defaulted Parcel” shall mean that certain real property described as APN 751-160-015.

“TCAC” shall mean the California Tax Credit Allocation Committee.

“Term” means the term of this DDLA, which shall commence upon Effective Date and end upon such date as the DDLA is terminated in accordance with the provisions set forth herein, or, if not so terminated, upon such date as to each Phase as is fifty-five (55) years from the date of recordation of the Notice of Completion in the Official Records for the last building built in such Phase.

“Title Company” means First American Title Insurance Company, or another title insurance company mutually agreed upon by HACR and CVHC.

“Unit” means each of the approximately one hundred sixty (160) residential units required to be developed by Developer on the Property in accordance with this DDLA.

“Unit Credit” is defined in Section 4.1(e).

### **Section 1.3            Purpose of Agreement**

The purpose of this DDLA is to effectuate HACR’s requirement that the Property be used to provide affordable housing in furtherance of HACR’s public purpose and its role as Housing Successor. A portion of the Units located on the Property shall be rented to and occupied by Extremely Low Income Households and Low Income Households, as specified herein, at an Affordable Rent during the Affordability Period. An additional purpose of this DDLA is to insure that the development of the Commercial Property results in necessary services being available to residents of the affordable housing project. The development and use of the Property and the Commercial Property pursuant to this DDLA, and the fulfillment of this DDLA, are in the vital and best interests of the HACR and the County and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of applicable Governmental Requirements.

### **Section 1.4            HACR**

(a) HACR is a public body corporate and political. The principal office of HACR is located at 5555 Arlington Avenue, Riverside, California 92504.

(b) “HACR” as used in this DDLA includes the Housing Authority of the County of Riverside and any assignee of or successor to its rights, powers and responsibilities.

**Section 1.5**            **CVHC or Developer**

CVHC is Coachella Valley Housing Coalition, a California nonprofit public benefit corporation. The principal address of CVHC for purposes of this DDLA is 45-701 Monroe Street, Suite G, Indio, CA 92201. Whenever the term "CVHC" or "Developer" is used herein, it shall mean and include CVHC as of the date of this DDLA, and any assignee of or successor to the rights, powers and responsibilities of CVHC permitted by this DDLA, and any assignee of or successor to all or a portion of the Master Property or any Phase, including, without limitation, any Partnership Assignee.

**Section 1.6**            **Assignments and Transfers**

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

(b) Except for a Permitted Transfer, neither CVHC nor Developer shall assign all or any part of this DDLA, the Master Property or any interest herein with respect to any Phase, without the prior written approval of HACR.

(c) For the reasons cited above, CVHC or Developer, as applicable, represents and agrees for itself and any successor in interest that, without the prior written approval of HACR, there shall be no significant change in the management or ownership of CVHC or Developer, by any method or means, except Permitted Transfers.

(d) Any assignment or transfer of this DDLA or the Master Property or any interest herein or significant change in ownership of CVHC or Developer, other than certain Permitted Transfers or as permitted below in subsection (g), shall require the prior written approval of HACR, which shall not be unreasonably withheld or delayed. To the extent HACR approval of an assignment or transfer is required by this DDLA, in granting or withholding its approval, HACR shall base its decision upon the relevant experience, financial capability and reputation of the proposed assignee or transferee and the effect, if any, of such proposed transfer on the public purposes of this DDLA.

(e) CVHC or Developer, as applicable, shall promptly notify HACR of any and all changes whatsoever in the identity of the parties in control of CVHC or Developer or the role thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. Except for Permitted Transfers, this DDLA may be terminated by HACR with

respect to any Phase which has not yet been assigned to a limited partnership or other entity as a Permitted Transfer, if there is any significant change, (voluntary or involuntary) in membership, management or control, of CVHC (other than such changes occasioned by the death or incapacity of any individual) prior to Closing of a Phase.

(f) Any assignments or transfers approved by HACR shall be evidenced by the assignor's, assignee's, and HACR's execution of an assignment and assumption agreement in such form and substance as may be approved by HACR and its counsel.

(g) It is the intention of CVHC to transfer the rights and obligations for each Phase to a limited partnership or other entity in which CVHC will exercise managerial control of such entity. Permitted Transfers of the rights and obligations hereunder to a limited partnership (a "**Partnership Assignee**") prior to or concurrently with the Closing of the First Phase or Second Phase shall not require the consent of HACR but shall be evidenced by CVHC's, assignee's and HACR's execution of an assignment and assumption agreement and consent in such form as is approved by HACR, a fully-executed copy of which shall be delivered to HACR on or prior to Closing of the Conveyance of the Parcels constituting the First Phase or Second Phase. Such assignment shall provide for the assignment by CVHC, and the assumption by the Partnership Assignee, of all of CVHC's rights and obligations hereunder with respect to the applicable Phase. Notwithstanding anything to the contrary contained herein, once a Partnership Assignee has assumed CVHC's obligations with respect to a Phase, a default by CVHC or another Permitted Transferee hereunder shall not constitute a default with respect to such non defaulting Partnership Assignee or the Phase which it owns.

(h) Permitted Transfers of the rights and obligations hereunder with respect to the Commercial Phase to an entity other than a Partnership Assignee prior to or concurrently with the Closing of the First Phase shall not require the consent of HACR but shall be evidenced by CVHC's, assignee's and HACR's execution of an assignment and assumption agreement and consent in such form as is approved by HACR, a fully-executed copy of which shall be delivered to HACR on or prior to Closing of the Conveyance of the Parcels constituting the First Phase and the Commercial Phase. Such assignment shall provide for the assignment by CVHC, and the assumption by the assignee, of all of CVHC's rights and obligations hereunder with respect to the Commercial Phase. Notwithstanding anything to the contrary contained herein, once an assignee has assumed CVHC's obligations with respect to the Commercial Phase, a default by CVHC or another Permitted Transferee hereunder shall not constitute a default with respect to such non defaulting assignee or the Commercial Phase.

(i) Except for a transfer described in (g) or (h) above and all Permitted Transfers, Developer shall promptly reimburse HACR for its reasonable attorneys' fees and costs for any transfer or proposed transfer of all or any portion of the Master Property or the rights and obligations set forth herein.

## **ARTICLE 2      DISPOSITION OF THE MASTER PROPERTY**

### **Section 2.1      Conveyance of the Master Property; Purchase Price**

At such time as all conditions precedent to the Conveyance of a Parcel constituting a Phase in Section 2.15A below have been satisfied, in consideration for the covenants, representations, and warranties provided herein by Developer and upon receipt by HACR of the

Purchase Price for such Parcel, HACR shall convey the applicable Parcel to Developer and Developer shall accept the Property in an "as-is" condition and in accordance with the terms and conditions set forth herein and for the purposes set forth herein.

The Board of Commissioners approved this DDLA and the sale of the Master Property to Developer, and no further action shall be required by the Board of Commissioners in order to convey a Parcel constituting a Phase to Developer provided that such Conveyance is made in accordance with the terms and conditions hereof. The HACR Executive Director may execute any and all documents necessary to transfer a Parcel to Developer without further Board of Commissioners approval or action.

The Purchase Price for each Parcel constituting the First Phase or Second Phase shall be paid by the Partnership Assignee pursuant to a Promissory Note secured by a Deed of Trust recorded against the Parcel (each a "Seller Loan"). HACR shall make a Seller Loan in an amount equal to the purchase price for the Parcel, which purchase price shall not to exceed fair market value for the Parcel.

The Purchase Price for each Parcel constituting the Commercial Property shall be paid by Developer to HACR in cash or immediately available funds upon the Closing of the First Phase and the Commercial Phase, which shall close concurrently.

#### **Section 2.2 Termination of Agreement**

Subject to the notice and cure provisions set forth in Section 5.1 and to the enforced delay provisions set forth in Section 6.4 of this DDLA, HACR at its option may terminate this DDLA with respect to a Phase pursuant to Sections 5.8 and 5.9 if any of the conditions precedent to the conveyance of the applicable Parcel are not satisfied by CVHC or waived in writing by HACR by the Outside Closing Date for such Phase. Notwithstanding the foregoing, the right of HACR to terminate this DDLA pursuant to this Section 2.1.1 shall apply only to an individual Phase for which a condition precedent to transfer is not timely met within the time period provided in the Schedule of Performance for such Phase and for any future Phases for which HACR has not yet transferred title to such Parcel(s) to a Partnership Assignee or other Permitted Transferee.

#### **Section 2.3 Escrow**

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

#### **Section 2.4 Possession of Property Upon Close of Escrow**

(a) Conveyance of a Parcel shall occur upon Closing on or before the Outside Closing Date for such Phase, or such later date as mutually agreed to in writing by HACR and Developer and communicated in writing to the Escrow Agent pursuant to Section 2.2 herein.

(b) Possession of the Parcel shall be delivered to CVHC immediately following the Close of Escrow for such Parcel, except that access and entry may be granted before the Close of Escrow pursuant to Section 2.12 of this DDLA.

**Section 2.5 Form of Deed**

HACR shall convey title to a Parcel to CVHC in the condition provided in Section 2.5 of this DDLA, by a Grant Deed substantially in the form of **Attachment No. 5**, incorporated herein by this reference.

**Section 2.6 Condition of Title**

HACR shall convey to Developer each Parcel free and clear of all liens, encumbrances, covenants, restrictions, easements, leases, taxes and other defects; except those which are set forth in this DDLA and included in the Grant Deed and Agreement Containing Covenants (Including Rental Restrictions) or Agreement Containing Covenants (Commercial Property), as applicable, and those exceptions to title for the Master Property set forth in the Preliminary Title Report.

**Section 2.7 Closing Date**

Subject to any mutually agreed-upon extension of time, the Parties shall use commercially reasonable best efforts to satisfy all conditions precedent to the Closing for an applicable Phase prior to the Outside Closing Date for that Phase.

**Section 2.8 Title Insurance**

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

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

(c) At Closing, HACR, at Developer's cost, shall receive a 2006 A.L.T.A. lender's policy of title insurance in the amount of the Seller Loan and any HACR Loan, together with such endorsements as are reasonably requested by HACR insuring the Seller Loan and any HACR Loan secured by the Parcel(s) subject only to the liens of current property taxes and assessments and any exception to title which may be approved by HACR ("**HACR Lender's Policy**").

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

### **Section 2.9 Taxes and Assessments**

Ad valorem taxes imposed on a Parcel as to any period prior to the Closing shall be borne by HACR. All ad valorem taxes imposed on a Parcel as to any period after the Closing shall be the sole responsibility of and paid by Developer.

Developer acknowledges and agrees that HACR is relieved of any responsibility for payment of any and all assessments (but not ad valorem taxes) levied against a Parcel, including, but not limited to assessments levied by County or local water district (“Assessments”) which become due and payable after the Close of Escrow conveying the Property or Commercial Property to Developer. HACR shall pay any and all past due or current Assessments due and owing in connection with the Property or Commercial Property as of the Close of Escrow.

### **Section 2.10 Occupants of the Property**

HACR warrants and agrees that title to each Parcel shall be conveyed free of any possession and any right of possession, except as expressly waived in writing by Developer in writing, and the Permitted Exceptions.

### **Section 2.11 Condition of the Property**

#### **Section 2.11.1 Hazardous Substances**

(a) “Hazardous Materials” or “Hazardous Substances” shall include, but not be limited to, oil, flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, hazardous wastes, toxic or contaminated substances or similar materials, including, without limitation, any substances defined as “extremely hazardous substances,” “hazardous substances,” “hazardous materials,” “hazardous waste” or “toxic substances” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, including the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq. (“CERCLA”); the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801, et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §§ 6901, et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. §§ 2601 et seq.; the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. §§ 1251 et seq.; the Occupational Safety and Health Act, as amended, 29 U.S.C. §§ 651; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. §§ 801 et seq.; the Safe Drinking Water Act, as amended, 42 U.S.C. §§ 300f et seq.; and those substances defined as “hazardous waste” in § 25117 of the California Health and Safety Code, as “infectious waste” in § 25117.5 of the California Health and Safety Code, or as “hazardous substances” in § 25316 of the California Health and Safety Code, or “hazardous materials” as defined in § 353 of the California Vehicle Code; waste that exhibits the characteristics set forth in § 25141 (b) of the California Health and Safety Code; and in the regulations adopted and orders and publications promulgated pursuant to said laws. Hazardous Materials shall expressly exclude substances typically used in



the construction, development, operation and maintenance of an apartment complex provided such substances are used in accordance with all applicable laws.

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

(c) Within seven (7) business days of written request by Developer, HACR shall deliver to Developer, if not previously delivered, all documents relevant to the condition of the Master Property within HACR's or the County's possession, including, environmental reports, studies, surveys, and all other relevant documents within HACR's possession (collectively referenced as "Documents"). Neither HACR nor the County warrants the accuracy of the Documents or that the Documents constitute all documents that may exist regarding the conditions of the Master Property. CVHC shall conduct its own inquiry to determine if more information is available.

(d) Developer shall execute and deliver to HACR an Environmental Indemnity substantially conforming in form and substance to the Environmental Indemnity attached hereto as **Attachment No. 9** as a condition precedent to HACR's conveyance of any Parcel.

#### **Section 2.12 Suitability of the Property**

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

(b) Each Phase shall be accepted by Developer in an "as is" physical condition, with no warranty, express or implied by HACR as to the presence of Hazardous Substances, or the condition of the soil, its geology or the presence of known or unknown faults. Notwithstanding the foregoing, if prior to Close of Escrow on a Phase the condition of the Property or Commercial Property is not in all respects entirely suitable for the use or uses to which such Property or Commercial Property will be put, then HACR and CVHC shall meet and confer in order to determine which party shall be responsible for the costs to place the Property or Commercial Property in all respects in a condition entirely suitable for the development thereof. If the Parties are unable to agree on responsibility for mitigation, then Developer shall have the right to terminate this DDLA with respect to such Phase. Developer shall have the right, in its sole discretion, to determine if a Parcel is an acceptable condition for acceptance of fee title by a Partnership Assignee or similar entity.

(c) Effective upon Closing of a Phase, Developer will indemnify, defend and hold harmless HACR, the County of Riverside, and their respective agencies, districts, special districts and departments, directors, officers, governing Boards, elected and appointed officials, employees, agents and representatives (collectively, the "**HACR Indemnitees**"), by executing and delivering an Environmental Indemnity (**Attachment No. 9**) in connection with such Phase.

(d) On and after the Closing of a Phase, Developer hereby waives, releases and discharges the HACR Indemnitees, from any and all present and future claims, demands, suits, legal and administrative proceedings, and from all liability for damages, losses, costs, liabilities, fees and expenses (including, without limitation, attorneys' fees) arising out of or in any way connected with HACR's or Developer's use, maintenance, ownership or operation of the applicable Phase, any Hazardous Substances on the applicable Parcel, or the existence of Hazardous Substances contamination in any state on the applicable Parcel, however the Hazardous Substances came to be placed there, except that arising out of the gross negligence or willful misconduct of HACR, its directors, officers, elected and appointed officials, employees, agents and representatives. Developer acknowledges that it is aware of and familiar with the provisions of § 1542 of the California Civil Code which provides as follows:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”**

To the extent of the release set forth in this Section 2.12, Developer hereby waives and relinquishes all rights and benefits which it may have under § 1542 of the California Civil Code.

**Section 2.13 Property Access Prior to Close of Escrow**

Beginning on the Effective Date of this DDLA and ending at the Closing for a Phase, CVHC and representatives of CVHC shall have the right of access to and entry upon the Property and/or Commercial Property subject to execution of a License Agreement in a form provided by HACR for the purpose of performing customary due diligence on the Property and/or Commercial Property.

**Section 2.14 Method of Financing**

Development of each Phase shall be financed with a combination of sources of financing, as further detailed in the Method of Financing, attached hereto as **Attachment No. 3** and incorporated herein by this reference. Developer shall pay all costs to obtain such financing, develop, construct and operate each Phase as required by this DDLA and any Governmental Authority. Within the time period set forth in the Schedule of Performance, CVHC shall submit to HACR a Project Budget and supporting documentation evidencing the Method of Financing for the applicable Phase.

**Section 2.15 Representations and Warranties**

As an inducement to HACR to enter into this DDLA and consummate the transactions described herein, Developer hereby represents and warrants to HACR, which representations and warranties are true and correct as of the date of this DDLA and any Closing, and which shall survive the Close of Escrow for each Phase:

(a) Developer is duly organized, validly existing and in good standing under the laws of the State of California and has the power and authority to own property and carry on its

business as now being conducted and as contemplated hereby. The copies of the documents evidencing the organization of Developer delivered to HACR are true and correct copies of the originals as of the Effective Date and Closing. Developer has the legal power, right and authority to enter into this DDLA and the instruments referenced herein, and to satisfy all obligations of the Developer in this DDLA or in any instrument or document referred to herein (referred to collectively as the **“Developer’s Obligations”**);

(b) This DDLA and all documents required hereby to be executed by Developer are, and shall be, valid, legally binding obligations of and enforceable against Developer in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally. Upon Closing, Developer will hold fee title to the Property and/or Commercial Property. The parties who have executed this DDLA and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this DDLA are authorized to execute and deliver the same on behalf of Developer and all actions required under Developer’s organizational documents and applicable governing law for the authorization, execution, delivery and performance of this DDLA and all other documents or instruments executed and delivered, or to be executed and delivered pursuant hereto, have been duly taken;

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

(d) There is no action, suit, or proceeding at law or in equity or by or before any governmental instrumentality or other county now pending, or, to the knowledge of Developer, threatened against or affecting Developer, or any properties or rights or ability of Developer, which, if adversely determined, would materially impair the right of Developer to execute or perform any of the Developer’s Obligations, or would materially adversely affect the financial condition of Developer;

(e) Developer does not have any contingent obligations or any contractual agreements which could adversely affect the ability of Developer to carry out its obligations hereunder. Neither the execution and delivery of this DDLA, including any attachments hereto or documents related to this DDLA, nor the incurrence of the Developer’s Obligations, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this DDLA and the documents referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreements or instruments to which Developer is a party;

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

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

(h) No representation, warranty or statement of Developer in this DDLA or any Project Budget submitted to HACR pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading. No representation, warranty or statement contained in materials submitted to HACR pursuant hereto, which materials were drafted, generated or authored by a third party will, to Developer's actual knowledge, contain or will contain any untrue statement of a material fact or omit or will omit to state a material fact necessary to make the statements or facts contained therein not misleading.

Developer's representations and warranties made in this Section 2.14 shall be continuing and shall be true and correct as of the date of the Close of Escrow for a Phase with the same force and effect as if remade in a separate certificate at that time. The truth and accuracy of the Developer's representations and warranties made herein shall constitute a condition precedent for the benefit of HACR to the performance of HACR's obligations hereunder.

#### **Section 2.16 Conditions Precedent to the Close of Escrow for a Phase**

##### **(a) Conditions for the benefit of HACR**

The Close of Escrow for a Phase shall occur no later than the applicable Outside Closing Date and is conditioned upon the occurrence of each of the following conditions on or prior to the date set forth in the applicable Schedule of Performance (**Attachment No. 4**), unless otherwise waived in writing by HACR's Executive Director. Closing on any Phase shall deem all conditions precedent satisfied as to that Phase. The Conveyance of the Commercial Property shall occur concurrently with the Closing for the Conveyance of the First Phase.

1. This DDLA shall be in full force and effect with respect to such Phase.
2. The Master Property shall have been subdivided into at least four separate legal parcels and the Title Company shall have provided legal descriptions and preliminary title reports for each legal Parcel. The legal Parcel constituting the First Phase shall include the Tax Defaulted Parcel.
3. Partnership Assignee and CVHC shall have executed an assignment and assumption of this DDLA with respect to the Phase.
4. Developer shall have timely (unless such timely performance has been waived by the Executive Director) and duly performed each and every obligation to be performed by Developer hereunder with respect to such Phase prior to the Close of Escrow.
5. Developer's representations, warranties and covenants set forth in this DDLA shall be true and correct as of the date of the Close of Escrow.
6. Developer shall not be in default under this DDLA.

7. The Title Company shall be irrevocably committed to issue a standard A.L.T.A. form Lender's Title Insurance Policy to the lender of any Loan, including, without limitation, to HACR for any Seller Loan or HACR Loan in connection with such Phase, or such other title insurance as the Parties may request pursuant to Section 2.7 of this DDLA.
8. Developer shall have submitted to HACR Evidence of Insurance as required by this DDLA.
9. Developer shall have timely (unless such timely performance has been waived by the Executive Director) submitted to HACR, and HACR shall have approved, a Project Budget for the First Phase or Second Phase, as applicable, Evidence of Financing for the First Phase or Second Phase, as applicable, and related financing documents, as well as any preliminary marketing or management plans the First Phase or Second Phase, as applicable, as may be reasonably required by HACR.
10. Developer shall have delivered documentation relating to the corporate, partnership, limited liability or other similar status of Developer, and Partnership Assignee's general partner(s), including, without limitation and as applicable: limited partnership agreements and any amendments thereto; articles of incorporation; Limited Liability Company Articles of Incorporation (LLC-1); Statement of Information and Operating Agreement (including any amendments thereto); copies of all resolutions or other necessary actions taken by such entity to authorize the purchase of the Phase Property and the execution of this DDLA and related documents; a certificate of status issued by the California Secretary of State; and a copy of any Fictitious Business Name Statement, if any, as published and filed with the Clerk of the County of Riverside.
11. With respect to the First Phase and Second Phase, Developer shall have obtained and delivered to HACR (i) payment and performance bonds from responsible sureties admitted in the State of California in the amount of 100% of the construction costs of the Project Phase and naming HACR as co-obligee, and (ii) such other evidence satisfactory to HACR in such form as reasonably required by HACR insuring the lien free completion of the Phase in accordance with and subject to the terms and conditions of this DDLA.
12. Escrow Agent shall have approved such supplemental recording instructions as may have been prepared on behalf of HACR.
13. With respect to the First Phase and Second Phase, the Construction Contract for the Phase shall be fully executed.
14. HACR, Developer and/or other parties, as appropriate, shall have executed and delivered to the Escrow Agent, and be in a position to file or record, as appropriate, the following documents:

- A. **Agreement Containing Covenants (Including Rental Restrictions)** (substantially in the form of **Attachment No. 11**, to be signed and acknowledged by the Partnership Assignee and HACR) with respect to the First Phase and Second Phase, or an **Agreement Containing Covenants (Commercial Property)** (substantially in the form of **Attachment No. 13**, to be signed and acknowledged by Developer and HACR) with respect to the Commercial Phase;
  - B. **Notice of Affordability Restrictions** (substantially in the form of **Attachment No. 10**, to be signed and acknowledged by the Partnership Assignee and HACR) with respect to the First Phase and Second Phase;
  - C. **Environmental Indemnity** (substantially in the form of **Attachment No. 9**, to be signed by the Developer);
  - D. **Escrow Instructions** (to be signed by HACR and the Developer);
  - E. **Promissory Note** (substantially in the form of **Attachment No. 14**, to be signed by Partnership Assignee) in the amount of the Seller Loan for such Phase plus, with respect to the First Phase, the amount of the HACR Loan;
  - F. **Deed of Trust** (substantially in the form of **Attachment No. 15**, to be signed by HACR and Partnership Assignee) in the amount of the Promissory Note given by Developer for each Phase;
  - G. With respect to the First Phase and Second Phase, subordination agreements and assignments of the management agreement, any operating subsidy or such other assignments as may be reasonably requested by HACR in such form as is required by HACR; provided, however, HACR acknowledges that any such assignments shall be subordinate to any agreements or assignments required by a senior Lender or tax credit investor;
  - H. Any other document or amendment to this DDLA or any attachment hereto reasonably required by HACR; and
  - I. With respect to the First Phase and Second Phase, all documents required by any other party providing financing for the applicable Phase, including, without limitation, Loan documents, deeds of trust, regulatory agreements and subordination agreements.
15. With respect to the Closing of the First Phase, Developer shall have deposited the Purchase Price for the Commercial Property into Escrow in immediately available funds.

16. Prior to or concurrently with the Closing of the First Phase, HACR shall have obtained title to the Tax Defaulted Parcel.
17. Developer shall have obtained all Entitlements and a Building Permit for the Phase, and satisfied the requirements of Sections 3.1 and 3.2 hereof.

When all conditions precedent have been satisfied, Executive Director shall execute and submit to the Escrow Agent a written statement or other form of written authorization stating that all conditions precedent to the Close of Escrow and recording of the documents have been satisfied or waived, if such be the case.

(b) Conditions for the benefit of Developer

Developer's obligation to effect a Close of Escrow for any Phase hereunder is conditioned upon the satisfaction of all of the conditions set forth in this Section 2.15(b), which conditions are for the benefit of Developer, in addition to the other conditions to Developer's obligations provided for elsewhere in this DDLA. Developer may waive any or all of such conditions in whole or in part, but any such waiver shall be effective only if made in writing. Closing on any Phase shall deem all conditions satisfied as to that Phase.

1. HACR shall have duly performed each and every obligation to be performed by HACR hereunder with respect to such Phase prior to the Close of Escrow and HACR's representations, warranties and covenants set forth in this DDLA shall be true and correct as of the date of the Close of Escrow;
2. HACR shall not be in default under this DDLA;
3. The Title Company shall be committed to issue a standard A.L.T.A. form Owner's Title Insurance Policy to Developer or such other title insurance as the Parties may request pursuant to Section 2.7 of this DDLA;
4. HACR, Developer and/or other parties, as appropriate shall have executed and delivered to Escrow Agent, and be in a position to file or record, as appropriate, the following documents:
  - A. **Agreement Containing Covenants (Including Rental Restrictions)** (substantially in the form of **Attachment No. 11**, to be signed and acknowledged by the Partnership Assignee and HACR) with respect to the First Phase and Second Phase, or an **Agreement Containing Covenants (Commercial Property)** (substantially in the form of **Attachment No. 13**, to be signed and acknowledged by Developer and HACR) with respect to the Commercial Phase;
  - B. **Notice of Affordability Restrictions** (substantially in the form of **Attachment No. 10**, to be signed and acknowledged by Partnership Assignee and HACR) with respect to the First Phase and Second Phase;
  - C. Escrow Instructions (to be signed by HACR and Developer); and

- D. Grant Deed (substantially in the form of **Attachment No. 5**, to be signed and acknowledged by Developer and HACR).
5. Developer shall have obtained adequate financing for the construction of the applicable Phase on terms and conditions acceptable to Developer in its sole discretion.
6. Developer shall have determined in its sole discretion that the applicable Parcel is in an acceptable environmental condition with respect to the presence of any Hazardous Materials.

**Section 2.17 Failure of Conditions to Close of Escrow**

In the event any of the conditions precedent to the Close of Escrow for the conveyance of a Parcel constituting a Phase by HACR to Developer are not timely satisfied in accordance with the Schedule of Performance and/or waived by the party for whose benefit the condition was made, or the Developer is unable to purchase the Commercial Property concurrently with the Closing of the First Phase, the following shall occur:

(a) The party for whose benefit the condition was made shall, subject to applicable notice and cure periods provide in Section 5.1, have the right to terminate this DDLA with respect to the applicable Phase or Phases, the Escrow and the rights and obligations of HACR and Developer hereunder, except as otherwise provided herein; and

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

(c) Neither party shall have any further rights or obligations hereunder with respect to such Phase except as otherwise provided herein.

In the event the Close of Escrow for a Phase terminates because of the non-satisfaction of any condition or the default of HACR or Developer under this DDLA, the cancellation charges, if any, required to be paid by and to Escrow Agent and the Title Company, shall be borne by the party in default.

**Section 2.18 HACR Loan**

Provided that Developer has submitted a draw request, along with supporting documentation such as paid invoices, for predevelopment expenses incurred for the First Phase and such draw request and supporting documentation has been approved by HACR, HACR shall disburse the proceeds of the HACR to Developer upon the Close of Escrow for the First Phase and the Commercial Phase in the amount of the approved draw request, which amount shall not exceed the amount of the HACR Loan. The amount of the HACR Loan shall not exceed the Purchase Price funds received by HACR for the purchase of the Commercial Property.



**Section 2.19 Evidence of Financing**

Within the time frame set forth in the applicable Schedule of Performance and prior to the Close of Escrow for the First Phase or the Second Phase, as applicable, Developer shall deliver to HACR a Project Budget for the First Phase or the Second Phase, as applicable, (i) accompanied by evidence satisfactory to HACR that Developer has obtained the financing necessary to pay all Development Costs and operations for such First Phase or Second Phase, as applicable, to be developed and constructed on the applicable Parcel in accordance with this DDLA, and (ii) that demonstrates to HACR, in its reasonable discretion, that such development and ongoing operation of the Phase are financially feasible (collectively, the "**Evidence of Financing**"). The financing sources for such First Phase or Second Phase, as applicable, shall be approved in accordance with the terms of the Method of Financing. The Evidence of Financing provided by Developer to support the Project Budget shall include the following:

- (a) A copy of all draft loan or other financing documents, including any Tax Credit award letters, a final Project Budget approved by HACR, Construction Lender and Permanent Lender, certified by Developer to be a true and correct copy or copies thereof;
- (b) A copy of the draft contract between Developer and the general contractor for the construction of the Improvements, certified by Developer to be a true and correct copy thereof; and
- (c) A copy of the draft partnership agreement of any Partnership Assignee.

**ARTICLE 3 DEVELOPMENT OF THE PROPERTY**

**Section 3.1 Land Use Approvals**

It is the responsibility of Developer, without any cost to HACR, to effect the division of the Master Property, into legal parcels constituting each Phase, and to ensure that zoning of each Parcel and all applicable County land use requirements will permit development and construction of the Improvements on such Parcel and the use, operation and maintenance of such Improvements in accordance with the provisions of this DDLA. If requested by Developer, HACR, in its capacity as the owner of the Master Property, shall reasonably and promptly cooperate with Developer in the submission of any and all applications related to the division of the Master Property or the Entitlements. Nothing contained herein shall be deemed to entitle Developer to any County permit or other County approval necessary for the development of a Phase of the Proposed Project, or waive any applicable County requirements relating thereto. This DDLA does not (a) grant any land use Entitlement to Developer, (b) supersede, nullify or amend any condition which may be imposed by the County in connection with approval of the development of the Proposed Project described herein, (c) guarantee to Developer or any other party any profits from the development of a Phase of the Proposed Project, or (d) amend any County laws, codes or rules. Developer acknowledges that this DDLA does not vest any development rights and that this is not a Development Agreement as provided in Government Code § 65864.

### **Section 3.2 Compliance with CEQA and Other Laws as Condition Precedent to Closing**

Prior to Closing of a Phase, Developer shall have performed all necessary final actions and obtained the final approvals for the development and construction of such Phase within the time frames set forth herein. Such final actions and approvals may include, but are not limited to the following: (i) completing requisite activities to comply with California Environmental Quality Act ("CEQA"), (ii) all final action and approvals for environmental and land use permits by Governmental Authorities having jurisdiction over the Property, and (iii) resolution or final adjudication of any legal challenges, including such challenges based on CEQA. This DDLA does not restrict the lead agency from considering any feasible mitigation measures and alternatives, including the "no project" alternative and does not bind the lead agency to any definite course of action prior to CEQA compliance. It shall be a condition to Close of Escrow for each Phase that the Master Property has been divided or reconfigured at Developer's cost in such a manner that such Phase may be separately financed and obtain title insurance.

Developer represents and warrants that after Close of Escrow for a Phase, the applicable Parcel and Improvements located thereon, including any portion thereof, shall comply with all applicable Governmental Requirements and all covenants or restrictions of record ("**Applicable Requirements**"). If the Property constituting such Phase does not comply with said Applicable Requirements, Partnership Assignee shall promptly rectify the same at Developer's expense.

Developer represents and warrants that each Phase will be developed in full compliance with all applicable CEQA requirements for new construction in the County. The commencement of any development and construction identified herein is contingent upon Developer obtaining all required environmental and land use permits, including CEQA compliance with any applicable public agencies. In the event any action is brought challenging the legality of compliance with CEQA or any other law applicable to a Phase or the Project, including any actions related to any of the proposed uses of the property or the DDLA, Developer shall indemnify, defend (with counsel reasonably acceptable to HACR), and hold harmless the HACR Indemnitees at its sole cost and expense (including but not limited to, reasonable attorney fees, cost of investigation, defense and settlements or awards), for, from and against any and all claims, actions, proceedings, demands, liabilities, costs, expenses, including reasonable attorney's fees and costs, damages and losses, cause or causes or action and suit or suits (collectively, "**Claims**") arising from or in connection with the failure to comply with such applicable law, or any action to attack, set aside, void, or annul any approvals of the County, any other Governmental Authority with jurisdiction over the Project or the Property, or HACR, its advisory agencies, or legislative body concerning this DDLA, including without limitation any challenge to CEQA compliance.

### **Section 3.3 Scope of Development**

The Master Property shall be developed in accordance with and within the limitations established in the Scope of Development attached hereto as **Attachment No. 6** and incorporated herein by reference, and any and all permits issued by County and other Governmental Authorities. Developer shall be solely responsible to pay all costs to develop and construct the Project on the Master Property pursuant to this DDLA, any Entitlements, and any requirements of a Governmental Authority. Except for the HACR Loan with respect to the First Phase, HACR shall not be obligated to provide any funds for the development of the Project or any Phase

thereof; provided, however, CVHC may request funding from HACR for development costs of some or all of the Phases, though HACR shall have no obligation to provide such funding.

#### **Section 3.4 Basic Concept, Schematic Drawings and Related Documents**

(a) Developer shall prepare and submit to HACR and for approval and review (including, but not limited to, architectural review) the following documents within the time frame set forth in the applicable Schedule of Performance: (i) schematic drawings and related documents for the development of a Phase, and (ii) construction plans for the development of a Phase, collectively referred to herein as “Plans”.

(b) Each Phase shall be developed as established in the basic concept and schematic drawings and related documents for such Phase.

(c) Final drawings, Plans, and specifications are hereby defined as those in sufficient detail to obtain a Building Permit (“Final Plans”). Final Plans will be delivered to HACR within the time frame set forth in the Schedule of Performance.

#### **Section 3.5 Landscaping and Grading Plans**

The landscaping plans for each Phase shall be prepared by a professional landscape architect and the grading plans shall be prepared by a licensed civil engineer. Such landscape architect and/or civil engineer may be the same firm as Developer’s architect.

#### **Section 3.6 Architects**

Developer shall employ a licensed architect in connection with the design and construction of each Phase.

#### **Section 3.7 Cost of Construction**

The cost of developing and constructing the Improvements on the Property, including any offsite or onsite improvements required by any Governmental Authority in connection therewith, shall be the responsibility of Developer without any cost to HACR. Developer shall be responsible for paying all Development Costs. If the Construction Lender requires issuance of payment and performance bonds for either the First Phase or the Second Phase, Developer shall take commercially reasonable steps to cause HACR to be named as an additional obligee on any such bonds.

#### **Section 3.8 Schedule of Performance**

(a) Developer and HACR shall perform all acts respectively required of such party in this DDLA within the times provided in the applicable Schedule of Performance. The Schedule of Performance for the First Phase is attached hereto as **Attachment No. 4**. Each Phase shall have its own Schedule of Performance which shall be in the substantially same form as the First Phase schedule attached here. The Schedule of Performance for the Commercial Phase and the Second Phase shall be established between Developer and HACR by the time set forth in the Schedule of Performance.

(b) Developer shall begin and complete and/or cause Completion of all construction and development for a Phase within the times specified in the applicable Schedule of Performance, with such reasonable extensions of said times as may be granted by HACR as provided herein and subject to Force Majeure.

(c) Each party to this DDLA shall perform the obligations to be performed by such party pursuant to this DDLA within the respective times provided in the applicable Schedule of Performance (**Attachment No. 4**) and if no such time is provided, within a reasonable time. Each Schedule of Performance shall be subject to amendment from time to time upon the mutual agreement of HACR and Developer. The Executive Director, on behalf of HACR, and without referring such matter to the Board of Commissioners may extend all pending deadlines in the Schedule of Performance up to four (4) occasions for a total of no more than twelve (12) months for an individual line item within the Schedule of Performance. The Executive Director, on behalf of HACR, and without referring such matter to the Board of Commissioners may extend the Outside Closing Date for each Phase up to a total of three (3) years; provided, however, that any additional extensions and any extension of an Outside Closing Date for any Phase past December 31, 2028 shall be subject to review and shall require approval by the Board of Commissioners.

(d) After the Closing for a Phase, Developer shall promptly begin and thereafter diligently prosecute to Completion or cause diligent Completion of the construction of the Improvements as provided herein and in the Scope of Development for such Phase.

(e) During periods of construction, Developer shall submit to HACR a written report of the progress of construction when reasonably requested by HACR. The report shall be in such form and detail as may be reasonably required by HACR and shall include a reasonable number of construction photographs (if requested) taken since the last report by Developer.

### **Section 3.9 Local, State, and Federal Laws**

(a) Developer shall carry out development and construction (as defined by applicable law) or cause the development and construction (as defined by applicable law) of the Improvements on the Property, including, without limitation, any and all public works, (as defined by applicable law), if any, in conformity with all applicable Governmental Requirements.

(b) Prevailing wages are required for work done that falls within the definition of "public works" under California Labor Code §1720. "Public works" are defined as "construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds..." For those projects which are "public works" pursuant to Labor Code § 1720.2, the following applies:

Developer shall require that any contractor performing work on the Improvements, shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code, as may be amended from time to time, which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts. Developer shall require that the general contractor shall furnish all subcontractors and employees a copy of the Department of Industrial Relations prevailing wage rates which Developer will post at the job site. All prevailing wage rates shall be obtained from:

Department of Industrial Relations, Divisions of Labor Statistics and Research  
455 Golden Gate Avenue, 8th Floor  
San Francisco, CA 94102

Developer shall require that any contractor performing work on the Improvements shall comply with the payroll record keeping and availability requirement of §1776 of the Labor Code. Developer shall require that each contractor shall make travel and subsistence payments to workers needed for performance of work in accordance with §1773.8 of the Labor Code. Prior to commencement of work, Developer shall require that each contractor shall contact the Division of Apprenticeship Standards and comply with §1777.5, §1777.6 and §1777.7 of the Labor Code and applicable regulations. Developer shall indemnify, hold harmless, and defend the HACR Indemnitees against, and shall be responsible for, any fine, penalty or fee levied against the Property arising out of any violations by Developer of this Section. Developer shall comply and stay current with all applicable local, state and federal building codes and laws as from time to time amended, including, but not limited to, the Americans with Disabilities Act requirements. Developer shall cause all improvements to be completed at Developer's cost in a workmanlike manner and in compliance with all applicable law.

(c) Developer shall be responsible for obtaining all Permits and land use approvals required by the County for the construction of the Improvements, ensuring that the use of the Property for the purposes described in this DDLA complies with the zoning and other County land use regulations (including any applicable exemptions and/or exceptions) applicable to the Property at the time of Closing.

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

### **Section 3.10 Notice of Non-Responsibility**

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

### **Section 3.11 Nondiscrimination During Construction**

Developer agrees that during the construction of the Improvements provided for in this DDLA, Developer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

### **Section 3.12 Indemnification and Insurance**

CVHC shall indemnify and hold harmless the HACR Indemnitees from any damages, costs or liability whatsoever, based or asserted upon any actions, failure to act, or services of Developer, its officers, employees, subcontractors, agents or representatives, in connection with, arising out of or in any way relating to its ownership of any Parcel, development of any Phase, or any other activity engaged in in furtherance of this DDLA, including but not limited to property damage, bodily injury, or death or any other claim or damage of any kind or nature whatsoever. Developer shall defend the HACR Indemnitees, at its sole expense, including payment of all costs and fees relating to such defense, including, but not limited, to attorneys' fees, cost of investigation, defense and settlements or awards, in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by Developer, Developer shall, at 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 HACR; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Developer's indemnification obligations to the HACR Indemnitees as set forth herein.

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

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

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

The foregoing indemnity shall continue to remain in effect in the event this DDLA is terminated and after Completion of any Phase.

Without limiting or diminishing Developer's obligation to indemnify or hold HACR Indemnitees harmless, each Partnership Assignee shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages commencing upon Close of Escrow for such Partnership Assignee's Phase.

a) **Worker's Compensation Insurance.** If Developer has employees as defined by the State of California, Developer shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. The 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 HACR, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

b) **Commercial General Liability Insurance.** Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of Developer's performance of its obligations hereunder. The policy shall name the HACR, County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Commissioners, employees, elected or appointed officials, agents or representatives as Additional Insured. The 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 DDLA 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 DDLA, then Developer shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this DDLA or be no less than two (2) times the occurrence limit. The policy shall name the HACR, County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Commissioners, employees, elected or appointed officials, agents or representatives as Additional Insured or provide similar evidence of coverage approved by County's Risk Manager ("**Risk Manager**").

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

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

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

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

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

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

4. It is understood and agreed to by the parties hereto that Developer's insurance shall be construed as primary insurance, and HACR'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 DDLA or any extension thereof, there is a material change in the scope of services or there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.), then HACR reserves the right to adjust the types of insurance required under this DDLA and the monetary limits of liability for the insurance coverage's currently required herein, if; in Risk Manager's reasonable judgment, the amount or type of insurance carried by Partnership Assignee has become inadequate.

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

Developer agrees to notify HACR 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 DDLA.



### **Section 3.13 Disclaimer of Responsibility by HACR**

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

### **Section 3.14 Rights of Access**

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

### **Section 3.15 Taxes, Assessments, Encumbrances and Liens**

Commencing upon the Closing for a Phase, Developer shall pay when due all real estate taxes and assessments assessed and levied on or against the Property constituting the Phase or any portion thereof. Developer shall not place, or allow to be placed, against the Property or any portion thereof, any loan, trust deed, encumbrance or lien other than for the Approved Financing for that Phase or as otherwise authorized by this DDLA. Developer shall remove, or shall have removed, any levy or attachment made on the Property (or any portion thereof), or shall assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder. Nothing herein contained shall be deemed to prohibit Developer from contesting the validity or amount of any tax, assessment, encumbrance or lien, or to limit the remedies available to Developer in respect thereto. The covenants of Developer set forth in this Section 3.15 relating to the placement of any unauthorized loan, trust deed, encumbrance or lien, shall remain in effect for the term of this DDLA.

### **Section 3.16 Prohibition Against Transfer**

The qualifications and identity of Developer are of particular concern to HACR. It is because of those qualifications and identity that HACR has entered into this DDLA with CVHC. No voluntary or involuntary successor in interest of CVHC or Developer shall acquire any rights or powers under this DDLA, nor shall CVHC or Developer make any total or partial sale, transfer, conveyance, assignment, subdivision, refinancing or lease of the whole or any part of the Master

Property or the Improvements thereon without prior written approval of HACR, except for Permitted Transfers as otherwise allowed under this DDLA, including, without limitation, Section 1.5.

**Section 3.17 No Encumbrances Except Approved Financing**

(a) Notwithstanding Section 3.16 (Prohibition Against Transfer), upon and after the Closing of the First Phase or the Second Phase, Developer shall have the right to encumber the applicable Parcel with one or more deeds of trust, but only for the purpose of securing a Loan of funds to be used for financing the Development Costs and other expenditures necessary and appropriate to develop the First Phase or the Second Phase which were included in the Project Budget for that Phase approved by HACR. Prior to Closing for the First Phase or the Second Phase, Developer shall submit a Project Budget for the First Phase or the Second Phase along with Evidence of Financing for the Phase for HACR's approval. Once approved, the financing set forth in the Project Budget shall constitute the "**Approved Financing**" for the Phase. Thereafter, prior to Completion: (1) Developer shall not have any authority to encumber the applicable Parcel for any purpose other than Approved Financing; (2) Developer shall obtain the consent of HACR, in writing, in advance of any proposed financing other than financing included in the Approved Financing; and (3) Developer shall not enter into any agreements for non-Approved Financing requiring a conveyance of security interests in the First Phase or the Second Phase, as applicable, without the prior written approval of HACR.

(b) Except for liens securing the Approved Financing at Closing, Developer shall promptly notify HACR of any security interest created or attached to the First Phase or the Second Phase whether by voluntary act of Developer or otherwise.

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

(d) The Executive Director shall have the authority to make reasonable modifications to Sections 3.16 through 3.18 that may be requested by a Lender, provided such modification does not adversely affect the receipt of any material benefit by HACR hereunder. Upon the request of a Lender, the Executive Director shall execute from time-to-time such reasonable estoppel certificates to the extent they are consistent with the terms of this DDLA. Upon the request of HACR, Developer shall execute from time-to-time such reasonable estoppel certificates to the extent they are consistent with the terms of this DDLA. Developer shall use commercially reasonable efforts to require each Lender to provide estoppel certificates to HACR as may be requested from time to time.

(e) Notwithstanding the foregoing, Developer shall have a one-time right to refinance the Permanent Loan for the First Phase or the Second Phase, as applicable, upon written notice to HACR in accordance with this DDLA, if all net proceeds from such refinance are applied against the unpaid balance of the Permanent Loan, loan closing costs, and payment of deferred developer fee, and the debt service arising from such refinance does not materially reduce the residual receipts available for payment on the Seller Loan and, if applicable, the HACR Loan.

(f) HACR is not providing funding for the development of the Commercial Phase. Developer, therefore, shall have the ability to pursue and obtain financing for the Commercial Phase from any available source, public or private. Developer shall have the right to encumber

without the need for HACR approval the Commercial Property or any Improvements thereon with a mortgage, deed of trust, or any other security interest for the benefit of any person or entity providing financing for the development and/or operation of the Commercial Phase.

**Section 3.18 Lender Not Obligated to Construct Improvements**

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

**Section 3.19 Notice of Default to Lenders and Tax Credit Investor; Right of Lender and Tax Credit Investor to Cure Defaults**

Whenever HACR shall deliver any notice or demand to Developer with respect to any breach or default by Developer hereunder, HACR shall at the same time deliver to each Lender of record for such First Phase or Second Phase, as applicable, and the Tax Credit Investor for such Phase a copy of such notice or demand. Each such Lender shall (insofar as the rights of HACR are concerned) have the right at its option within ninety (90) days after the receipt of the notice, to cure or remedy, or commence to cure or remedy, any such default and to add the cost thereof to the security interest debt and the lien of its security interest. If such default shall be a default which can only be remedied or cured by such Lender upon obtaining possession of the applicable Parcel constituting such First Phase or Second Phase, as applicable, such Lender shall seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall remedy or cure such default within ninety (90) days after obtaining possession; provided that in the case of a default which cannot with diligence be remedied or cured, or the remedy or cure of which cannot be commenced within such ninety (90) day period, such Lender shall have such additional time as reasonably necessary to remedy or cure such default with diligence and continuity not to exceed one hundred and twenty (120) days. Any Lender who forecloses on its Loan, or is assigned or otherwise succeeds to Developer's rights under this DDLA, shall have the right to undertake or continue the construction or Completion of the Improvements for the Phase for which it has made a loan upon execution of a written agreement with HACR by which such Lender expressly assumes Developer's rights and obligations under this DDLA with respect to such Phase, approval of which agreement shall not be unreasonably withheld by HACR. Each Tax Credit Investor shall have the right to cure a default by Developer hereunder on the same terms and conditions as Developer.

**Section 3.20 Failure of Lender to Complete Improvements**

In any case where, one hundred and twenty (120) days after default by Developer to complete the Improvements for a particular Phase within the time frame required by the Schedule of Performance for such Phase, subject to all applicable notice and cure periods and Force Majeure, if the Lender has elected not to complete construction of the Improvements of the applicable Phase, HACR has the right, but not the obligation, to purchase the deed of trust or other security interest by payment to the holder of the full amount of the unpaid principal debt, plus any accrued and unpaid interest and other charges secured by the loan instrument approved in writing by HACR.

### **Section 3.21 Right of HACR to Cure Defaults**

In the event of a default or breach by Developer, subject to all applicable notice and cure periods, of the documents evidencing or governing a Loan encumbering a Parcel, HACR shall have the right, but not the obligation, to cure the default at any time prior to completion by a Lender of any foreclosure under its deed of trust. In such event, HACR shall be entitled to prompt reimbursement from Developer of all costs and expenses incurred by HACR in curing the default. HACR shall also be entitled to increase the balance due under its Promissory Note secured by the applicable Parcel, if any, to the extent of such costs and disbursements.

### **Section 3.22 Right of HACR to Satisfy Other Liens on the Property**

Prior to Completion and after Developer has had a reasonable time of no less than ninety (90) days to challenge, cure or satisfy any liens or encumbrances on its interest in a Parcel, HACR shall have the right, but not the obligation, to satisfy any such liens or encumbrances; provided, however, that nothing in this DDLA shall require Developer to pay or make provisions for the payment of any tax, assessment, lien or charge so long as Developer in good faith contests the validity or amount thereof, and so long as such delay in payment shall not subject the applicable Parcel to forfeiture or sale. In such event, HACR shall be entitled to prompt reimbursement from Developer of all costs and expenses incurred by HACR in satisfying any such liens or encumbrances. Any such lien shall be subordinate and subject to any Loan encumbering such Parcel.

## **ARTICLE 4 USE OF THE MASTER PROPERTY**

### **Section 4.1 Uses of the Property**

(a) Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, for the duration of the Affordability Period that Developer, such successors and such assignees shall use the Property only for the uses specified in the Seller Loan Documents, including without limitation, the Scope of Development and the Agreement Containing Covenants (Including Rental Restrictions), and all Governmental Approvals. No change in the use of the Property shall be permitted without the prior written approval of HACR.

(b) Notwithstanding the generality of Section 4.1(a), Developer shall use the Property only for the uses permitted in this DDLA, specifically including the following: (i) residential rental uses, and (ii) parking and ancillary uses consistent with this DDLA.

(c) The Project shall remain in compliance with all applicable Governmental Requirements for the duration of this DDLA and the Affordability Period.

(d) Residential Uses. For a period of fifty-five (55) years from the recordation in the Official Records of the Notice of Completion for the last building for which construction is completed for a Phase, Developer hereby covenants and agrees as follows:

(1) All of the Restricted Units in such Phase shall be continuously occupied or held vacant and made available solely to Extremely Low Income Households and Low Income Households for an Affordable Rent, as applicable for such Phase, in accordance

with the Schedule of Affordable Rents attached to Exhibit "C" of the Agreement Containing Covenants (Including Rental Restrictions) for the applicable Phase, and the rent limitations set forth herein;

(2) The maximum incomes of all tenants eligible to rent a Restricted Unit shall be determined in accordance herewith;

(3) No officer, employee, agent, official or consultant of Developer may occupy any of the Restricted Units; and

(4) The Restricted Units for a Phase shall remain continually affordable to Extremely Low Income Households and Low Income Households, as applicable for such Phase, for fifty-five (55) years from Completion of such Phase, pursuant to an Agreement Containing Covenants (Including Rental Restrictions) to be recorded at Closing against the Parcel constituting such Phase. The Agreement Containing Covenants (Including Rental Restrictions) shall contain a provision making the covenants and conditions of the agreement binding upon successors in interest of Developer. The Agreement Containing Covenants (Including Rental Restrictions) shall be recorded in the grantor-grantee index to the name of the property owner as grantee and to the name of HACR as grantor.

(5) Notwithstanding anything to the contrary herein, the affordability covenants (rent and income restrictions) contained in the Agreement Containing Covenants (Including Rental Restrictions) shall be senior to all security instruments for all loans secured against the Property. Upon the request of any Senior Lender, all other provisions of the Agreement Containing Covenants (Including Rental Restrictions) may be subordinated to the Senior Financing pursuant to a subordination agreement in a form to be approved by HACR in the Executive Director's reasonable discretion.

(e) Restricted Units in Each Phase. Developer covenants and agrees that forty-nine percent (49%) of the Units in each of the First Phase and Second Phase (excluding any Manager Unit) shall be restricted to occupancy by Households whose Gross Income do not exceed the amount established for a Low Income Household (collectively, the "**Restricted Units**") during the Affordability Period. At least thirty percent (30%) of the Restricted Units shall be held vacant for and restricted to occupancy by Extremely Low Income Households at an Affordable Rent during the Affordability Period. If in the First Phase, more than 30% of the Restricted Units are restricted to occupancy by Extremely Low Income Households pursuant to the Agreement Containing Covenants (Including Rental Restrictions) recorded at Closing for such First Phase, a credit shall be given toward the Second Phase for the number of Units restricted to occupancy by Extremely Low Income Households pursuant to the Agreement Containing Covenants (Including Rental Restrictions) in excess of thirty percent (30%) of the Restricted Units in the First Phase (the "**Unit Credit**"). As a result, the Agreement Containing Covenants (Including Rental Restrictions) recorded at Closing for the Second Phase shall restrict a number of Units equal to thirty percent (30%) of the Restricted Units in the Second Phase less the Unit Credit to occupancy by Extremely Low Income Households throughout the Affordability Period.

Due to the number of units and rounding, it may be that fewer than 49% of Units in a Phase will constitute Restricted Units. In such event, Developer and HACR agree that they will restrict the maximum number of Units not in excess of 49% for each Phase as Restricted Units.

(f) Parking. Developer on behalf of itself and its successors, assigns, and each successor in interest to Developer's interest in the Property or any part thereof, hereby covenants and agrees that the Affordable Rent for each of the Restricted Units shall include one non-tandem parking space located on the Parcel on which such Restricted Unit is located at no extra charge to the occupants or tenants.

#### **Section 4.2 Use of the Commercial Property**

(a) Developer covenants and agrees for itself, its successors, assigns and every successor in interest to the Commercial Property or any part thereof, that such successors and such assignees shall use the Commercial Property only for the uses specified in the Agreement Containing Covenants (Commercial Property) and all Governmental Approvals. No change in the use of the Commercial Property shall be permitted without the prior written approval of HACR.

(b) Notwithstanding the generality of Section 4.2(a), Developer shall use the Commercial Property only for the uses permitted in this DDLA, specifically including the following: (i) uses consistent with providing services for occupants of the First Phase and the Second Phase, and (ii) parking and ancillary uses consistent with this DDLA.

(c) The Project shall remain in compliance with all applicable Governmental Requirements for the duration of this DDLA and the Affordability Period.

(d) The Agreement Containing Covenants (Including Rental Restrictions) shall be recorded upon Closing of the Conveyance of the Commercial Property from HACR to Developer in the Official Records in the grantor-grantee index to the name of the property owner as grantee and to the name of HACR as grantor.

(e) Notwithstanding anything to the contrary herein, the use covenants (retail and commercial) contained in the Agreement Containing Covenants (Commercial Property) shall be senior to all security instruments for all loans secured against the Commercial Property. Upon the request of any Senior Lender, all other provisions of the Agreement Containing Covenants (Commercial Property) may be subordinated to the Senior Financing pursuant to a subordination agreement in a form to be approved by HACR in the Executive Director's reasonable discretion.

#### **Section 4.3 Maintenance of the Master Property**

In addition to the property maintenance requirements set forth in the Agreements Containing Covenants, Developer covenants and agrees that after Close of Escrow but prior to the commencement of construction of the Improvements for a particular Phase, Developer shall maintain and secure the applicable Parcel in accordance with reasonable vacant property management practices, and upon and after completion of construction for a particular Phase, Developer shall maintain the applicable Parcel and any improvements thereon and the landscaping on the applicable Parcel in a manner consistent with community standards which will uphold the value of the Parcel, in accordance with this DDLA and applicable provisions of the County of Riverside Ordinances (the "Codes"), as follows:

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

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

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

(d) Landscaping. All landscaping surrounding the Improvements constituting a Phase shall be maintained in a manner consistent with the Codes and any rules, regulations and standards adopted pursuant to the Codes.

(e) Maintenance by Developer. Developer shall, at its sole cost and expense, maintain and repair the Property and the Improvements thereon, keeping the same in good condition, subject to wear and tear, and making all repairs as may be required by this DDLA and the Code.

(f) Damage and Destruction Affecting Property -- Duty to Rebuild. If all or any portion the Improvements constituting a Phase is damaged or destroyed by fire or other casualty, if and to the extent insurance proceeds are available, it shall be the duty of Developer to rebuild, repair or reconstruct the Improvements in a timely manner to restore the Project to compliance with the Codes or the condition required by the County. Developer shall have no obligation to rebuild, repair or reconstruct the Improvements in excess of available insurance proceeds.

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

(h) Time Limitation. In the event of damage or destruction due to casualty, to the extent Developer is obligated to rebuild under subsection (f) above, Developer shall be obligated to proceed with all due diligence to commence reconstruction within one (1) year after the damage occurs and to complete reconstruction within a reasonable time after damage occurs, unless prevented by causes beyond the reasonable control of Developer as reasonably determined by HACR.

(i) Inspection. In the event HACR, in the sole discretion of the Executive Director, determines that the Developer has failed to maintain the Project in accordance with the requirements of this Section 4.3, HACR, or its designee, on two (2) weeks' prior written notice of any noted code violations and maintenance deficiencies (collectively, the "Deficiencies"), shall have the right, but not the obligation, to enter the Project, correct any Deficiency, and hold Developer responsible for the cost thereof. Any cost incurred by HACR to cure any such Deficiency, until paid by Developer, shall constitute a lien on the Project pursuant to Civil Code § 2881.

#### **Section 4.4 Monitoring and Monitoring Fee**

As to the First Phase and the Second Phase, Developer covenants and agrees to pay the Monitoring Fee on an annual basis in compliance herewith, and to prepare and submit all reports

required by the Agreement Containing Covenants (Including Rental Restrictions) no later than April 1 of each year during the Affordability Period, commencing on the first April 1 following the Completion of each Phase.

**Section 4.5 Obligation to Refrain from Discrimination**

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

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

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

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

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



practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land.”

In addition to the obligations and duties of Developer set forth herein, Developer shall, upon notice from HACR, promptly pay to HACR all fees and costs, including administrative and attorneys’ fees, incurred by HACR in connection with responding to or defending any discrimination claim brought by any third party and/or Governmental Authority, arising out of or in connection with this DDLA and/or the performance of Developer’s obligations hereunder, other than discrimination claims arising from the direct or indirect actions or inactions of HACR.

**Section 4.6 Effect and Duration of Covenants**

The covenants established in this DDLA shall, without regard to technical classification and designation, be binding on Developer and any successor in interest to the Master Property or any portion thereof for the benefit and in favor of HACR and its successors and assigns. The covenants shall remain in effect for a particular Phase for a period of fifty-five (55) years from the recordation of the Notice of Completion in the Official Records for the last building constructed as part of such Phase.

**Section 4.7 Effect of Violation of the Terms and Provisions of this Agreement**

HACR is deemed beneficiary of the terms and provisions of this DDLA and the covenants herein, both for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, for whose benefit this DDLA and the covenants running with the land have been provided. Subject to the notice and cure provisions of Section 5.1, HACR shall have the right, if the covenants contained in this DDLA are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this DDLA and covenants are entitled.

**ARTICLE 5      DEFAULTS, REMEDIES AND TERMINATION**

**Section 5.1 Defaults - General**

Subject to extensions of time approved in writing by the Parties, failure or delay by either party to timely perform, comply with or observe any of the conditions, provisions, terms, covenants or representations of this DDLA, including any of the Attachments or agreements entered into the form of an Attachment, shall constitute a default under this DDLA. In addition to the foregoing, the following shall constitute a default hereunder:

- i. After Construction Closing, and subject to applicable notice and cure periods, the occurrence of any default by Developer under the Construction Contract, Construction Loan Agreement, Permanent Loan, or any other financing secured by an interest in the Property which is not waived by the General Contractor or applicable lender; or
- ii. After Construction Closing, a court of competent jurisdiction enters an order enjoining construction of the Improvements, or such a court or an authorized governmental agency orders that leasing of the Project be suspended or halted, or any required approval,

license or permit is withdrawn or suspended, and the order, withdrawal or suspension remains in effect for a period of thirty (30) days; or

iii. After Construction Closing, and subject to applicable notice and cure periods, the occurrence of any material default by the Developer under any architectural contract for the Project, any engineering contract for the Project, or any other contract for or pertaining to the construction of the Improvements; or

iv. After Construction Closing, any surety obligated for the Developer or any Improvements is called upon to perform its obligations; or

v. After Construction Closing, and subject to applicable notice and cure periods, the occurrence of any material default by Developer under (i) any applicable Tax Credit Rules, or rules imposed by any other financing for the Project, or (ii) the Agreement of Limited Partnership or similar or related agreement entered into in connection with the syndication of the Tax Credits after the expiration of all notice and cure periods therein which is not waived by the counter party; or

vi. After Construction Closing, and subject to applicable notice and cure periods, the occurrence of any default by Developer under any of the Seller Loan Documents; or

vii. Developer fails to perform an act by the time set forth therefore in the Schedule of Performance, or, if no time is set forth, within a reasonable time, subject to a Force Majeure which qualifies for a delay; or

viii. A petition is filed in bankruptcy, or other bankruptcy or similar proceeding is commenced by or against Developer or any partner of Developer under any applicable bankruptcy, insolvency or similar law now or hereafter in effect which is not released within ninety (90) days; or

ix. After Construction Closing, the failure of Developer to consummate the funding of the Construction Loan, Permanent Loan, or any other financing approved by HACR within the time period required by such financing documents, subject to a Force Majeure which qualifies for a delay; or

x. After Construction Closing, and subject to applicable notice and cure periods, the failure of Developer to receive the installments of capital contributions in accordance with the terms and conditions of the Agreement of Limited Partnership.

As provided hereinbelow, the party who so fails or delays must immediately commence to cure, correct or remedy such failure or delay, and shall complete such cure, correction or remedy with diligence. The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the date of default.

Except as required to protect against further damages, the injured party may not institute legal proceedings against the party in default until an "Event of Default" (as such term is hereinafter defined) has occurred. For purposes of this DDLA, an "Event of Default" for purposes of instituting legal proceedings by a non-defaulting party against the defaulting party shall mean that a default as described above has occurred, and such default has continued uncured for thirty (30) calendar days after notice thereof is mailed, or, if the default cannot

reasonably be cured in thirty (30) calendar days, without the defaulting party commencing to diligently cure for thirty (30) calendar days after notice thereof in writing is mailed by the injured party to the defaulting party; provided, however, that if a different period or notice requirement is specified for any particular default under any other provision of this DDLA, including any of the Attachments, or any agreement referred to herein under which the default has occurred, the specific provision shall control; and provided further, that if such failure is not reasonably capable of being cured within such thirty (30) day or different period, despite the defaulting party's good faith and timely efforts, such time as is reasonably necessary to complete such cure but in no event shall such time exceed ninety (90) calendar days after notice thereof is mailed to the defaulting party.

The occurrence of an "Event of Default" hereunder shall entitle HACR to declare all amounts outstanding under the Promissory Note applicable to such Phase immediately due and payable, and pursue any other remedies permitted by law, which remedies may be exercised with respect only to such Phase for which an Event of Default has occurred. Prepayment of the Seller Loan, whether a result of a default or due to another occurrence, shall not result in a termination of the Developer's obligations under the Agreement Containing Covenants (Including Rental Restrictions). Notwithstanding anything to the contrary contained herein, an Event of Default hereunder with respect to a Phase shall not constitute an Event of Default with respect to any other Phase.

Any cure of a default hereunder that is made or tendered by the Tax Credit Investor shall be accepted or rejected on the same basis as if made by the Developer.

## **Section 5.2 Termination**

### **(a) Termination by Developer Prior to the Closing**

In the event that Developer fails, after diligent best efforts but prior to the Outside Closing Date for a Phase, to obtain Entitlements necessary for the development of such Phase, or to secure financing necessary to construct such Phase and operate the Project thereon, then this DDLA may, at the option of the Developer, be terminated by written notice thereof to HACR. Such termination shall terminate this DDLA with respect to the Parties' rights and obligations for all Phases for which HACR has not yet transferred title to the Parcel(s) to Developer. In the event of the Developer's exercise of such termination, the right of termination provided in this Section shall be Developer's sole and exclusive remedy.

### **(b) No Limitation**

The foregoing right to terminate shall not in any way limit Developer or HACR's right to terminate this DDLA in an Event of Default. Any termination of the DDLA with respect to an Event of Default shall terminate the DDLA only with respect to the Phase for which such Event of Default occurred and for any future Phases for which HACR has not yet transferred title to such Parcel to a Partnership Assignee.

### **(c) Automatic Termination**

This DDLA shall automatically terminate upon the Outside Closing Date for a particular Phase in the event the Closing has not occurred by such date, unless such Outside Closing Date has been extended in accordance with the terms of this DDLA. Such termination shall terminate this DDLA with respect to the Parties' rights and obligations for all Phases for

which HACR has not yet transferred the Parcels constituting a Phase to Developer in accordance with the terms of this DDLA.

(d) Survival of Terms After Termination

Except as otherwise expressly provided herein, following any termination, neither HACR nor the Developer shall have any further rights against or liability to the other under this DDLA with respect to such Phase or with respect to the Parcel constituting such Phase or otherwise with respect to the subject matter of this DDLA with respect to such Phase. Developer's indemnification obligations under this DDLA shall remain in force following such termination with respect to any Losses and Liabilities that arose or were incurred prior the date of termination.

**Section 5.3 Remedies of the Parties for Default**

(a) Acceleration of Seller and/or HACR Loan

Upon the occurrence of an Event of Default, at the option of HACR and in addition to any other remedies available to HACR at law or in equity, and subject to any applicable terms of any subordination agreement to which HACR is a party, HACR may declare all amounts outstanding under the Promissory Note immediately due and payable with respect to the Phase for which such Event of Default occurred. For purposes of this DDLA, repayment of any or all amounts outstanding under the Promissory Note shall not constitute a cure for any default hereunder other than a default resulting from a failure to pay any sums when due under the Promissory Note. The covenants set forth in the Agreement Containing Covenants (Including Rental Restrictions) shall remain in effect throughout the Affordability Period and survive any termination of this DDLA or payment or prepayment of the Seller Loan and/or HACR Loan prior to the expiration of the Affordability Period.

(b) Survival

Developer's indemnification obligations under this DDLA shall survive any termination of this DDLA and/or any repayment of the Seller Loan for any Losses and Liabilities that arose or were incurred prior to the date of termination or repayment, as applicable.

(c) Limitation on Liability

Notwithstanding anything to the contrary contained herein, neither Developer nor HACR shall in any event be entitled to, and each hereby waives, any right to seek loss of profits, or any special, incidental or consequential damages of any kind or nature, however caused, from the other Party arising out of or in connection with this DDLA, even if the other Party has been advised of the possibility of the damages, and in connection with such waiver each Party is familiar with and hereby waives the provision of § 1542 of the California Civil Code which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

(d) Inaction Not a Waiver of Default

Any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive either 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.

**Section 5.4 Attorneys' Fees**

In any action between the Parties to interpret, enforce, reform, modify, rescind or otherwise in connection with any of the terms or provisions of this DDLA, the prevailing Party in the action or other proceeding shall be entitled, in addition to damages, injunctive relief or any other relief to which it might be entitled under this DDLA, reasonable costs and expenses including, without limitation, litigation costs, expert witness fees and reasonable attorneys' fees.

(a) As used herein, the terms "attorneys' fees" or "attorneys' fees and costs" means the fees and expenses of counsel to the Parties hereto (including, without limitation, in-house or other counsel employed by HACR or Developer) which may include printing, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and others not admitted to the bar but performing services under the supervision of an attorney and fees and costs for expert witnesses. The terms "attorneys' fees" or "attorneys' fees and costs" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, arbitrations and bankruptcy proceedings, and whether or not any action or proceeding is brought with respect to the matter for which said fees and expenses were incurred.

**Section 5.5 Institution of Legal Actions**

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

**Section 5.6 Applicable Law**

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

**Section 5.7 Acceptance of Service of Process**

(a) In the event that any legal action is commenced by Developer against HACR, service of process shall be made by personal service upon Executive Director and shall be valid whether made within or outside the State of California, or in such manner as may be provided by law.

(b) In the event that any legal action is commenced by HACR against Developer, service of process on Developer shall be made by personal service upon Developer (or upon an officer of Developer) and shall be valid whether made within or outside the State of California, or in such manner as may be provided by law.

**Section 5.8 Rights and Remedies Are Cumulative**

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

**Section 5.9 Damages**

Subject to the limitations set forth in Section 5.3(c) above, if either party defaults with regard to any of the provisions of this DDLA, subject to the notice and cure provisions of Section 5.1, the defaulting party shall be liable to the non-defaulting party for any damages caused by such default, and the non-defaulting party may, after such notice and opportunity to cure (but not before) commence an action for damages against the defaulting party with respect to such default.

**Section 5.10 Termination**

Prior to the Close of Escrow for the First Phase, either party shall have the right to terminate this DDLA in the event the other party is in default of any material term or provision of this DDLA, and, following notice, fails to cure such default within the time provided in Section 5.1. After the Close of Escrow for the First Phase, termination rights under the DDLA shall be limited to the particular Phase for which such termination right has arisen.

**Section 5.11 Specific Performance After Closing**

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

(a) In the event a Permitted Transferee fails to complete the development and construction of a Phase within the time frame set forth in the applicable Schedule of Performance, or any extension of time which is permitted under this DDLA, after expiration of applicable notice and cure periods, HACR may commence an action for specific performance of the terms of this DDLA pertaining to such failure.

(b) In addition to HACR's rights set forth in paragraph (a) of this Section, following the Close of Escrow for a Phase and continuing until the Completion of such Phase in accordance with this DDLA, HACR shall have the additional right to seek a specific performance under this DDLA in the event any of the following defaults shall occur with respect a particular Phase:

- (1) Developer fails to cause the maintenance of the Property upon which such Phase is located, or fails to cause the commencement of construction of the Improvements for such Phase as required by this DDLA, for a period of thirty (30) days after written notice from HACR, provided that Developer shall not have obtained an extension or postponement to which Developer may be entitled pursuant to Section 6.4 hereof; or

- (2) Subject to Force Majeure, Developer abandons a portion of the Property or Commercial Property with respect to a particular Phase or, substantially suspends construction of the improvements for a Phase for a period of thirty (30) days and fails to commence construction within thirty (30) days after written notice has been given by HACR to Developer, provided Developer has not obtained an extension or postponement to which Developer may be entitled to pursuant to Section 6.4 hereof; or
- (3) Except as otherwise permitted by the terms of the DDLA, including, without limitation, Permitted Transfers, Developer assigns or attempts to assign this DDLA, or any rights herein, or, transfer, or suffer any involuntary transfer of the Property, or any part thereof, in violation of this DDLA, and such breach is not cured within thirty (30) days after the date of written notice thereof; or
- (4) Developer otherwise materially breaches this DDLA, and such breach is not cured within the respective times provided in Section 5.1 of this DDLA.

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

(d) Notwithstanding anything to the contrary contained herein, after Close of Escrow for the First Phase, (i) HACR shall have the right to seek specific performance only with respect to the Phase for which such default has occurred; and (ii) a default under this DDLA relating to one Phase shall not constitute a default under another Phase or proposed Phase.

## **ARTICLE 6 GENERAL PROVISIONS**

### **Section 6.1 Notices, Demands and Communications between the Parties**

Formal notices, demands and communications between HACR and Developer shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of HACR and Developer, as designated in Sections 1.4 and 1.5 hereof. Such written notices, demands and communications to HACR shall be addressed to the Executive Director with a copy to Riverside County Counsel and shall be sent in the same manner to such other addresses as either Party may from time to time designate by mail as provided in this Section 6.1. Any notice that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt by the recipient; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof.

**Section 6.2 Conflicts of Interest**

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

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

**Section 6.3 Nonliability of HACR Officials and Employees**

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

**Section 6.4 Force Majeure**

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

**Section 6.5 Inspection of Books and Records**

Developer shall maintain complete, accurate, and current records, accounts, documentation and other material pertaining to the Master Property and each Phase and its financing for a period of five (5) years after the expiration of the Affordability Period with respect to such Phase, and shall permit any duly authorized representative, designee or invitee of HACR, upon reasonable advance notice, to inspect and copy records, including records pertaining to income and household size of tenants, during regular business hours. Records must be kept accurate and current.

**Section 6.6 Approvals; Non-Substantive Amendments**

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

(b) Except as otherwise expressly provided in this DDLA, approvals required of HACR shall be deemed granted by the written approval of the Executive Director. Notwithstanding the foregoing, the Executive Director may, in his or her sole discretion, refer to the governing body of HACR any item requiring HACR approval; otherwise, "HACR approval" means and refers to approval by the Executive Director or his or her designee.



(c) The Executive Director shall have the right to make non-substantive changes to the attachments to this DDLA in order to ensure that all such attachments are consistent with the terms and provisions of this DDLA.

**Section 6.7 Real Estate Commissions**

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

**Section 6.8 Further Assurances**

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

**Section 6.9 Construction and Interpretation of Agreement**

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

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

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

(d) References in this instrument to this "DDLA" or this "Agreement" mean, refer to and include this instrument as well as any riders, exhibits, addenda and attachments hereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in this instrument. Any references to any covenant, condition, obligation, and/or undertaking "herein," "hereunder," or "pursuant hereto" (or language of like import) means, refer

to, and include the covenants, obligations, and undertakings existing pursuant to this instrument and any riders, exhibits, addenda, and attachments or other documents affixed to or expressly incorporated by reference in this instrument.

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

**Section 6.10 Time of Essence**

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

**Section 6.11 No Partnership**

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

**Section 6.12 Compliance with Law**

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

**Section 6.13 Binding Effect**

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

**Section 6.14 No Third Party Beneficiaries**

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

**Section 6.15 Authority to Sign**

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

**Section 6.16 Incorporation by Reference**

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

**Section 6.17 Counterparts**

This DDLA and any Attachment to be executed by the Parties may be executed by each Party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

**ARTICLE 7 ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS**

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

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

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

**ARTICLE 8 EFFECTIVE DATE OF AGREEMENT**

This DDLA shall be dated for reference purposes as of the date set forth in the introductory paragraph hereof, but shall not be effective until approved by the Board of Commissioners and executed by the Executive Director and CVHC.

IN WITNESS WHEREOF, the Parties have executed this DDLA as of the dates written below.

**HACR:**

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic

By: \_\_\_\_\_  
Heidi Marshall, Executive Director

Date: \_\_\_\_\_

**CVHC:**

COACHELLA VALLEY HOUSING COALITION, a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
COUNTY COUNSEL

By:  \_\_\_\_\_  
Deputy County Counsel, Amit P. Dhillon

**(HACR AND CVHC SIGNATURES MUST BE NOTARIZED)**



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, 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

**ATTACHMENT NO. 1**  
**MASTER PROPERTY LEGAL DESCRIPTION**

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

**PARCEL A1:**

THE NORTHWESTERLY HALF OF LOT 9 OF THE "SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP OF FILE IN BOOK 10, PAGE 23 OF MAPS, RIVERSIDE COUNTY RECORDS; THE SOUTHEASTERLY LINE OF SAID NORTHWESTERLY HALF BEING PARALLEL WITH THE NORTHWESTERLY LINE OF SAID LOT.

**PARCEL A2:**

A STRIP OF LAND 10 FEET WIDE, FOR ROAD PURPOSES, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF LOT 10 OF THE "SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RIVERSIDE COUNTY RECORDS;  
THENCE NORTHWESTERLY, ALONG THE SOUTHWESTERLY LINE OF SAID LOT, 350 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 10 FEET;  
THENCE AT A RIGHT ANGLE SOUTHEASTERLY, PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT, 350 FEET, TO THE SOUTHEASTERLY LINE THEREOF;  
THENCE SOUTHWESTERLY, ALONG THE SOUTHEASTERLY LINE OF SAID LOT 10 FEET, TO THE POINT OF BEGINNING.

**PARCEL B:**

THE SOUTHWESTERLY 10 ACRES OF LOT 10 OF SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE SOUTHWESTERLY 10 FEET OF SAID SOUTHEASTERLY 350 FEET.  
**PARCEL C:**

LOT 10 OF THE SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE SOUTHWESTERLY 10 ACRES, THE NORTHEASTERLY LINE OF SAID 10 ACRES BEING PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT 10;

ALSO EXCEPT THAT PORTION OF SAID PROPERTY CONVEYED TO HENRY J. DIETRICH AND GEORGIA LEE DIETRICH, HUSBAND AND WIFE, BY DEED RECORDED APRIL 19, 1955 IN BOOK 1724, PAGE 578 OF OFFICIAL RECORDS OF SAID COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 10;  
THENCE SOUTH 45 DEGREES 35' WEST ON THE SOUTHEASTERLY LINE OF SAID LOT, 308.6 FEET; THENCE IN A NORTHWESTERLY DIRECTION, 216 FEET, MORE OR LESS, TO A POINT ON THE NORTHERLY LINE OF SAID LOT, 378 FEET WESTERLY FROM OF THE POINT OF BEGINNING; THENCE EASTERLY TO THE POINT OF BEGINNING.

ALSO EXCEPT ONE-HALF INTEREST IN AND TO ALL OIL, OTHER HYDROCARBONS, GAS AND OTHER ASSOCIATED SUBSTANCES AND OTHER MINERALS AND KINDRED SUBSTANCES IN AND/OR LYING UNDER SAID LAND, AS RESERVED IN DEED FROM OLLA J. GRANT AND ELISE M. GRANT, HUSBAND AND WIFE, RECORDED JUNE 22, 1954 IN BOOK 1600, PAGE 501 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL D:

LOT 1 OF THE SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1, THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID ONE-HALF ACRE BEING PARALLEL WITH THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID LOT 1;

ALSO EXCEPT THE PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1;  
THENCE SOUTH 44 DEGREES 25' EAST ON THE SOUTHWESTERLY LINE OF SAID ONE-HALF ACRE, 130 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE SOUTH 45 DEGREES 35' WEST 20 FEET;  
THENCE SOUTH 44 DEGREES 25' EAST 20 FEET;  
THENCE NORTH 45 DEGREES 35' EAST 20 FEET;  
THENCE NORTH 44 DEGREES 25' WEST 20 FEET TO THE TRUE POINT OF BEGINNING.



TOGETHER WITH AN UNDIVIDED 15/320TH INTEREST IN AND TO FOUR CERTAIN WELLS, PUMPING HOUSE MACHINERY AND THE ONE-HALF ACRE OF LOT 1 OF SAID SUBDIVISION UPON WHICH SAID WELLS ARE LOCATED, SAID ONE-HALF ACRE BEING THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1, THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID ONE-HALF ACRE BEING PARALLEL WITH THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID LOT 1.

Assessor's Parcel Number: 751-160-004-8; 751-160-007-1; 751-160-009-3, 751-160-012-5; 751-160-014-7

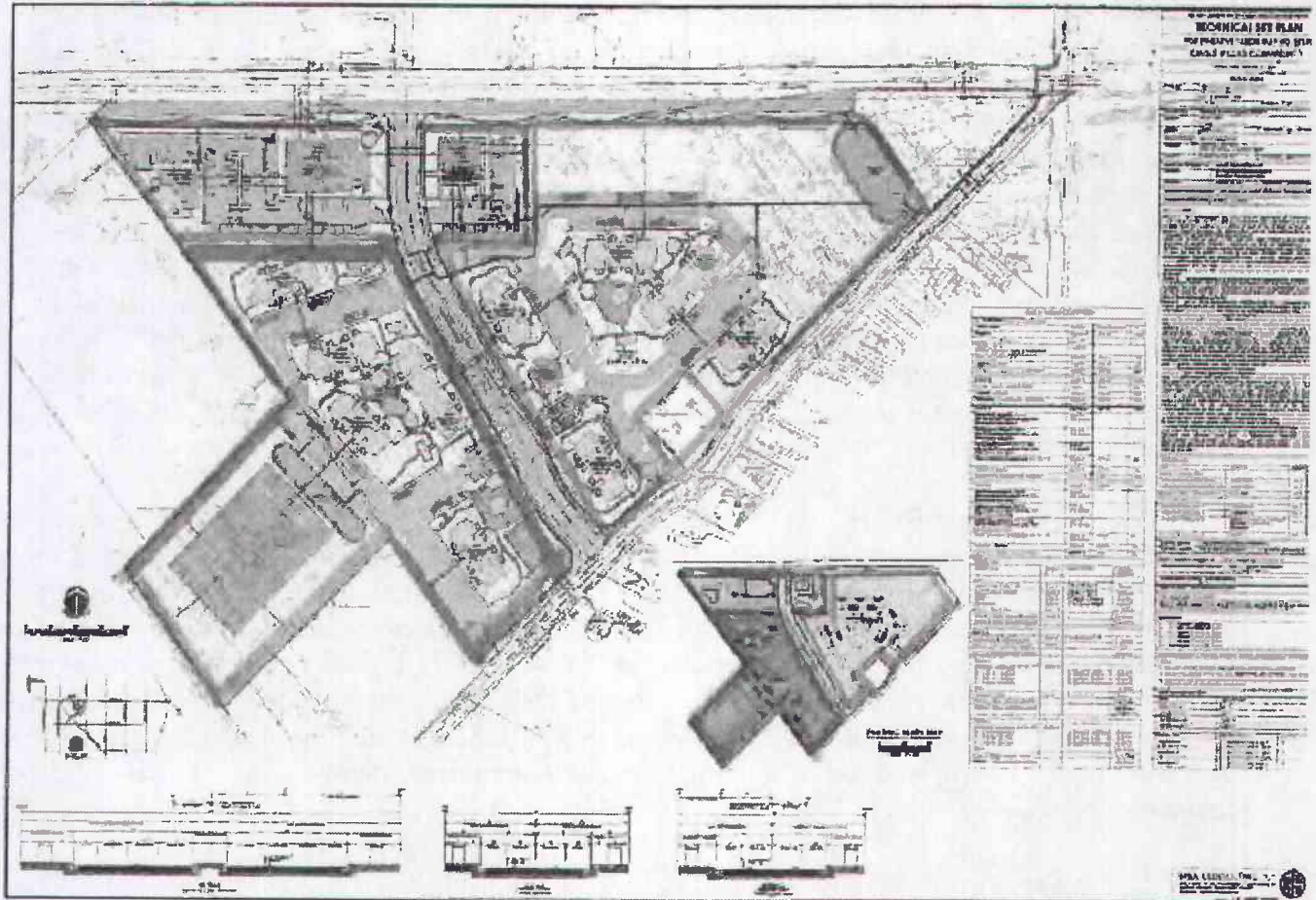
THAT PORTION OF LOT 1 OF THE CAHUILLA FRUIT AND LAND CO. AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS: COMMENCING AT THE MOST WESTERLY CORNER OF THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1; THENCE SOUTH 44 DEGREES 25° EAST, ALONG THE SOUTHWESTERLY LINE OF SAID ONE-HALF ACRE, 130 FEET, TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 45 DEGREES 35° WEST, 20 FEET; THENCE SOUTH 44 DEGREES 25° EAST, 20 FEET; THENCE NORTH 45 DEGREES 35° EAST, 20 FEET; THENCE NORTH 44 DEGREES 25° WEST, 20 FEET TO THE TRUE POINT OF BEGINNING.

Parcel Identification Number: 751160015

# ATTACHMENT NO. 2

## SITE MAP

### Depiction of Property



Site Vicinity Map

GPA190017, CZ190048, TPM37590, AND PPT190037  
Phase 1 – residential PARCEL 3 - ORANGE  
Phase 2 – commercial PARCELS 1 AND 2 – GREEN  
Phase 3 – residential PARCEL 4 – BLUE

751-160-004, 751-160-007, 751-160-009, 751-160-012, 751-160-014, 751-160-015

## ATTACHMENT NO. 3

### METHOD OF FINANCING

This is the Method of Financing attached to the Disposition, Development and Loan Agreement (Oasis Villas Affordable Housing Project) (“**DDLA**”) between the Housing Authority of the County of Riverside, a public body corporate and politic (“**HACR**”) and Coachella Valley Housing Coalition, a California nonprofit public benefit corporation (“**CVHC**”), pertaining to the conveyance of (a) certain real property located in the unincorporated community of Oasis (“**Property**”) from HACR to CVHC for the development thereon of an approximately one hundred sixty (160) unit multifamily rental housing project, which shall be rented to and occupied by Extremely Low Income Households and Low Income Households, and related amenities (the “**Affordable Housing Project**”), and (b) certain real property located in the unincorporated community of Oasis (“**Commercial Property**”) from HACR to CVHC for the development thereon of general retail and commercial businesses that will provide services to residents of the Affordable Housing Project, including a childcare facility, market, general retail, medical clinic or other service business(es) reasonably approved by HACR (the Affordable Housing Project and the Commercial Housing Project shall collectively be referred to herein, in such form as is ultimately approved by the County of Riverside, as the “**Project**”). The development and construction of the Project shall occur as set forth in the DDLA in up to three (3) Phases. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the DDLA.

1. **Purchase Price.** The Property will be conveyed by HACR to CVHC or its Partnership Assignees in up to two (2) Phases. The Commercial Property will be conveyed to Developer concurrently with the Closing of the Property constituting the First Phase of the Affordable Housing Project. The Purchase Price for each Phase shall be the fair market value of the Parcel(s) constituting such Phase as established by an appraisal dated within six (6) months of Closing for such Phase, delivered by CVHC to HACR and approved by the Executive Director, which approval shall not be unreasonably withheld, conditioned or delayed. All appraisals shall be prepared by a qualified licensed appraiser approved by HACR in its reasonable discretion.

2. **Sources of Financing.** The Affordable Housing Project will be financed by a combination of tax credits, government financing, bank financing, grants and contributions (collectively, the “**Sources of Financing**”). The Sources of Financing shall be used to pay all Development Costs and shall be sufficient to provide that the operation of the Project during the Affordability Period is financially feasible. Prior to the Close of Escrow for a Phase, HACR shall have the right to approve, which approval shall not be unreasonably withheld, conditioned or delayed, the Sources of Financing for such Phase, including, without limitation, the Senior Financing. Each Seller Loan shall be evidenced and secured by a promissory note and deed of trust in substantially the forms attached to the DDLA, with such revisions as are necessary for the Phase.

Developer shall purchase the Commercial Property from HACR concurrently with the Closing of the First Phase of the Affordable Housing Project. HACR shall utilize the proceeds

of the Purchase Price for the Commercial Property to make a loan to Developer for predevelopment costs incurred for the First Phase. Developer shall arrange third party financing for the construction of the Improvements on the Commercial Property.

**3. Project Budget**

- a. The Parties anticipate that all Development Costs and operating income and expenses for a Phase of the Affordable Housing Project shall be set forth in the Project Budget submitted by Developer to HACR. Prior to the Closing of a Phase, HACR shall have the right to approve, which approval shall not be unreasonably withheld, conditioned or delayed, the Project Budget for such Phase, which Project Budget shall be substantially in the form attached to the DDLA as Attachment No. 7. The Project Budget shall demonstrate that the development and operation of the Phase of the Affordable Housing Project is financially feasible.
- b. The Development Costs in the Project Budget shall not be subject to change except upon the approval of HACR; provided, however, the use of any funds from a contingency line item in the Project Budget shall not require the approval of HACR and a change of less than 10% for any line item within the Project Budget shall not require the approval of HACR.

**4. No Subordination of Affordability Covenants.** Notwithstanding anything to the contrary herein or in the DDLA, the affordability covenants (rent and income restrictions) contained in the Agreement Containing Covenants (Including Rent and Income Restrictions) (**Attachment No. 11** to the DDLA) shall be senior to all security instruments for all loans secured against the Property. Upon the request of any Senior Lender, all other provisions of the Agreement Containing Covenants (Including Rent and Income Restrictions) may be subordinated to the Senior Financing pursuant to a subordination agreement in a form to be approved in the Executive Director's reasonable discretion.

**5. Evidence of Financing and Marketing Plan for the Affordable Housing Project.**

- a. **Construction Financing.** The sum of the Construction/Permanent Loans shall be sufficient at all times to pay all Development Costs and operate a Phase of the Affordable Housing Project as set forth in the HACR approved Project Budget. To the extent that the sum of the Construction/Permanent Loans is insufficient to pay all Development Costs and operate the Phase, CVHC shall submit evidence acceptable to HACR that additional funds will be available as and when required to fully pay for all Development Costs and operations for a particular Phase.
- b. **Marketing Plan.** CVHC shall prepare and submit to HACR for review a marketing plan containing the overall plan for marketing of the Restricted Units, indicating the start and duration of the marketing period, methods

of dissemination of information to the public, selection criteria, etc. HACR shall not unreasonably withhold its approval of the Marketing Plan.

**6. Initial Operating Budget for the Affordable Housing Project.** Developer shall prepare an initial annual budget for the operation of each Phase of the Affordable Housing Project, as well as a projected cash flow for at least fifteen (15) years, to be included in the Project Budget (together, the "Initial Operating Budget"). If Partnership Assignee determines that the Initial Operating Budget needs to be amended upon conversion to permanent financing for reasons that were not reasonably foreseeable when the Initial Operating Budget was prepared, Partnership Assignee shall submit an amended annual Operating Budget to HACR, which shall be the same Operating Budget provided to the permanent lender(s) at conversion to permanent financing. The amended annual Operating Budget shall be for HACR's reference but shall not require HACR's approval.

**ATTACHMENT NO. 4**

**SCHEDULE OF PERFORMANCE**

1.	<u>Financing.</u> Developer shall timely submit applications for financing for the First Phase.	Following HACR approval and execution of the DDLA, but in no event later than December 31, 2021.
2.	<u>Additional Financing.</u> If necessary, Developer shall re-apply for financing for the First Phase or apply for additional financing.	Following HACR approval and execution of the DDLA, but in no event later than December 31, 2021.
3.	<u>Project Budget and Plans.</u> Developer shall submit to HACR the Project Budget and Plans in accordance with Section 3.4 for the First Phase.	A draft Project Budget and Plans shall be submitted not later than 90 days prior to the date proposed for Construction Closing, with a final Project Budget delivered concurrently with Construction Closing.
4.	<u>First Phase Parcel.</u> Developer shall create one or more legal parcels constituting the Commercial Property and First Phase.	As soon as reasonably practical, but in no event later than 90 days prior to the Closing Date.
5.	<u>Escrow - Disposition of the Property from HACR to CVHC.</u> CVHC and HACR shall open Escrow for the sale of the First Phase and the Commercial Property.	At least 90 days prior to the date proposed for Construction Closing but in no event later than 60 days prior to the Outside Closing Date.
6.	<u>Conditions Precedent to the Close of Escrow for the Sale of the First Phase Property and Commercial Property to CVHC.</u> CVHC shall satisfy all conditions precedent to the Close of Escrow for the First Phase as set forth in Section 2.15 of the DDLA.	Not later than the later to occur of (i) the Outside Closing Date, or (ii) such date as required by TCAC pursuant to an award of LIHTCs for the First Phase made prior to the Outside Closing Date.
7.	<u>Closing Date.</u> Conveyance of Commercial Property and property upon which the First Phase will be constructed by HACR to CVHC provided all conditions precedent in Section 2.15 of DDLA remain satisfied.	Not later than the later to occur of (i) the Outside Closing Date, or (ii) such date as required by TCAC pursuant to an award of LIHTCs for the First Phase made prior to the Outside Closing Date.
8.	<u>Submission – Final Construction Drawings and Related Documents.</u> CVHC shall submit complete Final Plans, including landscape and grading documents for the First Phase, to HACR pursuant to Section 3.4 of the DDLA.	Within 30 days after the Closing Date.

9.	<u>Evidence of Financing.</u> CVHC shall submit to HACR evidence of financing necessary for the acquisition and development of the First Phase.	CVHC shall exercise commercially reasonable best efforts to submit Evidence of Financing to HACR at least 60 days prior to Construction Closing, but in any event no later than the earlier to occur of (i) 30 days prior to the Outside Closing Date, or (ii) promptly upon receipt by CVHC or Partnership Assignee of commitment letters, award letters, draft loan documents and draft partnership agreement.
10.	<u>Construction Commencement.</u> CVHC shall commence construction of the First Phase.	Within 15 days of the Closing Date.
11.	<u>Construction Completion.</u> CVHC shall complete construction of the Improvements for the First Phase (as shown on the Final Construction Drawings upon which CVHC's building permit is based).	Within twenty-six (26) months of the Construction Closing Date.
12.	<u>Construction Commencement.</u> CVHC shall commence construction of the Commercial Phase.	Within 120 days of completion of construction of the First Phase.
13.	<u>Construction Completion.</u> CVHC shall complete construction of the Improvements for the Commercial Phase (as shown on the Final Construction Drawings upon which CVHC's building permit is based).	Within eighteen (18) months of the commencement of Construction.
14.	<u>Next Phase.</u> Provided that the First Phase Closing has occurred and no Event of Default exists under the DDLA, CVHC and HACR shall agree on a Schedule of Performance for the Second Phase, which shall provide for Closing no later than the Outside Closing Date.	At least nine months prior to the Outside Closing Date for the Second Phase.

**ATTACHMENT NO. 5**

**GRANT DEED**

**(behind this page)**



OFFICIAL BUSINESS.

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

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

---

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: \_\_\_\_\_

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

**GRANT DEED**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic, herein called "Grantor," hereby grants to \_\_\_\_\_, a California limited partnership, herein called "Grantee," the real property, hereinafter referred to as the "Property," described in Exhibit "A" hereto and incorporated herein by this reference.

1. SUBJECT TO:

- (a) Taxes and assessment which are a lien, but which are not yet billed, or are billed but are not yet due and payable, including non-delinquent real property taxes and non-delinquent special assessments.
- (b) All covenants, conditions, easements, restrictions, liens, encumbrances, other matters of record, and all matters affecting the status of title which are discoverable by an accurate survey; and
- (c) All laws, regulations or ordinances (including, but not limited to, zoning, building and environmental laws, regulations and ordinances) applicable to the Property.

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

3. The Grantee covenants and agrees for itself and its successors, assigns and any successor in its interest to the Property, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, national origin, ancestry, age, physical handicap, medical condition, marital status, sex or sexual orientation in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property or any portion thereof, nor shall the Grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, leases, subtenants, sublessees, or vendees in the Property or any portion thereof. The foregoing covenants shall run with the land.

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

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

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

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

(c) In contracts: "There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her,

DDLA - Oasis Villas FINAL

establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land.”

[Remainder of Page Intentionally Blank]

[Signatures on the Following Page]

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

“GRANTOR”

HOUSING AUTHORITY OF THE  
COUNTY OF RIVERSIDE,  
a public body corporate and politic

By: Exhibit – Do Not Sign  
Heidi Marshall  
Executive Director

Date: \_\_\_\_\_

APPROVED AS TO FORM:

COUNTY COUNSEL

By: Exhibit – Do Not Sign  
Deputy County Counsel

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, 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

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

**“GRANTEE”**

\_\_\_\_\_

a California limited partnership

By: Exhibit – Do Not Sign

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, 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"**

**LEGAL DESCRIPTION**

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

[to be inserted]



**ATTACHMENT NO. 6**  
**SCOPE OF DEVELOPMENT**

**[attached]**

## ATTACHMENT NO. 6

### SCOPE OF DEVELOPMENT

Pursuant to the Disposition, Development and Loan Agreement (Oasis Villas Affordable Housing Project) (DDLA) executed by and between the Housing Authority of the County of Riverside, a public body corporate and politic, (“HACR”) and Coachella Valley Housing Coalition, a California nonprofit public benefit corporation (“CVHC”), CVHC or its affiliates (“Developer”), shall develop an approximately one hundred sixty (160) unit multifamily rental housing development, including units for Extremely Low and Low Income Households, and retail and commercial establishments providing necessary services to the tenants of the housing development (collectively, the “Project”). All capitalized terms not defined herein shall have the meaning ascribed to such terms in the DDLA.

The quality of construction shall be of a high level. The Improvements shall conform to the Plans approved by HACR pursuant to Section 3.4 of the DDLA (the “Approved Plans”), including all conditions and mitigation measures imposed by the County of Riverside in connection with the development approval process for which Permitted Transferee is responsible under the terms of the DDLA. The attached Plot Plan 190037 dated December 14, 2020 and Parcel Map No. 37590 were submitted to the County of Riverside in connection with its approval of the Project.

Developer shall commence and complete the Improvements for each Phase by the respective times established therefore in the applicable Schedule of Performance.

#### I. DEVELOPMENT STANDARDS

The Improvements shall conform to all applicable Governmental Requirements, including without limitation local subdivision, zoning, building code and other applicable ordinances, resolutions, policies, applicable general and Specific Plans, and regulations of the County of Riverside (“County Ordinances”) and the following development standards:

##### A. General Requirements:

1. **Vehicular Access.** The placement of vehicular driveways shall be coordinated with the needs of proper street traffic flow as approved by the County of Riverside in accordance with County Ordinances. In the interest of minimizing traffic congestion, the County of Riverside will control the number and location of curb breaks for access to the Property for off-street parking and truck loading. All access driveways shall require written approval of the County of Riverside.

2. **Building Signs.** Signs shall be limited in size, subdued and otherwise designed to contribute positively to the environment. Signs identifying the building use will be permitted, but their height, size, location, color, lighting and design will be subject to County of Riverside approval, and signs must conform to the County Ordinances.

3. **Screening.** All outdoor storage of materials or equipment shall be enclosed or screened to the extent and in the manner required by the County of Riverside.

4. **Landscaping.** Developer shall provide and maintain landscaping within the public rights-of-way and within setback area along all street frontages and conforming to the plans as hereafter approved by the County of Riverside. Landscaping shall consist of trees, shrubs and installation of an automatic irrigation system adequate to maintain such plant material. The type and size of trees to be planted, together with a landscaping plan.

5. **Utilities.** All utilities on the Property provided to service the units constructed by Developer shall be underground at Developer's expense.

6. **Building Design.** Buildings shall be constructed such that the Improvements shall be of high architectural quality, and shall be effectively and aesthetically designed and in conformance with County approvals.

7. **Energy Considerations.** The design of the Improvements shall include, where feasible, energy conservation construction techniques and design, including co-generation facilities and active and passive solar energy design. Developer shall be required to demonstrate consideration of such energy features during the design review process and to consistency with energy conservation provisions of the building code.

8. **Site Preparation.** Developer, at its cost and expense, shall prepare Property for development. Such Property preparations shall consist of the demolition and removal of all existing improvements, if any.

9. **Environmental Impact Mitigation Measures.** To the extent required under the terms of the DDLA, Developer shall implement any and all mitigation measures and/or mitigation monitoring requirements as identified in any certified environmental document or mitigated negative declaration certified in connection with the project.

10. **Construction Fence.** Developer shall install a temporary construction chain link fence. The construction fence shall be maintained free of litter and in good repair for the duration of its installation.

11. **Development Identification Signs.** Prior to commencement of construction on the Property, Developer shall prepare and install, at its cost and expense, one sign on the barricade around the Property which identifies the development. The sign shall be at least four (4) feet by six (6) feet and be visible to passing pedestrians and vehicular traffic. The design of the sign, as well as the proposed location, shall be submitted to HACR for review and approval prior to installation. The sign shall, at a minimum, include:

- Illustration of development
- Development name
- Name of Developer and/or CVHC
- Logo of the County of Riverside and Riverside County Housing Authority
- List of Board of Commissioners and their districts

- Information number
- Completion Date

**B. Design Features:**

The following design features are considered essential components to the Improvements:

Handicapped Units – An agreed upon number of units are to be fully handicapped accessible in compliance with State Housing Code -- Title 24 requirements.

Overall Design Quality, Materials, Colors, Design Features – Quality of design is important, materials and colors are to be approved by the County.

Housing Type – The Housing Project shall consist of development of a multi-family apartment complex with approximately one hundred sixty (160) units which shall be developed in up to two (2) Phases.

Mobility – All facilities shall comply, to the extent feasible, with current CTCAC standards.

Green Building Standards – All facilities shall comply, to the extent feasible, with CTCAC minimum green building standards.

**II. DEMOLITION AND SOILS**

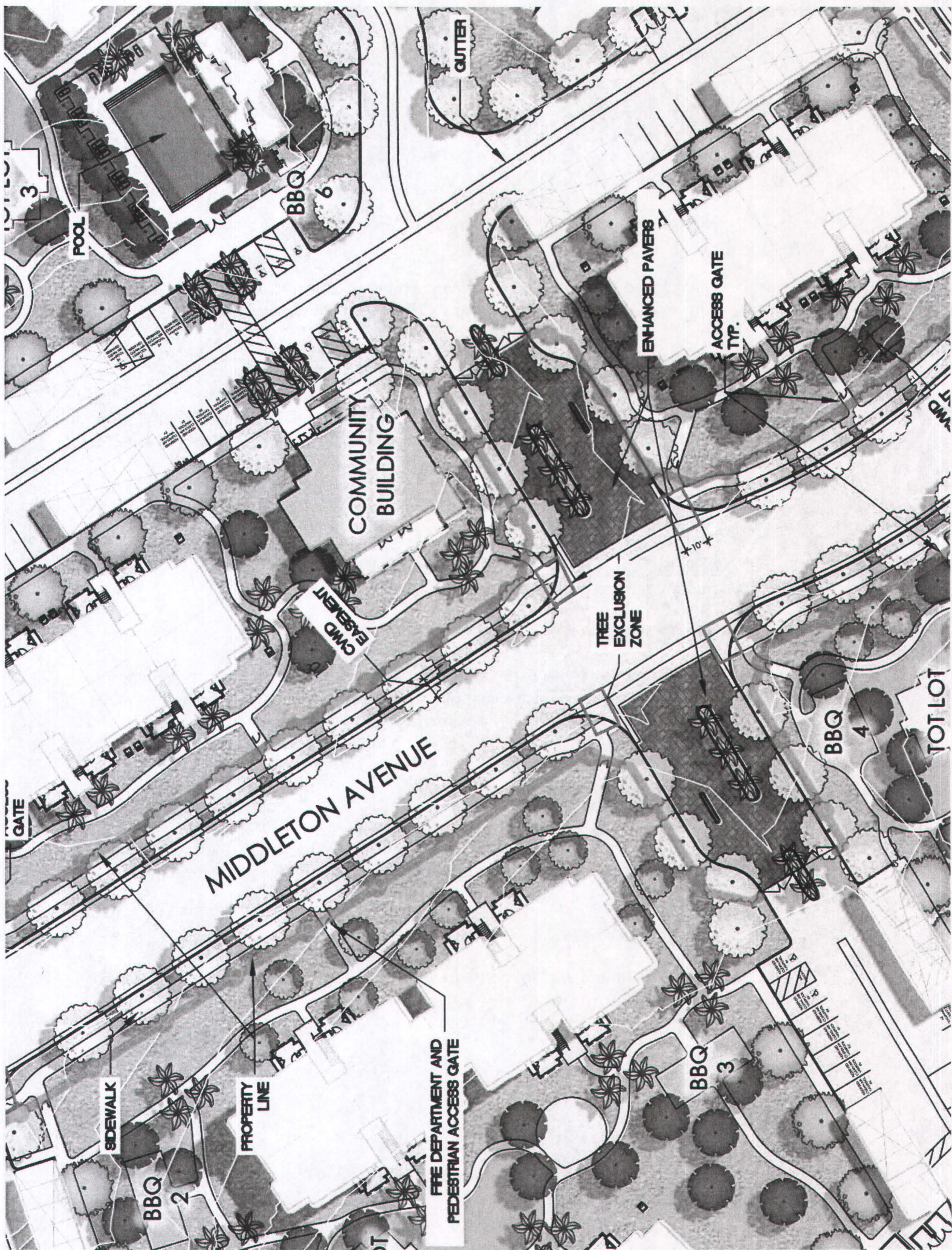
Except to the extent otherwise expressly provided in the DDLA, Developer assumes all responsibility for surface and subsurface conditions at the Property, and the suitability of the Property for the Improvements. Developer has undertaken all investigation of the Property as it shall deem necessary and has not received or relied upon any representations of HACR, the County, or their respective officers, agents and employees.

**III. SPECIAL AMENITIES**

Developer shall undertake all improvements required by the County as a condition of development of the Property, as more particularly provided in the County approvals given for the property.

**IV. MAINTENANCE OF SITE**

Developer shall maintain the Property free of all weeds and trash prior to start of construction.



GUTTER

POOL

BBQ 6

COMMUNITY BUILDING

ENHANCED PAVERS

ACCESS GATE TYP.

COMM. EXHIBIT

TREE EXCLUSION ZONE

MIDDLETON AVENUE

BBQ 4

TOT LOT

GATE

SIDEWALK

PROPERTY LINE

FFE DEPARTMENT AND PEDESTRIAN ACCESS GATE

BBQ 3

BBQ 2

751-18C  
EX. STRU  
EX. GENERAL  
EX. ZONING

N 43

MIDDLETON STREET

751-160-012  
VACANT  
EX. GENERAL PLAN; MDR  
EX. ZONING; W-2

$\Delta=11^{\circ}12'53''$   
 $R=472.00'$   
 $92.39'$

751-180-005  
EX. STRUCTURE  
EX. GENERAL PLAN; MDR  
EX. ZONING; W-2

751-180-004  
EX. STRUCTURE  
EX. GENERAL PLAN; MDR  
EX. ZONING; W-2

751-160-011  
CVWD WELL SITE  
EX. GENERAL PLAN; MDR  
EX. ZONING; W-2

N 45°32'55" E 132.91'

751-160-014  
VACANT  
EX. GENERAL PLAN;  
MDR ZONING;  
W-2

N 45°31'04" E  
10.70'

N 58°43'32" E  
54.41'

751-180-003  
EX. STRUCTURE  
EX. GENERAL PLAN; MDR  
EX. ZONING; W-2

N 44°30'33" W 130.00'

$\Delta=01^{\circ}20'55''$   
 $R=174.00'$   
 $4.10'$

$\Delta=13^{\circ}08'00''$  R=472.00' 108.20'

N 45°35'28" E  
4.41'

N 44°24'32" W  
48.11'

$\Delta=09^{\circ}39'35''$   
 $R=492.00'$   
 $82.95'$

$\Delta=21^{\circ}34'11''$  R=288.00' 108.42'

N 89°24'32" W  
28.28'

$\Delta=21^{\circ}34'11''$  R=362.00' 136.28'

N 44°24'32" W  
48.11'

N 00°35'28" E  
28.28'



17 20'

**ATTACHMENT NO. 7**

**PROJECT BUDGET**

7	Land donation?				
8	AHP		790,000 apply 2021		
9	Serna et max		10,000,000 apply 2021	max \$10m	
10	County?				
11	Deferred developer fee		400,000		
12	GP equity to net down to dev fee \$2.2m		1,400,000		net dev fee 2,200,000
13	GP Equity		1,000		
14	Investor Capital Contributions --- balance here w state credits		19,516,640		
15					
16	<b>TOTAL SOURCES</b>		38,714,640		
17					
18	Construction loan		26,989,986	4.00%	
19				14 months construction plus	6
20					
21					
22	<b>USES OF FUNDS</b>		<b>TOTAL COST</b>	<b>BASIS FOR 4% CREDIT</b>	<b>Construction Period Costs</b>
23					
24	<b>LAND COST/ACQUISITION</b>				
25	Acquisition -- land donation?				0
26	Demolition		0		0
27	Legal & Closing Costs		25,000		25,000
28	Off-Site Improvements		250,000	250,000	250,000
29	<b>Total Acquisition Cost -</b>		275,000		275,000
30	<b>REHABILITATION</b>				
31	Site Work and Utilities			0	0
32	Structures			0	0
33	Solar Net Cost			0	0
34	General Requirements			0	0
35	Contractor Insurance & Bond			0	0
36	Contractor Overhead			0	0
37	Contractor Profit			0	0
38	<b>Total Rehabilitation Costs</b>		0		0
39	<b>NEW CONSTRUCTION</b>				
40	Site Work and Utilities		4,673,740	4,673,740	4,673,740
41	Structures - Sun Country 6/19 numbers		16,446,069	16,446,069	16,446,069
42	Solar Net Cost		0		0
43	General Requirements	7.56%	1,597,600	1,597,600	1,597,600
44	Contractor Insurance & Bond	incl	302,400	302,400	302,400
45	Contractor Overhead	2.79%	588,825	588,825	588,825
46	Contractor Profit	5.25%	1,109,437	1,109,437	1,109,437
47	<b>Total New Construction Costs</b>		24,718,071		24,718,071
48	<b>ARCHITECTURAL FEES</b>				
49	Design		690,133	690,133	690,133
50	Supervision		208,500	208,500	208,500
51	<b>Total Architectural Costs</b>		898,633		898,633
52	Survey and Engineering, incl testing		404,867	404,867	404,867
53	<b>CONSTR. INTEREST &amp; FEES</b>				
54	Const. Loan Interest during construction - 18 months		755,720	755,720	755,720
55	Construction loan interest post -CO -6 months		539,800		539,800
56	Construction loan fee and expenses	in COI	0		0
57	Construction period interest on USDA loans (just post 12-mo amort)		88,975	88,975	88,975
58	Predev interest - CVHC		60,000	60,000	60,000
59	Taxes		10,000	10,000	10,000
60	Insurance		150,000	150,000	150,000
61	Title and Recording	in COI	0		0
62	<b>Total Construction Interest and Fees</b>		1,604,494		1,604,494
63	<b>PERMANENT FINANCING</b>				
64	Loan Fees @ 75%	in COI	0		0
65	Costs of bond issuance		613,349		613,349
66	Title and Recording		5,000		
67	Other Financing Costs		0		
68	Legal		20,000		
69	<b>Total Permanent Financing Costs</b>		638,349		613,349
70	<b>LEGAL FEES</b>				
71	Lender Legal Costs Paid by Applicant	in COI	0	0	0
72	Other - Owner Legal		40,000	40,000	40,000
73	<b>Total Attorney Costs</b>		40,000		40,000
74	<b>RESERVES</b>				
75	Capitalized Operating Reserve @ 6 mo ops		408,883		0
76	Additional reserve for USDA		0		0
77	Services reserve		0		0
78	<b>Total Reserve Costs</b>		408,883		0
79	<b>Total Appraisal Costs</b>		10,000	10,000	10,000
80	<b>Total Construction Contingency Costs</b>	10.0%	2,471,807	2,471,807	2,471,807
81	<b>OTHER</b>				
82	Tax Credit App./Alloc./Monitoring fees		53,573		155,467
83	Local Development Impact Fees		1,854,784	1,854,784	1,854,784
84	Permit Processing Fees		710,678	710,678	710,678
85	Market Study		10,000		10,000
86	Marketing & Lease up		30,000		30,000
87	Environmental		70,000	70,000	70,000
88	Inspections, construction management		150,000	150,000	150,000
89	Furnishings		30,000	30,000	30,000
90	prevailing wage monitoring		35,000	17,500	35,000
91	Soft Cost Contingency		200,000	200,000	200,000
92	<b>Total Other Costs</b>		3,144,035		3,245,929
93	<b>Total Project Cost</b>		34,814,140	32,891,035	34,282,150
94	<b>DEVELOPER COSTS</b>				
95	Developer Overhead/Profit		4,000,000	4,000,000	350,000
96	Consultant/Processing Agent		0		
97	<b>Total Developer Costs</b>		4,000,000	4,000,000	350,000
98					
99	<b>TOTAL PROJECT COST</b>		38,814,140	36,891,035	34,632,150
100	<b>Syndication Costs</b>				
101	Legal - Syndication/Organization		40,500		40,500
102	Audit		10,000		10,000
103	Consultant - Syndication		50,000		50,000
104	Bridge Loan interest		0		0
105	<b>Total Syndication Costs</b>		100,500		100,500
106	<b>TOTAL PROJECT COSTS INCL. SYNDICATION</b>		38,714,640	36,891,035	34,732,650







**ATTACHMENT NO. 8**

**PRELIMINARY TITLE REPORT**



Commonwealth Land Title Company  
888 S. Figueroa Street, Suite 2100  
Los Angeles, CA 90017  
Phone: (800) 432-0706

**Coachella Valley Housing Coalition**  
**45-701 Monroe Street #G**  
**Indio, CA 92201**

**Attn: Adriana Mattox**

Our File No: 09191584  
Title Officer: Kathy Religioso  
e-mail: kathy.religioso@cltic.com  
Phone: (213) 330-2330  
Fax: (213) 330-3105

Your Reference No:

Property Address: 85750, 85851 & 85856 Middleton Road, Thermal Area, California

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## PRELIMINARY REPORT (V7)

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Dated as of April 14, 2021 at 7:30 a.m.

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

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

The policy(s) of title insurance to be issued hereunder will be policy(s) of **Commonwealth Land Title Insurance Company**.

*Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.*

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

Order No: 09191584-919-KRC-KRE

## **SCHEDULE A**

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

**ALTA Standard Owner's Policy of Title Insurance (6-17-06)**

**ALTA Extended Loan Policy of Title Insurance (6-17-06)**

The estate or interest in the land hereinafter described or referred to covered by this report is:

**A FEE**

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

**Housing Authority of the County of Riverside, a public body, corporate and politic of the State of California**

The land referred to herein is situated in the County of Riverside, State of California, and is described as follows:

**SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF**

## EXHIBIT "A"

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

PARCEL A1:

THE NORTHWESTERLY HALF OF LOT 9 OF THE "SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP OF FILE IN BOOK 10, PAGE 23 OF MAPS, RIVERSIDE COUNTY RECORDS; THE SOUTHEASTERLY LINE OF SAID NORTHWESTERLY HALF BEING PARALLEL WITH THE NORTHWESTERLY LINE OF SAID LOT.

PARCEL A2:

A STRIP OF LAND 10 FEET WIDE, FOR ROAD PURPOSES, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF LOT 10 OF THE "SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RIVERSIDE COUNTY RECORDS;  
THENCE NORTHWESTERLY, ALONG THE SOUTHWESTERLY LINE OF SAID LOT, 350 FEET;  
THENCE AT A RIGHT ANGLE NORTHEASTERLY 10 FEET;  
THENCE AT A RIGHT ANGLE SOUTHEASTERLY, PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT, 350 FEET, TO THE SOUTHEASTERLY LINE THEREOF;  
THENCE SOUTHWESTERLY, ALONG THE SOUTHEASTERLY LINE OF SAID LOT 10 FEET, TO THE POINT OF BEGINNING.

PARCEL B:

THE SOUTHWESTERLY 10 ACRES OF LOT 10 OF SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE SOUTHWESTERLY 10 FEET OF SAID SOUTHEASTERLY 350 FEET.

PARCEL C:

LOT 10 OF THE SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE SOUTHWESTERLY 10 ACRES, THE NORTHEASTERLY LINE OF SAID 10 ACRES BEING PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT 10;

ALSO EXCEPT THAT PORTION OF SAID PROPERTY CONVEYED TO HENRY J. DIETRICH AND GEORGIA LEE DIETRICH, HUSBAND AND WIFE, BY DEED RECORDED APRIL 19, 1955 IN BOOK 1724, PAGE 578 OF OFFICIAL RECORDS OF SAID COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 10;  
THENCE SOUTH 45 DEGREES 35' WEST ON THE SOUTHEASTERLY LINE OF SAID LOT, 308.6 FEET; THENCE IN A NORTHWESTERLY DIRECTION, 216 FEET, MORE OR LESS, TO A POINT ON THE NORTHERLY LINE OF SAID LOT, 378 FEET WESTERLY FROM OF THE POINT OF BEGINNING; THENCE EASTERLY TO THE POINT OF BEGINNING.

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ALSO EXCEPT ONE-HALF INTEREST IN AND TO ALL OIL, OTHER HYDROCARBONS, GAS AND OTHER ASSOCIATED SUBSTANCES AND OTHER MINERALS AND KINDRED SUBSTANCES IN AND/OR LYING UNDER SAID LAND, AS RESERVED IN DEED FROM OLLA J. GRANT AND ELISE M. GRANT, HUSBAND AND WIFE, RECORDED JUNE 22, 1954 IN BOOK 1600, PAGE 501 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL D:

LOT 1 OF THE SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1, THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID ONE-HALF ACRE BEING PARALLEL WITH THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID LOT 1;

ALSO EXCEPT THE PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1;  
THENCE SOUTH 44 DEGREES 25' EAST ON THE SOUTHWESTERLY LINE OF SAID ONE-HALF ACRE, 130 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE SOUTH 45 DEGREES 35' WEST 20 FEET;  
THENCE SOUTH 44 DEGREES 25' EAST 20 FEET;  
THENCE NORTH 45 DEGREES 35' EAST 20 FEET;  
THENCE NORTH 44 DEGREES 25' WEST 20 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH AN UNDIVIDED 15/320TH INTEREST IN AND TO FOUR CERTAIN WELLS, PUMPING HOUSE MACHINERY AND THE ONE-HALF ACRE OF LOT 1 OF SAID SUBDIVISION UPON WHICH SAID WELLS ARE LOCATED, SAID ONE-HALF ACRE BEING THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1, THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID ONE-HALF ACRE BEING PARALLEL WITH THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID LOT 1.

Assessor's Parcel Number:     **751-160-004-8; 751-160-007-1; 751-160-009-3, 751-160-012-5; 751-160-014-7**

## **SCHEDULE B – Section A**

The following exceptions will appear in policies when providing standard coverage as outlined below:

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



### SCHEDULE B – Section B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2021-2022.
- B. There were no taxes levied for the fiscal year 2020-2021 as the property was vested in a public entity.
- C. Taxes and assessments levied by the Coachella Valley Water District.
- D. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

- 1. Water rights, claims or title to water, whether or not disclosed by the public records.
- 2. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Henry J. Dietrich and Georgia Lee Dietrich, husband and wife  
Purpose: pipe line  
Recording Date: July 14, 1949  
Recording No: in Book 1092, Page 332 of Official Records  
Affects: said land more particularly described therein.

Reference is hereby made to said document for full particulars.

and Recording Date: April 19, 1955  
and Recording No: in Book 1724, Page 578 of Official Records

- 3. The effect of an easement 30 feet on each side of section lines in favor of the public for public highways, as evidenced by petition, dated January 9, 1901 and recorded April 17, 1959 as Instrument No. 32692 of Official Records of Riverside County, California.

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

Granted to: Coachella Valley County Water District  
Purpose: building and maintaining a pipeline  
Recording Date: February 17, 1972  
Recording No: as Instrument No. 20904 of Official Records  
Affects: Parcels A and B

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

Purpose: build and maintain an underground pipe lines and necessary devices and appurtenances  
Recording Date: March 17, 1972  
Recording No: as Instrument No. 35949 of Official Records  
Affects: Parcel A

- 6. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

Map: Record of Survey  
Recording Date: October 2, 1990  
Recording No: as Instrument No. 364349, in Book 86, Pages 85 and 86 of Record of Survey

7. Notice of Noncompliance pursuant to Sections 17274 and 24436.5 of the California Revenue and Taxation Code by the Bureau of Building Inspection Code Enforcement Division  
  
Recording Date: October 24, 2008  
Recording No.: as Instrument No. 2008-0569487 of Official Records  
  
Reference is hereby made to said document for full particulars.  
  
Affects: Parcel A
8. Notice of Noncompliance pursuant to Sections 17274 and 24436.5 of the California Revenue and Taxation Code by the Bureau of Building Inspection Code Enforcement Division  
  
Recording Date: October 24, 2008  
Recording No.: as Instrument No. 2008-0569489 of Official Records  
  
Reference is hereby made to said document for full particulars.  
  
Affects: Parcel A
9. The Land described herein is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the Redevelopment Plan) as disclosed by a document.  
  
Redevelopment Agency: Riverside County Economic Development Agency  
Recording Date: February 6, 2009  
Recording No.: as Instrument No. 2009-0057439 of Official Records
10. Notice of Noncompliance pursuant to Sections 17274 and 24436.5 of the California Revenue and Taxation Code by the Bureau of Building Inspection Code Enforcement Division  
  
Recording Date: February 10, 2009  
Recording No.: as Instrument No. 2009-0063732 of Official Records  
  
Reference is hereby made to said document for full particulars.  
  
Affects: Parcel A
11. A deed of trust securing surety bond which purports to secure performance of an agreement referred to therein, and any other obligations secured thereby  
  
Dated: December 13, 2009  
Trustor/Grantor: Margarita Ramirez  
Trustee: Spencer W. Mohler  
Beneficiary: Seneca Insurance Company, Inc., a New York corporation  
Power No.: S25-01525039  
Recording Date: December 17, 2009  
Recording No.: as Instrument No. 2009-0649261 of Official Records  
  
Affects: Parcels A1 and A2
12. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on  
  
Map: Record of Survey  
Recording Date: July 6, 2010  
Recording No.: as Instrument No. 2010-0313583, in Book 134, Pages 16 and 17 of Record of Survey

13. Intentionally deleted.
  
14. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on  
Map: Record of Survey  
Recording Date: September 7, 2012  
Recording No: as Instrument No. 2012-0427302, in Book 139, Pages 34 through 36 of Records of Survey
  
15. Intentionally deleted.
  
16. Intentionally deleted.
  
17. Intentionally deleted.
  
18. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.  
  
The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.  
  
The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.
  
19. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.
  
20. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.

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21. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

**END OF SCHEDULE B EXCEPTIONS**

**PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH FOLLOWS FOR  
INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION**

## REQUIREMENTS SECTION:

1. Prior to the close of escrow, the Company requires a Statement of Information to be completed by the following party(s),

Party(s): All Parties

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

2. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below:

Name of Corporation:     Redevelopment Agency for the County of Riverside

- a) A Copy of the corporation By-laws and Articles of Incorporation
- b) An original or certified copy of a resolution authorizing the transaction contemplated herein
- c) If the Articles and/or By-laws require approval by a 'parent' organization, a copy of the Articles and By-laws of the parent

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

3. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below:

Name of Corporation:     Housing Authority of the County of Riverside, a public body, corporate and politic of the State of California

- a) A Copy of the corporation By-laws and Articles of Incorporation
- b) An original or certified copy of a resolution authorizing the transaction contemplated herein
- c) If the Articles and/or By-laws require approval by a 'parent' organization, a copy of the Articles and By-laws of the parent

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

## INFORMATIONAL NOTES SECTION

1. The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.
2. For wiring Instructions please contact your Title Officer or Title Company Escrow officer.
3. Note: The Company requires current beneficiary demands prior to closing. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:
  - a) If the Company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. This hold will be in addition to the verbal hold the lender may have stipulated.
  - b) If the Company cannot obtain a verbal update on the demand, we will either pay off the expired demand or wait for the amended demand, at our discretion.
  - c) All payoff figures are verified at closing. If the customer's last payment was made within 15 days of closing, our Payoff Department may hold one month's payment to insure the check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).
4. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

Typist: nb0

Date Typed: August 20, 2016; August 22, 2017; October 18, 2019; September 9, 2020; March 10, 2021

**ATTACHMENT ONE**  
**CALIFORNIA LAND TITLE ASSOCIATION**  
**STANDARD COVERAGE POLICY - 1990**

**EXCLUSIONS FROM COVERAGE**

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

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

**EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I**

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

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

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)**  
**ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE**

**EXCLUSIONS**

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

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
  - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and

- b. in streets, alleys, or waterways that touch the Land.  
This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
- 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
- 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
- 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**LIMITATIONS ON COVERED RISKS**

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

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

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

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

**2006 ALTA LOAN POLICY (06-17-06)**

**EXCLUSIONS FROM COVERAGE**

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

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

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

**EXCEPTIONS FROM COVERAGE**

(Except as provided in Schedule B - Part II, (t or T) his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

**(PART I**

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.



4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

#### PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:)

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

#### EXCLUSIONS FROM COVERAGE

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

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

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

#### EXCEPTIONS FROM COVERAGE

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

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

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

### ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)

#### EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

Notice of Available Discounts

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

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

FNF Underwritten Title Company  
LTC – Lawyers Title Company

FNF Underwriter  
CLTIC – Commonwealth Land Title Insurance Co.

Available Discounts

**DISASTER LOANS (CLTIC)**

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

**EMPLOYEE RATE (LTC and CLTIC)**

No charge shall be made to employees (including employees on approved retirement) of the Company or its underwritten, subsidiary or affiliated title companies for policies or escrow services in connection with financing, refinancing, sale or purchase of the employees' bona fide home property. Waiver of such charges is authorized only in connection with those costs which the employee would be obligated to pay, by established custom, as a party to the transaction.

Notice of Available Discounts

Mod. 10/21/2011

**FIDELITY NATIONAL FINANCIAL, INC.  
PRIVACY NOTICE**

Effective January 1, 2020

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

**Collection of Personal Information**

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

### **Collection of Browsing Information**

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

### **Other Online Specifics**

**Cookies.** When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

**Web Beacons.** We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

**Do Not Track.** Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

**Links to Other Sites.** FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

### **Use of Personal Information**

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

### **When Information Is Disclosed**

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We do share Personal Information among affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

### **Security of Your Information**

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

### **Choices With Your Information**

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you.

Order No: 09191584-919-KRC-KRE

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

**For California Residents:** We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

**For Nevada Residents:** You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: [BCPINFO@ag.state.nv.us](mailto:BCPINFO@ag.state.nv.us).

**For Oregon Residents:** We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

**For Vermont Residents:** We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

#### **Information From Children**

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

#### **International Users**

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

#### **FNF Website Services for Mortgage Loans**

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

#### **Your Consent To This Privacy Notice; Notice Changes; Use of Comments or Feedback**

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice. We may use comments or feedback that you submit to us in any manner without notice or compensation to you.

#### **Accessing and Correcting Information; Contact Us**

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests to [privacy@fnf.com](mailto:privacy@fnf.com), by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.  
601 Riverside Avenue  
Jacksonville, Florida 32204  
Attn: Chief Privacy Officer



**ATTACHMENT NO. 9**  
**ENVIRONMENTAL INDEMNITY**

**[attached]**

ATTACHMENT NO. 9

**ENVIRONMENTAL INDEMNITY**

THIS ENVIRONMENTAL INDEMNITY (this "Indemnity"), dated as of \_\_\_\_\_, 20\_\_, is made by \_\_\_\_\_, a California limited partnership (referred to as "Indemnitor"), whose address for purposes of giving notices is \_\_\_\_\_, in favor of the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic, whose address for purposes of giving notices is 5555 Arlington Avenue, Riverside, CA 92504 ("HACR").

WITNESSETH

WHEREAS, Indemnitor is the owner of the real property in the unincorporated community of Oasis, County of Riverside, California, as more particularly described on Exhibit A attached hereto and made a part hereof, and the real property improvements thereon (collectively referred to as the "Property");

WHEREAS, Coachella Valley Housing Coalition, a California nonprofit public benefit corporation ("CVHC") and HACR, entered into that certain Disposition, Development and Loan Agreement (Oasis Villas Affordable Housing Project), dated as of June 15, 2021 (the "DDLA"), pursuant to which HACR agreed to convey the Property to CVHC, or its assignee, for the purpose of developing an approximately one hundred sixty (160) unit multifamily rental affordable housing development and related improvements and amenities on parcels of property in multiple phases, which parcels include the Property; and

WHEREAS, Indemnitor, as the assignee of CVHC's rights and obligations to construct \_\_\_\_\_ [describe improvements for this Phase] (the "Project Phase" under the DDLA) has agreed to execute and deliver to HACR this Indemnity to induce HACR to convey the Property to Indemnitor.

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

Section 1. DEFINITIONS

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



substance” for purposes of applicable state or local law and (iii) petroleum, flammable explosives, urea formaldehyde insulation, asbestos and radioactive materials, substances defined as “extremely hazardous substances,” “hazardous substances,” “hazardous materials,” “hazardous waste” or “toxic substances” the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq.; and those substances defined as “hazardous waste” in Section 25117 of the California Health and Safety Code, as “infectious waste” in Section 25117.5 of the California Health and Safety Code, or as “hazardous substances” in Section 25316 of the California Health and Safety Code or “hazardous materials” as defined in Section 353 of the California Vehicle Code; and in the regulations adopted and publications promulgated pursuant to said laws. “Hazardous Materials” and “Hazardous Substances” shall expressly exclude substances typically used in the construction, development, operation and maintenance of an apartment complex provided such substances are used in accordance with all applicable laws.

For the purpose of this Indemnity, “Seller Loan Documents” shall refer to the DDLA, any agreement entered into in the form of an Attachment thereto or in connection therewith, and any extensions, modifications or amendments thereto.

## Section 2. COVENANTS AND INDEMNITY

The following covenants and indemnities are hereby given and made by Indemnitior:

### 2.1 Covenants.

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

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

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

(d) HACR shall have the right, at any time, to conduct an environmental audit of the Property at HACR’s expense, unless Hazardous Materials are found in violation of this Indemnity, then at Indemnitior’s sole cost and expense, and Indemnitior shall cooperate in the conduct of any such environmental audit but in no event shall such audit be conducted unless HACR believes that such audit is warranted. Other than in an emergency, such audit shall be

conducted only after prior notice has been given to Indemnitor and only in the presence of a representative of Indemnitor. Indemnitor shall give HACR and its agents and employees access to the Property to remove, or otherwise to mitigate against the effects of, Hazardous Materials.

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

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

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

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

Notwithstanding the foregoing, Indemnitor's liability under this Section 2.2 shall not extend to any Hazardous Substance present or released in, on, or around any part of the Property, or in the soil, groundwater, or soil vapor or under the Property that first arise, commence or occur after the actual dispossession of the Property from Indemnitor and all entities which control, are

controlled by, or are under common control with Indemnitor, following foreclosure or acquisition of the Property by a deed in lieu of foreclosure.

### Section 3. INDEMNITOR'S UNCONDITIONAL OBLIGATIONS

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

- (a) The validity, regularity, or enforceability of the DDLA or any other instrument or document executed or delivered in connection therewith;
- (b) Any alteration, amendment, modification, release, termination, or cancellation of the Seller Loan Documents, or any change in the time, manner, or place of payment or performance of, or in any other term in respect of, all or any of the obligations of Indemnitor contained in any of the Seller Loan Documents;
- (c) Any exculpatory provision in any of the Seller Loan Documents or any document delivered in connection therewith limiting HACR's recourse to property encumbered by the deed of trust securing Indemnitor's obligations under the Seller Loan Documents, or to any other security, or limiting HACR's rights to a deficiency judgment against Indemnitor;
- (d) The insolvency or bankruptcy of Indemnitor; or
- (e) Any other circumstance that might otherwise constitute a defense available to, or a discharge of, Indemnitor with respect to any or all of the Obligations.

3.2 Continuation. The Indemnity provided under § 2.2 (a) is a continuing indemnity and shall remain in full force and effect until the satisfaction in full of all of the Obligations (notwithstanding the release or other extinguishment of the deed of trust securing Indemnitor's obligations under the Seller Loan Documents); and (b) shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the HACR upon the insolvency, bankruptcy, or reorganization of Indemnitor, all as though such payment had not been made.

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

- (a) HACR has at any time or in any manner participated in the management or control of, taken possession of (whether personally, by agent or by appointment

of a receiver), or taken title to the Property or any portion thereof, whether by foreclosure, deed in lieu of foreclosure, sale under power of sale or otherwise; or

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

#### Section 4. WAIVER

Indemnitor hereby waives the following:

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

#### Section 5. NOTICES

Any notice, demand, statement, request, or consent made hereunder shall be in writing and shall be personally served, mailed by first-class registered mail, return receipt requested, to the address set forth in the first paragraph of this Indemnity, above, or given by telecopier to the telecopier numbers stated below, with confirmations mailed by first class registered mail, return receipt requested to the address set forth above, of the party to whom such notice is to be given (or to such other address as the Parties hereto, shall designate in writing):

In the case of HACR:

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

In the case of Indemnitor:

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

Any notice that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof.

## Section 6. MISCELLANEOUS

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

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

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

6.4 Any provision of this Indemnity that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof and without affecting the validity or enforceability of such provision in any other jurisdiction.

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

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

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

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

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

[Signatures on the Following Page]

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

**INDEMNITOR:**

\_\_\_\_\_,  
a California limited partnership

By: Exhibit – Do Not Sign  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Exhibit A  
**LEGAL DESCRIPTION**

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

[to be inserted]



**ATTACHMENT NO. 10**  
**NOTICE OF AFFORDABILITY RESTRICTIONS**

**[attached]**

WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This document is exempt from recording fees  
pursuant to Government Code Section 27383

## NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

**NOTICE IS HEREBY GIVEN** that, in order to carry out certain obligations under the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 *et seq.*), certain real property located at \_\_\_\_\_, in the County of Riverside (“**County**”), State of California, and known as Assessor’s Parcel Number \_\_\_\_\_, and more particularly described in Exhibit “A” attached hereto and incorporated herein by reference (“**Property**”), together with all buildings, structures and other improvements located thereon (“**Improvements**”), is subject to certain affordability covenants and restrictions identified in that certain **AGREEMENT CONTAINING COVENANTS** dated as of \_\_\_\_\_, 20\_\_\_\_, between the Housing Authority of the County of Riverside, a public body corporate and politic (“**HACR**”), and \_\_\_\_\_, a California limited partnership (“**Owner**”), recorded concurrently herewith and incorporated herein by this reference (collectively, “**Restrictions**”). The Property and the Improvements shall be collectively referred to herein as the “**Phase Project**.”

The affordability covenants and restrictions contained in the Restrictions include, without limitation, and as further described in the Restrictions:

1. \_\_\_\_\_ ( ) of the units in the Phase Project are restricted for occupancy by households with an adjusted gross income that does not exceed thirty percent (30%) of area median income,

calculated in accordance with Health and Safety Code Section 50106, at rents affordable to Extremely Low Income Households.

2. \_\_\_\_\_ ( ) of the units in the Phase Project are restricted for occupancy by households with an adjusted gross income that does not exceed sixty percent (60%) of area median income, at rents affordable to Low Income Households (as defined in the Restrictions).

3. Additional requirements concerning operation, management, and maintenance of the Phase Project are also imposed by the Restrictions.

In the event of any conflict between this Notice of Affordability Restrictions on Transfer of Property (“Notice”) and the Restrictions, the terms of the Restrictions shall prevail.

The Restrictions shall remain in effect until the later of the date fifty-five (55) years after the County’s issuance of the final certificate of occupancy for the construction of the last residential building in the Phase Project or \_\_\_\_\_, 20\_\_.

This Notice is being recorded and filed by HACR in compliance with Health and Safety Code Sections 33334.3(f)(3) and (4) and/or Section 33413(c)(5), as amended effective this date, and shall be indexed against HACR and Owner.

This Notice may be executed in counterparts, and multiple originals, each of which shall be deemed to be an original and shall constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the Parties have duly executed this Notice of Affordability Restrictions on Transfer of Property.

**HACR:**

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE,  
a public body corporate and politic

By: Exhibit – Do Not Sign

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

COUNTY COUNSEL

By: Exhibit – Do Not Sign

Deputy County Counsel

[SIGNATURE PAGE TO NOTICE OF AFFORDABILITY  
RESTRICTIONS]

[PAGE 1 OF 2]

**“OWNER”**

\_\_\_\_\_,  
a California limited partnership

By: Exhibit – Do Not Sign  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

[SIGNATURE PAGE TO NOTICE OF AFFORDABILITY  
RESTRICTIONS]

[PAGE 2 OF 2]

**EXHIBIT "A"**

**LEGAL DESCRIPTION OF THE PROPERTY**

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

[TO COME]

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, 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

**ATTACHMENT NO. 11**  
**FORM OF AGREEMENT CONTAINING COVENANTS**  
**(AFFORDABLE HOUSING)**

**[attached]**



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

Recording Requested by and When  
Recorded Return to:

HOUSING AUTHORITY OF THE  
COUNTY OF RIVERSIDE  
5555 Arlington Avenue  
Riverside, California 92504  
Attn: Deputy Director

---

Space above this line for Recorder's use only

AGREEMENT CONTAINING COVENANTS  
(INCLUDING RENTAL RESTRICTIONS)  
(FIRST PHASE)

THIS AGREEMENT CONTAINING COVENANTS (INCLUDING RENTAL RESTRICTIONS) (this "**Covenant Agreement**" or "**Agreement**") is entered into as of \_\_\_\_\_, 20\_\_, by and between the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body, corporate and politic (herein referred to as "**HACR**"), as successor-in-interest to the former Redevelopment Agency for the County of Riverside, a public body, corporate and politic ("**Former Agency**") and \_\_\_\_\_, a California limited partnership (herein referred to as "**Developer**"). HACR and Developer are individually referred to herein as a "Party" and collectively as "Parties."

RECITALS

A. HACR was established by action of the Board of Supervisors of the County of Riverside on November 23, 1942, pursuant to the California Housing Authorities Law (Health and Safety Code §§ 34200, et seq., the "**Housing Authority Law**"), and constitutes a corporate and politic public body, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out the purposes and provisions of the Housing Authority Law.

B. The former Redevelopment Agency of the County of Riverside ("**Former Agency**") purchased certain real property located in the County of Riverside, State of California with proceeds from tax exempt bonds deposited into the low and moderate income housing fund.

C. California redevelopment agencies were dissolved on February 1, 2012 such that the Former Agency is now deemed a former redevelopment agency under Health and Safety Code section 34173 and AB x1 26, as modified by Assembly Bill No. 1484 (as modified to date, the "**Dissolution Law**"), which 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**").

D. Pursuant to CRL § 34176 (a), and HACR Resolution Nos. 2012-035, 2012-001 and 2012-005, all housing functions previously performed by the Former Agency, including related rights, powers, duties, obligations, and housing assets (excluding unencumbered amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the non-housing successor agency under the Dissolution Law) were transferred to HACR, making HACR the “**Housing Successor**” to the Former Agency under the Dissolution Law.

E. There is an unmet need for affordable housing within the County of Riverside, California.

F. HACR, in its capacity as Housing Successor, acquired certain additional real property in the County of Riverside, State of California for affordable housing purposes.

G. In furtherance of the affordable housing goals and objectives of the HACR, HACR and Coachella Valley Housing Coalition, a California nonprofit public benefit corporation (“**CVHC**”) entered into that certain Disposition, Development and Loan Agreement (Oasis Villas Affordable Housing Project) (“**DDLA**”) dated as of June 15, 2021, relating to, among other things, the sale of certain property by HACR to CVHC, or its assigns, and the construction and development thereon of a total of approximately one hundred sixty (160) apartment units affordable to Extremely Low Income Households and Low Income Households and Moderate Income Households in a multifamily affordable rental housing development, with related infrastructure, and an adjacent commercial development providing necessary services to the occupants of the housing development, as more specifically described in the DDLA (“**Proposed Project**”). The DDLA permits the Proposed Project to be developed in up to three (3) phases (two (2) phases for the affordable housing project and one Phase for the adjacent commercial development). The term “**DDLA**” as used herein shall mean, refer to and include the DDLA, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in the DDLA. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the DDLA.

H. Pursuant to the DDLA, each phase of the Project is to be separately financed and owned by a limited partnership. Developer constitutes a “Partnership Assignee” under the DDLA and has assumed the obligations of CVHC under the DDLA with respect to the First Phase and the Phase Property (as hereinafter defined). As a result, Developer holds fee title interest to that certain real property located in the County of Riverside, State of California, legally described in the “**Legal Description**” attached hereto as **Exhibit A** (the “**Phase Property**”), incorporated herein by this reference.

I. Developer intends to construct eighty (80) affordable rental units, a community center, pool, pool house, parking and other community amenities (the “**Improvements**”) on the Phase Property (the “**Phase Project**”).

J. Pursuant to the DDLA and in furtherance of the housing functions transferred to HACR pursuant to the Dissolution Law, the Developer is required to restrict the use and occupancy of forty-nine percent (49%) of the rental units (excluding the Manager Units) in the Phase Project to occupancy by Extremely Low Income Households and Low Income Households at an

DDLA - Oasis Villas FINAL

Affordable Rent for a period of fifty-five (55) years from the date of issuance of a Certificate of Occupancy for the last building within the Phase Project.

K. Concurrently herewith, in accordance with the DDLA, HACR is making a loan to Developer in the amount of \$\_\_\_\_\_ (the "Seller Loan") for the purchase of the Phase Property, and a loan to Developer in the amount of \$\_\_\_\_\_ (the "HACR Loan") for predevelopment expenses incurred for the Phase Project. The Seller Loan and HACR Loan are evidenced by a promissory note dated of even date herewith, which is secured by a deed of trust of even date herewith recorded against the Phase Property.

L. The Phase Property was initially purchased by the Former Agency as HACR's predecessor-in-interest with bond proceeds deposited into the Low and Moderate Income Housing Fund (LMIHF) for affordable housing purposes. The covenants and restrictions set forth herein are given in consideration of the Seller Loan, the HACR Loan and the conditions imposed upon the use of LMIHF monies and affordable housing by applicable law.

M. HACR has agreed to convey the Phase Property to Developer and provide the Seller Loan and the HACR Loan to Developer on the condition that the Phase Project be maintained and operated in accordance with California Health and Safety Code ("HSC") Sections 33334.2 et seq., and in accordance with additional restrictions concerning affordability, operation, and maintenance of the Phase Project, as specified in this Covenant Agreement.

N. In consideration of receipt of the conveyance of the Phase Property, the Seller Loan, the HACR Loan, deferred repayment terms and substantially below market rate interest on the Seller Loan and the HACR Loan, and other good and valuable consideration, the receipt of which is acknowledged by Developer, Developer has agreed to observe all the terms and conditions set forth herein.

O. To ensure that the Phase Property will be used and operated in accordance with all applicable conditions and restrictions, HACR and Developer wish to enter into this Covenant Agreement.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer, on behalf of itself and its successors, assigns, and each successor in interest to the Phase Property or any part thereof, and HACR agree as follows:

1. **Restrictions.**

a. Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Phase Property or any part thereof, that Developer, such successors and such assignees shall use the Phase Property only for the uses specified in the DDLA and this Covenant Agreement. No change in the use of the Phase Property shall be permitted without the prior written approval of HACR. The Improvements shall comply with all applicable requirements of the California Building Code, including, without limitation, all applicable sections regarding

comprehensive accessibility and adaptability requirements for multifamily new construction development.

b. Without limiting the generality of the foregoing, Developer, such successors and such assignees shall use the Phase Property for the development, construction and operation thereon of an eighty (80) unit multi-family affordable rental housing complex, forty nine percent (49%) or \_\_\_\_\_ Units of which (excluding any Manager Unit(s)) shall be occupied by or made available at an Affordable Rent to Extremely Low Income Households and Low Income Households (collectively, the “**Restricted Units**”). Of the Restricted Units, thirty percent (30%) or \_\_\_\_\_ Units shall be occupied by or made available at an Affordable Rent to Extremely Low Income Households. The required distribution of the Restricted Units by type, affordability mix and rent is set forth in Exhibit D attached hereto and incorporated herein by this reference.

c. The maximum incomes of Extremely Low Income Household and Low Income Household residential tenants eligible to rent the Restricted Units shall be determined on the basis of the area median income for the County of Riverside Standard Metropolitan Area as determined by the U.S. Department of Housing and Urban Development and published approximately annually by the California Department of Housing and Community Development (“**Area Median Income**”).

d. For purposes of this Agreement, the term “**Extremely Low Income Household**” shall mean a household whose Gross Income does not exceed the requirements set forth in HSC §50106 for the County of Riverside, adjusted for actual family size.

e. For purposes of this Agreement, the term “**Low Income Household**” shall mean a household whose Gross Income does not exceed sixty percent (60%) of Area Median Income, adjusted for actual family size.

f. “**Gross Income**” shall be calculated in accordance with Title 25, § 6914 of the California Code of Regulations

g. The maximum monthly Affordable Rent for an Extremely Low Income Household, including a reasonable utility allowance for utilities and services (excluding telephone), that may be charged to tenants of the Restricted Units, shall not exceed one-twelfth (1/12) times the product of thirty percent (30%) times thirty percent (30%) of the Area Median Income, adjusted for family size appropriate for the Restricted Unit.

h. The maximum monthly Affordable Rent for a Low Income household, including a reasonable utility allowance for utilities and services (excluding telephone), that may be charged to tenants of the Restricted Units, shall not exceed one-twelfth (1/12) times the product of thirty percent (30%) times sixty percent (60%) of the Area Median Income, adjusted for family size appropriate for the Restricted Unit.

i. For purposes of calculating Affordable Rent, “adjusted for family size appropriate for the Restricted Unit” shall mean the number of bedrooms in the Unit plus one; or, if permitted in accordance with the HSC, the number of bedrooms in the Unit multiplied by 1.5.

j. HACR, and its successors and assigns, shall have the right, but not the obligation, to monitor and enforce the covenants contained in this section 1.

k. To the extent permitted by law, Section 42 of the Internal Revenue Code and TCAC, this Paragraph shall govern in the event of increases in tenant incomes: (a) A tenant who initially qualified as an Extremely Low Income Household, but who, due to an increase in income, no longer qualifies as an Extremely Low Income Household but does qualify as a Low Income Household, shall pay as rent an amount that does not exceed affordable rent to a Low Income Household, as permitted hereby; (b) a tenant whose Gross Income exceeds that permitted for a Low Income Household but does not exceed 80% of Area Median Income, shall pay as rent in an amount not to exceed 30% of 70% of Area Median Income; (d) if a household's income increases to above 80% of Area Median Income, but is less than 120% of Area Median Income, the household may be required to pay 30% of 110% of Area Median Income; and (e) if a household's income increases to above 120% of Area Median Income, the household may be required to pay market rate rent for the unit, to the extent permitted by applicable law.

l. Except for one or more resident manager(s), no officer, employee, agent, official or consultant of Developer may occupy any of the units.

m. Units in the Phase Project that are not Restricted Units shall be occupied by households whose Gross Income does not exceed that permitted for a Moderate Income Household at a monthly rent not to exceed one-twelfth (1/12) times the product of thirty percent (30%) times one hundred ten percent (110%) of the Area Median Income, adjusted for family size appropriate for the unit. For purposes hereof, "**Moderate Income Household**" means a Household whose Gross Income does not exceed one hundred twenty percent (120%) of Area Median Income, adjusted for actual family size. Prior to leasing a Unit and annually thereafter, Developer, at its sole expense, shall cause the Property Manager to certify the eligibility of the Moderate Income Household tenant consistent with the income certification procedures for Restricted Units set forth in Section 19.d.

n. Failure to comply with the requirements of this Agreement is an event of default under the terms of the DDLA.

o. Except for the non-discrimination provisions set forth below, which shall remain in effect in perpetuity, this Agreement and the use and occupancy restrictions set forth herein shall remain in effect for a period of fifty-five (55) years from the issuance of a Certificate of Occupancy for the last building built in the Phase Project ("**Term**" or "**Affordability Period**"). Without regard to a transfer, for the duration of the term set forth herein, the Phase Property shall be held, sold and conveyed, subject to the covenants, conditions, and restrictions of the Phase Project set forth herein

p. Developer shall comply with the terms of the DDLA and related Agreements to the extent applicable to the Phase Project and any other instrument secured by the Property.

q. Notwithstanding anything to the contrary contained herein, if the Phase Project qualifies for low income housing tax credits, Developer shall at all times comply with the rent restrictions and affordability requirements set forth in Section 42 of the Internal Revenue Code

of 1986, as amended and any statutes, regulations of TCAC. In the event of a conflict between the rent and affordability requirements required by TCAC and this Covenant, Developer shall comply with the most restrictive covenant.

2. **Structural Modifications.** In order to protect and maintain the architectural and structural integrity of the Phase Property, no structural modification will be made to the Phase Property without a validly issued building permit in accordance with the requirements of the County of Riverside Ordinances. Any application for a building permit pursuant to this section and in connection with a proposed exterior modification to the Phase Property shall be accompanied by elevations and plans depicting the proposed modifications.

3. **Maintenance of the Property.** Developer, on behalf of itself and its successors, assigns, and each successor in interest to the Phase Property and Phase Project or any part thereof hereby covenants to and shall protect, maintain, and preserve the Phase Property in compliance with all applicable federal and state law and regulations and local ordinances. In addition, Developer, its successors and assigns, shall maintain the improvements on the Phase Property in the same aesthetic and sound condition (or better) as the condition of the Phase Property at the time of the issuance of a Certificate of Occupancy for the Phase Project, reasonable wear and tear excepted. This standard for the quality of maintenance of the Phase Property shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and within a reasonable period of time repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash receptacles and removal of litter; on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as reasonably necessary; cleaning windows on a regular basis; painting the buildings on a regular program and prior to the significant deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices in good working order. In the event Developer, its successor or assign fails to maintain the Phase Property in accordance with the standard for the quality of maintenance, HACR or its designee shall have the right but not the obligation to enter the Phase Property upon reasonable notice to Developer, correct any violation, and hold Developer, or such successors or assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property; provided, however, any such liens shall be subject and subordinate to the deed of trust in favor of any senior Lender.

4. **Nondiscrimination.** Developer shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age or disability in the solicitation, selection, hiring or treatment of any contractors or consultants, to participate in subcontracting/subconsulting opportunities. Developer understands and agrees that violation of this clause shall be considered a material breach of this Covenant Agreement and may result in termination, debarment or other sanctions. This language shall be incorporated into all contracts between Developer and any contractor, consultant, subcontractor, subconsultants, vendors and suppliers. Developer shall comply with the provisions of the California Fair Employment and Housing Act (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended, and all Administrative Rules and Regulations issued pursuant to said acts and orders with respect to its use of the Property.

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

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

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

In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

In contracts: "There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in

the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land.”

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

5. **Development of the Property.** Developer covenants and agrees for itself, its successors and assigns and every successor in Developer’s interest in the Phase Property or any part thereof, that Developer, its successors and assigns, shall develop and construct, or cause the development and construction, of the Improvements on the Phase Property in accordance with the provisions of the DDLA, including, but not limited to the Entitlements for the Phase Property, the Scope of Development (Attachment No. 6 to the DDLA), and all applicable Governmental Approvals.

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

7. **Insurance.** Without limiting or diminishing Developer’s obligation to indemnify or hold HACR harmless, Developer shall procure and maintain or cause to be maintained, at its sole cost and expense, insurance meeting the requirements set forth in the DDLA.

8. **Hold Harmless/Indemnification.** Developer shall indemnify and hold harmless HACR, the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, governing Boards, 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 actions or failure to act of Developer, its officers, employees, subcontractors, agents or representatives, arising out of, in connection with or in any way relating to this Covenant Agreement, including but not limited to property damage, bodily injury, or death or any other claim or injury of any kind or nature whatsoever, except in the event of the gross negligence or willful misconduct of an Indemnitee; provided however, any gross negligence or willful misconduct of an Indemnitee will only affect Developer’s duty to indemnify



for the specific act found to be gross negligence or willful misconduct, and will not preclude Developer's duty to indemnify for any act or omission of Developer as required herein. Developer shall defend the Indemnitees against any claim or action based upon such alleged acts or omissions, at Developer's sole expense, including all costs and fees including, but not limited, to attorneys' fees and costs, cost of investigation, defense and settlements or awards. With respect to any action or claim subject to indemnification herein by Developer, Developer shall, at its sole cost, have the right to use counsel of its own choice to adjust, settle, or compromise any such action or claim without the prior consent of Indemnitees; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Developer's indemnification to Indemnitees as set forth herein. Developer's obligation hereunder shall be satisfied when Developer has provided to HACR the appropriate form of dismissal relieving Indemnitees from any liability for the action or claim involved. The specified insurance limits required in this Agreement shall in no way limit or circumscribe Developer's obligations to indemnify and hold harmless 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 the Developer from indemnifying the Indemnitees to the fullest extent allowed by law. The indemnity set forth herein shall survive the expiration or earlier termination of this Agreement.

9. **Notices.** All Notices provided for in this Agreement shall be deemed received when personally delivered, or two (2) days following mailing by certified mail, return receipt requested. All mailing shall be addressed to the respective parties at their addresses set forth below, or at such other address as each party may designate in writing and give to the other party:

If to HACR:                   Housing Authority of the County of Riverside  
5555 Arlington Avenue  
Riverside, CA 92504

If to Developer:           c/o CVHC Communities  
45-701 Monroe Street, Suite G  
Indio, CA 92201

10. **Remedies.** HACR shall have the right, in the event of any breach of any term or covenant of this Agreement, to exercise all available rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of such term or covenant.

11. **Term.** The non-discrimination covenants, conditions and restrictions contained in this Covenant Agreement shall remain in effect in perpetuity. Every other covenant, condition and restriction contained in this Covenant Agreement shall continue in full force and effect for the Affordability Period.

12. **Notice and Cure.** Prior to exercising any remedies hereunder, HACR shall give Developer notice of such default in accordance herewith. Any monetary default shall be cured within seven (7) business days of delivery of written notice. Except as otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within sixty (60) days of delivery of such notice of default, Developer shall have such period to effect a cure prior to exercise of

remedies by HACR. If the non-monetary default is such that it is not reasonably capable of being cured within sixty (60) days of delivery of such notice of default, and Developer (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Developer shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by HACR; but in no event no later than one hundred eighty (180) days from delivery of such notice of default, unless such date is extended in accordance with the DDLA.

HACR, upon providing Developer with any notice of default under this Agreement, shall at the same time provide a copy of such default notice to permitted lenders and any tax credit investor who have given written notice to HACR of its interest in the Phase Property and the Phase Project. From and after such notice has been delivered to the permitted lenders and tax credit investor, and such permitted lenders and tax credit investor shall have the same period for remedying the default complained of as the cure period provided to Developer pursuant to this Section. HACR shall accept performance by the permitted lenders and tax credit investor as if the same had been made by Developer.

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

13. **Sale, Assignment or Transfer of the Project or Property.** Except for a Permitted Transfer as provided in the DDLA, Developer hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the Phase Project, the Phase Property or any portion thereof, without obtaining the prior written consent of HACR, which shall be granted or withheld in its discretion. Any approved sale, assignment, or transfer of the Phase Project or Phase Property shall be memorialized in an assignment and assumption agreement, the form and substance of which has been first approved in writing by HACR in its discretion. Such assignment and assumption agreement shall, among other things, provide that the transferee has assumed in writing and in full, and is reasonably capable of performing and complying with, Developer's duties and obligations under this Covenant Agreement; provided, however, Developer shall not be released of all obligations under this Agreement for any obligations which arose or were due to be performed prior to the date of such assignment.

14. **Amendments or Modifications.** This Agreement may only be amended or modified only by a written amendment signed by authorized representatives of both parties.

15. **Governing Law; Venue; Severability.** This Agreement shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Covenant Agreement shall be filed only in the Superior Court of the State of California located in

Riverside, California, and the parties waive any provision of law providing for a change of venue to another location. In the event any provision in this Covenant Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way

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

17. **Permitted Mortgages.** No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Covenant Agreement shall defeat or render invalid or in any way impair the lien or charge of any deed of trust or mortgage permitted by the DDLA or the lien or charge of a deed of trust made by the Developer for the benefit of any lender first approved in writing by HACR, to the extent such approval is required by the DDLA (each, a “**Permitted Lender**”) and nothing herein or in the DDLA shall prohibit or otherwise limit the exercise of a Permitted Lender’s rights and remedies thereunder, including a foreclosure or deed-in-lieu of foreclosure and subsequent transfer thereafter.

18. **Severability.** In the event that any provision, whether constituting a separate paragraph or whether contained in a paragraph with other provisions, is hereafter determined to be void and unenforceable, it shall be deemed separated and deleted from this Agreement and the remaining provisions of this Covenant Agreement shall remain in full force and effect.

19. **Operation of Project.**

a. **Project Monitoring and Evaluation; Tenant Checklist.** Developer shall submit a Tenant Checklist Form to HACR, substantially in the form of Exhibit B attached hereto and incorporated herein by this reference, may be revised by HACR from time to time, summarizing the racial/ethnic composition, number and percentage of households who are tenants of the Restricted Units. The Tenant Checklist Form shall be submitted upon Completion of the construction and thereafter, on a semi-annual basis on or before March 31 and September 30. In addition, Developer shall annually submit, on each April 1 after the issuance of a Certificate of Occupancy for the last building in the Phase, such other monitoring forms as reasonably requested by HACR.

Developer shall provide to HACR draft written lease agreements for tenants of the Phase for not less than one year. HACR shall review the initial form of the lease agreement prior to Developer executing any leases and, provided that Developer uses a lease form approved by HACR, Developer shall be permitted to enter into residential leases without HACR’s prior written consent. Any material changes to the written lease shall be approved in writing by HACR prior to any use by Developer.

b. **Prohibited Lease Terms.** The rental agreement/lease may not contain any of the following provisions:

(1) **Agreement to be sued.** Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of Developer in a lawsuit brought in connection with the lease.

(2) Treatment of property. Agreements by tenant that Developer may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. Developer may dispose of this personal property in accordance with State law.

(3) Excusing Developer from responsibility. Agreement by the tenant not to hold Developer or Developer's agents legally responsible for any action or failure to act, whether intentional or negligent.

(4) Waiver of notice. Agreement of the tenant that Developer may institute a lawsuit without notice to the tenant.

(5) Waiver of legal proceeding. Agreement by the tenant that the Developer may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.

(6) Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury.

(7) Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.

(8) Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorneys' fees or other legal costs even if the tenant wins in a court proceeding by Developer against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

(9) Mandatory supportive services. Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.

c. Written Selection Policies. Developer shall adopt written selection policies and criteria that meet the following requirements, and are approved in writing by HACR prior to entering into any lease for the Phase Project, which selection policies shall be subject to all applicable laws, including Section 42 of the Internal Revenue Code:

(1) Are consistent with the purpose of providing housing for Extremely Low Income Households and Low Income Households.

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

(3) Provide for:

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

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

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

(5) Carry out the affirmative marketing procedures of HACR, to provide information and otherwise attract eligible persons from all racial, ethnic and gender groups in the housing market area. Developer and HACR shall cooperate to effectuate this provision during the Developer's initial lease-up of the Restricted Units and as vacancies occur.

d. Income Requirements and Certification. Prior to leasing a Restricted Unit and annually thereafter, Developer, at its sole expense, shall cause the Property Manager to certify the eligibility of each tenant applicant as an Extremely Low Income Household or Low Income Household. The Developer shall complete such certification on forms as may be reasonably required by HACR (which may include provision to HACR of any reporting forms required by California Tax Credit Allocation Committee (CTCAC)). Gross income calculations for prospective (and continuing) tenants shall be determined in accordance herewith and with applicable state law. Developer shall cause the Property Manager to submit such income certification, verification and such additional information as may reasonably be required in the future by HACR or CTCAC. Such supporting documentation shall include, for each member of the household eighteen (18) years old or older, copies of documentation and verification procedures as required by Section IV of CTCAC's Compliance Online Reference Manual, as may be amended from time to time by CTCAC and currently located at - <https://www.treasurer.ca.gov/ctcac/compliance/manual/manual.pdf>. Developer and HACR agree and acknowledge that HACR may require such additional information, if any, required to comply with applicable California law regarding affordable housing.

e. Submission of Audited Financial Statements. Developer shall prepare and obtain an audited annual financial statement for the Phase Project for each calendar year (the "Annual Audited Financial Statements") ending after Completion of such Phase Project. By no later than the April 1st following the year in which final certificate of occupancy for the Phase Project is issued, Developer shall submit such Annual Audited Financial Statements to HACR for the immediately preceding calendar year. Thereafter, by no later than each April 1st, Developer shall submit Annual Audited Financial Statements to HACR for the immediately preceding year in accordance with Section 6.1 of the DDLA.

20. Agreement Runs with Property. In accordance with California Civil Code Section 1461 et seq., all conditions, covenants and restrictions contained in this Agreement shall be covenants running with the land. HACR shall be deemed the beneficiary of the covenants, conditions and restrictions of this Agreement both for and in their own rights and for the purposes of protecting the interests of the community. The covenants, conditions, and restrictions shall run in favor of HACR, without regard to whether HACR has been, remains, or is an owner of any land or interest therein in the Phase Property, surrounding areas or the Project Area.

21. **Access to Project.** Representatives of HACR shall have the right of access to the Phase Property, upon twenty four (24) hours' prior written notice to Developer (except in the case of an emergency, in which HACR shall provide such notice as may be practical under the circumstances), without charges or fees, during normal business hours to review the operation of the Project in accordance with this Agreement subject to the rights of tenants under individual tenant leases.

22. **Management.** Developer shall be responsible for the operation of the Phase Project either by direct management or by contracting its managerial functions to a third party property manager reasonably acceptable to HACR. The property manager will be charged with managing the Phase Project on behalf of the Developer. HACR shall have the right to review and approve, which approval shall not be unreasonably withheld, conditioned or delayed any such entity prior to its selection by the Developer. Developer shall include in any such property management agreement a provision providing for the termination of the agreement in the event that the property manager violates any federal, state or local health and safety laws and regulations which are not cured within thirty (30) days following the giving of notice of such violations by HACR or any other governmental entity; provided, however, that in the case of a violation that cannot be cured within such thirty (30) day period, that such cure shall be commenced within thirty (30) days of notification and shall be diligently prosecuted to completion not later than sixty (60) days after notification. Developer, its successors and assigns, upon notice from HACR, shall pay any costs and fees (including administrative and attorneys' fees) incurred by HACR in connection with responding to or defending any discrimination claim brought by any third party and/or local, state or federal government entity, arising out of or in connection with the Permitted Financing Purposes and/or this Agreement.

23. **Compliance with Applicable Laws.** Developer shall carry out the design, construction and operation of the Project in conformity with all applicable federal, state and local laws, ordinances, statutes, codes, rules, resolutions, regulations, policy statements, orders, and decrees including without limitation, all applicable labor and employment laws and standards, laws regarding hazardous substances, laws regarding the acceptance or rejection of tenants and/or the termination of any tenancy, zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the Code of Ordinances of Riverside County, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. § 12101, *et seq.*, as currently exists or as may be amended from time to time, Government Code § 4450, *et seq.*, as currently exists or as may be amended from time to time, Government Code § 11135, *et seq.*, as currently exists or as may be amended from time to time, and the California Building Standards Code, Health and Safety Code § 18900, *et seq.* as currently exists or as may be amended from time to time.

24. **Recitals.** The Recitals are a substantive part of this Agreement and are incorporated herein by this reference.

25. **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.

26. **Entire Agreement.** This Covenant Agreement, the DDLA, and the remainder of the Seller Loan Documents set forth and contain the entire understanding and agreement of the parties hereto with respect to the subject matter hereof. There are no oral or written representations, understandings, or ancillary covenants, undertakings or agreements, which are not contained or expressly referred to within the Seller Loan Documents.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, HACR and Developer have signed this Agreement as of the dates set opposite their signatures.

**HACR:**

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic

By: Exhibit – Do Not Sign  
Heidi Marshall, Executive Director

Date: \_\_\_\_\_

**DEVELOPER:**

\_\_\_\_\_  
a California limited partnership

By: Exhibit – Do Not Sign  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
COUNTY COUNSEL

By: Exhibit – Do Not Sign  
Deputy County Counsel



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

STATE OF CALIFORNIA )  
 ) ss:  
 COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, 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

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, 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  
LEGAL DESCRIPTION

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

[to come]

**Exhibit "B"**

**Tenant Checklist**

[attached]

**Exhibit B: Sample Tenant Checklist**

Project Name:

Address:

Insert a check mark for each item that is relevant to the family below																									
Unit No.	Tenant Name	Move In Date	Move Out Date	Rent Amount	Family Size	No. of BRs	Utility Allowance	Tenant Portion	Section 8 Subsidy	Recert. Date	Tenant Income	% of Median	Non-Hisp.	Hispanic	Am. Ind (AIA N)	Blk Asn	N.Ha w Pc Islan	WH T	AIA N & WH T	AS N & WH T	BL K & WH T	AIA N & BL K	Two or more Races		

**EXHIBIT C**

**SCHEDULE OF AFFORDABLE RENTS**

<b>Type of Units</b>		<b>Maximum Income</b>	<b>Maximum Monthly Affordable Rent</b>
_____	_____ Bedroom	Extremely Low Income Household	1/12 of 30% X 30% of AMI (less utility allowances)
_____	_____ Bedroom	Low Income Household	1/12 of 30% X 60% of AMI (less utility allowances)
_____	_____ Bedroom	Moderate Income Household	1/12 of 30% of 110% of AMI (less utility allowance)

**ATTACHMENT NO. 12**  
**REQUEST FOR NOTICE**

**[attached]**

Recording Requested By:  
RIVERSIDE COUNTY

EXEMPT RECORDING FEE GOVERNMENT CODE SECTION 27383

AND WHEN RECORDED MAIL TO  
Housing Authority of the County  
of Riverside  
5555 Arlington Avenue  
Riverside, CA 92504  
Attn: \_\_\_\_\_

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

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

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A"

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

All notices to be mailed to: Attn: \_\_\_\_\_, \_\_\_\_\_, 5555 Arlington Avenue, Riverside, California 92504

Request is hereby made that a copy of any notice of default and a copy of any notice of sale under the deed of trust

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

Dated \_\_\_\_\_

COUNTY OF RIVERSIDE

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

**CALIFORNIA ALL-PURPOSE**

**ACKNOWLEDGMENT**

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE } S.S.

On \_\_\_\_\_ before  
me, \_\_\_\_\_ a

(This area for official notarial seal)



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

\_\_\_\_\_

\_\_\_\_\_

**ATTACHMENT NO. 13**  
**AGREEMENT CONTAINING COVENANTS**  
**(COMMERCIAL PROPERTY)**

**[attached]**

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

Recording Requested by and When  
Recorded Return to:

HOUSING AUTHORITY OF THE  
COUNTY OF RIVERSIDE  
5555 Arlington Avenue  
Riverside, California 92504  
Attn: Deputy Director

---

Space above this line for Recorder's use only

AGREEMENT CONTAINING COVENANTS  
(COMMERCIAL PROPERTY)

THIS AGREEMENT CONTAINING COVENANTS (COMMERCIAL PROPERTY) (this "**Covenant Agreement**" or "**Agreement**") is entered into as of \_\_\_\_\_, 20\_\_, by and between the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body, corporate and politic (herein referred to as "**HACR**"), as successor-in-interest to the former Redevelopment Agency for the County of Riverside, a public body, corporate and politic ("**Former Agency**") and \_\_\_\_\_, a California limited partnership (herein referred to as "**Developer**"). HACR and Developer are individually referred to herein as a "Party" and collectively as "Parties."

RECITALS

A. HACR was established by action of the Board of Supervisors of the County of Riverside on November 23, 1942, pursuant to the California Housing Authorities Law (Health and Safety Code §§ 34200, et seq., the "**Housing Authority Law**"), and constitutes a corporate and politic public body, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out the purposes and provisions of the Housing Authority Law.

B. The former Redevelopment Agency of the County of Riverside ("**Former Agency**") purchased certain real property located in the County of Riverside, State of California with proceeds from tax exempt bonds deposited into the low and moderate income housing fund.

C. California redevelopment agencies were dissolved on February 1, 2012 such that the Former Agency is now deemed a former redevelopment agency under Health and Safety Code section 34173 and AB x1 26, as modified by Assembly Bill No. 1484 (as modified to date, the "**Dissolution Law**"), which 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**").

D. Pursuant to CRL § 34176 (a), and HACR Resolution Nos. 2012-035, 2012-001 and 2012-005, all housing functions previously performed by the Former Agency, including related rights, powers, duties, obligations, and housing assets (excluding unencumbered amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the non-housing successor agency under the Dissolution Law) were transferred to HACR, making HACR the “**Housing Successor**” to the Former Agency under the Dissolution Law.

E. HACR, in its capacity as Housing Successor, acquired certain additional real property in the County of Riverside, State of California for affordable housing purposes.

F. In furtherance of the affordable housing goals and objectives of the HACR, HACR and Coachella Valley Housing Coalition, a California nonprofit public benefit corporation (“**CVHC**”) entered into that certain Disposition, Development and Loan Agreement (Oasis Villas Affordable Housing Project) (“**DDLA**”) dated as of June 15, 2021, relating to, among other things, the sale of certain property by HACR to CVHC, or its assigns, and the construction and development thereon of a total of approximately one hundred sixty (160) apartment units affordable to Extremely Low Income Households and Low Income Households and Moderate Income Households in a multifamily affordable rental housing development, with related infrastructure and an adjacent commercial development providing necessary services to the occupants of the housing development, as more specifically described in the DDLA (“**Proposed Project**”). The Proposed Project is permitted to be built in up to three (3) phases. The term “**DDLA**” as used herein shall mean, refer to and include the DDLA, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in the DDLA. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the DDLA.

G. Pursuant to the DDLA, each phase of the Project is to be separately financed and owned by a permitted transferee of CVHC. Developer constitutes a “Permitted Transferee” under the DDLA and has assumed the obligations of CVHC under the DDLA with respect to the Phase Property (as hereinafter defined). As a result, Developer holds fee title interest to that certain real property located in the County of Riverside, State of California, legally described in the “**Legal Description**” attached hereto as **Exhibit A** (the “**Phase Property**”), incorporated herein by this reference.

H. In connection with CVHC’s affordable housing and other obligations under the DDLA, Developer has agreed to construct general retail and commercial businesses on the Phase Property that will provide services to residents of the affordable housing project, including a childcare facility, market, general retail, medical clinic, or other service business(es) reasonably approved by HACR (collectively, the “**Improvements**”) on the Phase Property (the “**Phase Project**”).

I. In consideration of receipt of the conveyance of the Phase Property as a component of an affordable housing project, the use of the proceeds of the Purchase Price for the Phase Property as a loan to the affordable housing project, and other good and valuable consideration, the receipt of which is acknowledged by Developer, Developer, on behalf of itself and all successors and assigns thereof, has agreed to observe all the terms and conditions set forth herein. The

conditions, covenants and restrictions contained within this Agreement are intended to apply to Developer and all of its successors and assigns to the fee ownership of the Phase Property.

J. To ensure that the Phase Property will be used and operated in accordance with all applicable conditions and restrictions, HACR and Developer wish to enter into this Covenant Agreement.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer, on behalf of itself and its successors, assigns, and each successor in interest to the Phase Property or any part thereof, and HACR agree as follows:

1. **Development, Use and Restricted Uses.**

a. Developer covenants and agrees for itself, its successors and assigns and every successor in Developer's interest in the Phase Property or any part thereof, that Developer, its successors and assigns, shall develop and construct, or cause the development and construction, of the Improvements on the Phase Property in accordance with the provisions of the DDLA and this Covenant Agreement, including, but not limited to the Entitlements for the Phase Property, the Scope of Development (Attachment No. 6 to the DDLA), and all applicable Governmental Approvals.

b. No change in the use of the Phase Property shall be permitted without the prior written approval of HACR. The Improvements shall be constructed in accordance with, and, after completion, comply with, all applicable Governmental Requirements, including, without limitation, all applicable sections of the California Building Code regarding comprehensive accessibility.

c. Without limiting the generality of the foregoing, Developer agrees to use the Phase Property for the development, construction and operation thereon of general retail and commercial businesses on the Phase Property that will provide services to residents of the affordable housing project, including a childcare facility, market, general retail, medical clinic, or other service business(es) reasonably approved by HACR.

d. HACR, and its successors and assigns, shall have the right, but not the obligation, to monitor and enforce the covenants contained in this section 1.

e. All development, construction and use of the Phase Property shall comply with all applicable provisions of the County of Riverside Ordinances ("Code").

f. Developer covenants and agrees that no portion of the Phase Property shall be used for any of the following purposes:

- (i) outdoor kiosks or newsstands;

- (ii) the operation of any private or commercial golf course, country club, massage parlor, hot tub facility, or suntan facility, any race track or other facility used for gambling, any store the principal business of which is the sale of alcoholic beverages for consumption off premises, or any check cashing store;
- (iii) the development or holding of intangibles for sale or license;
- (iv) farming (within the meaning of Section 2032A(e)(5)(A) or (B) of the Internal Revenue Code);
- (v) the operation of any bank, credit union or other financial institution;
- (vi) any type of sexually oriented business, adult entertainment or adult bookstore; including but not limited to any facility selling or displaying adult or pornographic books, literature, videotapes or materials in any medium, or any facility providing adult entertainment or other adult services (for purposes of this limitation, materials or activities shall be considered "adult" or "pornographic" if the same are not available for sale or rental to children under the age of eighteen (18) years old because they explicitly deal with or depict human sexuality);
- (vii) escort services, dating services, or similar matchmaking or companion services;
- (viii) without limitation of (ii) above, bingo or similar games of chance;
- (ix) the sale of any firearms, ammunition or weapons, or a shooting gallery of any type;
- (x) the sale of fireworks, except as an incidental part of another primary business;
- (xi) pay day lending activities, pay day advances, pay check advances, or any similar type of lending activity;
- (xii) pawn shops, pawn brokers, car title lender (which, for purposes of this limitation, will not include auto loans made by a state or federally chartered bank or thrift), or any similar type of lending activity;
- (xiii) check cashing services, except as an incidental part of another primary business or incident to the banking activities of a state or federally chartered bank or thrift;
- (xiv) debt collection activities, debt consolidation services, credit repair or credit restoration activities, except as such activities are incidental to banking activities conducted by a state or Federally chartered bank or thrift;
- (xv) bail bond services of any kind, or any activities of a bail bond agent;
- (xvi) the sale, distribution, marketing, or production of marijuana, cannabis or any constituent cannabinoids such as THC (this limitation applies broadly, regardless of whether the activity is conducted by collectives, collective caregivers, co-ops, growers, or any other entity or organization.);
- (xvii) the sale, distribution, or manufacture of any type of drug paraphernalia;

- (xviii) tattoo parlors or any establishment that performs tattooing;
- (xix) a bar, restaurant or other establishment (other than a restaurant or café deriving at least 80% of its income from the sale of food and non-alcoholic beverages may operate in the Project and serve alcohol provided that the restaurant, and not the commercial tenant, is the applicant for any required liquor license);
- (xx) businesses based predominantly on inbound or outbound telemarketing activities, except as such calls are an incidental part of another primary business;
- (xxi) video game or amusement arcade;
- (xxii) multi-level marketing activities, the sale of multi-level business opportunities or network marketing activities;
- (xxiii) any manufacturing, distilling, refining, smelting, agricultural or mining operation;
- (xxiv) any dumping, disposing, incineration or reduction of garbage,
- (xxv) any bowling alley or skating rink;
- (xxvi) any mortuary or funeral home;
- (xxvii) any auto repair facility, an automobile parts store or other automobile-related retail establishment;
- (xxviii) any convenience store;
- (xxix) any on-premises dry cleaner;
- (xxx) any business which produces environmental hazards regulated under applicable environmental laws;
- (xxxi) any parole, juvenile detention or similar service;
- (xxxii) neon signage;
- (xxxiii) billboards;
- (xxxiv) agri-waste mulchers; or
- (xxxv) recycling center, transfer station, or carwash.

g. Developer shall not maintain, cause to be maintained, or allow to be maintained on or about the Phase Property any public or private nuisance, including without limitation, the conduct of criminal activities set forth in the nuisance abatement provisions of the Uniform Controlled Substances Act (Health & Safety Code Sections 11570, et seq.) or the Street Terrorism Enforcement and Prevention Act (Penal Code Sections 186.22 et seq.) or any successor statute or law.

h. Failure to comply with the requirements of this Agreement is an event of default under the terms of the DDLA.

i. Except for the non-discrimination provisions set forth below, which shall remain in effect in perpetuity, this Agreement and the use restrictions set forth herein shall remain in effect for a period of fifty-five (55) years from the issuance of a Certificate of Occupancy for the last building built in the Phase Project (“**Term**”). Without regard to a transfer, for the duration of

the term set forth herein, the Phase Property shall be held, sold and conveyed, subject to the covenants, conditions, and restrictions of the Phase Project set forth herein.

j. Developer shall comply with the terms of the DDLA and related Attachments to the extent applicable to the Phase Project and any other instrument secured by the Property.

2. **Structural Modifications.** In order to protect and maintain the architectural and structural integrity of the Phase Property, no structural modification will be made to the Phase Property without a validly issued building permit in accordance with the requirements of the Code. Any application for a building permit pursuant to this section and in connection with a proposed exterior modification to the Phase Property shall be accompanied by elevations and plans depicting the proposed modifications.

3. **Maintenance of the Property.** Developer, on behalf of itself and its successors, assigns, and each successor in interest to the Phase Property and the Phase Project or any part thereof hereby covenants to and shall protect, maintain, and preserve the Phase Property in compliance with all applicable federal and state law and regulations and local ordinances. In addition, Developer, its successors and assigns, shall maintain the improvements on the Phase Property in the same aesthetic and sound condition (or better) as the condition of the Phase Property at the time of the issuance of a Certificate of Occupancy for the Phase Project, reasonable wear and tear excepted. This standard for the quality of maintenance of the Phase Property shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and within a reasonable period of time repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash receptacles and removal of litter; on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as reasonably necessary; cleaning windows on a regular basis; painting the buildings on a regular program and prior to the significant deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices in good working order. In the event Developer, its successor or assign fails to maintain the Phase Property in accordance with the standard for the quality of maintenance, HACR or its designee shall have the right but not the obligation to enter the Phase Property upon reasonable notice to Developer, correct any violation, and hold Developer, or such successors or assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property; provided, however, any such liens shall be subject and subordinate to the deed of trust in favor of any Lender.

4. **Nondiscrimination.** Developer shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age or disability in the solicitation, selection, hiring or treatment of any contractors or consultants, to participate in subcontracting/subconsulting opportunities. Developer understands and agrees that violation of this clause shall be considered a material breach of this Covenant Agreement and may result in termination, debarment or other sanctions. This language shall be incorporated into all contracts between Developer and any contractor, consultant, subcontractor, subconsultants, vendors and suppliers. Developer shall comply with the provisions of the California Fair Employment and Housing Act (Government



Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended, and all Administrative Rules and Regulations issued pursuant to said acts and orders with respect to its use of the Property.

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

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

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

In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

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

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

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

6. **Insurance.** Without limiting or diminishing Developer's obligation to indemnify or hold HACR harmless, Developer shall procure and maintain or cause to be maintained, at its sole cost and expense, insurance meeting the requirements set forth in the DDLA.

7. **Hold Harmless/Indemnification.** Developer shall indemnify and hold harmless HACR, the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, governing Boards, 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 actions or failure to act of Developer, its officers, employees, subcontractors, agents or representatives, arising out of, in connection with or in any way relating to this Covenant Agreement, including but not limited to property damage, bodily injury, or death or any other claim or injury of any kind or nature whatsoever, except in the event of the gross negligence or willful misconduct of an Indemnitee; provided however, any gross negligence or willful misconduct of an Indemnitee will only affect Developer's duty to indemnify for the specific act found to be gross negligence or willful misconduct, and will not preclude Developer's duty to indemnify for any act or omission of Developer as required herein. Developer shall defend the Indemnitees against any claim or action based upon such alleged acts or omissions, at Developer's sole expense, including all costs and fees including, but not limited, to

attorneys' fees and costs, cost of investigation, defense and settlements or awards. With respect to any action or claim subject to indemnification herein by Developer, Developer shall, at its sole cost, have the right to use counsel of its own choice to adjust, settle, or compromise any such action or claim without the prior consent of Indemnitees; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Developer's indemnification to Indemnitees as set forth herein. Developer's obligation hereunder shall be satisfied when Developer has provided to HACR the appropriate form of dismissal relieving Indemnitees from any liability for the action or claim involved. The specified insurance limits required in this Agreement shall in no way limit or circumscribe Developer's obligations to indemnify and hold harmless 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 the Developer from indemnifying the Indemnitees to the fullest extent allowed by law. The indemnity set forth herein shall survive the expiration or earlier termination of this Agreement.

8. **Notices.** All Notices provided for in this Agreement shall be deemed received when personally delivered, or two (2) days following mailing by certified mail, return receipt requested. All mailing shall be addressed to the respective parties at their addresses set forth below, or at such other address as each party may designate in writing and give to the other party:

If to HACR:                   Housing Authority of the County of Riverside  
5555 Arlington Avenue  
Riverside, CA 92504

If to Developer:           c/o CVHC Communities  
45-701 Monroe Street, Suite G  
Indio, CA 92201

9. **Remedies.** HACR shall have the right, in the event of any breach of any term or covenant of this Agreement, to exercise all available rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of such term or covenant.

10. **Term.** The non-discrimination covenants, conditions and restrictions contained in this Covenant Agreement shall remain in effect in perpetuity. Every other covenant, condition and restriction contained in this Covenant Agreement shall continue in full force and effect for the Term.

11. **Notice and Cure.** Prior to exercising any remedies hereunder, HACR shall give Developer notice of such default in accordance herewith. Any monetary default shall be cured within seven (7) business days of delivery of written notice. Except as otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within sixty (60) days of delivery of such notice of default, Developer shall have such period to effect a cure prior to exercise of remedies by HACR. If the non-monetary default is such that it is not reasonably capable of being cured within sixty (60) days of delivery of such notice of default, and Developer (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Developer shall have such additional time as is reasonably

necessary to cure the default prior to exercise of any remedies by HACR; but in no event no later than one hundred eighty (180) days from delivery of such notice of default, unless such date is extended in accordance with the DDLA.

HACR, upon providing Developer with any notice of default under this Agreement, shall at the same time provide a copy of such default notice to permitted lenders and any tax credit investor who have given written notice to HACR of its interest in the Phase Property and the Phase Project. From and after such notice has been delivered to the permitted lenders and tax credit investor, and such permitted lenders and tax credit investor shall have the same period for remedying the default complained of as the cure period provided to Developer pursuant to this Section. HACR shall accept performance by the permitted lenders and tax credit investor as if the same had been made by Developer.

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

12. **Sale, Assignment or Transfer of the Project or Property.** Except for a Permitted Transfer as provided in the DDLA, Developer hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the Phase Project, the Phase Property or any portion thereof, without obtaining the prior written consent of HACR, which shall be granted or withheld in its discretion. Any approved sale, assignment, or transfer of the Phase Project or Phase Property shall be memorialized in an assignment and assumption agreement, the form and substance of which has been first approved in writing by HACR in its discretion. Such assignment and assumption agreement shall, among other things, provide that the transferee has assumed in writing and in full, and is reasonably capable of performing and complying with, Developer’s duties and obligations under this Covenant Agreement; provided, however, Developer shall not be released of all obligations under this Agreement for any obligations which arose or were due to be performed prior to the date of such assignment.

13. **Amendments or Modifications.** This Agreement may only be amended or modified only by a written amendment signed by authorized representatives of both parties.

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

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

16. **Permitted Mortgages.** No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Covenant Agreement shall defeat or render invalid or in any way impair the lien or charge of any deed of trust or mortgage permitted by the DDLA or the lien or charge of a deed of trust made by the Developer for the benefit of any lender first approved in writing by HACR, to the extent such approval is required by the DDLA (each, a “**Permitted Lender**”) and nothing herein or in the DDLA shall prohibit or otherwise limit the exercise of a Permitted Lender’s rights and remedies thereunder, including a foreclosure or deed-in-lieu of foreclosure and subsequent transfer thereafter.

17. **Severability.** In the event that any provision, whether constituting a separate paragraph or whether contained in a paragraph with other provisions, is hereafter determined to be void and unenforceable, it shall be deemed separated and deleted from this Agreement and the remaining provisions of this Covenant Agreement shall remain in full force and effect.

18. **Objectives of Project.** The Parties agree to use their best commercially reasonable efforts to carry out their respective obligations under the terms of this Agreement and to realize the objectives of the Phase Project consistent with the redevelopment and housing goals of the HACR. Accordingly, HACR and Developer agree to pursue the following objectives in good faith:

- (i) Assure that the Project is developed.
- (ii) Assure that the Project is consistent with the DDLA.

HACR’s participation in the foregoing objectives shall not be construed as prohibiting the HACR from carrying out any legally permissible redevelopment purpose consistent with HACR’s obligations as Housing Successor, including any redevelopment purpose that affects the Phase Project.

Developer understands its obligation to develop, construct and operate the Phase Project. The parties will cooperate in good faith to address any delays in the performance of either of their obligations that may be caused by circumstances that are not reasonably foreseeable as of the date hereof or are out of their direct control.

19. **Agreement Runs with Property.** In accordance with California Civil Code Section 1461 et seq., all conditions, covenants and restrictions contained in this Agreement shall be covenants running with the land. HACR shall be deemed the beneficiary of the covenants, conditions and restrictions of this Agreement both for and in their own rights and for the purposes of protecting the interests of the community. The covenants, conditions, and restrictions shall run in favor of HACR, without regard to whether HACR has been, remains, or is an owner of any land or interest therein in the Phase Property, surrounding areas or the Project Area.

20. **Access to Project.** Representatives of HACR shall have the right of access to the Phase Property, upon twenty four (24) hours’ prior written notice to Developer (except in the case of an emergency, in which HACR shall provide such notice as may be practical under the circumstances), without charges or fees, during normal business hours to review the operation of

the Project in accordance with this Agreement subject to the rights of tenants under individual tenant leases.

21. **Management.** Developer shall be responsible for the operation of the Phase Project either by direct management or by contracting its managerial functions to a third party property manager reasonably acceptable to HACR. The property manager will be charged with managing the Phase Project on behalf of the Developer. HACR shall have the right to review and approve, which approval shall not be unreasonably withheld, conditioned or delayed any such entity prior to its selection by the Developer. Developer shall include in any such property management agreement a provision providing for the termination of the agreement in the event that the property manager violates any federal, state or local health and safety laws and regulations which are not cured within thirty (30) days following the giving of notice of such violations by HACR or any other governmental entity; provided, however, that in the case of a violation that cannot be cured within such thirty (30) day period, that such cure shall be commenced within thirty (30) days of notification and shall be diligently prosecuted to completion not later than sixty (60) days after notification. Developer, its successors and assigns, upon notice from HACR, shall pay any costs and fees (including administrative and attorneys' fees) incurred by HACR in connection with responding to or defending any discrimination claim brought by any third party and/or local, state or federal government entity, arising out of or in connection with the Permitted Financing Purposes and/or this Agreement.

22. **Compliance with Applicable Laws.** Developer shall carry out the design, construction and operation of the Project in conformity with all applicable federal, state and local laws, ordinances, statutes, codes, rules, resolutions, regulations, policy statements, orders, and decrees including without limitation, all applicable labor and employment laws and standards, laws regarding hazardous substances, laws regarding the acceptance or rejection of tenants and/or the termination of any tenancy, zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the Code of Ordinances of Riverside County, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. § 12101, *et seq.*, as currently exists or as may be amended from time to time, Government Code § 4450, *et seq.*, as currently exists or as may be amended from time to time, Government Code § 11135, *et seq.*, as currently exists or as may be amended from time to time, and the California Building Standards Code, Health and Safety Code § 18900, *et seq.* as currently exists or as may be amended from time to time.

23. **Recitals.** The Recitals are a substantive part of this Agreement and are incorporated herein by this reference.

24. **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.

25. **Entire Agreement.** This Covenant Agreement and the DDLA contain the entire understanding and agreement of the parties hereto with respect to the subject matter hereof. There are no oral or written representations, understandings, or ancillary covenants, undertakings or agreements, which are not contained or expressly referred to within the Covenant Agreement and the DDLA.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, HACR and Developer have signed this Agreement as of the dates set opposite their signatures.

**HACR:**

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic

By: Exhibit - Do Not Sign  
Heidi Marshall, Executive Director

Date: \_\_\_\_\_

**DEVELOPER:**

\_\_\_\_\_  
a California limited partnership

By: Exhibit - Do Not Sign  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
COUNTY COUNSEL

By: Exhibit - Do Not Sign  
Deputy County Counsel



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, 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

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, 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  
LEGAL DESCRIPTION

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

[to come]

**ATTACHMENT NO. 14**

**FORM OF PROMISSORY NOTE SECURED BY DEED OF TRUST**

**[attached]**

**PROMISSORY NOTE SECURED BY DEED OF TRUST**

\$ \_\_\_\_\_ (“**Loan Amount**”) \_\_\_\_\_, 20\_\_ (“**Note Date**”)

FOR VALUE RECEIVED, \_\_\_\_\_, a California limited partnership (“**Maker**”) hereby promises to pay to the order of the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic (“**Holder**” or “**Authority**”), at a place designated by Holder, the principal sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) (“**Note Amount**”), plus accrued interest (as may be applicable under this Note), or such lesser amount which shall from time to time be owing hereunder pursuant to the terms hereof. The principal sum represents the amount due to Holder pursuant to the terms and conditions set forth in the DDLA (as defined below) pertaining to Maker’s acquisition and development of certain real property more specifically described in the Deed of Trust (as such term is defined below) (the “**Property**”) and development thereon of an affordable housing development consisting of \_\_\_\_\_ units and related appurtenances (the “**Phase Project**”).

Reference is also made to the following additional agreements and documents involving Maker and Holder and/or pertaining to the Site:

- i. Deed of Trust with Assignment of Rents and Rider Attached Hereto Containing Terms Including Security Agreement and Fixture Filing dated \_\_\_\_\_, 20\_\_ made by and among Maker as trustor, Holder as beneficiary, and \_\_\_\_\_ as trustee, and recorded in the Office of the Riverside County Recorder concurrently herewith (“**Deed of Trust**”). The Deed of Trust secures repayment of this Note.
- ii. Agreement Containing Covenants (Including Rental Restrictions) dated \_\_\_\_\_, 20\_\_ by and between Maker (as Owner) and Holder (as HACR) for the benefit of Holder, and recorded in the Office of the Riverside County Recorder concurrently herewith (“**Regulatory Agreement**”).
- iii. Disposition, Development and Loan Agreement (Oasis Villas Affordable Housing Project) dated June 15, 2021 by and between Holder (as HACR) and Coachella Valley Housing Coalition, a California nonprofit public benefit corporation (as amended to date and assumed by Maker, the “**DDLA**”).

All of the foregoing listed documents and this Note are referred to herein collectively as the “**Seller Loan Documents**” and individually as a “**Seller Loan Document.**” The Seller Loan Documents are incorporated herein as though fully set forth.

Except as otherwise provided herein, the defined terms used in this Note shall have the same meaning as set forth in the DDLA.

1. **Purpose of Loan.** The loan evidenced by this Note is a purchase money carry-back obligation for the sale of the Property to Maker plus any additional funds loaned to Maker by Holder in accordance with the DDLA (the "Loan").

2. **Principal Amount, Interest.** The principal amount of this Loan shall be \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_). Interest shall accrue on the outstanding principal amount at three percent (3%) simple interest per annum. In the event of a default hereunder, outstanding amounts due hereunder shall bear interest at a default interest rate of ten percent (10%) per annum.

3. **Term of Note; Repayment.**

3.1 Maker shall be obligated to repay the principal amount of this Note and the accrued interest, without set off or deduction, by paying to Holder, on each April 1st in which there was positive Cash Flow (as defined below) for the calendar year, or portion thereof, ending on the immediately preceding December 31, Authority's Proportional Share (as hereinafter defined) of that year's Cash Flow ("**Annual Payments**"). The first such repayment under this Section 3.1 shall be due on the first April 1st following the issuance of the last certificate of occupancy for the Phase Project, and the last payment shall be due on April 1st fifty-five (55) years later ("**Maturity Date**"). Notwithstanding the foregoing, this Note shall be fully due and payable on the Maturity Date. "**Proportional Share**" shall mean the percentage of Cash Flow to which the Authority will be entitled hereunder which shall be equal to the percentage resulting from dividing the original principal balance of this Loan by the sum of the original principal balances of all loans made to Maker and payable from residual receipts, which in total shall not be less than fifty percent (50%) of Cash Flow.

The term "**Cash Flow**" shall mean for any calendar year the amount of Project Gross Income (as hereinafter defined) for such fiscal year less: (i) the Operating Expenses (as defined in the DDLA), (ii) any partnership management fees in an amount not to exceed \$50,000 increasing annually by the greater of 3% or the annual increase in tenant rents expressed as a percentage, (iii) any limited partner asset management fees in an amount not to exceed \$7,500 increasing annually by the greater of 3% or the annual increase in tenant rents expressed as a percentage, and (iv) any deferred developer fee in an amount not to exceed 60% of total developer fee. Maker shall annually, on or before April 1, commencing in the year after the Certificate of Occupancy is issued for the Phase Project, submit to Authority a calculation of cash flow and a calculation of Authority's Proportional Share which shall provide the basis for Maker's Annual Payment to Authority. Cash Flow shall be calculated on a modified accrual basis according to generally accepted accounting principles. The term "**Project Gross Income**" shall mean: (i) all rents and payments received by the Maker (from any source) from tenants and occupants for the use and occupancy of the Site and the Project, (ii) laundry income, (iii) income from concessionaires and licensees, and (iv) rent subsidies, if any, received by the Maker, but "Project Gross Income" shall not include any security deposits (unless and until such deposits have been forfeited by the tenants and are payable to the Maker), insurance or condemnation proceeds (except for loss rental claims), industry level operating reserves or deposits (not to exceed six (6) months of operating expenses plus debt expenses), interest on such reserve accounts (if added to funds on deposit in such accounts), capital improvements not funded from a

Project replacement reserve, capital contributions made to the Maker by the partners thereof, proceeds from the construction financing or other financing provided to Maker, including financing provided by any partner of Maker, or proceeds from the sale or refinancing of the Phase Project or Site.

3.2 Maker shall deliver audited financial statements for the preceding calendar year for the Phase Project on each April 1st following issuance of final certificate of occupancy for the Phase Project, as well as a calculation of Cash Flow for such year, certified as true and correct by an Officer of Maker. Upon Holder's request, Maker shall provide such additional information as Holder may reasonably request.

3.3 Any payments made by Maker in payment of this Note shall be applied in the following order: (i) first to any amounts due to Holder other than interest and principal; (ii) second, in payment of interest, if any, then accrued and due on the unpaid principal balance under this Note; and (iii) lastly, to reduction of the principal balance of this Note.

3.4 This Note may be prepaid in whole or in part at any time without penalty.

3.5 Maker shall have a one-time right to refinance the Permanent Loan upon written notice to Holder in accordance with the DDLA ("**Permitted Refinance**"). If Maker refinances all or part of the Phase Project other than a Permitted Refinance, any Net Refinancing Proceeds (as hereinafter defined) of that refinancing shall be payable to Holder no later than the recording of the refinancing and applied to the outstanding balance of the Loan. If Maker transfers all or part of the Project, the Property or the DDLA, any net proceeds of that transfer shall be payable to Holder no later than the date of close of escrow or other consummation of the transfer and applied to the outstanding principal and interest due on the Loan. If any casualty or condemnation occurs to the Phase Project prior to expiration of the fifteen year tax compliance period, Maker shall either rebuild the Phase Project or pay any net proceeds to Holder in accordance with the previous sentence. Notwithstanding the foregoing, Holder shall have the right to declare all amounts outstanding immediately due and payable in the event of a transfer other than a Permitted Transfer in accordance with the terms and conditions of the DDLA. The terms and conditions of the Regulatory Agreement shall survive any repayment of the Loan pursuant to this Section.

For purposes hereof, "**Net Refinancing Proceeds**" means the gross face amount of any loan obtained in connection with such refinancing, after: (a) payment of the actual, documented and reasonable expenses of such refinancing, including escrow fees, title policy expenses, legal expenses, survey fees, recording fees, commissions, or other usual and reasonable expenses of any such refinancing (provided, that no deduction shall be allowed for payments in connection with such refinancing which are in excess of the amounts that would be paid for the same or equivalent services in an arms' length transaction between unrelated parties acting reasonably); and (b) deduction of amounts repaid (excluding voluntary payments) in connection with the refinancing towards amounts outstanding under any financing senior to the Seller Loan Documents and (c) payment of developer fee.

**4. Default; Cross-Default; Acceleration.**

4.1 Default by Maker of this Note or of any of the Seller Loan Documents (subject to all applicable notice and cure periods), shall constitute a default of this Note and all of the Seller Loan Documents.

4.2 The entire outstanding principal balance of the Note, together with any outstanding interest and other amounts payable thereunder, shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Borrower:

(a) Upon the occurrence of any "Event of Default" as set forth below; or

(b) Except as permitted by the Seller Loan Documents, Maker sells or transfers the Phase Project or the Property, including, without limitation, lease, exchange or other disposition of the Property or any interest therein, whether voluntary or involuntary, except a sale or transfer which under federal law would not, by itself, permit Holder to exercise a due on sale or due on encumbrance clause, and except as permitted by the DDLA; or

(c) Except as permitted by (b) above, if Maker refinances the lien of the Deed of Trust or any lien or encumbrance to which the Deed of Trust is subordinate for a loan amount in excess of the then current loan balance secured by such lien or encumbrance, any Net Refinancing Proceeds shall be paid to Holder in an amount not to exceed any amounts due Holder under the Seller Loan Documents.

4.3 In the event Maker fails to perform hereunder or under any of the Seller Loan Documents, Maker shall be in default of this Note. Prior to exercising any of its remedies hereunder, Authority shall give Maker written notice of such default, and Maker shall thereafter have thirty (30) days to cure such default; provided, however, that if such default cannot be cured within the 30-day period, Maker shall not be in default provided Maker promptly commences to cure such matter and diligently prosecutes same to completion, provided that, in no event shall Maker have longer than one hundred eighty (180) calendar days to effect any cure, unless agreed to in accordance with the DDLA. If Maker cures a default under a Seller Loan Document within the cure period set forth in the applicable Seller Loan Documents, Maker shall be deemed to have also cured that default under this Note. If Maker does not cure a default under any of the Seller Loan Documents within the cure period set forth in the applicable Seller Loan Documents, an "Event of Default" shall be deemed to have occurred under all of the Seller Loan Documents and under this Note. In an Event of Default, Holder may, at its option declare this Note and the entire obligations hereby evidenced immediately due and payable, regardless of the date of maturity, and notice of the exercise of said option is hereby expressly waived by Maker.

**5. Collection Costs; Attorneys' Fees.** If, because of any Event of Default under this Note or any of the Seller Loan Documents, any attorney is engaged by Holder to enforce or defend any provision of this instrument, whether or not suit is filed hereon, then Maker shall pay upon demand reasonable attorneys' fees, expert witness fees and all costs so incurred by Holder together with interest thereon until paid at the applicable rate of interest payable hereunder, as if such fees and costs had been added to the principal owing hereunder.





10. **No Waiver by Holder.** No waiver of any breach, default or failure of condition under the terms of this Note shall be implied from any failure of the Holder of this Note to take, or any delay be implied from any failure by the Holder in taking action with respect to such breach, default or failure from any prior waiver of any similar or unrelated breach, default or failure.

11. **Usury.** Notwithstanding any provision in this Note, the total liability for payment in the nature of interest shall not exceed the limit imposed by applicable laws of the State of California.

12. **Assignability.** Holder may freely transfer, assign, or encumber Holder's interest in this Note in any manner, at Holder's sole discretion. Maker may not transfer, assign or encumber its obligations hereunder except upon the prior written consent of Holder in accordance with the DDLA. All amounts outstanding under this Note shall become immediately due and payable upon a transfer in violation of the terms and conditions of the DDLA.

13. **Governing Law.** This Note has been executed and delivered by Maker in the State of California and is to be governed and construed in accordance with the laws thereof.

14. **Time of Essence.** Time is of the essence in the performance of the obligations and provisions set forth in this Note.

15. **Non-Recourse.** Notwithstanding anything to the contrary herein contained (i) the liability of Maker (and its partners) shall be limited to Maker's interest in the Property and any other security for this Note and any rents, issues, and profits arising from the Phase Project or the Property and, in addition, with respect to any obligation to hold and apply insurance proceeds, proceeds of condemnation or other monies hereunder, any such monies received by it to the extent not so applied in accordance with the terms of this Note; (ii) no other assets of Maker (or its partners) shall be affected by or subject to being applied to the satisfaction of any liability which Maker may have to Holder or to another person by reason of this Note; and (iii) any judgment, order, decree or other award in favor of Holder shall be collectible only out of, or enforceable in accordance with, the terms of this Note by termination or other extinguishment of Maker's interest in the Property. Notwithstanding the foregoing, it is expressly understood and agreed that the aforesaid limitation on liability shall in no way restrict or abridge Maker's continued personal liability for: (A) fraud or willful or negligent misrepresentation made by Maker in connection with this Note or any of the Seller Loan Documents; (B) misapplication of (a) proceeds of insurance and condemnation or (b) rent received by Maker under rental agreements entered into for any portion of the Property after default of the Note; (C) the retention by Maker of all advance rentals and security deposits of tenants not refunded to or forfeited by such tenants; (D) the indemnification undertakings of Maker under the Seller Loan Documents, provided, however, nothing herein shall be deemed to obligate Maker to repay any portion of the Loan evidenced hereby as a result of any such indemnification; and (E) material waste by Maker with respect to the Property.

[signature page follows]

IN WITNESS WHEREOF, Maker has executed this Note as of the date first above written.

MAKER

\_\_\_\_\_,  
a California limited partnership

By: Exhibit - Do Not Sign

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT NO. 15**  
**FORM OF DEED OF TRUST**  
**[attached]**

Order No.  
Escrow No.  
Loan No.

WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE  
EXEMPT FROM RECORDING FEE PER GOV. CODE § 27383

**DEED OF TRUST WITH ASSIGNMENT OF RENTS AND RIDER  
ATTACHED HERETO CONTAINING TERMS INCLUDING SECURITY  
AGREEMENT AND FIXTURE FILING**

NOTE: RIDER ATTACHED TO THIS DEED OF TRUST ("**RIDER**") CONTAINS  
ADDITIONAL TERMS INCLUDING SECURITY AGREEMENT AND FIXTURE FILING.

**This DEED OF TRUST WITH ASSIGNMENT OF RENTS AND RIDER ATTACHED  
HERETO ("Deed of Trust")**, is made \_\_\_\_\_, 20\_\_, between \_\_\_\_\_, a  
California limited partnership ("**TRUSTOR**"), whose address is 45-701 Monroe Street, Suite G,  
Indio, CA 92201, in favor of the HOUSING AUTHORITY OF THE COUNTY OF  
RIVERSIDE, a public body corporate and politic ("**BENEFICIARY**"), and \_\_\_\_\_  
("**TRUSTEE**").

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, Trustor's estate in  
that real property in the County of Riverside, State of California, described as set forth on  
EXHIBIT "A" attached hereto ("**Property**") together with the rents, issues and profits thereof,  
subject, however, to the right, power and authority hereinafter given to and conferred upon  
Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1)  
payment of the sum of \$ \_\_\_\_\_, with interest thereon according to the terms of that certain  
Promissory Note Secured by Deed of Trust of even date herewith made by Trustor, payable to  
order of Beneficiary, and extensions or renewals thereof; (2) the performance of each agreement  
of Trustor incorporated by reference or contained herein; (3) payment of additional sums and  
interest thereon which may hereafter be loaned to Trustor, or its successors or assigns, when  
evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust; and  
(4) all additional obligations specified in the Rider.

To protect the security of this Deed of Trust, and with respect to the Property above described,  
Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be  
bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually  
agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious  
deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18,  
1964, in the book and at the page of Official Records in the office of the county recorder of the  
county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1330	513	San Bernardino	T-3878	874	Sacramento	5039	124	Sonoma	2067	427
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	56
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	183
Del Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	San Mateo	4778	175	Tuolumne	177	160
Glenn	469	76	Mono	69	302	Santa Barbara	2065	881	Ventura	2607	237
Humboldt	801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	693
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	Orange	7182	18	San Diego	SERIES 5 Book 1964, Page 149774				

shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

**TRUSTOR:**

\_\_\_\_\_,  
a California limited partnership

By:           Exhibit – Do Not Sign            
Its: \_\_\_\_\_

[ACKNOWLEDGMENT FORMS AT END OF RIDER]

## DO NOT RECORD

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

1) To keep said property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in a good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

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

4) To pay: at least ten (10) days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

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

5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from the date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

1) That any award in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or be a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collecting of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.



6) That upon default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledges, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

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

**DO NOT RECORD**

REQUEST FOR FULL RECONVEYANCE

TO \_\_\_\_\_, TRUSTEE:

The undersigned is the legal owner and holder of the note or notes and of all indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness and performance secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, an all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Please mail Deed of Trust,  
Note and Reconveyance to \_\_\_\_\_

**Do Not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.**

**DEED OF TRUST  
WITH POWER OF SALE**

*Company*

**TRUSTEE**

## RIDER TO DEED OF TRUST WITH ASSIGNMENT OF RENTS

**THIS RIDER TO DEED OF TRUST WITH ASSIGNMENT OF RENTS (“Rider”)** is executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, a California limited partnership (“**Trustor**”) in favor of the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic (“**Beneficiary**”), the same parties to that certain “Deed of Trust With Assignment of Rents and Rider Attached Hereto Containing Terms Including Security Agreement and Fixture Filing” of even date herewith to which this Rider is attached (“**Deed of Trust**”). This Rider is made a part of and is incorporated into said Deed of Trust. This Rider shall supersede any conflicting term or provision of the form Deed of Trust to which it is attached.

Reference is made to the following agreements and documents (collectively, the “**Seller Loan Documents**”): (i) Promissory Note Secured by Deed of Trust in the amount of \$\_\_\_\_\_ made by Trustor as “**Maker**” in favor of Beneficiary as “**Holder**” of even date herewith, the repayment of which by Trustor is secured by this Deed of Trust (including any modifications or amendments thereto, the “**Note**”); (ii) that certain “Disposition, Development and Loan Agreement (Oasis Villas Affordable Housing Project)” dated June 15, 2021 by and between Beneficiary as “**HACR**” and Coachella Valley Housing Coalition, a California nonprofit public benefit corporation, providing for Trustor’s acquisition and development of the Property (including any modifications or amendments thereto, the “**DDLA**”); and (iii) that certain “Agreement Containing Covenants (Including Rental Restrictions)” dated \_\_\_\_\_, 20\_\_, by and between Trustor as “**Developer**” and Beneficiary as “**HACR**”, providing for the use, operation, and maintenance of the Property (including any modifications or amendments thereto, the “**Regulatory Agreement**”).

The parties hereto agree:

1. **Grant in Trust.** In consideration and for the purpose of securing payment and performance of the Secured Obligations (as defined below), Trustor hereby irrevocably and unconditionally grants, bargains, conveys, sells, transfers, and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title, and interest which Trustor now has or may later acquire in and to the following property (all or any part of such property, or any interest in all or any part of it, as the context may require, the “**Property**”):

(a) The real property located in the County of Riverside, California, as more fully described in **Exhibit A** attached hereto and made a part hereof, together with all rights, privileges, easements, appurtenances, tenements, hereditaments, rights of way, appendages, projections, water rights including riparian and littoral rights and whether or not appurtenant, streets, ways, alleys, and strips and gores of land, now or hereafter in any way belonging, adjoining, crossing or pertaining to such real property (the “**Land**”); together with

(b) All buildings, structures and improvements now located or later to be constructed on the Land (the “**Improvements**”); together with

(c) All articles of personal property (including those specified below) and any software imbedded therein, now owned or hereafter acquired by Trustor and attached to, placed

upon for an indefinite term, or used in connection with the Land and/or Improvements, together with all goods and other property that are, or at any time become, so related to the Property that an interest in them arises under real estate law, or they are otherwise a "fixture" under applicable law (each a "Fixture," collectively "Fixtures"); together with

(d) All existing and future as-extracted collateral produced from or allocated to the Land, including, all minerals, oil, gas, other hydrocarbons and associated substances, sulphur, nitrogen, carbon dioxide, helium and any other commercially valuable substances which may be in, under or produced from any part of the Land, and all products processed or obtained therefrom, and the proceeds thereof, and all development rights and credits, air rights, water, water courses, water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) and water stock, easements, rights-of-way, gores or strips of land, and any land lying in the streets, ways, alleys, passages, roads or avenues, open or proposed, in front of or adjoining the Land and Improvements; together with

(e) All existing and future leases, subleases, subtenancies, licenses, occupancy agreements, concessions, and other agreements of any kind relating to the use or occupancy of all or any portion of the Property, whether now in effect or entered into in the future (each a "Lease," collectively, the "Leases") relating to the use and enjoyment of all or any part of the Land and Improvements, all amendments, extensions, renewals, or modifications thereof (subject to Beneficiary's right to approve same pursuant to the terms of the Loan Documents), and any and all guaranties of, and security for, lessees' performance under any and all Leases, and all other agreements relating to or made in connection with any of such Leases; together with

(f) All rents (and payments in lieu of rents), royalties, issues, profits, income, proceeds, payments, and revenues of or from the Property, and/or at any time payable under any and all Leases, including all rent loss insurance proceeds, prepaid rents and any and all security deposits received or to be received by Trustor pursuant to any and all Leases, and all rights and benefits accrued, or to accrue, to Trustor under any and all Leases (some or all collectively, as the context may require, "Rents"); together with

(g) All rights to the name, signs, trade names, trademarks, trademark applications, service marks, licenses, software, and symbols used in connection with the Land and Improvements; together with

(h) All goods, materials, supplies, chattels, furniture, fixtures, machinery, apparatus, fittings, equipment, and articles of personal property of every kind and nature whatsoever, including consumable goods, now or hereafter located in or upon the Property or any part thereof, or to be attached to or placed in or on, or used or useable in connection with any present or future use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including by way of description but without limiting the generality of the foregoing, all computer systems, telephone and telecommunication systems, televisions and television systems, pumps or pumping plants, tanks, motors, conduits, engines, pipes, ditches and flumes, and also all gas and electrical apparatus (including, but not limited to, all electrical transformers, switches, switch boxes, and equipment boxes), cooking, heating, cooling, air conditioning, sprinkler equipment, lighting, power equipment, ventilation, incineration, refrigeration and plumbing apparatus, fixtures and equipment, screens, storm doors and windows, stoves, wall beds, refrigerators, attached cabinets,

partitions, ovens, ranges, disposals, dishwashers, carpeting, plants and shrubbery, ground maintenance equipment, ducts and compressors; together with all building materials, goods and personal property on or off the Property intended to be affixed to or incorporated in the Property but not yet affixed to or incorporated in the Property, all which shall be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; provided however that the foregoing shall not include personal property owned by tenants occupying the Units on the Property together with

(i) All building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, which have been or later will be acquired for the purpose of being incorporated into or installed in or about the Land or Improvements; together with

(j) All deposit accounts of Trustor, including but not limited to, the replacement reserve account (if any), the operating reserve account (if any), the transition reserve (if any), and all Loan funds deposited into any such account, whether disbursed or not, and Trustor's own funds now or later to be held on deposit in all such accounts; together with

(k) To the extent not expressly prohibited by law, all federal, state, and local tax benefits (except the low income housing tax credits or other tax credits) related to the Property; together with

(l) All rights to the payment of money and all guaranties thereof and judgments therefor, and all accounts, accounts receivable, reserves, deferred payments, refunds of real property and personal property taxes and other refunds, cost savings, payments and deposits, whether now or later to be received from third parties (including all earnest money sales deposits) or deposited by Trustor with third parties (including all utility deposits), warranty rights, contract rights, management contracts, service contracts, construction and architectural contracts, contracts for the purchase and sale of the Property or any part thereof, end-loan or other financing commitments, development and use rights, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as-built drawings, chattel paper, instruments, documents, promissory notes, drafts, letters of credit (other than letters of credit in favor of Beneficiary), letter of credit rights supporting obligations, and general intangibles, including payment intangibles, whether any of the foregoing are tangible or electronic, which arise from or relate to construction on the Land or to any business now or later to be conducted on it, or to the Land and Improvements generally; together with

(m) All insurance policies (and the unearned premiums therefor) and bonds required by the Seller Loan Documents and all proceeds thereof, and all proceeds (including all claims to and demands for them) of the voluntary or involuntary conversion of any of the Land, the Improvements, or the other property described above into cash or liquidated claims, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to, or defect in, the Land, the Improvements, or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements, including

causes of action arising in tort, contract, fraud, misrepresentation, or concealment of a material fact; together with

(n) All books, records, and all recorded data of any kind or nature (regardless of the medium of recording) pertaining to any and all of the property described above, including records relating to tenants under any leases, and the qualification of such tenants, and all certificates, vouchers, and other documents in any way related thereto, and all records relating to the application and allocation of any federal, state, and local tax credits or benefits, including computer-readable memory and any computer hardware or software necessary to access and process such memory (collectively, the “**Books and Records**”); together with

(o) All commercial tort claims Trustor now has or hereafter acquires relating to any of the property described above; together with

(p) All software embedded within or used in connection with any of the property described above; together with

(q) All products, accounts, and proceeds (cash or non-cash) of, additions, betterments, extensions, accessions and accretions to, substitutions, renewals and replacements for, and changes in any of the property described above, including all proceeds of any voluntary or involuntary disposition or claim respecting any such property (arising out of any judgment, condemnation or award, or otherwise arising) and all supporting obligations ancillary to or arising in connection therewith, general intangibles (including payment intangibles) arising in connection therewith, and all goods, accounts, instruments, documents, promissory notes, chattel paper, deposit accounts, supporting obligations, and general intangibles (including payment intangibles) (whether any of the foregoing are tangible or electronic), wherever located, acquired with cash proceeds of any of the foregoing or its proceeds.

Trustor shall and will warrant and forever defend the above-bargained Property in the quiet and peaceable possession of Trustee, its successors and assigns, against all and every person or persons lawfully claiming or to claim the whole or any part thereof. Trustor agrees that any greater title to the Property hereafter acquired by Trustor during the term hereof shall be subject hereto.

2. **Obligations Secured.** Trustor makes this grant and assignment for the purpose of securing the following obligations (“**Secured Obligations**”):

(a) Payment to Beneficiary of all indebtedness at any time owing under the terms of the Note;

(b) Payment and performance of all obligations of Trustor under this Deed of Trust, the DDLA, the Note, and the Regulatory Agreement;

(c) Payment and performance of all future advances and other obligations of Trustor or any other person, firm, or entity with the approval of Trustor, may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when the obligation is evidenced by a writing which recites that it is secured by this Deed of Trust; and

(d) All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced.

3. **Obligations.** The term “obligations” is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges, late charges and fees at any time accruing or assessed on any of the Secured Obligations.

4. **Incorporation.** All terms of the Note and the Secured Obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Property shall be deemed to have notice of the terms of all of the foregoing documents.

5. **Subordination.** Beneficiary shall subordinate this Deed of Trust to the Senior Financing (as such term is defined in the DDLA) in accordance with the DDLA pursuant to a subordination agreement in such form as is acceptable to Beneficiary.

6. **Mortgagee-in-Possession.** Neither the assignment of rents set forth in this Deed of Trust nor the exercise by Beneficiary of any of its rights or remedies hereunder shall be deemed to make Beneficiary a “mortgagee-in-possession” or otherwise liable in any manner with respect to the Property, unless Beneficiary, in person or by agent, assumes actual possession thereof. Nor shall appointment of a receiver for the Property by any court at the request of Beneficiary or by agreement with Trustor, or the entering into possession of the Property by such receiver, be deemed to make Beneficiary a “mortgagee-in-possession” or otherwise liable in any manner with respect to the Property.

7. **Required Insurance.**

Trustor shall at all times provide, maintain and keep in force or cause to be provided, maintained and kept in force, at no expense to Trustee or Beneficiary, policies of insurance in accordance with the terms of the DDLA in form and amounts, providing for deductibles, and issued by companies, associations or organizations covering such casualties, risks, perils, liabilities and other hazards as required by the DDLA or by Beneficiary pursuant thereto.

8. **Casualty and Condemnation.** In the event of any fire or other casualty to the improvements on the Property or eminent domain proceedings resulting in condemnation of the improvements or any part thereof, and provided Beneficiary has been provided the opportunity to participate in any proceedings as required in this Deed of Trust, if the Beneficiary determines that restoration or rebuilding of the improvements is economically feasible, Trustor shall have the right to rebuild the improvements, and to use the net insurance proceeds therefor subject to the following requirements, (i) the funds are sufficient to rebuild as evidenced by a construction budget and construction contract reasonably approved by Beneficiary, (ii) if the funds are insufficient to rebuild, that Trustor shall provide the balance of such funds necessary to rebuild, (iii) that all funds will be held by an independent escrow company for distribution during reconstruction, and (iv) any excess proceeds shall be applied to reduce the Note (subject to the terms of the Senior Financing). Condemnation alone shall not cause acceleration of the Note and Secured Obligations shall not be due and payable unless it is a condemnation of a material portion of the Project, in Beneficiary’s reasonable discretion.

9. **No Cure.** In the event Beneficiary collects and receives any rents under the Deed of Trust upon any default hereof, such collection or receipt shall in no way constitute a curing of the default.



10. **Default: Opportunity to Cure.** Trustor's failure or delay to perform any term or provision of this Deed of Trust constitutes a default under this Deed of Trust; however, Trustor shall not be deemed to be in default if (i) Trustor cures, corrects, or remedies such default within thirty (30) days after receipt of a notice specifying such failure or delay, or (ii) for such defaults that cannot reasonably be cured, corrected, or remedied within thirty (30) days, if Trustor commences to cure, correct, or remedy such failure or delay within thirty (30) days after receipt of a written notice specifying such failure or delay, and diligently prosecutes such cure, correction or remedy to completion; provided that any such cure shall be completed within one hundred (180) calendar days, unless such period for cure is extended in accordance with the DDLA.

Beneficiary shall give written notice of default to Trustor, specifying the default complained of by Trustor. Copies of any notice of default given to Trustor shall also be delivered to any lender with a mortgage or deed of trust secured by the Property, including, without limitation in accordance with any Senior Financing, and to Trustor's limited partner. Beneficiary may not institute proceedings against Trustor until thirty (30) days after giving such notice or such longer period of time as may be provided herein. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default.

Except as otherwise expressly provided in this Deed of Trust, any failure or delay in giving such notice or in asserting any of its rights and remedies as to any default shall not constitute a waiver of any default, nor shall it change the time of default, nor shall it deprive either party of its rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

In the event of any inconsistency in the terms of this Rider and the provisions set forth in the standard deed of trust recorded in the Recorder's Office of the County of Riverside, the terms of this Rider shall control.

Notwithstanding anything to the contrary contained in this Deed of Trust, Beneficiary hereby agrees that any cure of any default made or tendered by Trustor's limited partner shall be deemed to be a cure by Trustor and shall be accepted or rejected on the same basis as if made or tendered by Trustor.

11. **Default; Cross-Default; Acceleration.** A default as specified above or a default under the DDLA, Note or Regulatory Agreement (subject to applicable notice and cure periods) shall be a default under this Deed of Trust. Upon a default of this Deed of Trust, Beneficiary may, at its option, declare the Note and all the Secured Obligations hereby evidenced immediately due and payable and collectible then or thereafter as Beneficiary may elect, regardless of the date of maturity, and notice of the exercise of said option is hereby expressly waived by Trustor.

12. **Possession Upon Default.** Subject to the above, upon the occurrence of a default, and after delivery of notice and the expiration of all applicable cure periods, Beneficiary may, at its option, without any action on its part being required and without in any way waiving such default, take possession of the Property and have, hold, manage, lease and operate the same, on such terms and for such period of time as Beneficiary may deem proper, and may collect and

receive all rents and profits, with full power to make, from time to time, all alterations, renovations, repairs or replacements thereto as may seem proper to Beneficiary, and to apply such rents and profits to the payment of (a) the cost of all such alterations, renovations, repairs and replacements, and all costs and expenses incident to taking and retaining possession of the Property, and the management and operation thereof, and keeping the same properly insured; (b) all taxes, charges, claims, assessments, and any other liens which may be prior in lien or payment of the Note, and premiums for insurance, with interest on all such items; and (c) the indebtedness secured hereby, together with all costs and reasonable attorney's fees, in such order or priority as to any of such items as Beneficiary in its sole discretion may determine, any statute, law, custom or use to the contrary notwithstanding. Any amounts received by Beneficiary or its agents in the performance of any acts prohibited by the terms of this assignment, including, but not limited to, any amounts received in connection with any cancellation, modification or amendment of any lease prohibited by the terms of this assignment and any rents and profits received by Trustor after the occurrence of a default shall be held by Trustor as trustee for Beneficiary and all such amounts shall be accounted for to Beneficiary and shall not be commingled with other funds of the Trustor. Any person receiving any portion of such trust funds shall receive the same in trust for Beneficiary as if such person had actual or constructive notice that such funds were impressed with a trust in accordance therewith.

**13. Receiver; Power of Sale.** In addition to any and all other remedies of Beneficiary set forth under this Deed of Trust or permitted at law or in equity, if a default shall have occurred, after delivery of notice and expiration of all cure periods, Beneficiary, to the extent permitted by law and without regard to the value, adequacy or occupancy of the security for the Note and other sums secured hereby, shall be entitled as a matter of right if it so elects to the appointment of a receiver to enter upon and take possession of the Property and to collect all rents and profits and apply the same as the court may direct, and such receiver may be appointed by any court of competent jurisdiction by ex parte application and without notice, notice of hearing being hereby expressly waived. The expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to the power herein contained shall be promptly paid by Trustor.

If it chooses to do so in connection with any such cure, Beneficiary or Trustee may also enter the Property and/or do any and all other things that it may, in its sole and absolute discretion, consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: appearing in and/or defending any action or proceeding that purports to affect the security of, or the rights or powers of Beneficiary or Trustee under, this Deed of Trust; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien, which in Beneficiary's or Trustee's sole judgment is or may be senior in priority to this Deed of Trust; obtaining insurance and/or paying any premiums or charges for insurance required to be carried under the Loan Documents; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Beneficiary or Trustee. Beneficiary and Trustee may take any of the actions permitted under this Section either with or without giving notice to any person.

Beneficiary may bring an action in any court of competent jurisdiction to foreclose this Deed of Trust in the manner provided by law for the foreclosure of deeds of trusts or mortgages on real property and/or to obtain specific enforcement of any of the covenants or agreements of

this Deed of Trust. If Beneficiary brings such an action, Trustor agrees to pay Beneficiary's reasonable attorneys' fees (including the allocated costs of in-house counsel to the extent not prohibited by applicable law) and court costs as determined by the court.

Under the power of sale hereby granted, Beneficiary shall have the discretionary right to cause some or all of the Property, including any Property which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

**14. Security Agreement.** This Deed of Trust also constitutes a security agreement with respect to all personal property in which Beneficiary is granted a security interest hereunder, not including personal property owned by tenants occupying the Units on the Property, and Beneficiary shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as enacted in California ("**California Uniform Commercial Code**") as well as all other rights and remedies available at law or in equity. Trustor hereby agrees to execute and deliver on demand and hereby irrevocably constitutes and appoints Beneficiary the attorney-in-fact of Trustor, to execute, deliver and, if appropriate, to file with the appropriate filing officer or office such security agreements, financing statements, continuation statements or other instruments as Beneficiary may request or require in order to impose, perfect or continue the perfection of, the lien or security interest created hereby. Trustor and Beneficiary agree that the filing of a financing statement in the record normally having to do with personal property shall never be construed as in any way derogating from or impairing the lien of this Deed of Trust and the intention of Trustor and Beneficiary that everything used in connection with the operation or occupancy of the Property is and at all times and for all purposes and in all proceedings, both legal and equitable, shall be regarded as real property or goods which are or are to become fixtures, irrespective of whether (i) any such item is physically attached to the buildings and improvements on the Property; (ii) serial numbers are used for the better identification of certain equipment items capable of being filed by the Beneficiary; or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Such mention in the financing statements is declared to be for the protection of the Beneficiary in the event any court or judge shall at any time hold that notice of Beneficiary's priority of interest must be filed in the California Commercial Code records to be effective against a particular class of persons, including, but not limited to, the federal government and any subdivision or entity of the federal government. Trustor covenants and agrees to reimburse Beneficiary for any costs incurred in filing such financing statement and any continuation statements.

Upon the occurrence of default hereunder, and after delivery of notice and the expiration of all applicable cure periods, Beneficiary shall have the right to cause any of the Property which is personal property and subject to the security interest of Beneficiary hereunder to be sold at any one or more public or private sales as permitted by applicable law, and Beneficiary shall further have all other rights and remedies, whether at law, in equity, or by statute, as are available to secured creditors under applicable law, specifically including without limitation the right to proceed as to both the real property and the personal property contained within the Property as permitted by Uniform Commercial Code Section 9501(4), including conducting a unified sale thereof. Any such disposition may be conducted by an employee or agent of Beneficiary or Trustee. Any person, including both Trustee and Beneficiary, shall be eligible to purchase any part or all of such property at any such disposition.

This Deed of Trust constitutes a fixture filing under Sections 9313 and 9402(6) of the California Uniform Commercial Code, as amended or recodified from time to time.

**15. Reconveyance.** Prepayment or payment of the Loan shall not relieve Trustor of its obligations under the Regulatory Agreement. Trustor's performance under the Regulatory Agreement is secured by this Deed of Trust.

**16. Indemnification.**

(a) Subject to the provisions of Section 15 of the Note, Trustor agrees to indemnify, defend, and hold Trustee and Beneficiary harmless, for, from, and against, and reimburse them for, all losses, damages, liabilities, claims, causes of action, judgments, penalties, court costs, reasonable attorneys' fees and other legal expenses and expenses of professional consultants and experts, cost of evidence of title, cost of evidence of value, and other costs and expenses, including the settlement of any such matter, excepting those arising out of, or resulting, solely from Beneficiary's or Trustee's, as the case may be, gross negligence or willful misconduct, which either may suffer or incur:

(i) In performing any act required or permitted by this Deed of Trust or any of the other Authority Documents or by law;

(ii) Because of any failure of Trustor to perform any of Trustor's obligations; or

(iii) Because of any alleged obligation of or undertaking by Trustor to perform or discharge any of the representations, warranties, conditions, covenants, or other obligations in any document relating to the Property other than the Authority Documents.

This agreement by Trustor to indemnify Trustee and Beneficiary shall survive payoff, termination, or the release and cancellation of any or all of the Secured Obligations, and the full or partial release and/or reconveyance of this Deed of Trust.

(b) Trustor shall pay all obligations to pay money arising under this Section immediately upon written demand by Trustee or Beneficiary. Each such obligation shall be added to, and considered to be part of, the principal of the Note, and shall bear interest from the date the obligation arises at the Default Rate (as such term may be defined in the Note), or if no Default Rate is specified, at five percent (5%) in excess of the Stated Rate. For purposes hereof, "**Stated Rate**" means the stated interest rate in effect from time to time under the Note and/or other debt instrument evidencing the Loan; provided that if more than one rate of interest is in effect, the highest rate shall be used.

**17. Defense and Notice of Claims and Actions.** At Trustor's sole expense, Trustor shall protect, preserve and defend the Property and title to and right of possession of the Property, and the security of this Deed of Trust and the rights and powers of Beneficiary and Trustee created under it, against all adverse claims. Trustor shall give Beneficiary and Trustee prompt notice in writing if any claim is asserted which does or could affect any of such matters, or if any action or proceeding is commenced which alleges or relates to any such claim.

**18. Subrogation.** Beneficiary shall be subrogated to the liens of all encumbrances affecting the Property, whether released or not, which are discharged in whole or in part by

Beneficiary in accordance with this Deed of Trust or with the proceeds of any loan secured by this Deed of Trust.

**19. Transfers.** Notwithstanding anything to the contrary contained herein, any Permitted Transfer (as such term is defined in the DDLA) permitted under the DDLA, shall be permitted hereunder without prior written consent of Beneficiary, and any Permitted Transferee shall assume all obligations of Trustor hereunder. All amounts secured hereby shall be immediately due and payable in the event of any transfer or assignment of the Property, the Project or the DDLA, or any portion thereof that does not constitute a Permitted Transfer under the DDLA.

**20. Notices, Demands, and Communications.** Formal notices, demands, and communications between Trustor and Beneficiary shall be given by (i) personal service, (ii) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (iii) mailing in the United States mail, certified mail, postage prepaid, return receipt requested, addressed to:

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

To Trustor: c/o Coachella Valley Housing Coalition  
45-701 Monroe Street, Suite G  
Indio, CA 92201  
Attn: Executive Director

With copies to: Gubb & Barshay LLP  
505 14th Street, Suite 450  
Oakland, CA 94612  
Attn: Nicole Kline, Esq.

Notices personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices mailed shall be deemed effective on the second business day following deposit in the United States mail. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as either party may from time to time designate by mail.

Copies of all notices which are sent to Trustor shall also be sent to Trustor's limited partner as specified above. This obligation may not be changed by Trustor but only upon written notice to Beneficiary by the limited partner.

**21. Successors and Assigns.** This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, and the heirs, legatees, devisees, administrators, executors, successors and assigns of Beneficiary. The term "Beneficiary" means the owner and holder of the Note, whether or not named as Beneficiary herein. In exercising any rights hereunder or taking any actions provided for herein, Beneficiary may act through its employees, agents or independent contractors authorized by Beneficiary.

22. **Invalidity of Certain Provisions.** Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal, invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

23. **Attorneys' Fees.** In the event that either party hereto brings any action or files any proceeding in connection with the enforcement of its respective rights under this Deed of Trust or the Promissory Note, as a consequence of any breach by the other party of its obligations thereunder, the prevailing party in such action or proceeding shall be entitled to have its reasonable attorneys' fees and out-of-pocket expenditures paid by the losing party. The attorneys' fees so recovered shall include fees for prosecuting or defending any appeal and shall be awarded for any supplemental proceedings until the final judgment is satisfied in full. In addition to the foregoing award of attorneys' fees, the prevailing party in any lawsuit with respect to the Note or this Deed of Trust shall also be entitled to its attorneys' fees incurred in any post-judgment proceedings to collect or enforce the judgment. In addition to the foregoing, Trustor agrees to pay or reimburse Beneficiary, upon demand by Beneficiary, for all costs incurred by Beneficiary in connection with enforcement of this Deed of Trust or the Note, including without limitation, reasonable attorneys' fees and costs, if there shall be filed by or against Trustor any proceedings under any federal or state bankruptcy or insolvency laws, whether Beneficiary is a creditor in such proceedings or otherwise.

As used herein, the terms "attorneys' fees" or "attorneys' fees and costs" means the fees and expenses of counsel to the parties hereto (including, without limitation, in-house counsel employed by Beneficiary) which may include printing, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and others not admitted to the bar but performing services under the supervision of an attorney. The terms "attorneys' fees" or "attorneys' fees and costs" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, arbitrations and bankruptcy proceedings, and whether or not any action or proceeding is brought with respect to the matter for which said fees and expenses were incurred.

24. **Governing Law.** This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

25. **Joint and Several Obligations.** Should this Deed of Trust be signed by more than one party, all obligations herein contained shall be deemed to be the joint and several obligations of each party executing this Deed of Trust.

26. **Interpretation.** In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

27. **Nonforeign Entity.** Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code") and Sections 18805, 18815 and 26131, as applicable, of the Revenue and Taxation Code ("CRTC") provide that a transferee of a U.S. real property interest must withhold tax, in the case of the Code, if the transferor is a foreign person, or if, in the case of the CRTC, the transferor is not a California resident. To inform Beneficiary that the withholding of tax will not be required in the event of the disposition of the Property or the Improvements, or any

portion thereof or interest therein, pursuant to the terms of this Deed of Trust, Trustor hereby certifies, under penalty of perjury, that: (a) Trustor is not a foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Code and the regulations promulgated thereunder; and (b) Trustor's U.S. employer identification number is [\_\_\_\_\_]; and (c) Trustor's principal place of business is 45-701 Monroe Street, Suite G, Indio, CA 92201. It is understood that Beneficiary may disclose the contents of this certification to the Internal Revenue Service and the California Franchise Tax Board, and that any false statement contained herein could be punished by fine, imprisonment or both. Trustor covenants and agrees to execute such further certificates, which shall be signed under penalty of perjury, as Beneficiary shall reasonably require. The covenant set forth herein shall survive the foreclosure of the lien of this Deed of Trust or acceptance of a deed in lieu thereof.

**28. Substitute Trustee.** Beneficiary at any time and from time to time, by instrument in writing, may substitute and appoint a successor Trustee (either corporate or individual) to any Trustee named herein or previously substituted hereunder, which instrument when executed, acknowledged, and recorded in the Official Records of the Office of the Recorder of the county or counties where The Property is located shall be conclusive proof of the proper substitution and appointment of each successor trustee or trustees, who shall then have all the title, powers, duties and rights of the predecessor Trustee, without the necessity of any conveyance from such predecessor. Trustee shall not be obligated to notify any party hereto of pending sale under any other Deed of Trust, or, unless brought by Trustee, or any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party.

**29. Tax Credit Provisions.** Notwithstanding anything to the contrary contained herein or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of foreclosure (collectively, "Foreclosure") with respect to the Security encumbered by this Deed of Trust, the following rule contained in Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986 (26 U.S.C. Section 429H)(6)E(ii)), as amended, shall apply:

For a period of three years from the date of Foreclosure, with respect to any unit that had been regulated by the Regulatory Agreement with the California Tax Credit Allocation Committee, (i) none of the tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause), (ii) nor may rent be increased except as otherwise permitted under Section 42 of the Code.

IN WITNESS WHEREOF, Trustor has executed this Rider on the date of Trustor's acknowledgment hereinbelow, to be effective for all purposes as of the day and year first set forth above.

**[SIGNATURES ON FOLLOWING PAGE]**

**TRUSTOR:**

\_\_\_\_\_,  
a California limited partnership

By: Exhibit – Do Not Sign

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT "A"**

**LEGAL DESCRIPTION**

Real property located in the County of Riverside, State of California, legally described as:

[to come]

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 \_\_\_\_\_, 20\_\_ 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.

\_\_\_\_\_  
Notary Public

SEAL:

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 \_\_\_\_\_, 20\_\_ 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.

\_\_\_\_\_  
Notary Public

SEAL:

June 15, 2021

**Summary Report Pursuant To  
California Health and Safety Code Section 33433  
On A Disposition, Development and Loan Agreement  
By and Between  
the Housing Authority of the County of Riverside  
and  
the Coachella Valley Housing Coalition**

The following Summary Report has been prepared pursuant to California Health and Safety Code Section 33433 ("Section 33433"). The Summary Report sets forth certain details of the proposed Disposition, Development and Loan Agreement ("DDLA") between the Housing Authority of the County of Riverside ("HACR") and the Coachella Valley Housing Coalition, a California corporation ("CVHC"). The DDLA obligates HACR to transfer approximately 26 acres of real property located at the intersection of Avenue 66 and Middleton Street, in the unincorporated community of Oasis, County of Riverside, State of California, 92274 and referred to as assessor parcel numbers 751-160-004, 007, 009, 012, 014, and 015 more particularly described on Exhibit A and Exhibit B hereto ("Master Property") to CVHC, or its permitted assignees, for multi-use phased construction of commercial/retail and multi-family affordable housing complex consisting of approximately one hundred sixty (160) apartment units with one, two, three and four bedrooms, a community center and pool, on-site property management, and related infrastructure ("Proposed Project"). It is contemplated that the Proposed Project will be constructed in up to three (3) phases, and that each phase will be owned, developed and operated by a separate limited partnership assignee controlled by CVHC.

HACR is 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").

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"). 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.

Pursuant to Health and Safety Code Section 34176 (a), and County of Riverside Resolution No. 2012-035, all housing functions previously performed by the former RDA, including related rights, powers, liabilities, duties, obligations, and housing assets (excluding unencumbered amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the successor agency) were transferred to the HACR.

The proposed sale of the Property to CVHC, or its assignees, is subject to the reporting requirements imposed by Section 33433 because prior to dissolution, the former RDA utilized low and moderate income housing redevelopment funds to acquire the Property for affordable housing purposes. Section 33433 requires the selling entity to prepare a report that summarizes the following information in connection with the sale of the Property:

(i) The cost of the agreement to the agency, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the agency, plus the expected interest on any loans or bonds to finance the agreements.

(ii) The estimated value of the interest to be conveyed or leased, determined at the highest and best uses permitted under the redevelopment plan.

(iii) The estimated value of the interest to be conveyed or leased, determined at the use and with the conditions, covenants, and development costs required by the sale or lease. The purchase price or present value of the lease payments which the lessor will be required to make during the term of the lease. If the sale price or total rental amount is less than the fair market value of the interest to be conveyed or leased, determined at the highest and best use consistent with the redevelopment plan, then the agency shall provide as part of the summary an explanation of the reasons for the difference.

(iv) An explanation of why the sale or lease of the property will assist in the elimination of blight, with reference to all supporting facts and materials relied upon in making this explanation.

It is the intent of this Summary Report to meet the Section 33433 requirements and provide the required information and data. This Summary Report is based upon the information contained within the DDLA, and is organized into the following six sections:

1. Salient Points of the DDLA: This section summarizes the major responsibilities imposed on HACR and CVHC in the DDLA.
2. Cost of the DDLA to HACR: This section details the total cost to HACR associated with implementing the terms of the DDLA.
3. Estimated Value of the Interests to be Conveyed Determined at the Highest Use Permitted Under the Existing Zoning: This section estimates the value of the interest to be conveyed determined at the highest use permitted under the Property's existing zoning.
4. Estimated Reuse Value of the Interests to be Conveyed: This section summarizes the valuation estimate for the Property based on the required scope of development, and the other conditions and covenants required by the DDLA.
5. Consideration Received and Comparison with the Established Value: This section describes the compensation to be received by HACR and explains any difference between the compensation to be received and the established value of the Property.

6. Blight Elimination: This section describes the existing blighting conditions on the Property and explains how the DDLA will assist in alleviating the blighting influence.

A. **SALIENT POINTS OF THE DDLA**

**Description of the Property and Project**

HACR is the legal owner of record of approximately 26.23 gross acres of real property located on Middleton Street in the County of Riverside, State of California, identified with Assessor's Parcel Numbers 751-160-004, 751-160-007, 751-160-009, 751-160-012, 751-160-014 and 751-160-015, described in the **Legal Description (Exhibit A)** attached hereto and depicted on **Site Map (Exhibit B)** attached hereto ("**Master Property**"). The Master Property is unimproved.

There is an unmet need for affordable housing within the County of Riverside, California and CVHC is a California nonprofit public benefit corporation engaged in building safe and affordable housing for low-income households.

CVHC desires to cause the division or reconfiguration of the Master Property into four (4) developable parcels as set forth on the Site Map, and to purchase and develop the Master Property in up to three (3) separate and distinct phases.

Parcels 3 and 4 identified on the Site Map shall be referred to as the "**Property**" herein, and the parcels identified as Parcels 1 and 2 on the Site Map shall be referred to herein as the "**Commercial Property.**"

CVHC desires to acquire (i) the Property from HACR and develop, construct and operate thereon an affordable multifamily rental housing project comprised of approximately one hundred sixty (160) units to be occupied by and rented to Extremely Low and Low Income Households, and (ii) the Commercial Property from HACR and develop, construct and operate thereon general retail and commercial businesses that will provide services to residents of the affordable housing project, including a childcare facility, market, general retail, medical clinic, or other service business(es) reasonably approved by HACR. The acquisition and development of the Property and Commercial Property shall collectively be referred to herein as the "**Proposed Project.**"

CVHC proposes to develop the Proposed Project in three (3) phases. Parcel 3 on the Site Map is comprised of approximately 9.57 acres and will be developed as the "**First Phase**" of the Proposed Project, with 80 multi-family residential units within 68,976 square feet of buildings, a 3,500 square foot community center, tot lot, pool and pool house. Parcel 4 on the Site Map is comprised of approximately 9.49 acres and will be developed as the "**Second Phase**" of the Proposed Project, with 80 multi-family residential units within 68,976 square feet of buildings and one or more tot lots. Parcel 1 on the Site Map is comprised of approximately 2.54 acres and will be developed for general retail and commercial uses. Parcel 2 is comprised of approximately 1.02 acres and will also be developed for general retail and commercial uses. The development of

Parcels 1 and 2 for general retail and commercial uses shall be referred to herein as the “**Commercial Phase**” of the Proposed Project.

CVHC shall purchase the real property constituting the Commercial Property concurrently with its purchase of the First Phase. The proceeds of the sale of the Commercial Property shall be loaned by HACR to CVHC for the purpose of developing the First Phase of the Proposed Project, in accordance with the terms and conditions set forth in the DDLA.

HACR will require forty-nine percent (49%) of the total residential units included in the First Phase and Second Phase not identified for occupancy by a property manager on the Property to be Restricted Units affordable to Extremely Low and Low Income Households.

In furtherance of the housing functions transferred to the HACR pursuant to the Dissolution Law and public purposes set forth in the Housing Authorities Law, and in order to facilitate the Proposed Project, HACR desires to (i) sell the Property to CVHC for affordable housing purposes, and provide for one or more loan(s) in connection therewith, and (ii) sell the Commercial Property to CVHC for the purpose of developing general retail and commercial space supportive of the affordable housing units, and loan the proceeds of the sale of the Commercial Property to CVHC for reimbursement of predevelopment costs incurred in connection with the First Phase.

Following and contingent upon CVHC obtaining the necessary Project-related financing, discretionary entitlements, permits and full compliance with the California Environmental Quality Act, the DDLA provides for HACR’s disposition of the Master Property to CVHC, the provision of certain loans by HACR to CVHC, CVHC’s construction of the Improvements and CVHC’s operation of an affordable housing project on the Property, and CVHC’s construction of general retail and commercial space on the Commercial Property.

The former RDA acquired the Master Property primarily for the purpose of carrying out its obligation to eliminate blight and for future affordable housing development. At acquisition of the Property by the former RDA, the Master Property consisted of rural residential and agricultural uses and is currently vacant and undeveloped. HACR has determined that the best use for the Master Property is for purposes of development of the Proposed Project in accordance with the DDLA.

### **Scope of Development**

The proposed scope of development includes the construction and development of the Master Property to include commercial uses that support the affordable multi-family housing complex, which will consist of approximately one hundred sixty (160) apartment units, consisting of one, two, three and four bedrooms, with a community center, pool and other amenities. Forty-nine percent (49%) of the units in the Project not occupied by an on-site manager will be restricted to occupancy by extremely low and low income households whose incomes do not exceed sixty percent (60%) of the Area Median Income (AMI) (Restricted Units). At least thirty percent (30%)

of the Restricted Units shall be restricted to occupancy by extremely low income households whose incomes do not exceed thirty percent (30%) of AMI. The maximum qualifying income for all other units in the Project will be one hundred twenty percent (120%) of AMI. Affordability for each phase will be restricted for fifty-five (55) years from the issuance of a certificate of occupancy for such phase. The affordability restrictions as to the units in each phase will be set forth in an agreement containing covenants to be recorded against the land underlying each phase upon sale of that portion of the Property by HACR to a permitted limited partnership assignee of CVHC, and such covenant will run with the land.

### **CVHC Responsibilities**

The DDLA requires CVHC or its permitted assignee to accept the following responsibilities:

1. Upon the sale of each affordable housing phase to a permitted assignee at a purchase price equal to fair market value, the assignee will deliver a note secured by deed of trust to HACR. Such note will be paid from the residual receipts of the project and will be due and payable 55 years from the date of issuance of the last certificate of occupancy for the phase of the Project to which the note applies
2. CVHC, or its permitted assignee, must accept the Property in an "as-is" condition.
3. CVHC or its permitted assignee shall develop the Property pursuant to the Scope of Development attached to the DDLA.
4. CVHC is responsible for satisfying all requirements of the California Environmental Quality Act, obtaining all necessary entitlements and easements to carry out entire Scope of Development.
5. CVHC or its permitted assignee shall comply with affordability restrictions on the restricted units pursuant to the Agreement Containing Covenants attached to the DDLA, which covenants shall be recorded against the Property upon transfer to the permitted assignee.
6. CVHC must satisfy all conditions precedent to closing, including obtaining all Project entitlements and securing all financing for the first phase of development of the Project by December 31, 2024 pursuant to the DDLA and the Schedule of Performance attached thereto.

### **HACR Responsibilities**

The DDLA imposes the following responsibilities on HACR, subject to the satisfaction of certain conditions precedent set forth therein:

1. HACR must sell the Property to CVHC or its permitted assignee for a purchase price equal to appraised fair market value. HACR will carry seller financing for the full fair market value purchase price.
2. HACR, upon completion of each phase, shall monitor affordability restrictions for



the entire affordability period of 55 years.

3. HACR must sell the Commercial Property to CVHC or its permitted assignee for a purchase price equal to appraised fair market value and loan the proceeds of such sale to CVHC or its permitted assignee for predevelopment expenses incurred for the first phase of the affordable housing project.

**B. COST OF THE TRANSFER OF FEE TITLE TO HACR**

The cost to the former RDA of acquiring the Master Property is approximately \$5,366,987. Such cost includes consideration paid for the land, relocation, consulting fees, appraisal costs, title expenses and various other costs and expenses. The Master Property was acquired in three transactions over different periods of time.

Costs incurred

Date of Acquisition	Parcel	Fund source (LMIHF)	Costs
2006/2007	751-160-007	Taxable Housing Bond	4,703,500
	751-160-009	Taxable Housing Bond	
	751-160-012	Taxable Housing Bond	
	751-160-014	Taxable Housing Bond	
2010/2011	751-160-004	Tax Exempt Housing Bond	643,600
2020/2021	751-160-015	Taxable Housing Bond	19,887
<b>Total costs (acquisition, relocation and related)</b>			<b>\$ 5,366,987</b>

The former RDA purchased the parcels through 2011 with Housing Bond funds deposited into the Low and Moderate Income Housing Fund; parcels were then transferred by the County of Riverside to HACR. The recently acquired parcel 751-160-015 was or will be obtained by HACR as a tax defaulted property. Additional costs to HACR that may be incurred in connection with the proposed sale pursuant to the DDLA include consulting fees, appraisal costs, title expenses, legal fees and various other costs and expenses.

**C. ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED DETERMINED AT THE HIGHEST USE PERMITTED UNDER THE EXISTING ZONING**

Section 33433 requires HACR to identify the value of the interests being transferred at the highest use allowed by the Property's zoning. The valuation must be based on the assumption that near-term development is required, but the valuation does not take into consideration any extraordinary use, quality and/or income restrictions that are being imposed on the development by HACR.

In an Appraisal Report prepared by Tucker Appraisal Service Corporation and dated April 29, 2006 (the "Appraisal"), the appraiser, concluded that the 'as is' value at that time was \$4,415,000. The current site includes additional parcels and is subject to zone change and parcel map approval which will reconfigure the parcels. The sites will be valued and transferred subject to an appraisal that is dated in 2021 or later.

**D. ESTIMATED REUSE VALUE OF THE INTERESTS TO BE CONVEYED**

Re-use value is defined as the highest price in term of cash or its equivalent which a property or development right is expected to bring for a specified use in a competitive open market, subject to the covenants, conditions, and restrictions imposed by any agreements to develop Project.

The method used to establish the re-use value is based on the anticipated income characteristics for project, the operating expenses and the cost of development for Project. The DDLA imposes affordability covenant restrictions on the Project. The Property can only be used for the development of affordable housing for the period set forth in the DDLA.

The anticipated cost for development of project including indirect and direct cost is substantial but unknown at this time. Taking into consideration the cost of construction, the affordability and use restrictions imposed on the Project, the fair re-use value is less than \$0, an amount less than the purchase price due under the DDLA. It is also anticipated that the developer will secure other sources of financing that will require loan servicing and additional monitoring fees.

**E. CONSIDERATION RECEIVED IN COMPARISON WITH THE ESTABLISHED VALUE**

The DDLA imposes extraordinary controls on the Project. Specifically, the Developer must accept a 55-year covenant that imposes income and affordability restrictions on the Project. The impacts created by these requirements reduce the Property's value. HACR will finance the full fair market value of the purchase price. In order to make the project financially feasible and in recognition of the long-term affordability restrictions impacting fair reuse value, the HACR loans will accrue simple interest at 3% per annum and the assignees of Developer for each Phase will make annual debt service payments on these obligations based on the residual receipts generated by the Project. With the consideration of the value of the land compared to development costs and operating costs, the cost to develop and maintain the project exceeds the Fair Re-Use value.

**F. BLIGHT ELIMINATION**

The Property consists of vacant land. Development of the Project on the Property will provide much needed affordable housing on a vacant Property. The Project will increase employment during the construction phase. Thus, the proposed Project fulfills the blight elimination requirement imposed by Section 33433.

**EXHIBIT A**  
**MASTER PROPERTY LEGAL DESCRIPTION**

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

**PARCEL A1:**

THE NORTHWESTERLY HALF OF LOT 9 OF THE "SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP OF FILE IN BOOK 10, PAGE 23 OF MAPS, RIVERSIDE COUNTY RECORDS; THE SOUTHEASTERLY LINE OF SAID NORTHWESTERLY HALF BEING PARALLEL WITH THE NORTHWESTERLY LINE OF SAID LOT.

**PARCEL A2:**

A STRIP OF LAND 10 FEET WIDE, FOR ROAD PURPOSES, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF LOT 10 OF THE "SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RIVERSIDE COUNTY RECORDS;  
THENCE NORTHWESTERLY, ALONG THE SOUTHWESTERLY LINE OF SAID LOT, 350 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 10 FEET;  
THENCE AT A RIGHT ANGLE SOUTHEASTERLY, PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT, 350 FEET, TO THE SOUTHEASTERLY LINE THEREOF;  
THENCE SOUTHWESTERLY, ALONG THE SOUTHEASTERLY LINE OF SAID LOT 10 FEET, TO THE POINT OF BEGINNING.

**PARCEL B:**

THE SOUTHWESTERLY 10 ACRES OF LOT 10 OF SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE SOUTHWESTERLY 10 FEET OF SAID SOUTHEASTERLY 350 FEET.  
**PARCEL C:**

LOT 10 OF THE SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE SOUTHWESTERLY 10 ACRES, THE NORTHEASTERLY LINE OF SAID 10 ACRES BEING PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT 10;

ALSO EXCEPT THAT PORTION OF SAID PROPERTY CONVEYED TO HENRY J. DIETRICH AND GEORGIA LEE DIETRICH, HUSBAND AND WIFE, BY DEED RECORDED APRIL 19, 1955 IN BOOK 1724, PAGE 578 OF OFFICIAL RECORDS OF SAID COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 10;  
THENCE SOUTH 45 DEGREES 35' WEST ON THE SOUTHEASTERLY LINE OF SAID LOT, 308.6 FEET; THENCE IN A NORTHWESTERLY DIRECTION, 216 FEET, MORE OR LESS, TO A POINT ON THE NORTHERLY LINE OF SAID LOT, 378 FEET WESTERLY FROM OF THE POINT OF BEGINNING; THENCE EASTERLY TO THE POINT OF BEGINNING.

ALSO EXCEPT ONE-HALF INTEREST IN AND TO ALL OIL, OTHER HYDROCARBONS, GAS AND OTHER ASSOCIATED SUBSTANCES AND OTHER MINERALS AND KINDRED SUBSTANCES IN AND/OR LYING UNDER SAID LAND, AS RESERVED IN DEED FROM OLLA J. GRANT AND ELISE M. GRANT, HUSBAND AND WIFE, RECORDED JUNE 22, 1954 IN BOOK 1600, PAGE 501 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL D:

LOT 1 OF THE SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1, THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID ONE-HALF ACRE BEING PARALLEL WITH THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID LOT 1;

ALSO EXCEPT THE PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1;  
THENCE SOUTH 44 DEGREES 25' EAST ON THE SOUTHWESTERLY LINE OF SAID ONE-HALF ACRE, 130 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE SOUTH 45 DEGREES 35' WEST 20 FEET;  
THENCE SOUTH 44 DEGREES 25' EAST 20 FEET;  
THENCE NORTH 45 DEGREES 35' EAST 20 FEET;  
THENCE NORTH 44 DEGREES 25' WEST 20 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH AN UNDIVIDED 15/320TH INTEREST IN AND TO FOUR CERTAIN WELLS, PUMPING HOUSE MACHINERY AND THE ONE-HALF ACRE OF LOT 1 OF SAID SUBDIVISION UPON WHICH SAID WELLS ARE LOCATED, SAID ONE-HALF ACRE BEING THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1, THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID ONE-HALF ACRE BEING PARALLEL WITH THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID LOT 1.

Assessor's Parcel Number: 751-160-004-8; 751-160-007-1; 751-160-009-3, 751-160-012-5; 751-160-014-7

THAT PORTION OF LOT 1 OF THE CAHUILLA FRUIT AND LAND CO. AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS: COMMENCING AT THE MOST WESTERLY CORNER OF THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1; THENCE SOUTH 44 DEGREES 25° EAST, ALONG THE SOUTHWESTERLY LINE OF SAID ONE-HALF ACRE, 130 FEET, TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 45 DEGREES 35° WEST, 20 FEET; THENCE SOUTH 44 DEGREES 25° EAST, 20 FEET; THENCE NORTH 45 DEGREES 35° EAST, 20 FEET; THENCE NORTH 44 DEGREES 25° WEST, 20 FEET TO THE TRUE POINT OF BEGINNING.

Parcel Identification Number: 751160015

## Exhibit B

### Site Map



Site Vicinity Map

GPA190017, CZ190048, TPM37590, AND PPT190037  
Phase 1 – residential PARCEL 3 - ORANGE  
Phase 2 – commercial PARCELS 1 AND 2 – GREEN  
Phase 3 – residential PARCEL 4 – BLUE

751-160-004, 751-160-007, 751-160-009, 751-160-012, 751-160-014, 751-160-015

**NO FEE FOR RECORDING  
PURSUANT TO GOVERNMENT  
CODE SECTION 27383**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDERS USE

**DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT**

By and Between

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE

and

COACHELLA VALLEY HOUSING COALITION

for

Oasis Villas Affordable Housing Project

**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.

JUN 15 2021 10.2

**NO FEE FOR RECORDING  
PURSUANT TO GOVERNMENT  
CODE SECTION 27383**

**RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:**

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

**2021-0476409**

08/10/2021 11:10 AM Fee: \$ 0.00

Page 1 of 206

Recorded in Official Records  
County of Riverside  
Peter Aldana  
Assessor-County Clerk-Recorder



021

SPACE ABOVE THIS LINE FOR RECORDERS USE

**DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT**

By and Between

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE

and

COACHELLA VALLEY HOUSING COALITION

for

Oasis Villas Affordable Housing Project

JUN 15 2021 10.2



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- ATTACHMENT NO. 14 - FORM OF PROMISSORY NOTE SECURED BY DEED  
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- ATTACHMENT NO. 15 - FORM OF DEED OF TRUST

**DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT  
(Oasis Villas)**

THIS DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT (“**DDLA**”) is entered into this 15th day of June, 2021, by and between the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic (“**HACR**”), and COACHELLA VALLEY HOUSING COALITION, a California nonprofit public benefit corporation (“**CVHC**” or “**Developer**”). HACR and CVHC are collectively referred to herein as the “**Parties**” and individually as a “**Party**.”

**RECITALS**

The following Recitals are a substantive part of this DDLA. Capitalized terms used in these Recitals and not otherwise defined shall have the meaning set forth in Section 1.2.

A. WHEREAS, HACR, established by action of the Board of Supervisors of the County of Riverside on November 23, 1942, pursuant to the California Housing Authorities Law (Health and Safety Code §§ 34200, et seq., the “**Housing Authorities Law**”), constitutes a corporate and politic public body, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out the purposes and provisions of the Housing Authorities Law;

B. WHEREAS, California redevelopment agencies were dissolved on February 1, 2012 such that the former Redevelopment Agency of the County of Riverside (“**RDA**”) is now deemed a former redevelopment agency under Health and Safety Code section 34173 and AB x1 26, as modified by Assembly Bill No. 1484 (as modified to date, the “**Dissolution Law**”), which 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**”);

C. WHEREAS, pursuant to CRL § 34176 (a) and HACR Resolution Nos. 2012-035, all housing functions previously performed by the former RDA, including related rights, powers, duties, obligations, and housing assets (excluding unencumbered amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the non-housing successor agency under the Dissolution Law (the “**Successor Agency**”)) were transferred to HACR, including the Property (defined below), making HACR the “**Housing Successor**” to the former RDA under the Dissolution Law;

D. WHEREAS, HACR is the legal owner of record of approximately 26.23 gross acres of real property located on Middleton Street in the County of Riverside, State of California, identified with Assessor’s Parcel Numbers 751-160-004, 751-160-007, 751-160-009, 751-160-012, 751-160-014 and 751-160-015, described in the **Legal Description** attached hereto as **Attachment No. 1** and incorporated herein by this reference, and depicted on the **Site Map**, attached hereto as **Attachment No. 2** and incorporated herein by this reference (“**Master Property**”). The Master Property is unimproved;

E. WHEREAS, there is an unmet need for affordable housing within the County of Riverside, California;

F. WHEREAS, CVHC is a California nonprofit public benefit corporation engaged in building safe and affordable housing for low-income households;

G. WHEREAS, CVHC desires to cause the division or reconfiguration of the Master Property into four (4) developable parcels as set forth on the Site Map, and to purchase and develop the Master Property in up to three (3) separate and distinct phases;

H. WHEREAS, Parcels 3 and 4 identified on the Site Map shall be referred to as the “**Property**” herein, and the parcels identified as Parcels 1 and 2 on the Site Map shall be referred to herein as the “**Commercial Property**”;

I. WHEREAS, CVHC desires to acquire (i) the Property from HACR and develop, construct and operate thereon an affordable multifamily rental housing project comprised of approximately one hundred sixty (160) units to be occupied by and rented to Extremely Low and Low Income Households, and (ii) the Commercial Property from HACR and develop, construct and operate thereon general retail and commercial businesses that will provide services to residents of the affordable housing project, including a childcare facility, market, general retail, medical clinic or other service business(es) reasonably approved by HACR. The acquisition and development of the Property and Commercial Property shall collectively be referred to herein as the “**Proposed Project**”;

J. WHEREAS, Developer proposes to develop the Proposed Project in three (3) phases. Parcel 3 on the Site Map is comprised of approximately 9.57 acres and will be developed as the “**First Phase**” of the Proposed Project, with 80 multi-family residential units within 68,976 square feet of buildings, a 3,500 square foot community center, tot lot, pool and pool house. Parcel 4 on the Site Map is comprised of approximately 9.49 acres and will be developed as the “**Second Phase**” of the Proposed Project, with 80 multi-family residential units within 68,976 square feet of buildings and one or more tot lots. Parcel 1 on the Site Map is comprised of approximately 2.54 acres and will be developed for general retail and commercial uses. Parcel 2 is comprised of approximately 1.02 acres and will also be developed for general retail and commercial uses. The development of Parcels 1 and 2 for general retail and commercial uses shall be referred to herein as the “**Commercial Phase**” of the Proposed Project;

K. WHEREAS, CVHC shall purchase the real property constituting the Commercial Property at Construction Closing (as hereinafter defined) for the First Phase. The proceeds of the sale of the Commercial Property shall be loaned by HACR to CVHC for the purpose of developing the First Phase of the Proposed Project, in accordance with the terms and conditions set forth herein.

L. WHEREAS, forty-nine percent (49%) of the total residential units included in the First Phase and Second Phase not identified for occupancy by a property manager on the Property shall be Restricted Units (as defined herein);

M. WHEREAS, in furtherance of the housing functions transferred to the HACR pursuant to the Dissolution Law and public purposes set forth in the Housing Authorities Law, and in order to facilitate the Proposed Project, HACR desires to (i) sell the Property to CVHC for affordable housing purposes, as more specifically described herein, and provide for the HACR Loan and one or more Seller Loan(s) (as defined herein) in connection therewith, and (ii) sell the

Commercial Property to CVHC for the purpose of developing general retail and commercial space supportive of the affordable housing units; and

N. WHEREAS, the Parties intend, in this DDLA, following and contingent upon CVHC obtaining the necessary Project-related financing, discretionary entitlements, permits and full compliance with the California Environmental Quality Act, to provide for HACR's disposition of the Master Property to CVHC, the provision of the Seller Loans and HACR Loan by HACR to Developer, CVHC's construction of the Improvements and CVHC's operation of an affordable housing project on the Property, and CVHC's construction of the Commercial Phase on the Commercial Property.

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

## **ARTICLE 1 SUBJECT OF AGREEMENT**

**Section 1.1**            **Recitals** The Recitals set forth above are true and correct and incorporated herein by this reference.

### **Section 1.2**            **Definitions**

For purposes of this DDLA, the following capitalized terms shall have the following meanings:

**"Adjusted for Family Size Appropriate to the Unit"** shall mean the number of bedrooms in the Unit plus one; or, if permitted in accordance with the HSC, the number of bedrooms in the Unit multiplied by 1.5.

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

**"Affordability Period"** means a period of fifty-five (55) years, commencing from the recordation of the Notice of Completion in the Official Records for the last building for which construction is completed for each of the First Phase and Second Phase of the Project, in compliance with the Housing Authorities Law and applicable laws governing the housing functions transferred to HACR pursuant to the Dissolution Law.

“Affordable Rent” means the amount of monthly rent, including a reasonable utility allowance, that does not exceed the lesser of the maximum allowable rent to be charged by Developer and paid by Extremely Low Income Households and Low Income Households, Adjusted for Family Size Appropriate to the Unit, as applicable, occupying the Restricted Units as determined pursuant to (i) (a) the Agreement Containing Covenants, as to Restricted Units occupied by Low Income Households, or (b) HSC § 50053(b)(1) and the regulations promulgated pursuant to or incorporated therein, including, without limitation, any applicable regulations promulgated pursuant to HSC § 50093, as to Restricted Units Occupied by Extremely Low Income Households, (ii) any effective, applicable Tax Credit regulatory agreement; and (iii) applicable regulations pursuant to any other source of financing secured for, and continued to be secured by, the Project, including, if applicable, any effective Section 8 Program regulations as to any Restricted Unit designated as a project-based Section 8 unit or otherwise occupied by a holder of a Rental Voucher or Rental Certificate evidencing participation in the Section 8 Program.

Notwithstanding the foregoing, in the event that CVHC receives project based Section 8 financing, Developer shall be entitled (during such time as such Rental Voucher and/or project based Section 8 rental assistance is received) to receive up to fair market rent as determined in accordance with the Section 8 Program, provided that the tenant of the Affordable Unit does not pay an amount in excess of the amount determined in accordance with the immediately preceding paragraph. Affordable Rent shall be calculated annually by HACR in accordance with this definition. The tenant utility allowance shall be determined by HACR.

“Agreement Containing Covenants” means a regulatory agreement to be executed by CVHC in favor of HACR pursuant to the requirements of the CRL for the affordable housing to be developed on the Property. The Agreement Containing Covenants (Including Rental Restrictions) for the First Phase shall be substantially in the form attached hereto as **Attachment No. 11** and incorporated herein by this reference. The Agreement Containing Covenants (Including Rental Restrictions) for the Second Phase shall be substantially in the form attached hereto as **Attachment No. 11**, with such revisions as are appropriate to such Phase in accordance with this DDLA.

“Agreement Containing Covenants (Commercial Phase)” means a regulatory agreement to be executed by CVHC in favor of HACR substantially in the form attached hereto as **Attachment No. 13** and incorporated herein by this reference.

“Approved Financing” means the financing for each of the First Phase and Second Phase, as set forth in a Project Budget approved by HACR.

“Approved Annual Operating Budget” shall have the meaning set forth in the Method of Financing attached hereto as **Attachment No. 3**.

“Area Median Income” or “AMI” means the median family income (adjusted for family size) for the Riverside County area promulgated and published annually by HCD pursuant to Title 25, § 6932 of the California Code of Regulations. If HCD ceases annually to publish median incomes, the Parties will agree upon an adequate substitute manner for determining Area Median Income.



“Attachments” means one or more of Attachments nos. 1 through 15 to this DDLA, which are incorporated herein by this reference, and any modifications or amendments thereto.

“Board of Commissioners” means the governing, legislative body of the Housing Authority of County of Riverside.

“Building Permit” means the building permit(s) issued by the County of Riverside required for the development of the Project.

“Closing,” “Close of Escrow” or “Construction Closing” means with respect to the conveyance of a Parcel by HACR and the acquisition thereof by CVHC, the point in time when all conditions precedent to such conveyance and acquisition have been satisfied in accordance with this DDLA and the Grant Deed and other documents required to be recorded in connection with the Closing are recorded in the Official Records.

“Closing Date” means the date on which the Closing has occurred.

“Commercial Property” means that certain real property consisting of approximately 3.56 acres of land located on 66th Avenue, in the unincorporated community of Oasis, California, designated as Parcels 1 and 2 on the Site Map attached hereto as **Attachment No. 2**. The Commercial Property will be divided or reconfigured into up to two (2) legal parcels. The terms of such division or reconfiguration including, without limitation, designation of Parcel boundaries, shall be determined by CVHC, subject to the prior written approval of HACR, which shall not be unreasonably withheld or delayed, and subject to the subdivision requirements of the County. HACR agrees to assist CVHC at no cost to HACR in processing any such approved division or reconfiguration, whether through a lot line adjustment, recordation of a parcel map or transfer via a metes and bounds description using the authority of HACR to create parcels that are exempt from certain provisions of the Subdivision Map Act.

“Completion” means the point in time at which all of the following have been satisfied with respect to a particular Phase: (a) issuance of a certificate of occupancy by the County for all the buildings of the Phase, (b) recordation of a Notice of Completion pursuant to Civil Code section 8182, (c) submission to HACR of unconditional lien releases or waivers obtained by CVHC or CVHC’s agent, (d) payment, settlement or other extinguishment, discharge, release, waiver, bonding or insuring against any mechanic’s liens that have been recorded or stop notices that have been delivered; and (e) the applicable Parcel for such Phase have been developed in accordance with this DDLA, the Scope of Development and plans approved by HACR and any other Governmental Authority pursuant to this DDLA.

“Construction Closing Date” means the date on which the Construction Closing has occurred.

“Construction Lender” means an institutional or governmental lender which provides a Construction Loan to finance a portion or all of the costs to develop and construct a Phase.

“Construction Loan” means a construction loan to be made by a Construction Lender to Developer or a Partnership Assignee.

“Construction Loan Deed of Trust” means the deed of trust securing a Construction Loan.

“Conversion Date” means the date that construction of the First Phase or Second Phase has been completed and all of the other conditions precedent in order for a Permanent Lender to fund the Permanent Loan for such Phase have been satisfied.

“Conveyance” means the transfer of title to one or more Parcel(s) from HACR to Developer evidenced by recordation in the Official Records of a Grant Deed in the form attached hereto as **Attachment No. 5**.

“County” means the County of Riverside.

“CVHC” means Coachella Valley Housing Coalition, a California nonprofit public benefit corporation, and any assignee of or successor to its rights, powers and responsibilities hereunder permitted by this DDLA.

“DDLA” or “Agreement” means this Disposition, Development and Loan Agreement by and between HACR and CVHC, including all Attachments hereto and all agreements entered into in the form of an Attachment hereto, and any and all extensions, assignments, amendments or modifications thereof or thereto.

“Debt Service” means required debt service payments for a Construction Loan and/or a Permanent Loan including the funding obligations in respect of all reserves or escrows required thereunder.

“Deed of Trust” means a deed of trust substantially in the form of **Attachment No. 15** here securing a Seller Loan and/or HACR Loan, as applicable.

“Developer” means CVHC and its successors and assigns permitted by this DDLA, including, without limitation, any Partnership Assignee.

“Development Costs” means all costs which are actually incurred by Developer for the acquisition of a Parcel and the financing, design, development and construction of a Phase.

“Effective Date” means the date the Chairman of the Board of Commissioners executes this DDLA after approval by the Board of Commissioners.

“Entitlements” means any and all general plan amendments, zoning approvals or changes, required approvals and certifications under the California Environmental Quality Act (including and subject to all mitigation measures), tentative and final tract maps, variances, site plans, conditional use permits, demolition permits, excavation/foundation permits, grading permits, building permits, inspection reports and approvals, certificates of occupancy, and other approvals, permits, certificates, authorizations, consents, orders, entitlements, filings or registrations, and actions of any nature whatsoever required from any governmental entity in order to commence and complete the construction of the Improvements and occupancy and operation of a Phase of the Project.

“Environmental Indemnity” means an Environmental Indemnity substantially in the form of the Environmental Indemnity attached hereto as **Attachment No. 9** and incorporated herein by this reference.

“Escrow Instructions” or “Escrow Agreement” means escrow instructions prepared on behalf of HACR relating to the sale of a Parcel to Developer or a Partnership Assignee, in such form as reasonably required by HACR.

“Evidence of Financing” is defined in Section 2.18 of this DDLA.

“Evidence of Insurance” is defined in Section 3.12 of this DDLA.

“Executive Director” means the executive director of HACR, or his or her designee.

“Extremely Low Income Household” means a Household whose Gross Income does not exceed the requirements set forth in HSC § 50106 for the County of Riverside, adjusted for family size. For purposes of this definition, “adjusted for family size” means the actual number of persons in the applicable Household.

“First Phase” means the first Phase of the Proposed Project to be constructed on the Property by Developer, which shall consist of 80 multifamily residential units within 68,976 square feet of buildings, a 3,500 square foot community center, tot lot, pool and pool house.

“Final Plans” is defined in Section 3.4.

“Force Majeure” or “Force Majeure Event” means any of the following events, provided that it actually delays and interferes with the timely performance of the matter to which it applies and despite the exercise of diligence and good business practices is or would be beyond the reasonable control of the party claiming such interference: war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation including litigation challenging the validity of this transaction or any element thereof; unusually severe weather; inability to secure necessary labor, materials or tools; acts of the other party; acts or failure to act of any Governmental Authority (except acts or failure to act of HACR shall not excuse performance by HACR); the imposition of any applicable moratorium by a Governmental Authority; or any other causes which despite the exercise of diligence and good business practices are or would be beyond the reasonable control of the party claiming such delay and interference.

The lack of funding to complete the development of the Project shall not constitute grounds for Force Majeure delay pursuant to this DDLA. Developer expressly assumes the risk of real estate market conditions, construction costs, interest rates, and other similar general economic circumstances that may make funding and/or construction of the Project difficult, more expensive, or infeasible, whether or not such events or causes are foreseeable as of the date of this DDLA. Developer acknowledges and agrees that Force Majeure shall not operate to excuse Developer from prompt payment when due under any Promissory Note or any other Seller Loan Document.

“Force Majeure Delay” means any delay in taking any action required by this DDLA, proximately caused by the occurrence of any Force Majeure Event. An extension of time for any Force Majeure Event shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) calendar days of the commencement of the cause. Times of performance under this DDLA may also be extended in writing by mutual agreement between HACR and the Developer. That notwithstanding, if said prevention or delay extends for one hundred and eighty (180) calendar days (or such longer period as may be permitted in a writing or by policy of TCAC in the event of a natural disaster, provided that the Partnership Assignee has obtained Tax Credits and the Tax Credits remain allocated to the Project and the Developer is not otherwise in material breach of the Construction Loan, Permanent Loan, Loan Documents, any other agreements for financing for the Project or any TCAC agreements or requirements), the Parties shall meet and confer to discuss whether to grant additional time as a result of the delay or consider terminating the DDLA with respect to such Phase.

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

“Governmental Authority(ies)” means the United States, the State of California, the County of Riverside or any other political subdivision in which the Property is located, and any court or political subdivision, agency or instrumentality having jurisdiction over the Property, the Developer or the Project.

“Governmental Requirements” means all laws, ordinances, statutes, codes, rules, resolutions, regulations, policy statements, orders, and decrees (including, without limitation, those relating to land use, subdivision, zoning, environmental, labor relations, prevailing wage, and building and fire codes) of the United States, the State of California, the County or any other political subdivision in which the Property is located or which exercises jurisdiction over the Developer or the construction, maintenance, management, use, or operation of the Project.

“Grant Deed” means the instrument by which HACR will convey title to one or more Parcel(s) to CVHC, substantially in the form attached hereto as **Attachment No. 5** and incorporated herein by this reference.

“Gross Income” shall be calculated in accordance with Title 25, § 6914 of the California Code of Regulations.

“HACR Indemnities” is defined in Section 2.12 of this DDLA.

“HACR Loan” means a loan from HACR to Developer for predevelopment costs for the First Phase of the Proposed Project to be funded with the proceeds of the sale of the Commercial Property by HACR to Developer.

“HACR Note” means a promissory note evidencing the HACR Loan, substantially in the form attached as Attachment No. 14. The balance of the HACR Note may be combined into the Promissory Note for the First Phase.

“Hazardous Substances” and “Hazardous Materials” shall have the meaning set forth in Section 2.10.1 of this DDLA.

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

“Household” means one or more individuals occupying or applying to occupy a Unit.

“Housing Authorities Law” is defined in Recital A.

“Housing Successor” is defined in Recital C.

“HSC” means the California Health and Safety Code.

“Improvements” means the improvements to be constructed on the Property and the Commercial Property, respectively, as specifically described in the Scope of Development as to any Phase, and any other plans and/or specifications approved by Governmental Authorities in connection with the Project, including, but not limited to an approximately one hundred sixty (160) unit affordable housing complex and related amenities on the Property, and the development of the Commercial Phase on the Commercial Property.

“Lender” means a lender of a Loan.

“Loan” means a source of financing in the form of a Construction Loan, a Permanent Loan or any other loan, credit enhancement or construction period guaranty facility secured by a deed of trust or other instrument recorded against a Parcel. The definition of Loan shall include, but not be limited to, any Construction Loan, any Permanent Loan, the HACR Loan and any Seller Loan.

“Losses and Liabilities” means and includes all claims, suits, causes of action, arbitration proceedings, administrative proceedings, regulatory proceedings, expenses, liabilities, losses, damages (including, without limitation, penalties, fines and monetary sanctions), injuries, expenses, charges, penalties or costs of whatsoever character, nature and kind, including reasonable attorney’s fees and costs, expert witness fees, court costs, interest and defense costs, consultant fees, investigation and laboratory fees, and remedial and response costs incurred by the indemnified party with respect to counsel of its choice, whether to property or to person, whether by direct or derivative action, and whether known or unknown, suspected or unsuspected, latent or patent, actual alleged or threatened.

“Low Income Household” shall mean a Household whose Gross Income does not exceed sixty percent (60%) of AMI, adjusted for family size. For purposes of this definition, “adjusted for family size” means the actual number of persons in the applicable household.

“Manager Unit” means one or more Unit(s), as approved by HACR, per each of the First Phase or Second Phase to be occupied by an on-site property manager.

“Method of Financing” shall mean the document attached to this DDLA as **Attachment No. 3** incorporated herein by this reference.

“Monitoring Fee” means an annual fee in the amount of One Hundred Dollars (\$100) per Unit (as increased by three percent (3%) per annum) constructed in each of the First Phase and Second Phase, payable on April 1 of each year during the Affordability Period commencing on the first April 1 after the construction of the applicable Phase is complete.

“Notice of Affordability Restrictions” means a Notice of Affordability Restrictions substantially in the form of **Attachment No. 10** to be recorded against the Property in the Official Records at Closing of each of the First Phase and Second Phase.

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

“Operating Expenses,” with respect to each of the First Phase and Second Phase, includes the aggregate of the expenses directly incurred, paid and attributable to the following:

- i. Cost of utilities supplied to and used for the Phase and payable by the Partnership Assignee;
- ii. Cost of all insurance required for the Phase by this DDLA, Partnership Assignee’s partnership agreement, the Senior Financing documents, or any ancillary documents concerning the operation of the Phase;
- iii. Real property taxes, if any, and assessment payments;
- iv. Expenses and costs of any social services programs and compliance/monitoring reporting for the Phase;
- v. The deposits for the replacement reserves or operating reserves for the Phase, in the amount provided by the Senior Financing or required by Partnership Assignee’s partnership agreement or any junior lender, if a greater requirement;
- vi. On-site administrative costs (including payroll and payroll taxes and expenses, employee benefits);
- vii. Operating, maintenance and repair expenses and services, and necessary capital expenditures for the upkeep and repair of the Phase and any expenditures required based upon a physical needs assessment by the Partnership Assignee’s limited partner or Senior Financing lender (including materials and labor) not funded from reserves required for the Phase, such as charges for public services such as sewer charges, license and permit fees, goods, commodities, materials, equipment, furniture, furnishings, installation of appliances, fixtures, painting, cleaning, pest control, gardening, rubbish removal, security services, advertising and promotion, leasing commissions, accounting, and legal expenses attributable to the Parcel or the Phase which are directly attributable and customarily incurred in the operation of real estate projects similar to the Phase, including property management fees, expenses and costs payable to the property management agent;

- viii. Any post-Closing legal fees or other expenses, fees, and costs incurred by Partnership Assignee in connection with administering this DDLA or a Loan in connection with any Phase;
- ix. All scheduled, or otherwise due, payments of principal and/or interest on the Senior Financing, together with all financing fees and related charges payable by the Partnership Assignee under the terms of the Senior Financing, including without limitation, issuer fees, trustee fees, remarketing fees, and rebate analyst fees, interest rate cap deposits and credit enhancer charges;
- x. All other fees and expenses which may be provided in Partnership Assignee's Approved Annual Operating Budget, including, without limitation, the Monitoring Fee; and
- xi. Repayments of loans from a partner or affiliate of a partner of the Partnership Assignee in accordance with Partnership Assignee's partnership agreement for construction cost deficits, operating deficits or similar operating shortfalls; and
- xii. Repayments of any amounts owing to a general partner, or an affiliate of Partnership Assignee in accordance with the partnership agreement due to an adjustment in the tax credit equity caused by an adjustment to tax credits available to the Phase.

"Operating Expenses" shall not include the following: (a) repairs or replacements paid out of insurance proceeds received by or reserves held by the Partnership Assignee; (b) book depreciation of buildings or other similar non-cash items of expense; (c) principal and interest payments on all financing payable from residual receipts; (d) any deferred developer fee; and (e) any asset management or limited or general partner partnership management fees; (f) salaries of employees of Partnership Assignee or Partnership Assignee's general overhead expenses, or expenses, costs and fees paid to an affiliate of Partnership Assignee, to the extent any of the foregoing exceed the expenses, costs or fees that would be payable in a bona fide arms' length transaction between unrelated parties in the Riverside County area for the same work or services; (g) any amounts paid directly by a tenant of the applicable Phase to a third party in connection with expenses which, if incurred by Partnership Assignee, would be Operating Expenses; and (h) optional or elective payments with respect to debt secured by a lien senior to the Seller Loan (unless made with the consent of HACR in its reasonable discretion).

"Outside Closing Date" means, with respect to the First Phase and the Commercial Phase, December 31, 2024. Provided that the Closing of the First Phase and the Commercial Phase occurs by the Outside Closing Date, the Outside Closing Date for the Second Phase shall be within three (3) years after the Closing of the First Phase and the Commercial Phase. Notwithstanding the foregoing, the Parties hereto acknowledge that many of the potential sources of financing for the Project are subject to competitive awards, and that it is difficult to identify with certainty the period of time needed to obtain financing and entitlements necessary for construction of a Phase. In light of the foregoing, Outside Closing Dates shall be subject to written extension with the consent of the Executive Director through 2028. The Executive Director shall reasonably consider any request for extensions to the Outside Closing Date for each Phase based on CVHC's updates on progress toward obtaining financing and entitlements

for a particular Phase. Any extension of an Outside Closing Date for any Phase past December 31, 2028 shall require the consent of the Board of Commissioners.

“Parcel” means a legal parcel or parcels of land located within the boundaries of the Master Property upon which CVHC will develop a single Phase of the Project.

“Partnership Assignee” shall have the meaning set forth in Section 1.6(g) of this DDLA.

“Permanent Lender” means the institutional lender who at the Completion of a Phase takes out or reduces a Construction Loan and provides permanent financing for such Phase.

“Permanent Loan” means a loan made by the Permanent Lender at the Conversion Date for a particular Phase.

“Permitted Exceptions” means those encumbrances, liens, taxes, assessments, easements, rights of way, leases, covenants, agreements or other exceptions affecting title to a Phase as of the date of recordation of the Grant Deed for such Parcel which are approved in Section 2.5 below or otherwise in writing by the CVHC as set forth in the Preliminary Title Report. The Parties will use First American Title Insurance Company to close these transactions.

“Permitted Transfer” means assignment of all or any part of this DDLA or any right or obligation of Developer herein, or the sale, agreement to sell, transfer, encumbrance, conveyance or assignment of the Property, Proposed Project, Project or a Phase or any portion thereof or interest therein to any of the following:

- (1) A conveyance of a security interest in (i) any portion of the Property in connection with any Approved Financing, or (ii) any portion of the Commercial Property in accordance with the Agreement Containing Covenants (Commercial Property), and any transfer of title to either the Property or the Commercial Property by foreclosure, deed or other conveyance in lieu of foreclosure in connection therewith;
- (2) A conveyance of any portion of the Property or the Commercial Property to an Affiliate;
- (3) A conveyance of any portion of the Property or the Commercial Property to a partnership or limited liability company in which CVHC, or an entity controlled by CVHC, is a general partner or managing member and is in control thereof;
- (4) The admission of additional new general or limited partners or members, or the substitution or deletion of partners or members to any such partnership or limited liability company set forth in clause (3) above, so long as CVHC or an entity controlled by CVHC continues to exercise managerial control of such entity;
- (5) The removal of the entity controlled by CVHC from the limited partnership or limited liability company set forth in clause (3) above, by the limited partner in accordance with the terms of the partnership agreement or operating agreement, as applicable, and replacement of such entity with an entity controlled by the limited partner;
- (6) A corporation that is wholly owned and that is controlled by CVHC or an entity controlled by CVHC;
- (7) The lease for occupancy of (i) any Unit within the Property in accordance herewith, or (ii) any building or portion thereof constructed on the Commercial Property in accordance with the Agreement Containing Covenants (Commercial Property); and



- (8) The granting of easements, licenses or permits to facilitate the development of the Project in accordance with this DDLA.

Any transfer described in clauses (1) through (8) shall not require the consent of HACR.

“Permitted Transferee” means an entity which is the transferee in connection with a Permitted Transfer.

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

“Phase” means either of the First Phase, Second Phase or Commercial Phase of development of the Proposed Project on the Master Property. Each Phase will be separately owned, financed and operated.

“Plans” means any architectural and construction plans and drawings prepared on behalf of CVHC for a Phase in accordance with this DDLA.

“Preliminary Title Report” means that certain CVHC approved Preliminary Title Report for the Property issued by First American Title Insurance Company dated within sixty (60) days before or after approval by the Board of Commissioners and attached hereto as **Attachment No. 8** and incorporated herein by this reference.

“Project” means CVHC’s development, construction and operation on the Master Property or any portion thereof of the Improvements constituting any Phase the Proposed Project, in such form as is ultimately depicted in the Final Plans and subject to conditions of approval and mitigation measures as approved by the County, HACR and any other entity having jurisdiction over the Master Property, which shall be performed in accordance with this DDLA, including, but not limited to the Scope of Development attached hereto as **Attachment No. 6**. The Project will be constructed in up to three (3) Phases.

“Project Budget” means a schedule of construction and permanent sources and uses of funds necessary to pay Development Costs and operations for a particular Phase, including a projected cash flow for at least the first fifteen (15) years of operation, with such other information as may be reasonably requested by HACR, as approved by HACR in connection with Section 2.18 and the Method of Financing, substantially the form attached hereto as **Attachment No. 7**.

“Promissory Note” means a promissory note substantially in the form of **Attachment No. 14** to be given by Developer for the benefit of HACR in payment of some or all of the Purchase Price for the Property.

“Property” means that certain real property consisting of approximately 20 acres of land located on Middleton Road, in the unincorporated community of Oasis, California, designated as Parcels 3 and 4 on the Site Map attached hereto as **Attachment No. 2**. The Property will be divided or reconfigured into up to two (2) legal parcels. The terms of such division or reconfiguration including, without limitation, designation of Parcel boundaries, shall be determined by CVHC, subject to the prior written approval of HACR, which shall not be

unreasonably withheld or delayed, and subject to the subdivision requirements of the County. HACR agrees to assist CVHC at no cost to HACR in processing any such approved division or reconfiguration, whether through a lot line adjustment, recordation of a parcel map or transfer via a metes and bounds description using the authority of HACR to create parcels that are exempt from certain provisions of the Subdivision Map Act.

“Proposed Project” is defined in Recital G.

“Purchase Price” shall have the meaning set forth in **Attachment No. 3**, the Method of Financing.

“Restricted Unit(s)” means the Units not reserved as Manager Units within the First Phase and Second Phase of the Project that shall be exclusively rented to and occupied at an Affordable Rent by Extremely Low and Low Income Households in accordance with Section 4.1(e).

“Schedule of Performance” means the schedule attached hereto as **Attachment No. 4** and incorporated herein by this reference, as may be amended from time to time upon the written agreement of the Parties.

“Scope of Development” means the Scope of Development attached hereto as **Attachment No. 6** and incorporated herein by this reference, as may be amended from time to time upon the written agreement of the Parties.

“Second Phase” means the second Phase of the Project to be constructed on the Property by Developer, which shall consist of 80 residential multifamily units within 68,976 square feet of buildings and one or more tot lots.

“Seller Loan” shall refer to the loan or loans in the amount of the Purchase Price to be made by HACR to Developer in connection with the sale of each of the First Phase and Second Phase to a Partnership Assignee.

“Seller Loan Documents” shall refer to this DDLA, any agreement entered into in the form of an Attachment hereto or in connection herewith, and any extensions, modifications or amendments thereto.

“Senior Financing” and terms related to it shall refer to a Construction Loan and a Permanent Loan and any other Loan which is required by its Lender to be senior in lien priority to a Seller Loan or the HACR Loan. Each Seller Loan and the HACR Loan shall be subordinate to the Senior Financing, provided that HACR and the holder of the Senior Financing enter into a subordination agreement in such form as is acceptable to HACR in its reasonable discretion. Senior Financing shall also include such financing and instruments, if any, recorded upon a Parcel in conjunction with low income housing tax credits awarded to a Phase. Any subordination agreement required to be executed by HACR as a subordinate lender shall be delivered to HACR for review as soon as practicable, but in no event less than fifteen (15) days prior to the date upon which such agreement must be executed, provided, however, such condition may be waived by HACR.

“Site Map” means the site map attached hereto as Attachment No. 2.

“Successor Agency” is defined in Recital C.

“Tax Credit Investor” shall mean a limited partner entity admitted to a Partnership Assignee.

“Tax Defaulted Parcel” shall mean that certain real property described as APN 751-160-015.

“TCAC” shall mean the California Tax Credit Allocation Committee.

“Term” means the term of this DDLA, which shall commence upon Effective Date and end upon such date as the DDLA is terminated in accordance with the provisions set forth herein, or, if not so terminated, upon such date as to each Phase as is fifty-five (55) years from the date of recordation of the Notice of Completion in the Official Records for the last building built in such Phase.

“Title Company” means First American Title Insurance Company, or another title insurance company mutually agreed upon by HACR and CVHC.

“Unit” means each of the approximately one hundred sixty (160) residential units required to be developed by Developer on the Property in accordance with this DDLA.

“Unit Credit” is defined in Section 4.1(e).

### **Section 1.3            Purpose of Agreement**

The purpose of this DDLA is to effectuate HACR’s requirement that the Property be used to provide affordable housing in furtherance of HACR’s public purpose and its role as Housing Successor. A portion of the Units located on the Property shall be rented to and occupied by Extremely Low Income Households and Low Income Households, as specified herein, at an Affordable Rent during the Affordability Period. An additional purpose of this DDLA is to insure that the development of the Commercial Property results in necessary services being available to residents of the affordable housing project. The development and use of the Property and the Commercial Property pursuant to this DDLA, and the fulfillment of this DDLA, are in the vital and best interests of the HACR and the County and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of applicable Governmental Requirements.

### **Section 1.4            HACR**

(a) HACR is a public body corporate and political. The principal office of HACR is located at 5555 Arlington Avenue, Riverside, California 92504.

(b) “HACR” as used in this DDLA includes the Housing Authority of the County of Riverside and any assignee of or successor to its rights, powers and responsibilities.

**Section 1.5**                    **CVHC or Developer**

CVHC is Coachella Valley Housing Coalition, a California nonprofit public benefit corporation. The principal address of CVHC for purposes of this DDLA is 45-701 Monroe Street, Suite G, Indio, CA 92201. Whenever the term “CVHC” or “Developer” is used herein, it shall mean and include CVHC as of the date of this DDLA, and any assignee of or successor to the rights, powers and responsibilities of CVHC permitted by this DDLA, and any assignee of or successor to all or a portion of the Master Property or any Phase, including, without limitation, any Partnership Assignee.

**Section 1.6**                    **Assignments and Transfers**

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

(b) Except for a Permitted Transfer, neither CVHC nor Developer shall assign all or any part of this DDLA, the Master Property or any interest herein with respect to any Phase, without the prior written approval of HACR.

(c) For the reasons cited above, CVHC or Developer, as applicable, represents and agrees for itself and any successor in interest that, without the prior written approval of HACR, there shall be no significant change in the management or ownership of CVHC or Developer, by any method or means, except Permitted Transfers.

(d) Any assignment or transfer of this DDLA or the Master Property or any interest herein or significant change in ownership of CVHC or Developer, other than certain Permitted Transfers or as permitted below in subsection (g), shall require the prior written approval of HACR, which shall not be unreasonably withheld or delayed. To the extent HACR approval of an assignment or transfer is required by this DDLA, in granting or withholding its approval, HACR shall base its decision upon the relevant experience, financial capability and reputation of the proposed assignee or transferee and the effect, if any, of such proposed transfer on the public purposes of this DDLA.

(e) CVHC or Developer, as applicable, shall promptly notify HACR of any and all changes whatsoever in the identity of the parties in control of CVHC or Developer or the role thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. Except for Permitted Transfers, this DDLA may be terminated by HACR with

respect to any Phase which has not yet been assigned to a limited partnership or other entity as a Permitted Transfer, if there is any significant change, (voluntary or involuntary) in membership, management or control, of CVHC (other than such changes occasioned by the death or incapacity of any individual) prior to Closing of a Phase.

(f) Any assignments or transfers approved by HACR shall be evidenced by the assignor's, assignee's, and HACR's execution of an assignment and assumption agreement in such form and substance as may be approved by HACR and its counsel.

(g) It is the intention of CVHC to transfer the rights and obligations for each Phase to a limited partnership or other entity in which CVHC will exercise managerial control of such entity. Permitted Transfers of the rights and obligations hereunder to a limited partnership (a "**Partnership Assignee**") prior to or concurrently with the Closing of the First Phase or Second Phase shall not require the consent of HACR but shall be evidenced by CVHC's, assignee's and HACR's execution of an assignment and assumption agreement and consent in such form as is approved by HACR, a fully-executed copy of which shall be delivered to HACR on or prior to Closing of the Conveyance of the Parcels constituting the First Phase or Second Phase. Such assignment shall provide for the assignment by CVHC, and the assumption by the Partnership Assignee, of all of CVHC's rights and obligations hereunder with respect to the applicable Phase. Notwithstanding anything to the contrary contained herein, once a Partnership Assignee has assumed CVHC's obligations with respect to a Phase, a default by CVHC or another Permitted Transferee hereunder shall not constitute a default with respect to such non defaulting Partnership Assignee or the Phase which it owns.

(h) Permitted Transfers of the rights and obligations hereunder with respect to the Commercial Phase to an entity other than a Partnership Assignee prior to or concurrently with the Closing of the First Phase shall not require the consent of HACR but shall be evidenced by CVHC's, assignee's and HACR's execution of an assignment and assumption agreement and consent in such form as is approved by HACR, a fully-executed copy of which shall be delivered to HACR on or prior to Closing of the Conveyance of the Parcels constituting the First Phase and the Commercial Phase. Such assignment shall provide for the assignment by CVHC, and the assumption by the assignee, of all of CVHC's rights and obligations hereunder with respect to the Commercial Phase. Notwithstanding anything to the contrary contained herein, once an assignee has assumed CVHC's obligations with respect to the Commercial Phase, a default by CVHC or another Permitted Transferee hereunder shall not constitute a default with respect to such non defaulting assignee or the Commercial Phase.

(i) Except for a transfer described in (g) or (h) above and all Permitted Transfers, Developer shall promptly reimburse HACR for its reasonable attorneys' fees and costs for any transfer or proposed transfer of all or any portion of the Master Property or the rights and obligations set forth herein.

## **ARTICLE 2      DISPOSITION OF THE MASTER PROPERTY**

### **Section 2.1      Conveyance of the Master Property; Purchase Price**

At such time as all conditions precedent to the Conveyance of a Parcel constituting a Phase in Section 2.15A below have been satisfied, in consideration for the covenants, representations, and warranties provided herein by Developer and upon receipt by HACR of the

Purchase Price for such Parcel, HACR shall convey the applicable Parcel to Developer and Developer shall accept the Property in an “as-is” condition and in accordance with the terms and conditions set forth herein and for the purposes set forth herein.

The Board of Commissioners approved this DDLA and the sale of the Master Property to Developer, and no further action shall be required by the Board of Commissioners in order to convey a Parcel constituting a Phase to Developer provided that such Conveyance is made in accordance with the terms and conditions hereof. The HACR Executive Director may execute any and all documents necessary to transfer a Parcel to Developer without further Board of Commissioners approval or action.

The Purchase Price for each Parcel constituting the First Phase or Second Phase shall be paid by the Partnership Assignee pursuant to a Promissory Note secured by a Deed of Trust recorded against the Parcel (each a “**Seller Loan**”). HACR shall make a Seller Loan in an amount equal to the purchase price for the Parcel, which purchase price shall not to exceed fair market value for the Parcel.

The Purchase Price for each Parcel constituting the Commercial Property shall be paid by Developer to HACR in cash or immediately available funds upon the Closing of the First Phase and the Commercial Phase, which shall close concurrently.

## **Section 2.2 Termination of Agreement**

Subject to the notice and cure provisions set forth in Section 5.1 and to the enforced delay provisions set forth in Section 6.4 of this DDLA, HACR at its option may terminate this DDLA with respect to a Phase pursuant to Sections 5.8 and 5.9 if any of the conditions precedent to the conveyance of the applicable Parcel are not satisfied by CVHC or waived in writing by HACR by the Outside Closing Date for such Phase. Notwithstanding the foregoing, the right of HACR to terminate this DDLA pursuant to this Section 2.1.1 shall apply only to an individual Phase for which a condition precedent to transfer is not timely met within the time period provided in the Schedule of Performance for such Phase and for any future Phases for which HACR has not yet transferred title to such Parcel(s) to a Partnership Assignee or other Permitted Transferee.

## **Section 2.3 Escrow**

Developer agrees to open an escrow for the conveyance of a Parcel with the Title Company or with any other licensed escrow company first approved by HACR and Developer (“**Escrow Agent**”), no later than the date established therefor in the applicable Schedule of Performance. No later than the time provided in the applicable Schedule of Performance, HACR shall cause to be prepared and shall deliver the Escrow Instructions to the Escrow Agent. HACR and Developer shall provide such additional or amended escrow instructions as may be necessary to close the escrow with respect to the conveyance of the Parcel, consistent with this DDLA.

## **Section 2.4 Possession of Property Upon Close of Escrow**

(a) Conveyance of a Parcel shall occur upon Closing on or before the Outside Closing Date for such Phase, or such later date as mutually agreed to in writing by HACR and Developer and communicated in writing to the Escrow Agent pursuant to Section 2.2 herein.

(b) Possession of the Parcel shall be delivered to CVHC immediately following the Close of Escrow for such Parcel, except that access and entry may be granted before the Close of Escrow pursuant to Section 2.12 of this DDLA.

**Section 2.5 Form of Deed**

HACR shall convey title to a Parcel to CVHC in the condition provided in Section 2.5 of this DDLA, by a Grant Deed substantially in the form of **Attachment No. 5**, incorporated herein by this reference.

**Section 2.6 Condition of Title**

HACR shall convey to Developer each Parcel free and clear of all liens, encumbrances, covenants, restrictions, easements, leases, taxes and other defects; except those which are set forth in this DDLA and included in the Grant Deed and Agreement Containing Covenants (Including Rental Restrictions) or Agreement Containing Covenants (Commercial Property), as applicable, and those exceptions to title for the Master Property set forth in the Preliminary Title Report.

**Section 2.7 Closing Date**

Subject to any mutually agreed-upon extension of time, the Parties shall use commercially reasonable best efforts to satisfy all conditions precedent to the Closing for an applicable Phase prior to the Outside Closing Date for that Phase.

**Section 2.8 Title Insurance**

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

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

(c) At Closing, HACR, at Developer's cost, shall receive a 2006 A.L.T.A. lender's policy of title insurance in the amount of the Seller Loan and any HACR Loan, together with such endorsements as are reasonably requested by HACR insuring the Seller Loan and any HACR Loan secured by the Parcel(s) subject only to the liens of current property taxes and assessments and any exception to title which may be approved by HACR ("**HACR Lender's Policy**").

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

## **Section 2.9 Taxes and Assessments**

Ad valorem taxes imposed on a Parcel as to any period prior to the Closing shall be borne by HACR. All ad valorem taxes imposed on a Parcel as to any period after the Closing shall be the sole responsibility of and paid by Developer.

Developer acknowledges and agrees that HACR is relieved of any responsibility for payment of any and all assessments (but not ad valorem taxes) levied against a Parcel, including, but not limited to assessments levied by County or local water district (“**Assessments**”) which become due and payable after the Close of Escrow conveying the Property or Commercial Property to Developer. HACR shall pay any and all past due or current Assessments due and owing in connection with the Property or Commercial Property as of the Close of Escrow.

## **Section 2.10 Occupants of the Property**

HACR warrants and agrees that title to each Parcel shall be conveyed free of any possession and any right of possession, except as expressly waived in writing by Developer in writing, and the Permitted Exceptions.

## **Section 2.11 Condition of the Property**

### **Section 2.11.1 Hazardous Substances**

(a) “**Hazardous Materials**” or “**Hazardous Substances**” shall include, but not be limited to, oil, flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, hazardous wastes, toxic or contaminated substances or similar materials, including, without limitation, any substances defined as “extremely hazardous substances,” “hazardous substances,” “hazardous materials,” “hazardous waste” or “toxic substances” in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, including the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq. (“CERCLA”); the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801, et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §§ 6901, et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. §§ 2601 et seq.; the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. §§ 1251 et seq.; the Occupational Safety and Health Act, as amended, 29 U.S.C. §§ 651; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. §§ 801 et seq.; the Safe Drinking Water Act, as amended, 42 U.S.C. §§ 300f et seq.; and those substances defined as “hazardous waste” in § 25117 of the California Health and Safety Code, as “infectious waste” in § 25117.5 of the California Health and Safety Code, or as “hazardous substances” in § 25316 of the California Health and Safety Code, or “hazardous materials” as defined in § 353 of the California Vehicle Code; waste that exhibits the characteristics set forth in § 25141 (b) of the California Health and Safety Code; and in the regulations adopted and orders and publications promulgated pursuant to said laws. Hazardous Materials shall expressly exclude substances typically used in



the construction, development, operation and maintenance of an apartment complex provided such substances are used in accordance with all applicable laws.

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

(c) Within seven (7) business days of written request by Developer, HACR shall deliver to Developer, if not previously delivered, all documents relevant to the condition of the Master Property within HACR's or the County's possession, including, environmental reports, studies, surveys, and all other relevant documents within HACR's possession (collectively referenced as "Documents"). Neither HACR nor the County warrants the accuracy of the Documents or that the Documents constitute all documents that may exist regarding the conditions of the Master Property. CVHC shall conduct its own inquiry to determine if more information is available.

(d) Developer shall execute and deliver to HACR an Environmental Indemnity substantially conforming in form and substance to the Environmental Indemnity attached hereto as **Attachment No. 9** as a condition precedent to HACR's conveyance of any Parcel.

#### **Section 2.12 Suitability of the Property**

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

(b) Each Phase shall be accepted by Developer in an "as is" physical condition, with no warranty, express or implied by HACR as to the presence of Hazardous Substances, or the condition of the soil, its geology or the presence of known or unknown faults. Notwithstanding the foregoing, if prior to Close of Escrow on a Phase the condition of the Property or Commercial Property is not in all respects entirely suitable for the use or uses to which such Property or Commercial Property will be put, then HACR and CVHC shall meet and confer in order to determine which party shall be responsible for the costs to place the Property or Commercial Property in all respects in a condition entirely suitable for the development thereof. If the Parties are unable to agree on responsibility for mitigation, then Developer shall have the right to terminate this DDLA with respect to such Phase. Developer shall have the right, in its sole discretion, to determine if a Parcel is an acceptable condition for acceptance of fee title by a Partnership Assignee or similar entity.

(c) Effective upon Closing of a Phase, Developer will indemnify, defend and hold harmless HACR, the County of Riverside, and their respective agencies, districts, special districts and departments, directors, officers, governing Boards, elected and appointed officials, employees, agents and representatives (collectively, the "**HACR Indemnitees**"), by executing and delivering an Environmental Indemnity (**Attachment No. 9**) in connection with such Phase.

(d) On and after the Closing of a Phase, Developer hereby waives, releases and discharges the HACR Indemnitees, from any and all present and future claims, demands, suits, legal and administrative proceedings, and from all liability for damages, losses, costs, liabilities, fees and expenses (including, without limitation, attorneys' fees) arising out of or in any way connected with HACR's or Developer's use, maintenance, ownership or operation of the applicable Phase, any Hazardous Substances on the applicable Parcel, or the existence of Hazardous Substances contamination in any state on the applicable Parcel, however the Hazardous Substances came to be placed there, except that arising out of the gross negligence or willful misconduct of HACR, its directors, officers, elected and appointed officials, employees, agents and representatives. Developer acknowledges that it is aware of and familiar with the provisions of § 1542 of the California Civil Code which provides as follows:

**“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”**

To the extent of the release set forth in this Section 2.12, Developer hereby waives and relinquishes all rights and benefits which it may have under § 1542 of the California Civil Code.

**Section 2.13 Property Access Prior to Close of Escrow**

Beginning on the Effective Date of this DDLA and ending at the Closing for a Phase, CVHC and representatives of CVHC shall have the right of access to and entry upon the Property and/or Commercial Property subject to execution of a License Agreement in a form provided by HACR for the purpose of performing customary due diligence on the Property and/or Commercial Property.

**Section 2.14 Method of Financing**

Development of each Phase shall be financed with a combination of sources of financing, as further detailed in the Method of Financing, attached hereto as **Attachment No. 3** and incorporated herein by this reference. Developer shall pay all costs to obtain such financing, develop, construct and operate each Phase as required by this DDLA and any Governmental Authority. Within the time period set forth in the Schedule of Performance, CVHC shall submit to HACR a Project Budget and supporting documentation evidencing the Method of Financing for the applicable Phase.

**Section 2.15 Representations and Warranties**

As an inducement to HACR to enter into this DDLA and consummate the transactions described herein, Developer hereby represents and warrants to HACR, which representations and warranties are true and correct as of the date of this DDLA and any Closing, and which shall survive the Close of Escrow for each Phase:

(a) Developer is duly organized, validly existing and in good standing under the laws of the State of California and has the power and authority to own property and carry on its

business as now being conducted and as contemplated hereby. The copies of the documents evidencing the organization of Developer delivered to HACR are true and correct copies of the originals as of the Effective Date and Closing. Developer has the legal power, right and authority to enter into this DDLA and the instruments referenced herein, and to satisfy all obligations of the Developer in this DDLA or in any instrument or document referred to herein (referred to collectively as the “**Developer’s Obligations**”);

(b) This DDLA and all documents required hereby to be executed by Developer are, and shall be, valid, legally binding obligations of and enforceable against Developer in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally. Upon Closing, Developer will hold fee title to the Property and/or Commercial Property. The parties who have executed this DDLA and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this DDLA are authorized to execute and deliver the same on behalf of Developer and all actions required under Developer’s organizational documents and applicable governing law for the authorization, execution, delivery and performance of this DDLA and all other documents or instruments executed and delivered, or to be executed and delivered pursuant hereto, have been duly taken;

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

(d) There is no action, suit, or proceeding at law or in equity or by or before any governmental instrumentality or other county now pending, or, to the knowledge of Developer, threatened against or affecting Developer, or any properties or rights or ability of Developer, which, if adversely determined, would materially impair the right of Developer to execute or perform any of the Developer’s Obligations, or would materially adversely affect the financial condition of Developer;

(e) Developer does not have any contingent obligations or any contractual agreements which could adversely affect the ability of Developer to carry out its obligations hereunder. Neither the execution and delivery of this DDLA, including any attachments hereto or documents related to this DDLA, nor the incurrence of the Developer’s Obligations, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this DDLA and the documents referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreements or instruments to which Developer is a party;

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

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

(h) No representation, warranty or statement of Developer in this DDLA or any Project Budget submitted to HACR pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading. No representation, warranty or statement contained in materials submitted to HACR pursuant hereto, which materials were drafted, generated or authored by a third party will, to Developer's actual knowledge, contain or will contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements or facts contained therein not misleading.

Developer's representations and warranties made in this Section 2.14 shall be continuing and shall be true and correct as of the date of the Close of Escrow for a Phase with the same force and effect as if remade in a separate certificate at that time. The truth and accuracy of the Developer's representations and warranties made herein shall constitute a condition precedent for the benefit of HACR to the performance of HACR's obligations hereunder.

**Section 2.16 Conditions Precedent to the Close of Escrow for a Phase**

(a) Conditions for the benefit of HACR

The Close of Escrow for a Phase shall occur no later than the applicable Outside Closing Date and is conditioned upon the occurrence of each of the following conditions on or prior to the date set forth in the applicable Schedule of Performance (**Attachment No. 4**), unless otherwise waived in writing by HACR's Executive Director. Closing on any Phase shall deem all conditions precedent satisfied as to that Phase. The Conveyance of the Commercial Property shall occur concurrently with the Closing for the Conveyance of the First Phase.

1. This DDLA shall be in full force and effect with respect to such Phase.
2. The Master Property shall have been subdivided into at least four separate legal parcels and the Title Company shall have provided legal descriptions and preliminary title reports for each legal Parcel. The legal Parcel constituting the First Phase shall include the Tax Defaulted Parcel.
3. Partnership Assignee and CVHC shall have executed an assignment and assumption of this DDLA with respect to the Phase.
4. Developer shall have timely (unless such timely performance has been waived by the Executive Director) and duly performed each and every obligation to be performed by Developer hereunder with respect to such Phase prior to the Close of Escrow.
5. Developer's representations, warranties and covenants set forth in this DDLA shall be true and correct as of the date of the Close of Escrow.
6. Developer shall not be in default under this DDLA.

7. The Title Company shall be irrevocably committed to issue a standard A.L.T.A. form Lender's Title Insurance Policy to the lender of any Loan, including, without limitation, to HACR for any Seller Loan or HACR Loan in connection with such Phase, or such other title insurance as the Parties may request pursuant to Section 2.7 of this DDLA.
8. Developer shall have submitted to HACR Evidence of Insurance as required by this DDLA.
9. Developer shall have timely (unless such timely performance has been waived by the Executive Director) submitted to HACR, and HACR shall have approved, a Project Budget for the First Phase or Second Phase, as applicable, Evidence of Financing for the First Phase or Second Phase, as applicable, and related financing documents, as well as any preliminary marketing or management plans the First Phase or Second Phase, as applicable, as may be reasonably required by HACR.
10. Developer shall have delivered documentation relating to the corporate, partnership, limited liability or other similar status of Developer, and Partnership Assignee's general partner(s), including, without limitation and as applicable: limited partnership agreements and any amendments thereto; articles of incorporation; Limited Liability Company Articles of Incorporation (LLC-1); Statement of Information and Operating Agreement (including any amendments thereto); copies of all resolutions or other necessary actions taken by such entity to authorize the purchase of the Phase Property and the execution of this DDLA and related documents; a certificate of status issued by the California Secretary of State; and a copy of any Fictitious Business Name Statement, if any, as published and filed with the Clerk of the County of Riverside.
11. With respect to the First Phase and Second Phase, Developer shall have obtained and delivered to HACR (i) payment and performance bonds from responsible sureties admitted in the State of California in the amount of 100% of the construction costs of the Project Phase and naming HACR as co-obligee, and (ii) such other evidence satisfactory to HACR in such form as reasonably required by HACR insuring the lien free completion of the Phase in accordance with and subject to the terms and conditions of this DDLA.
12. Escrow Agent shall have approved such supplemental recording instructions as may have been prepared on behalf of HACR.
13. With respect to the First Phase and Second Phase, the Construction Contract for the Phase shall be fully executed.
14. HACR, Developer and/or other parties, as appropriate, shall have executed and delivered to the Escrow Agent, and be in a position to file or record, as appropriate, the following documents:

- A. **Agreement Containing Covenants (Including Rental Restrictions)** (substantially in the form of **Attachment No. 11**, to be signed and acknowledged by the Partnership Assignee and HACR) with respect to the First Phase and Second Phase, or an **Agreement Containing Covenants (Commercial Property)** (substantially in the form of **Attachment No. 13**, to be signed and acknowledged by Developer and HACR) with respect to the Commercial Phase;
  - B. **Notice of Affordability Restrictions** (substantially in the form of **Attachment No. 10**, to be signed and acknowledged by the Partnership Assignee and HACR) with respect to the First Phase and Second Phase;
  - C. **Environmental Indemnity** (substantially in the form of **Attachment No. 9**, to be signed by the Developer);
  - D. **Escrow Instructions** (to be signed by HACR and the Developer);
  - E. **Promissory Note** (substantially in the form of **Attachment No. 14**, to be signed by Partnership Assignee) in the amount of the Seller Loan for such Phase plus, with respect to the First Phase, the amount of the HACR Loan;
  - F. **Deed of Trust** (substantially in the form of **Attachment No. 15**, to be signed by HACR and Partnership Assignee) in the amount of the Promissory Note given by Developer for each Phase;
  - G. With respect to the First Phase and Second Phase, subordination agreements and assignments of the management agreement, any operating subsidy or such other assignments as may be reasonably requested by HACR in such form as is required by HACR; provided, however, HACR acknowledges that any such assignments shall be subordinate to any agreements or assignments required by a senior Lender or tax credit investor;
  - H. Any other document or amendment to this DDLA or any attachment hereto reasonably required by HACR; and
  - I. With respect to the First Phase and Second Phase, all documents required by any other party providing financing for the applicable Phase, including, without limitation, Loan documents, deeds of trust, regulatory agreements and subordination agreements.
15. With respect to the Closing of the First Phase, Developer shall have deposited the Purchase Price for the Commercial Property into Escrow in immediately available funds.

16. Prior to or concurrently with the Closing of the First Phase, HACR shall have obtained title to the Tax Defaulted Parcel.
17. Developer shall have obtained all Entitlements and a Building Permit for the Phase, and satisfied the requirements of Sections 3.1 and 3.2 hereof.

When all conditions precedent have been satisfied, Executive Director shall execute and submit to the Escrow Agent a written statement or other form of written authorization stating that all conditions precedent to the Close of Escrow and recording of the documents have been satisfied or waived, if such be the case.

(b) Conditions for the benefit of Developer

Developer's obligation to effect a Close of Escrow for any Phase hereunder is conditioned upon the satisfaction of all of the conditions set forth in this Section 2.15(b), which conditions are for the benefit of Developer, in addition to the other conditions to Developer's obligations provided for elsewhere in this DDLA. Developer may waive any or all of such conditions in whole or in part, but any such waiver shall be effective only if made in writing. Closing on any Phase shall deem all conditions satisfied as to that Phase.

1. HACR shall have duly performed each and every obligation to be performed by HACR hereunder with respect to such Phase prior to the Close of Escrow and HACR's representations, warranties and covenants set forth in this DDLA shall be true and correct as of the date of the Close of Escrow;
2. HACR shall not be in default under this DDLA;
3. The Title Company shall be committed to issue a standard A.L.T.A. form Owner's Title Insurance Policy to Developer or such other title insurance as the Parties may request pursuant to Section 2.7 of this DDLA;
4. HACR, Developer and/or other parties, as appropriate shall have executed and delivered to Escrow Agent, and be in a position to file or record, as appropriate, the following documents:
  - A. **Agreement Containing Covenants (Including Rental Restrictions)** (substantially in the form of **Attachment No. 11**, to be signed and acknowledged by the Partnership Assignee and HACR) with respect to the First Phase and Second Phase, or an **Agreement Containing Covenants (Commercial Property)** (substantially in the form of **Attachment No. 13**, to be signed and acknowledged by Developer and HACR) with respect to the Commercial Phase;
  - B. **Notice of Affordability Restrictions** (substantially in the form of **Attachment No. 10**, to be signed and acknowledged by Partnership Assignee and HACR) with respect to the First Phase and Second Phase;
  - C. Escrow Instructions (to be signed by HACR and Developer); and

- D. Grant Deed (substantially in the form of **Attachment No. 5**, to be signed and acknowledged by Developer and HACR).
- 5. Developer shall have obtained adequate financing for the construction of the applicable Phase on terms and conditions acceptable to Developer in its sole discretion.
- 6. Developer shall have determined in its sole discretion that the applicable Parcel is in an acceptable environmental condition with respect to the presence of any Hazardous Materials.

**Section 2.17 Failure of Conditions to Close of Escrow**

In the event any of the conditions precedent to the Close of Escrow for the conveyance of a Parcel constituting a Phase by HACR to Developer are not timely satisfied in accordance with the Schedule of Performance and/or waived by the party for whose benefit the condition was made, or the Developer is unable to purchase the Commercial Property concurrently with the Closing of the First Phase, the following shall occur:

(a) The party for whose benefit the condition was made shall, subject to applicable notice and cure periods provide in Section 5.1, have the right to terminate this DDLA with respect to the applicable Phase or Phases, the Escrow and the rights and obligations of HACR and Developer hereunder, except as otherwise provided herein; and

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

(c) Neither party shall have any further rights or obligations hereunder with respect to such Phase except as otherwise provided herein.

In the event the Close of Escrow for a Phase terminates because of the non-satisfaction of any condition or the default of HACR or Developer under this DDLA, the cancellation charges, if any, required to be paid by and to Escrow Agent and the Title Company, shall be borne by the party in default.

**Section 2.18 HACR Loan**

Provided that Developer has submitted a draw request, along with supporting documentation such as paid invoices, for predevelopment expenses incurred for the First Phase and such draw request and supporting documentation has been approved by HACR, HACR shall disburse the proceeds of the HACR to Developer upon the Close of Escrow for the First Phase and the Commercial Phase in the amount of the approved draw request, which amount shall not exceed the amount of the HACR Loan. The amount of the HACR Loan shall not exceed the Purchase Price funds received by HACR for the purchase of the Commercial Property.



## **Section 2.19 Evidence of Financing**

Within the time frame set forth in the applicable Schedule of Performance and prior to the Close of Escrow for the First Phase or the Second Phase, as applicable, Developer shall deliver to HACR a Project Budget for the First Phase or the Second Phase, as applicable, (i) accompanied by evidence satisfactory to HACR that Developer has obtained the financing necessary to pay all Development Costs and operations for such First Phase or Second Phase, as applicable, to be developed and constructed on the applicable Parcel in accordance with this DDLA, and (ii) that demonstrates to HACR, in its reasonable discretion, that such development and ongoing operation of the Phase are financially feasible (collectively, the “**Evidence of Financing**”). The financing sources for such First Phase or Second Phase, as applicable, shall be approved in accordance with the terms of the Method of Financing. The Evidence of Financing provided by Developer to support the Project Budget shall include the following:

- (a) A copy of all draft loan or other financing documents, including any Tax Credit award letters, a final Project Budget approved by HACR, Construction Lender and Permanent Lender, certified by Developer to be a true and correct copy or copies thereof;
- (b) A copy of the draft contract between Developer and the general contractor for the construction of the Improvements, certified by Developer to be a true and correct copy thereof; and
- (c) A copy of the draft partnership agreement of any Partnership Assignee.

## **ARTICLE 3 DEVELOPMENT OF THE PROPERTY**

### **Section 3.1 Land Use Approvals**

It is the responsibility of Developer, without any cost to HACR, to effect the division of the Master Property, into legal parcels constituting each Phase, and to ensure that zoning of each Parcel and all applicable County land use requirements will permit development and construction of the Improvements on such Parcel and the use, operation and maintenance of such Improvements in accordance with the provisions of this DDLA. If requested by Developer, HACR, in its capacity as the owner of the Master Property, shall reasonably and promptly cooperate with Developer in the submission of any and all applications related to the division of the Master Property or the Entitlements. Nothing contained herein shall be deemed to entitle Developer to any County permit or other County approval necessary for the development of a Phase of the Proposed Project, or waive any applicable County requirements relating thereto. This DDLA does not (a) grant any land use Entitlement to Developer, (b) supersede, nullify or amend any condition which may be imposed by the County in connection with approval of the development of the Proposed Project described herein, (c) guarantee to Developer or any other party any profits from the development of a Phase of the Proposed Project, or (d) amend any County laws, codes or rules. Developer acknowledges that this DDLA does not vest any development rights and that this is not a Development Agreement as provided in Government Code § 65864.

### **Section 3.2 Compliance with CEQA and Other Laws as Condition Precedent to Closing**

Prior to Closing of a Phase, Developer shall have performed all necessary final actions and obtained the final approvals for the development and construction of such Phase within the time frames set forth herein. Such final actions and approvals may include, but are not limited to the following: (i) completing requisite activities to comply with California Environmental Quality Act (“CEQA”), (ii) all final action and approvals for environmental and land use permits by Governmental Authorities having jurisdiction over the Property, and (iii) resolution or final adjudication of any legal challenges, including such challenges based on CEQA. This DDLA does not restrict the lead agency from considering any feasible mitigation measures and alternatives, including the “no project” alternative and does not bind the lead agency to any definite course of action prior to CEQA compliance. It shall be a condition to Close of Escrow for each Phase that the Master Property has been divided or reconfigured at Developer’s cost in such a manner that such Phase may be separately financed and obtain title insurance.

Developer represents and warrants that after Close of Escrow for a Phase, the applicable Parcel and Improvements located thereon, including any portion thereof, shall comply with all applicable Governmental Requirements and all covenants or restrictions of record (“**Applicable Requirements**”). If the Property constituting such Phase does not comply with said Applicable Requirements, Partnership Assignee shall promptly rectify the same at Developer’s expense.

Developer represents and warrants that each Phase will be developed in full compliance with all applicable CEQA requirements for new construction in the County. The commencement of any development and construction identified herein is contingent upon Developer obtaining all required environmental and land use permits, including CEQA compliance with any applicable public agencies. In the event any action is brought challenging the legality of compliance with CEQA or any other law applicable to a Phase or the Project, including any actions related to any of the proposed uses of the property or the DDLA, Developer shall indemnify, defend (with counsel reasonably acceptable to HACR), and hold harmless the HACR Indemnitees at its sole cost and expense (including but not limited to, reasonable attorney fees, cost of investigation, defense and settlements or awards), for, from and against any and all claims, actions, proceedings, demands, liabilities, costs, expenses, including reasonable attorney’s fees and costs, damages and losses, cause or causes or action and suit or suits (collectively, “**Claims**”) arising from or in connection with the failure to comply with such applicable law, or any action to attack, set aside, void, or annul any approvals of the County, any other Governmental Authority with jurisdiction over the Project or the Property, or HACR, its advisory agencies, or legislative body concerning this DDLA, including without limitation any challenge to CEQA compliance.

### **Section 3.3 Scope of Development**

The Master Property shall be developed in accordance with and within the limitations established in the Scope of Development attached hereto as **Attachment No. 6** and incorporated herein by reference, and any and all permits issued by County and other Governmental Authorities. Developer shall be solely responsible to pay all costs to develop and construct the Project on the Master Property pursuant to this DDLA, any Entitlements, and any requirements of a Governmental Authority. Except for the HACR Loan with respect to the First Phase, HACR shall not be obligated to provide any funds for the development of the Project or any Phase

thereof; provided, however, CVHC may request funding from HACR for development costs of some or all of the Phases, though HACR shall have no obligation to provide such funding.

### **Section 3.4 Basic Concept, Schematic Drawings and Related Documents**

(a) Developer shall prepare and submit to HACR and for approval and review (including, but not limited to, architectural review) the following documents within the time frame set forth in the applicable Schedule of Performance: (i) schematic drawings and related documents for the development of a Phase, and (ii) construction plans for the development of a Phase, collectively referred to herein as “**Plans**”.

(b) Each Phase shall be developed as established in the basic concept and schematic drawings and related documents for such Phase.

(c) Final drawings, Plans, and specifications are hereby defined as those in sufficient detail to obtain a Building Permit (“**Final Plans**”). Final Plans will be delivered to HACR within the time frame set forth in the Schedule of Performance.

### **Section 3.5 Landscaping and Grading Plans**

The landscaping plans for each Phase shall be prepared by a professional landscape architect and the grading plans shall be prepared by a licensed civil engineer. Such landscape architect and/or civil engineer may be the same firm as Developer’s architect.

### **Section 3.6 Architects**

Developer shall employ a licensed architect in connection with the design and construction of each Phase.

### **Section 3.7 Cost of Construction**

The cost of developing and constructing the Improvements on the Property, including any offsite or onsite improvements required by any Governmental Authority in connection therewith, shall be the responsibility of Developer without any cost to HACR. Developer shall be responsible for paying all Development Costs. If the Construction Lender requires issuance of payment and performance bonds for either the First Phase or the Second Phase, Developer shall take commercially reasonable steps to cause HACR to be named as an additional obligee on any such bonds.

### **Section 3.8 Schedule of Performance**

(a) Developer and HACR shall perform all acts respectively required of such party in this DDLA within the times provided in the applicable Schedule of Performance. The Schedule of Performance for the First Phase is attached hereto as **Attachment No. 4**. Each Phase shall have its own Schedule of Performance which shall be in the substantially same form as the First Phase schedule attached here. The Schedule of Performance for the Commercial Phase and the Second Phase shall be established between Developer and HACR by the time set forth in the Schedule of Performance.

(b) Developer shall begin and complete and/or cause Completion of all construction and development for a Phase within the times specified in the applicable Schedule of Performance, with such reasonable extensions of said times as may be granted by HACR as provided herein and subject to Force Majeure.

(c) Each party to this DDLA shall perform the obligations to be performed by such party pursuant to this DDLA within the respective times provided in the applicable Schedule of Performance (**Attachment No. 4**) and if no such time is provided, within a reasonable time. Each Schedule of Performance shall be subject to amendment from time to time upon the mutual agreement of HACR and Developer. The Executive Director, on behalf of HACR, and without referring such matter to the Board of Commissioners may extend all pending deadlines in the Schedule of Performance up to four (4) occasions for a total of no more than twelve (12) months for an individual line item within the Schedule of Performance. The Executive Director, on behalf of HACR, and without referring such matter to the Board of Commissioners may extend the Outside Closing Date for each Phase up to a total of three (3) years; provided, however, that any additional extensions and any extension of an Outside Closing Date for any Phase past December 31, 2028 shall be subject to review and shall require approval by the Board of Commissioners.

(d) After the Closing for a Phase, Developer shall promptly begin and thereafter diligently prosecute to Completion or cause diligent Completion of the construction of the Improvements as provided herein and in the Scope of Development for such Phase.

(e) During periods of construction, Developer shall submit to HACR a written report of the progress of construction when reasonably requested by HACR. The report shall be in such form and detail as may be reasonably required by HACR and shall include a reasonable number of construction photographs (if requested) taken since the last report by Developer.

### **Section 3.9 Local, State, and Federal Laws**

(a) Developer shall carry out development and construction (as defined by applicable law) or cause the development and construction (as defined by applicable law) of the Improvements on the Property, including, without limitation, any and all public works, (as defined by applicable law), if any, in conformity with all applicable Governmental Requirements.

(b) Prevailing wages are required for work done that falls within the definition of “public works” under California Labor Code §1720. “Public works” are defined as “construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds...” For those projects which are “public works” pursuant to Labor Code § 1720.2, the following applies:

Developer shall require that any contractor performing work on the Improvements, shall comply with prevailing wage requirements and be subject to restrictions and penalties in accordance with §1770 et seq. of the Labor Code, as may be amended from time to time, which requires prevailing wages be paid to appropriate work classifications in all bid specifications and subcontracts. Developer shall require that the general contractor shall furnish all subcontractors and employees a copy of the Department of Industrial Relations prevailing wage rates which Developer will post at the job site. All prevailing wage rates shall be obtained from:

Department of Industrial Relations, Divisions of Labor Statistics and Research  
455 Golden Gate Avenue, 8th Floor  
San Francisco, CA 94102

Developer shall require that any contractor performing work on the Improvements shall comply with the payroll record keeping and availability requirement of §1776 of the Labor Code. Developer shall require that each contractor shall make travel and subsistence payments to workers needed for performance of work in accordance with §1773.8 of the Labor Code. Prior to commencement of work, Developer shall require that each contractor shall contact the Division of Apprenticeship Standards and comply with §1777.5, §1777.6 and §1777.7 of the Labor Code and applicable regulations. Developer shall indemnify, hold harmless, and defend the HACR Indemnitees against, and shall be responsible for, any fine, penalty or fee levied against the Property arising out of any violations by Developer of this Section. Developer shall comply and stay current with all applicable local, state and federal building codes and laws as from time to time amended, including, but not limited to, the Americans with Disabilities Act requirements. Developer shall cause all improvements to be completed at Developer's cost in a workmanlike manner and in compliance with all applicable law.

(c) Developer shall be responsible for obtaining all Permits and land use approvals required by the County for the construction of the Improvements, ensuring that the use of the Property for the purposes described in this DDLA complies with the zoning and other County land use regulations (including any applicable exemptions and/or exceptions) applicable to the Property at the time of Closing.

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

### **Section 3.10 Notice of Non-Responsibility**

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

### **Section 3.11 Nondiscrimination During Construction**

Developer agrees that during the construction of the Improvements provided for in this DDLA, Developer will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

### **Section 3.12 Indemnification and Insurance**

CVHC shall indemnify and hold harmless the HACR Indemnitees from any damages, costs or liability whatsoever, based or asserted upon any actions, failure to act, or services of Developer, its officers, employees, subcontractors, agents or representatives, in connection with, arising out of or in any way relating to its ownership of any Parcel, development of any Phase, or any other activity engaged in in furtherance of this DDLA, including but not limited to property damage, bodily injury, or death or any other claim or damage of any kind or nature whatsoever. Developer shall defend the HACR Indemnitees, at its sole expense, including payment of all costs and fees relating to such defense, including, but not limited, to attorneys' fees, cost of investigation, defense and settlements or awards, in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by Developer, Developer shall, at 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 HACR; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Developer's indemnification obligations to the HACR Indemnitees as set forth herein.

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

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

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

The foregoing indemnity shall continue to remain in effect in the event this DDLA is terminated and after Completion of any Phase.

Without limiting or diminishing Developer's obligation to indemnify or hold HACR Indemnitees harmless, each Partnership Assignee shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages commencing upon Close of Escrow for such Partnership Assignee's Phase.

a) **Worker's Compensation Insurance.** If Developer has employees as defined by the State of California, Developer shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. The 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 HACR, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

b) **Commercial General Liability Insurance.** Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of Developer's performance of its obligations hereunder. The policy shall name the HACR, County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Commissioners, employees, elected or appointed officials, agents or representatives as Additional Insured. The 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 DDLA 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 DDLA, then Developer shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this DDLA or be no less than two (2) times the occurrence limit. The policy shall name the HACR, County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Commissioners, employees, elected or appointed officials, agents or representatives as Additional Insured or provide similar evidence of coverage approved by County's Risk Manager ("**Risk Manager**").

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

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

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

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

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

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

4. It is understood and agreed to by the parties hereto that Developer's insurance shall be construed as primary insurance, and HACR '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 DDLA or any extension thereof, there is a material change in the scope of services or there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.), then HACR reserves the right to adjust the types of insurance required under this DDLA and the monetary limits of liability for the insurance coverage's currently required herein, if; in Risk Manager's reasonable judgment, the amount or type of insurance carried by Partnership Assignee has become inadequate.

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

Developer agrees to notify HACR 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 DDLA.



### **Section 3.13 Disclaimer of Responsibility by HACR**

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

### **Section 3.14 Rights of Access**

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

### **Section 3.15 Taxes, Assessments, Encumbrances and Liens**

Commencing upon the Closing for a Phase, Developer shall pay when due all real estate taxes and assessments assessed and levied on or against the Property constituting the Phase or any portion thereof. Developer shall not place, or allow to be placed, against the Property or any portion thereof, any loan, trust deed, encumbrance or lien other than for the Approved Financing for that Phase or as otherwise authorized by this DDLA. Developer shall remove, or shall have removed, any levy or attachment made on the Property (or any portion thereof), or shall assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder. Nothing herein contained shall be deemed to prohibit Developer from contesting the validity or amount of any tax, assessment, encumbrance or lien, or to limit the remedies available to Developer in respect thereto. The covenants of Developer set forth in this Section 3.15 relating to the placement of any unauthorized loan, trust deed, encumbrance or lien, shall remain in effect for the term of this DDLA.

### **Section 3.16 Prohibition Against Transfer**

The qualifications and identity of Developer are of particular concern to HACR. It is because of those qualifications and identity that HACR has entered into this DDLA with CVHC. No voluntary or involuntary successor in interest of CVHC or Developer shall acquire any rights or powers under this DDLA, nor shall CVHC or Developer make any total or partial sale, transfer, conveyance, assignment, subdivision, refinancing or lease of the whole or any part of the Master

Property or the Improvements thereon without prior written approval of HACR, except for Permitted Transfers as otherwise allowed under this DDLA, including, without limitation, Section 1.5.

**Section 3.17 No Encumbrances Except Approved Financing**

(a) Notwithstanding Section 3.16 (Prohibition Against Transfer), upon and after the Closing of the First Phase or the Second Phase, Developer shall have the right to encumber the applicable Parcel with one or more deeds of trust, but only for the purpose of securing a Loan of funds to be used for financing the Development Costs and other expenditures necessary and appropriate to develop the First Phase or the Second Phase which were included in the Project Budget for that Phase approved by HACR. Prior to Closing for the First Phase or the Second Phase, Developer shall submit a Project Budget for the First Phase or the Second Phase along with Evidence of Financing for the Phase for HACR's approval. Once approved, the financing set forth in the Project Budget shall constitute the "**Approved Financing**" for the Phase. Thereafter, prior to Completion: (1) Developer shall not have any authority to encumber the applicable Parcel for any purpose other than Approved Financing; (2) Developer shall obtain the consent of HACR, in writing, in advance of any proposed financing other than financing included in the Approved Financing; and (3) Developer shall not enter into any agreements for non-Approved Financing requiring a conveyance of security interests in the First Phase or the Second Phase, as applicable, without the prior written approval of HACR.

(b) Except for liens securing the Approved Financing at Closing, Developer shall promptly notify HACR of any security interest created or attached to the First Phase or the Second Phase whether by voluntary act of Developer or otherwise.

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

(d) The Executive Director shall have the authority to make reasonable modifications to Sections 3.16 through 3.18 that may be requested by a Lender, provided such modification does not adversely affect the receipt of any material benefit by HACR hereunder. Upon the request of a Lender, the Executive Director shall execute from time-to-time such reasonable estoppel certificates to the extent they are consistent with the terms of this DDLA. Upon the request of HACR, Developer shall execute from time-to-time such reasonable estoppel certificates to the extent they are consistent with the terms of this DDLA. Developer shall use commercially reasonable efforts to require each Lender to provide estoppel certificates to HACR as may be requested from time to time.

(e) Notwithstanding the foregoing, Developer shall have a one-time right to refinance the Permanent Loan for the First Phase or the Second Phase, as applicable, upon written notice to HACR in accordance with this DDLA, if all net proceeds from such refinance are applied against the unpaid balance of the Permanent Loan, loan closing costs, and payment of deferred developer fee, and the debt service arising from such refinance does not materially reduce the residual receipts available for payment on the Seller Loan and, if applicable, the HACR Loan.

(f) HACR is not providing funding for the development of the Commercial Phase. Developer, therefore, shall have the ability to pursue and obtain financing for the Commercial Phase from any available source, public or private. Developer shall have the right to encumber

without the need for HACR approval the Commercial Property or any Improvements thereon with a mortgage, deed of trust, or any other security interest for the benefit of any person or entity providing financing for the development and/or operation of the Commercial Phase.

### **Section 3.18 Lender Not Obligated to Construct Improvements**

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

### **Section 3.19 Notice of Default to Lenders and Tax Credit Investor; Right of Lender and Tax Credit Investor to Cure Defaults**

Whenever HACR shall deliver any notice or demand to Developer with respect to any breach or default by Developer hereunder, HACR shall at the same time deliver to each Lender of record for such First Phase or Second Phase, as applicable, and the Tax Credit Investor for such Phase a copy of such notice or demand. Each such Lender shall (insofar as the rights of HACR are concerned) have the right at its option within ninety (90) days after the receipt of the notice, to cure or remedy, or commence to cure or remedy, any such default and to add the cost thereof to the security interest debt and the lien of its security interest. If such default shall be a default which can only be remedied or cured by such Lender upon obtaining possession of the applicable Parcel constituting such First Phase or Second Phase, as applicable, such Lender shall seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall remedy or cure such default within ninety (90) days after obtaining possession; provided that in the case of a default which cannot with diligence be remedied or cured, or the remedy or cure of which cannot be commenced within such ninety (90) day period, such Lender shall have such additional time as reasonably necessary to remedy or cure such default with diligence and continuity not to exceed one hundred and twenty (120) days. Any Lender who forecloses on its Loan, or is assigned or otherwise succeeds to Developer's rights under this DDLA, shall have the right to undertake or continue the construction or Completion of the Improvements for the Phase for which it has made a loan upon execution of a written agreement with HACR by which such Lender expressly assumes Developer's rights and obligations under this DDLA with respect to such Phase, approval of which agreement shall not be unreasonably withheld by HACR. Each Tax Credit Investor shall have the right to cure a default by Developer hereunder on the same terms and conditions as Developer.

### **Section 3.20 Failure of Lender to Complete Improvements**

In any case where, one hundred and twenty (120) days after default by Developer to complete the Improvements for a particular Phase within the time frame required by the Schedule of Performance for such Phase, subject to all applicable notice and cure periods and Force Majeure, if the Lender has elected not to complete construction of the Improvements of the applicable Phase, HACR has the right, but not the obligation, to purchase the deed of trust or other security interest by payment to the holder of the full amount of the unpaid principal debt, plus any accrued and unpaid interest and other charges secured by the loan instrument approved in writing by HACR.

### **Section 3.21 Right of HACR to Cure Defaults**

In the event of a default or breach by Developer, subject to all applicable notice and cure periods, of the documents evidencing or governing a Loan encumbering a Parcel, HACR shall have the right, but not the obligation, to cure the default at any time prior to completion by a Lender of any foreclosure under its deed of trust. In such event, HACR shall be entitled to prompt reimbursement from Developer of all costs and expenses incurred by HACR in curing the default. HACR shall also be entitled to increase the balance due under its Promissory Note secured by the applicable Parcel, if any, to the extent of such costs and disbursements.

### **Section 3.22 Right of HACR to Satisfy Other Liens on the Property**

Prior to Completion and after Developer has had a reasonable time of no less than ninety (90) days to challenge, cure or satisfy any liens or encumbrances on its interest in a Parcel, HACR shall have the right, but not the obligation, to satisfy any such liens or encumbrances; provided, however, that nothing in this DDLA shall require Developer to pay or make provisions for the payment of any tax, assessment, lien or charge so long as Developer in good faith contests the validity or amount thereof, and so long as such delay in payment shall not subject the applicable Parcel to forfeiture or sale. In such event, HACR shall be entitled to prompt reimbursement from Developer of all costs and expenses incurred by HACR in satisfying any such liens or encumbrances. Any such lien shall be subordinate and subject to any Loan encumbering such Parcel.

## **ARTICLE 4 USE OF THE MASTER PROPERTY**

### **Section 4.1 Uses of the Property**

(a) Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, for the duration of the Affordability Period that Developer, such successors and such assignees shall use the Property only for the uses specified in the Seller Loan Documents, including without limitation, the Scope of Development and the Agreement Containing Covenants (Including Rental Restrictions), and all Governmental Approvals. No change in the use of the Property shall be permitted without the prior written approval of HACR.

(b) Notwithstanding the generality of Section 4.1(a), Developer shall use the Property only for the uses permitted in this DDLA, specifically including the following: (i) residential rental uses, and (ii) parking and ancillary uses consistent with this DDLA.

(c) The Project shall remain in compliance with all applicable Governmental Requirements for the duration of this DDLA and the Affordability Period.

(d) Residential Uses. For a period of fifty-five (55) years from the recordation in the Official Records of the Notice of Completion for the last building for which construction is completed for a Phase, Developer hereby covenants and agrees as follows:

(1) All of the Restricted Units in such Phase shall be continuously occupied or held vacant and made available solely to Extremely Low Income Households and Low Income Households for an Affordable Rent, as applicable for such Phase, in accordance

with the Schedule of Affordable Rents attached to Exhibit “C” of the Agreement Containing Covenants (Including Rental Restrictions) for the applicable Phase, and the rent limitations set forth herein;

(2) The maximum incomes of all tenants eligible to rent a Restricted Unit shall be determined in accordance herewith;

(3) No officer, employee, agent, official or consultant of Developer may occupy any of the Restricted Units; and

(4) The Restricted Units for a Phase shall remain continually affordable to Extremely Low Income Households and Low Income Households, as applicable for such Phase, for fifty-five (55) years from Completion of such Phase, pursuant to an Agreement Containing Covenants (Including Rental Restrictions) to be recorded at Closing against the Parcel constituting such Phase. The Agreement Containing Covenants (Including Rental Restrictions) shall contain a provision making the covenants and conditions of the agreement binding upon successors in interest of Developer. The Agreement Containing Covenants (Including Rental Restrictions) shall be recorded in the grantor-grantee index to the name of the property owner as grantee and to the name of HACR as grantor.

(5) Notwithstanding anything to the contrary herein, the affordability covenants (rent and income restrictions) contained in the Agreement Containing Covenants (Including Rental Restrictions) shall be senior to all security instruments for all loans secured against the Property. Upon the request of any Senior Lender, all other provisions of the Agreement Containing Covenants (Including Rental Restrictions) may be subordinated to the Senior Financing pursuant to a subordination agreement in a form to be approved by HACR in the Executive Director’s reasonable discretion.

(e) Restricted Units in Each Phase. Developer covenants and agrees that forty-nine percent (49%) of the Units in each of the First Phase and Second Phase (excluding any Manager Unit) shall be restricted to occupancy by Households whose Gross Income do not exceed the amount established for a Low Income Household (collectively, the “**Restricted Units**”) during the Affordability Period. At least thirty percent (30%) of the Restricted Units shall be held vacant for and restricted to occupancy by Extremely Low Income Households at an Affordable Rent during the Affordability Period. If in the First Phase, more than 30% of the Restricted Units are restricted to occupancy by Extremely Low Income Households pursuant to the Agreement Containing Covenants (Including Rental Restrictions) recorded at Closing for such First Phase, a credit shall be given toward the Second Phase for the number of Units restricted to occupancy by Extremely Low Income Households pursuant to the Agreement Containing Covenants (Including Rental Restrictions) in excess of thirty percent (30%) of the Restricted Units in the First Phase (the “**Unit Credit**”). As a result, the Agreement Containing Covenants (Including Rental Restrictions) recorded at Closing for the Second Phase shall restrict a number of Units equal to thirty percent (30%) of the Restricted Units in the Second Phase less the Unit Credit to occupancy by Extremely Low Income Households throughout the Affordability Period.

Due to the number of units and rounding, it may be that fewer than 49% of Units in a Phase will constitute Restricted Units. In such event, Developer and HACR agree that they will restrict the maximum number of Units not in excess of 49% for each Phase as Restricted Units.

(f) Parking. Developer on behalf of itself and its successors, assigns, and each successor in interest to Developer's interest in the Property or any part thereof, hereby covenants and agrees that the Affordable Rent for each of the Restricted Units shall include one non-tandem parking space located on the Parcel on which such Restricted Unit is located at no extra charge to the occupants or tenants.

#### **Section 4.2 Use of the Commercial Property**

(a) Developer covenants and agrees for itself, its successors, assigns and every successor in interest to the Commercial Property or any part thereof, that such successors and such assignees shall use the Commercial Property only for the uses specified in the Agreement Containing Covenants (Commercial Property) and all Governmental Approvals. No change in the use of the Commercial Property shall be permitted without the prior written approval of HACR.

(b) Notwithstanding the generality of Section 4.2(a), Developer shall use the Commercial Property only for the uses permitted in this DDLA, specifically including the following: (i) uses consistent with providing services for occupants of the First Phase and the Second Phase, and (ii) parking and ancillary uses consistent with this DDLA.

(c) The Project shall remain in compliance with all applicable Governmental Requirements for the duration of this DDLA and the Affordability Period.

(d) The Agreement Containing Covenants (Including Rental Restrictions) shall be recorded upon Closing of the Conveyance of the Commercial Property from HACR to Developer in the Official Records in the grantor-grantee index to the name of the property owner as grantee and to the name of HACR as grantor.

(e) Notwithstanding anything to the contrary herein, the use covenants (retail and commercial) contained in the Agreement Containing Covenants (Commercial Property) shall be senior to all security instruments for all loans secured against the Commercial Property. Upon the request of any Senior Lender, all other provisions of the Agreement Containing Covenants (Commercial Property) may be subordinated to the Senior Financing pursuant to a subordination agreement in a form to be approved by HACR in the Executive Director's reasonable discretion.

#### **Section 4.3 Maintenance of the Master Property**

In addition to the property maintenance requirements set forth in the Agreements Containing Covenants, Developer covenants and agrees that after Close of Escrow but prior to the commencement of construction of the Improvements for a particular Phase, Developer shall maintain and secure the applicable Parcel in accordance with reasonable vacant property management practices, and upon and after completion of construction for a particular Phase, Developer shall maintain the applicable Parcel and any improvements thereon and the landscaping on the applicable Parcel in a manner consistent with community standards which will uphold the value of the Parcel, in accordance with this DDLA and applicable provisions of the County of Riverside Ordinances (the "**Codes**"), as follows:

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

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

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

(d) Landscaping. All landscaping surrounding the Improvements constituting a Phase shall be maintained in a manner consistent with the Codes and any rules, regulations and standards adopted pursuant to the Codes.

(e) Maintenance by Developer. Developer shall, at its sole cost and expense, maintain and repair the Property and the Improvements thereon, keeping the same in good condition, subject to wear and tear, and making all repairs as may be required by this DDLA and the Code.

(f) Damage and Destruction Affecting Property -- Duty to Rebuild. If all or any portion the Improvements constituting a Phase is damaged or destroyed by fire or other casualty, if and to the extent insurance proceeds are available, it shall be the duty of Developer to rebuild, repair or reconstruct the Improvements in a timely manner to restore the Project to compliance with the Codes or the condition required by the County. Developer shall have no obligation to rebuild, repair or reconstruct the Improvements in excess of available insurance proceeds.

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

(h) Time Limitation. In the event of damage or destruction due to casualty, to the extent Developer is obligated to rebuild under subsection (f) above, Developer shall be obligated to proceed with all due diligence to commence reconstruction within one (1) year after the damage occurs and to complete reconstruction within a reasonable time after damage occurs, unless prevented by causes beyond the reasonable control of Developer as reasonably determined by HACR.

(i) Inspection. In the event HACR, in the sole discretion of the Executive Director, determines that the Developer has failed to maintain the Project in accordance with the requirements of this Section 4.3, HACR, or its designee, on two (2) weeks' prior written notice of any noted code violations and maintenance deficiencies (collectively, the "**Deficiencies**"), shall have the right, but not the obligation, to enter the Project, correct any Deficiency, and hold Developer responsible for the cost thereof. Any cost incurred by HACR to cure any such Deficiency, until paid by Developer, shall constitute a lien on the Project pursuant to Civil Code § 2881.

#### **Section 4.4 Monitoring and Monitoring Fee**

As to the First Phase and the Second Phase, Developer covenants and agrees to pay the Monitoring Fee on an annual basis in compliance herewith, and to prepare and submit all reports

required by the Agreement Containing Covenants (Including Rental Restrictions) no later than April 1 of each year during the Affordability Period, commencing on the first April 1 following the Completion of each Phase.

#### **Section 4.5 Obligation to Refrain from Discrimination**

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

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

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

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

c. In contracts: “There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of § 12955 of the Government Code, as those bases are defined in §§ 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of § 12955, and § 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or



practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land.”

In addition to the obligations and duties of Developer set forth herein, Developer shall, upon notice from HACR, promptly pay to HACR all fees and costs, including administrative and attorneys’ fees, incurred by HACR in connection with responding to or defending any discrimination claim brought by any third party and/or Governmental Authority, arising out of or in connection with this DDLA and/or the performance of Developer’s obligations hereunder, other than discrimination claims arising from the direct or indirect actions or inactions of HACR.

**Section 4.6 Effect and Duration of Covenants**

The covenants established in this DDLA shall, without regard to technical classification and designation, be binding on Developer and any successor in interest to the Master Property or any portion thereof for the benefit and in favor of HACR and its successors and assigns. The covenants shall remain in effect for a particular Phase for a period of fifty-five (55) years from the recordation of the Notice of Completion in the Official Records for the last building constructed as part of such Phase.

**Section 4.7 Effect of Violation of the Terms and Provisions of this Agreement**

HACR is deemed beneficiary of the terms and provisions of this DDLA and the covenants herein, both for and in its own right and for the purposes of protecting the interests of the community and other parties, public or private, for whose benefit this DDLA and the covenants running with the land have been provided. Subject to the notice and cure provisions of Section 5.1, HACR shall have the right, if the covenants contained in this DDLA are breached, to exercise all rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breaches to which it or any other beneficiaries of this DDLA and covenants are entitled.

**ARTICLE 5      DEFAULTS, REMEDIES AND TERMINATION**

**Section 5.1 Defaults - General**

Subject to extensions of time approved in writing by the Parties, failure or delay by either party to timely perform, comply with or observe any of the conditions, provisions, terms, covenants or representations of this DDLA, including any of the Attachments or agreements entered into the form of an Attachment, shall constitute a default under this DDLA. In addition to the foregoing, the following shall constitute a default hereunder:

- i. After Construction Closing, and subject to applicable notice and cure periods, the occurrence of any default by Developer under the Construction Contract, Construction Loan Agreement, Permanent Loan, or any other financing secured by an interest in the Property which is not waived by the General Contractor or applicable lender; or
- ii. After Construction Closing, a court of competent jurisdiction enters an order enjoining construction of the Improvements, or such a court or an authorized governmental agency orders that leasing of the Project be suspended or halted, or any required approval,

license or permit is withdrawn or suspended, and the order, withdrawal or suspension remains in effect for a period of thirty (30) days; or

iii. After Construction Closing, and subject to applicable notice and cure periods, the occurrence of any material default by the Developer under any architectural contract for the Project, any engineering contract for the Project, or any other contract for or pertaining to the construction of the Improvements; or

iv. After Construction Closing, any surety obligated for the Developer or any Improvements is called upon to perform its obligations; or

v. After Construction Closing, and subject to applicable notice and cure periods, the occurrence of any material default by Developer under (i) any applicable Tax Credit Rules, or rules imposed by any other financing for the Project, or (ii) the Agreement of Limited Partnership or similar or related agreement entered into in connection with the syndication of the Tax Credits after the expiration of all notice and cure periods therein which is not waived by the counter party; or

vi. After Construction Closing, and subject to applicable notice and cure periods, the occurrence of any default by Developer under any of the Seller Loan Documents; or

vii. Developer fails to perform an act by the time set forth therefore in the Schedule of Performance, or, if no time is set forth, within a reasonable time, subject to a Force Majeure which qualifies for a delay; or

viii. A petition is filed in bankruptcy, or other bankruptcy or similar proceeding is commenced by or against Developer or any partner of Developer under any applicable bankruptcy, insolvency or similar law now or hereafter in effect which is not released within ninety (90) days; or

ix. After Construction Closing, the failure of Developer to consummate the funding of the Construction Loan, Permanent Loan, or any other financing approved by HACR within the time period required by such financing documents, subject to a Force Majeure which qualifies for a delay; or

x. After Construction Closing, and subject to applicable notice and cure periods, the failure of Developer to receive the installments of capital contributions in accordance with the terms and conditions of the Agreement of Limited Partnership.

As provided hereinbelow, the party who so fails or delays must immediately commence to cure, correct or remedy such failure or delay, and shall complete such cure, correction or remedy with diligence. The injured party shall give written notice of default to the party in default, specifying the default complained of by the injured party. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the date of default.

Except as required to protect against further damages, the injured party may not institute legal proceedings against the party in default until an “**Event of Default**” (as such term is hereinafter defined) has occurred. For purposes of this DDLA, an “Event of Default” for purposes of instituting legal proceedings by a non-defaulting party against the defaulting party shall mean that a default as described above has occurred, and such default has continued uncured for thirty (30) calendar days after notice thereof is mailed, or, if the default cannot

reasonably be cured in thirty (30) calendar days, without the defaulting party commencing to diligently cure for thirty (30) calendar days after notice thereof in writing is mailed by the injured party to the defaulting party; provided, however, that if a different period or notice requirement is specified for any particular default under any other provision of this DDLA, including any of the Attachments, or any agreement referred to herein under which the default has occurred, the specific provision shall control; and provided further, that if such failure is not reasonably capable of being cured within such thirty (30) day or different period, despite the defaulting party's good faith and timely efforts, such time as is reasonably necessary to complete such cure but in no event shall such time exceed ninety (90) calendar days after notice thereof is mailed to the defaulting party.

The occurrence of an "Event of Default" hereunder shall entitle HACR to declare all amounts outstanding under the Promissory Note applicable to such Phase immediately due and payable, and pursue any other remedies permitted by law, which remedies may be exercised with respect only to such Phase for which an Event of Default has occurred. Prepayment of the Seller Loan, whether a result of a default or due to another occurrence, shall not result in a termination of the Developer's obligations under the Agreement Containing Covenants (Including Rental Restrictions). Notwithstanding anything to the contrary contained herein, an Event of Default hereunder with respect to a Phase shall not constitute an Event of Default with respect to any other Phase.

Any cure of a default hereunder that is made or tendered by the Tax Credit Investor shall be accepted or rejected on the same basis as if made by the Developer.

## **Section 5.2 Termination**

### **(a) Termination by Developer Prior to the Closing**

In the event that Developer fails, after diligent best efforts but prior to the Outside Closing Date for a Phase, to obtain Entitlements necessary for the development of such Phase, or to secure financing necessary to construct such Phase and operate the Project thereon, then this DDLA may, at the option of the Developer, be terminated by written notice thereof to HACR. Such termination shall terminate this DDLA with respect to the Parties' rights and obligations for all Phases for which HACR has not yet transferred title to the Parcel(s) to Developer. In the event of the Developer's exercise of such termination, the right of termination provided in this Section shall be Developer's sole and exclusive remedy.

### **(b) No Limitation**

The foregoing right to terminate shall not in any way limit Developer or HACR's right to terminate this DDLA in an Event of Default. Any termination of the DDLA with respect to an Event of Default shall terminate the DDLA only with respect to the Phase for which such Event of Default occurred and for any future Phases for which HACR has not yet transferred title to such Parcel to a Partnership Assignee.

### **(c) Automatic Termination**

This DDLA shall automatically terminate upon the Outside Closing Date for a particular Phase in the event the Closing has not occurred by such date, unless such Outside Closing Date has been extended in accordance with the terms of this DDLA. Such termination shall terminate this DDLA with respect to the Parties' rights and obligations for all Phases for

which HACR has not yet transferred the Parcels constituting a Phase to Developer in accordance with the terms of this DDLA.

(d) Survival of Terms After Termination

Except as otherwise expressly provided herein, following any termination, neither HACR nor the Developer shall have any further rights against or liability to the other under this DDLA with respect to such Phase or with respect to the Parcel constituting such Phase or otherwise with respect to the subject matter of this DDLA with respect to such Phase. Developer's indemnification obligations under this DDLA shall remain in force following such termination with respect to any Losses and Liabilities that arose or were incurred prior the date of termination.

**Section 5.3 Remedies of the Parties for Default**

(a) Acceleration of Seller and/or HACR Loan

Upon the occurrence of an Event of Default, at the option of HACR and in addition to any other remedies available to HACR at law or in equity, and subject to any applicable terms of any subordination agreement to which HACR is a party, HACR may declare all amounts outstanding under the Promissory Note immediately due and payable with respect to the Phase for which such Event of Default occurred. For purposes of this DDLA, repayment of any or all amounts outstanding under the Promissory Note shall not constitute a cure for any default hereunder other than a default resulting from a failure to pay any sums when due under the Promissory Note. The covenants set forth in the Agreement Containing Covenants (Including Rental Restrictions) shall remain in effect throughout the Affordability Period and survive any termination of this DDLA or payment or prepayment of the Seller Loan and/or HACR Loan prior to the expiration of the Affordability Period.

(b) Survival

Developer's indemnification obligations under this DDLA shall survive any termination of this DDLA and/or any repayment of the Seller Loan for any Losses and Liabilities that arose or were incurred prior to the date of termination or repayment, as applicable.

(c) Limitation on Liability

Notwithstanding anything to the contrary contained herein, neither Developer nor HACR shall in any event be entitled to, and each hereby waives, any right to seek loss of profits, or any special, incidental or consequential damages of any kind or nature, however caused, from the other Party arising out of or in connection with this DDLA, even if the other Party has been advised of the possibility of the damages, and in connection with such waiver each Party is familiar with and hereby waives the provision of § 1542 of the California Civil Code which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

(d) Inaction Not a Waiver of Default

Any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive either 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.

**Section 5.4 Attorneys' Fees**

In any action between the Parties to interpret, enforce, reform, modify, rescind or otherwise in connection with any of the terms or provisions of this DDLA, the prevailing Party in the action or other proceeding shall be entitled, in addition to damages, injunctive relief or any other relief to which it might be entitled under this DDLA, reasonable costs and expenses including, without limitation, litigation costs, expert witness fees and reasonable attorneys' fees.

(a) As used herein, the terms "attorneys' fees" or "attorneys' fees and costs" means the fees and expenses of counsel to the Parties hereto (including, without limitation, in-house or other counsel employed by HACR or Developer) which may include printing, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and others not admitted to the bar but performing services under the supervision of an attorney and fees and costs for expert witnesses. The terms "attorneys' fees" or "attorneys' fees and costs" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, arbitrations and bankruptcy proceedings, and whether or not any action or proceeding is brought with respect to the matter for which said fees and expenses were incurred.

**Section 5.5 Institution of Legal Actions**

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

**Section 5.6 Applicable Law**

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

**Section 5.7 Acceptance of Service of Process**

(a) In the event that any legal action is commenced by Developer against HACR, service of process shall be made by personal service upon Executive Director and shall be valid whether made within or outside the State of California, or in such manner as may be provided by law.

(b) In the event that any legal action is commenced by HACR against Developer, service of process on Developer shall be made by personal service upon Developer (or upon an officer of Developer) and shall be valid whether made within or outside the State of California, or in such manner as may be provided by law.

**Section 5.8 Rights and Remedies Are Cumulative**

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

**Section 5.9 Damages**

Subject to the limitations set forth in Section 5.3(c) above, if either party defaults with regard to any of the provisions of this DDLA, subject to the notice and cure provisions of Section 5.1, the defaulting party shall be liable to the non-defaulting party for any damages caused by such default, and the non-defaulting party may, after such notice and opportunity to cure (but not before) commence an action for damages against the defaulting party with respect to such default.

**Section 5.10 Termination**

Prior to the Close of Escrow for the First Phase, either party shall have the right to terminate this DDLA in the event the other party is in default of any material term or provision of this DDLA, and, following notice, fails to cure such default within the time provided in Section 5.1. After the Close of Escrow for the First Phase, termination rights under the DDLA shall be limited to the particular Phase for which such termination right has arisen.

**Section 5.11 Specific Performance After Closing**

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

(a) In the event a Permitted Transferee fails to complete the development and construction of a Phase within the time frame set forth in the applicable Schedule of Performance, or any extension of time which is permitted under this DDLA, after expiration of applicable notice and cure periods, HACR may commence an action for specific performance of the terms of this DDLA pertaining to such failure.

(b) In addition to HACR's rights set forth in paragraph (a) of this Section, following the Close of Escrow for a Phase and continuing until the Completion of such Phase in accordance with this DDLA, HACR shall have the additional right to seek a specific performance under this DDLA in the event any of the following defaults shall occur with respect a particular Phase:

- (1) Developer fails to cause the maintenance of the Property upon which such Phase is located, or fails to cause the commencement of construction of the Improvements for such Phase as required by this DDLA, for a period of thirty (30) days after written notice from HACR, provided that Developer shall not have obtained an extension or postponement to which Developer may be entitled pursuant to Section 6.4 hereof; or

- (2) Subject to Force Majeure, Developer abandons a portion of the Property or Commercial Property with respect to a particular Phase or, substantially suspends construction of the improvements for a Phase for a period of thirty (30) days and fails to commence construction within thirty (30) days after written notice has been given by HACR to Developer, provided Developer has not obtained an extension or postponement to which Developer may be entitled to pursuant to Section 6.4 hereof; or
- (3) Except as otherwise permitted by the terms of the DDLA, including, without limitation, Permitted Transfers, Developer assigns or attempts to assign this DDLA, or any rights herein, or, transfer, or suffer any involuntary transfer of the Property, or any part thereof, in violation of this DDLA, and such breach is not cured within thirty (30) days after the date of written notice thereof; or
- (4) Developer otherwise materially breaches this DDLA, and such breach is not cured within the respective times provided in Section 5.1 of this DDLA.

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

(d) Notwithstanding anything to the contrary contained herein, after Close of Escrow for the First Phase, (i) HACR shall have the right to seek specific performance only with respect to the Phase for which such default has occurred; and (ii) a default under this DDLA relating to one Phase shall not constitute a default under another Phase or proposed Phase.

## **ARTICLE 6 GENERAL PROVISIONS**

### **Section 6.1 Notices, Demands and Communications between the Parties**

Formal notices, demands and communications between HACR and Developer shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of HACR and Developer, as designated in Sections 1.4 and 1.5 hereof. Such written notices, demands and communications to HACR shall be addressed to the Executive Director with a copy to Riverside County Counsel and shall be sent in the same manner to such other addresses as either Party may from time to time designate by mail as provided in this Section 6.1. Any notice that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt by the recipient; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof.

**Section 6.2 Conflicts of Interest**

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

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

**Section 6.3 Nonliability of HACR Officials and Employees**

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

**Section 6.4 Force Majeure**

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

**Section 6.5 Inspection of Books and Records**

Developer shall maintain complete, accurate, and current records, accounts, documentation and other material pertaining to the Master Property and each Phase and its financing for a period of five (5) years after the expiration of the Affordability Period with respect to such Phase, and shall permit any duly authorized representative, designee or invitee of HACR, upon reasonable advance notice, to inspect and copy records, including records pertaining to income and household size of tenants, during regular business hours. Records must be kept accurate and current.

**Section 6.6 Approvals; Non-Substantive Amendments**

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

(b) Except as otherwise expressly provided in this DDLA, approvals required of HACR shall be deemed granted by the written approval of the Executive Director. Notwithstanding the foregoing, the Executive Director may, in his or her sole discretion, refer to the governing body of HACR any item requiring HACR approval; otherwise, "HACR approval" means and refers to approval by the Executive Director or his or her designee.



(c) The Executive Director shall have the right to make non-substantive changes to the attachments to this DDLA in order to ensure that all such attachments are consistent with the terms and provisions of this DDLA.

#### **Section 6.7 Real Estate Commissions**

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

#### **Section 6.8 Further Assurances**

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

#### **Section 6.9 Construction and Interpretation of Agreement**

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

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

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

(d) References in this instrument to this "DDLA" or this "Agreement" mean, refer to and include this instrument as well as any riders, exhibits, addenda and attachments hereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in this instrument. Any references to any covenant, condition, obligation, and/or undertaking "herein," "hereunder," or "pursuant hereto" (or language of like import) means, refer

to, and include the covenants, obligations, and undertakings existing pursuant to this instrument and any riders, exhibits, addenda, and attachments or other documents affixed to or expressly incorporated by reference in this instrument.

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

**Section 6.10 Time of Essence**

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

**Section 6.11 No Partnership**

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

**Section 6.12 Compliance with Law**

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

**Section 6.13 Binding Effect**

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

**Section 6.14 No Third Party Beneficiaries**

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

**Section 6.15 Authority to Sign**

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

**Section 6.16 Incorporation by Reference**

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

**Section 6.17 Counterparts**

This DDLA and any Attachment to be executed by the Parties may be executed by each Party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

**ARTICLE 7 ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS**

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

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

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

**ARTICLE 8 EFFECTIVE DATE OF AGREEMENT**

This DDLA shall be dated for reference purposes as of the date set forth in the introductory paragraph hereof, but shall not be effective until approved by the Board of Commissioners and executed by the Executive Director and CVHC.

IN WITNESS WHEREOF, the Parties have executed this DDLA as of the dates written below.

**HACR:**

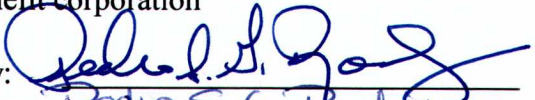
HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic

By:   
Heidi Marshall, Executive Director

Date: 7/29/2021

**CVHC:**


COACHELLA VALLEY HOUSING COALITION, a California nonprofit public benefit corporation

By:   
Name: Pedro S.G. Rodriguez  
Title: Chief Financial Officer

Date: 7/7/2021

APPROVED AS TO FORM:

COUNTY COUNSEL

By:   
Deputy County Counsel, Amit P. Dhillon

**(HACR AND CVHC SIGNATURES MUST BE NOTARIZED)**

## ACKNOWLEDGMENT

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 Riverside )

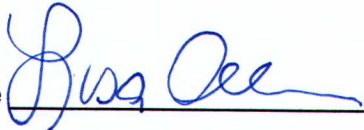
On July 29, 2021 before me, Lisa Allen, Notary Public  
(insert name and title of the officer)

personally appeared Heidi Marshall,  
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.

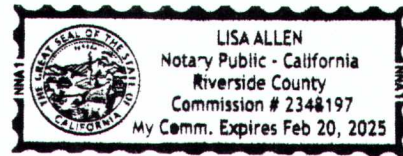
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

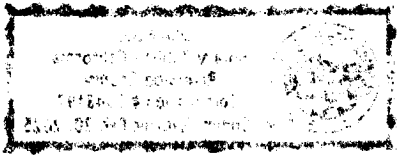
WITNESS my hand and official seal.

Signature



(Seal)





**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

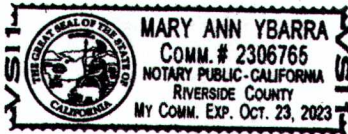
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF Riverside )

On July 7, 2021, before me, MaryAnn Ybarra, Notary Public, personally appeared Pedro S.G. Rodriguez, 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.



Mary Ann Ybarra  
Signature

**ATTACHMENT NO. 1**  
**MASTER PROPERTY LEGAL DESCRIPTION**

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

**PARCEL A1:**

THE NORTHWESTERLY HALF OF LOT 9 OF THE "SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP OF FILE IN BOOK 10, PAGE 23 OF MAPS, RIVERSIDE COUNTY RECORDS; THE SOUTHEASTERLY LINE OF SAID NORTHWESTERLY HALF BEING PARALLEL WITH THE NORTHWESTERLY LINE OF SAID LOT.

**PARCEL A2:**

A STRIP OF LAND 10 FEET WIDE, FOR ROAD PURPOSES, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF LOT 10 OF THE "SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RIVERSIDE COUNTY RECORDS;  
THENCE NORTHWESTERLY, ALONG THE SOUTHWESTERLY LINE OF SAID LOT, 350 FEET; THENCE AT A RIGHT ANGLE NORTHEASTERLY 10 FEET;  
THENCE AT A RIGHT ANGLE SOUTHEASTERLY, PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT, 350 FEET, TO THE SOUTHEASTERLY LINE THEREOF;  
THENCE SOUTHWESTERLY, ALONG THE SOUTHEASTERLY LINE OF SAID LOT 10 FEET, TO THE POINT OF BEGINNING.

**PARCEL B:**

THE SOUTHWESTERLY 10 ACRES OF LOT 10 OF SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE SOUTHWESTERLY 10 FEET OF SAID SOUTHEASTERLY 350 FEET.  
**PARCEL C:**

LOT 10 OF THE SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY.



EXCEPT THE SOUTHWESTERLY 10 ACRES, THE NORTHEASTERLY LINE OF SAID 10 ACRES BEING PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT 10;

ALSO EXCEPT THAT PORTION OF SAID PROPERTY CONVEYED TO HENRY J. DIETRICH AND GEORGIA LEE DIETRICH, HUSBAND AND WIFE, BY DEED RECORDED APRIL 19, 1955 IN BOOK 1724, PAGE 578 OF OFFICIAL RECORDS OF SAID COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 10;  
THENCE SOUTH 45 DEGREES 35' WEST ON THE SOUTHEASTERLY LINE OF SAID LOT, 308.6 FEET; THENCE IN A NORTHWESTERLY DIRECTION, 216 FEET, MORE OR LESS, TO A POINT ON THE NORTHERLY LINE OF SAID LOT, 378 FEET WESTERLY FROM OF THE POINT OF BEGINNING; THENCE EASTERLY TO THE POINT OF BEGINNING.

ALSO EXCEPT ONE-HALF INTEREST IN AND TO ALL OIL, OTHER HYDROCARBONS, GAS AND OTHER ASSOCIATED SUBSTANCES AND OTHER MINERALS AND KINDRED SUBSTANCES IN AND/OR LYING UNDER SAID LAND, AS RESERVED IN DEED FROM OLLA J. GRANT AND ELISE M. GRANT, HUSBAND AND WIFE, RECORDED JUNE 22, 1954 IN BOOK 1600, PAGE 501 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL D:

LOT 1 OF THE SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1, THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID ONE-HALF ACRE BEING PARALLEL WITH THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID LOT 1;

ALSO EXCEPT THE PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1;  
THENCE SOUTH 44 DEGREES 25' EAST ON THE SOUTHWESTERLY LINE OF SAID ONE-HALF ACRE, 130 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE SOUTH 45 DEGREES 35' WEST 20 FEET;  
THENCE SOUTH 44 DEGREES 25' EAST 20 FEET;  
THENCE NORTH 45 DEGREES 35' EAST 20 FEET;  
THENCE NORTH 44 DEGREES 25' WEST 20 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH AN UNDIVIDED 15/320TH INTEREST IN AND TO FOUR CERTAIN WELLS, PUMPING HOUSE MACHINERY AND THE ONE-HALF ACRE OF LOT 1 OF SAID SUBDIVISION UPON WHICH SAID WELLS ARE LOCATED, SAID ONE-HALF ACRE BEING THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1, THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID ONE-HALF ACRE BEING PARALLEL WITH THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID LOT 1.

Assessor's Parcel Number: 751-160-004-8; 751-160-007-1; 751-160-009-3, 751-160-012-5; 751-160-014-7

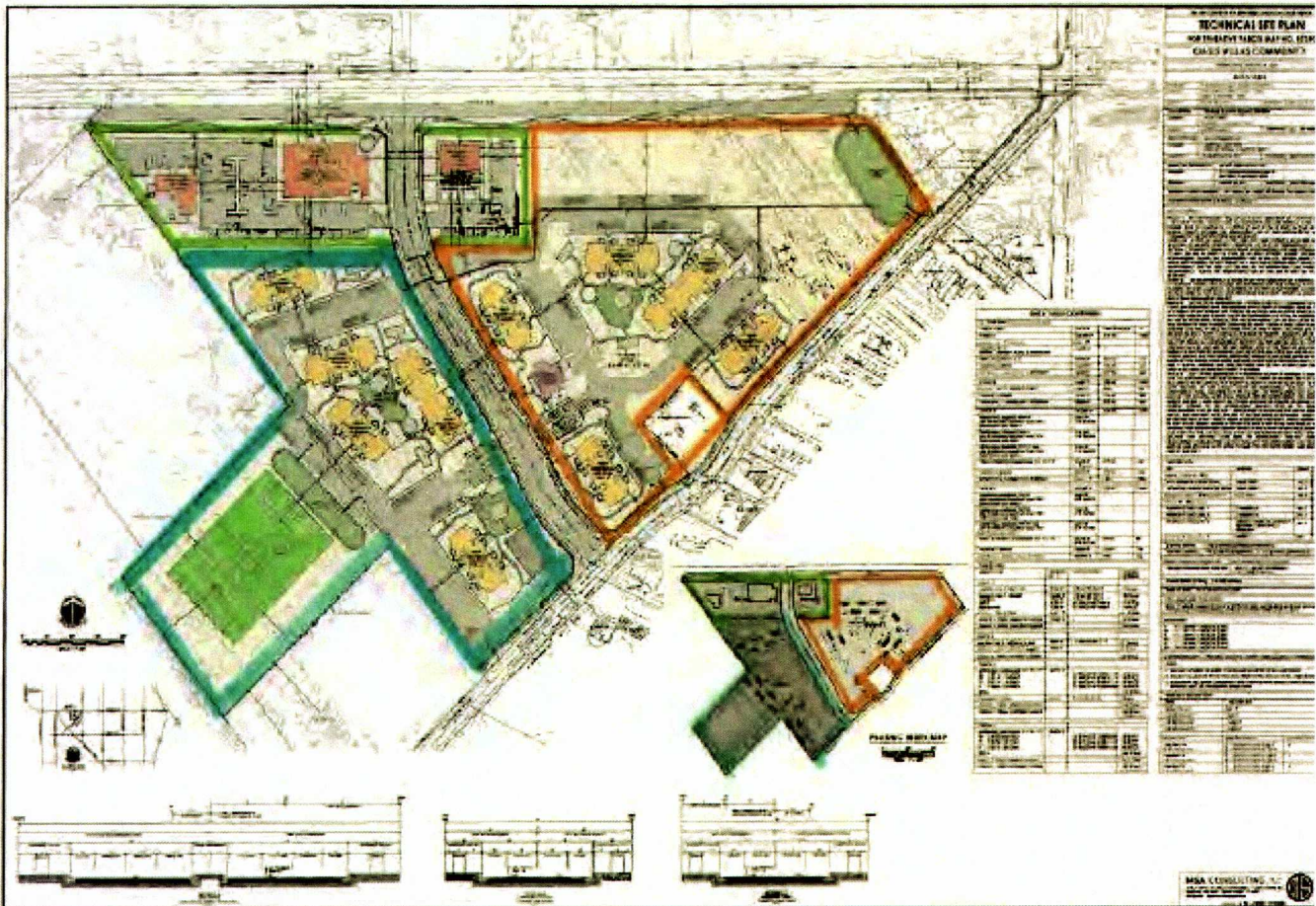
THAT PORTION OF LOT 1 OF THE CAHUILLA FRUIT AND LAND CO. AS SHOWN BY MAP ON FILE IN BOOK 10, PAGE 23 OF MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS: COMMENCING AT THE MOST WESTERLY CORNER OF THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1; THENCE SOUTH 44 DEGREES 25° EAST, ALONG THE SOUTHWESTERLY LINE OF SAID ONE-HALF ACRE, 130 FEET, TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 45 DEGREES 35° WEST, 20 FEET; THENCE SOUTH 44 DEGREES 25° EAST, 20 FEET; THENCE NORTH 45 DEGREES 35° EAST, 20 FEET; THENCE NORTH 44 DEGREES 25° WEST, 20 FEET TO THE TRUE POINT OF BEGINNING.

Parcel Identification Number: 751160015

# ATTACHMENT NO. 2

## SITE MAP

Depiction of Property



Site Vicinity Map

GPA190017, CZ190048, TPM37590, AND PPT190037

Phase 1 – residential PARCEL 3 - ORANGE

Phase 2 – commercial PARCELS 1 AND 2 – GREEN

Phase 3 – residential PARCEL 4 – BLUE

751-160-004, 751-160-007, 751-160-009, 751-160-012, 751-160-014, 751-160-015

## ATTACHMENT NO. 3

### METHOD OF FINANCING

This is the Method of Financing attached to the Disposition, Development and Loan Agreement (Oasis Villas Affordable Housing Project) (“**DDLA**”) between the Housing Authority of the County of Riverside, a public body corporate and politic (“**HACR**”) and Coachella Valley Housing Coalition, a California nonprofit public benefit corporation (“**CVHC**”), pertaining to the conveyance of (a) certain real property located in the unincorporated community of Oasis (“**Property**”) from HACR to CVHC for the development thereon of an approximately one hundred sixty (160) unit multifamily rental housing project, which shall be rented to and occupied by Extremely Low Income Households and Low Income Households, and related amenities (the “**Affordable Housing Project**”), and (b) certain real property located in the unincorporated community of Oasis (“**Commercial Property**”) from HACR to CVHC for the development thereon of general retail and commercial businesses that will provide services to residents of the Affordable Housing Project, including a childcare facility, market, general retail, medical clinic or other service business(es) reasonably approved by HACR (the Affordable Housing Project and the Commercial Housing Project shall collectively be referred to herein, in such form as is ultimately approved by the County of Riverside, as the “**Project**”). The development and construction of the Project shall occur as set forth in the DDLA in up to three (3) Phases. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the DDLA.

1. **Purchase Price.** The Property will be conveyed by HACR to CVHC or its Partnership Assignees in up to two (2) Phases. The Commercial Property will be conveyed to Developer concurrently with the Closing of the Property constituting the First Phase of the Affordable Housing Project. The Purchase Price for each Phase shall be the fair market value of the Parcel(s) constituting such Phase as established by an appraisal dated within six (6) months of Closing for such Phase, delivered by CVHC to HACR and approved by the Executive Director, which approval shall not be unreasonably withheld, conditioned or delayed. All appraisals shall be prepared by a qualified licensed appraiser approved by HACR in its reasonable discretion.

2. **Sources of Financing.** The Affordable Housing Project will be financed by a combination of tax credits, government financing, bank financing, grants and contributions (collectively, the “**Sources of Financing**”). The Sources of Financing shall be used to pay all Development Costs and shall be sufficient to provide that the operation of the Project during the Affordability Period is financially feasible. Prior to the Close of Escrow for a Phase, HACR shall have the right to approve, which approval shall not be unreasonably withheld, conditioned or delayed, the Sources of Financing for such Phase, including, without limitation, the Senior Financing. Each Seller Loan shall be evidenced and secured by a promissory note and deed of trust in substantially the forms attached to the DDLA, with such revisions as are necessary for the Phase.

Developer shall purchase the Commercial Property from HACR concurrently with the Closing of the First Phase of the Affordable Housing Project. HACR shall utilize the proceeds

of the Purchase Price for the Commercial Property to make a loan to Developer for predevelopment costs incurred for the First Phase. Developer shall arrange third party financing for the construction of the Improvements on the Commercial Property.

**3. Project Budget**

- a. The Parties anticipate that all Development Costs and operating income and expenses for a Phase of the Affordable Housing Project shall be set forth in the Project Budget submitted by Developer to HACR. Prior to the Closing of a Phase, HACR shall have the right to approve, which approval shall not be unreasonably withheld, conditioned or delayed, the Project Budget for such Phase, which Project Budget shall be substantially in the form attached to the DDLA as Attachment No. 7. The Project Budget shall demonstrate that the development and operation of the Phase of the Affordable Housing Project is financially feasible.
- b. The Development Costs in the Project Budget shall not be subject to change except upon the approval of HACR; provided, however, the use of any funds from a contingency line item in the Project Budget shall not require the approval of HACR and a change of less than 10% for any line item within the Project Budget shall not require the approval of HACR.

**4. No Subordination of Affordability Covenants.** Notwithstanding anything to the contrary herein or in the DDLA, the affordability covenants (rent and income restrictions) contained in the Agreement Containing Covenants (Including Rent and Income Restrictions) (**Attachment No. 11** to the DDLA) shall be senior to all security instruments for all loans secured against the Property. Upon the request of any Senior Lender, all other provisions of the Agreement Containing Covenants (Including Rent and Income Restrictions) may be subordinated to the Senior Financing pursuant to a subordination agreement in a form to be approved in the Executive Director's reasonable discretion.

**5. Evidence of Financing and Marketing Plan for the Affordable Housing Project.**

- a. **Construction Financing.** The sum of the Construction/Permanent Loans shall be sufficient at all times to pay all Development Costs and operate a Phase of the Affordable Housing Project as set forth in the HACR approved Project Budget. To the extent that the sum of the Construction/Permanent Loans is insufficient to pay all Development Costs and operate the Phase, CVHC shall submit evidence acceptable to HACR that additional funds will be available as and when required to fully pay for all Development Costs and operations for a particular Phase.
- b. **Marketing Plan.** CVHC shall prepare and submit to HACR for review a marketing plan containing the overall plan for marketing of the Restricted Units, indicating the start and duration of the marketing period, methods

of dissemination of information to the public, selection criteria, etc. HACR shall not unreasonably withhold its approval of the Marketing Plan.

**6. Initial Operating Budget for the Affordable Housing Project.** Developer shall prepare an initial annual budget for the operation of each Phase of the Affordable Housing Project, as well as a projected cash flow for at least fifteen (15) years, to be included in the Project Budget (together, the “Initial Operating Budget”). If Partnership Assignee determines that the Initial Operating Budget needs to be amended upon conversion to permanent financing for reasons that were not reasonably foreseeable when the Initial Operating Budget was prepared, Partnership Assignee shall submit an amended annual Operating Budget to HACR, which shall be the same Operating Budget provided to the permanent lender(s) at conversion to permanent financing. The amended annual Operating Budget shall be for HACR’s reference but shall not require HACR’s approval.

## ATTACHMENT NO. 4

### SCHEDULE OF PERFORMANCE

1.	<u>Financing.</u> Developer shall timely submit applications for financing for the First Phase.	Following HACR approval and execution of the DDLA, but in no event later than December 31, 2021.
2.	<u>Additional Financing.</u> If necessary, Developer shall re-apply for financing for the First Phase or apply for additional financing.	Following HACR approval and execution of the DDLA, but in no event later than December 31, 2021.
3.	<u>Project Budget and Plans.</u> Developer shall submit to HACR the Project Budget and Plans in accordance with Section 3.4 for the First Phase.	A draft Project Budget and Plans shall be submitted not later than 90 days prior to the date proposed for Construction Closing, with a final Project Budget delivered concurrently with Construction Closing.
4.	<u>First Phase Parcel.</u> Developer shall create one or more legal parcels constituting the Commercial Property and First Phase.	As soon as reasonably practical, but in no event later than 90 days prior to the Closing Date.
5.	<u>Escrow - Disposition of the Property from HACR to CVHC.</u> CVHC and HACR shall open Escrow for the sale of the First Phase and the Commercial Property.	At least 90 days prior to the date proposed for Construction Closing but in no event later than 60 days prior to the Outside Closing Date.
6.	<u>Conditions Precedent to the Close of Escrow for the Sale of the First Phase Property and Commercial Property to CVHC.</u> CVHC shall satisfy all conditions precedent to the Close of Escrow for the First Phase as set forth in Section 2.15 of the DDLA.	Not later than the later to occur of (i) the Outside Closing Date, or (ii) such date as required by TCAC pursuant to an award of LIHTCs for the First Phase made prior to the Outside Closing Date.
7.	<u>Closing Date.</u> Conveyance of Commercial Property and property upon which the First Phase will be constructed by HACR to CVHC provided all conditions precedent in Section 2.15 of DDLA remain satisfied.	Not later than the later to occur of (i) the Outside Closing Date, or (ii) such date as required by TCAC pursuant to an award of LIHTCs for the First Phase made prior to the Outside Closing Date.
8.	<u>Submission – Final Construction Drawings and Related Documents.</u> CVHC shall submit complete Final Plans, including landscape and grading documents for the First Phase, to HACR pursuant to Section 3.4 of the DDLA.	Within 30 days after the Closing Date.

9.	<u>Evidence of Financing.</u> CVHC shall submit to HACR evidence of financing necessary for the acquisition and development of the First Phase.	CVHC shall exercise commercially reasonable best efforts to submit Evidence of Financing to HACR at least 60 days prior to Construction Closing, but in any event no later than the earlier to occur of (i) 30 days prior to the Outside Closing Date, or (ii) promptly upon receipt by CVHC or Partnership Assignee of commitment letters, award letters, draft loan documents and draft partnership agreement.
10.	<u>Construction Commencement.</u> CVHC shall commence construction of the First Phase.	Within 15 days of the Closing Date.
11.	<u>Construction Completion.</u> CVHC shall complete construction of the Improvements for the First Phase (as shown on the Final Construction Drawings upon which CVHC's building permit is based).	Within twenty-six (26) months of the Construction Closing Date.
12.	<u>Construction Commencement.</u> CVHC shall commence construction of the Commercial Phase.	Within 120 days of completion of construction of the First Phase.
13.	<u>Construction Completion.</u> CVHC shall complete construction of the Improvements for the Commercial Phase (as shown on the Final Construction Drawings upon which CVHC's building permit is based).	Within eighteen (18) months of the commencement of Construction.
14.	<u>Next Phase.</u> Provided that the First Phase Closing has occurred and no Event of Default exists under the DDLA, CVHC and HACR shall agree on a Schedule of Performance for the Second Phase, which shall provide for Closing no later than the Outside Closing Date.	At least nine months prior to the Outside Closing Date for the Second Phase.



**ATTACHMENT NO. 5**

**GRANT DEED**

**(behind this page)**

OFFICIAL BUSINESS.

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

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

---

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: \_\_\_\_\_

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

**GRANT DEED**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic, herein called "Grantor," hereby grants to \_\_\_\_\_, a California limited partnership, herein called "Grantee," the real property, hereinafter referred to as the "Property," described in Exhibit "A" hereto and incorporated herein by this reference.

1. SUBJECT TO:

(a) Taxes and assessment which are a lien, but which are not yet billed, or are billed but are not yet due and payable, including non-delinquent real property taxes and non-delinquent special assessments.

(b) All covenants, conditions, easements, restrictions, liens, encumbrances, other matters of record, and all matters affecting the status of title which are discoverable by an accurate survey; and

(c) All laws, regulations or ordinances (including, but not limited to, zoning, building and environmental laws, regulations and ordinances) applicable to the Property.

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

3. The Grantee covenants and agrees for itself and its successors, assigns and any successor in its interest to the Property, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, national origin, ancestry, age, physical handicap, medical condition, marital status, sex or sexual orientation in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property or any portion thereof, nor shall the Grantee itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, leases, subtenants, sublessees, or vendees in the Property or any portion thereof. The foregoing covenants shall run with the land.

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

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

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

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

(c) In contracts: "There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her,

DDLA - Oasis Villas FINAL

establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land.”

[Remainder of Page Intentionally Blank]

[Signatures on the Following Page]

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

“GRANTOR”

HOUSING AUTHORITY OF THE  
COUNTY OF RIVERSIDE,  
a public body corporate and politic

By: Exhibit – Do Not Sign  
Heidi Marshall  
Executive Director

Date: \_\_\_\_\_

APPROVED AS TO FORM:

COUNTY COUNSEL

By: Exhibit – Do Not Sign  
Deputy County Counsel

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, 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

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

**“GRANTEE”**

\_\_\_\_\_

a California limited partnership

By: Exhibit – Do Not Sign

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, 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"**

**LEGAL DESCRIPTION**

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

[to be inserted]

**ATTACHMENT NO. 6**  
**SCOPE OF DEVELOPMENT**

**[attached]**

## ATTACHMENT NO. 6

### SCOPE OF DEVELOPMENT

Pursuant to the Disposition, Development and Loan Agreement (Oasis Villas Affordable Housing Project) (**DDLA**) executed by and between the Housing Authority of the County of Riverside, a public body corporate and politic, ("**HACR**") and Coachella Valley Housing Coalition, a California nonprofit public benefit corporation ("**CVHC**"), CVHC or its affiliates ("**Developer**"), shall develop an approximately one hundred sixty (160) unit multifamily rental housing development, including units for Extremely Low and Low Income Households, and retail and commercial establishments providing necessary services to the tenants of the housing development (collectively, the "**Project**"). All capitalized terms not defined herein shall have the meaning ascribed to such terms in the DDLA.

The quality of construction shall be of a high level. The Improvements shall conform to the Plans approved by HACR pursuant to Section 3.4 of the DDLA (the "**Approved Plans**"), including all conditions and mitigation measures imposed by the County of Riverside in connection with the development approval process for which Permitted Transferee is responsible under the terms of the DDLA. The attached Plot Plan 190037 dated December 14, 2020 and Parcel Map No. 37590 were submitted to the County of Riverside in connection with its approval of the Project.

Developer shall commence and complete the Improvements for each Phase by the respective times established therefore in the applicable Schedule of Performance.

#### I. DEVELOPMENT STANDARDS

The Improvements shall conform to all applicable Governmental Requirements, including without limitation local subdivision, zoning, building code and other applicable ordinances, resolutions, policies, applicable general and Specific Plans, and regulations of the County of Riverside ("**County Ordinances**") and the following development standards:

##### A. General Requirements:

1. **Vehicular Access.** The placement of vehicular driveways shall be coordinated with the needs of proper street traffic flow as approved by the County of Riverside in accordance with County Ordinances. In the interest of minimizing traffic congestion, the County of Riverside will control the number and location of curb breaks for access to the Property for off-street parking and truck loading. All access driveways shall require written approval of the County of Riverside.

2. **Building Signs.** Signs shall be limited in size, subdued and otherwise designed to contribute positively to the environment. Signs identifying the building use will be permitted, but their height, size, location, color, lighting and design will be subject to County of Riverside approval, and signs must conform to the County Ordinances.

3. **Screening.** All outdoor storage of materials or equipment shall be enclosed or screened to the extent and in the manner required by the County of Riverside.

4. **Landscaping.** Developer shall provide and maintain landscaping within the public rights-of-way and within setback area along all street frontages and conforming to the plans as hereafter approved by the County of Riverside. Landscaping shall consist of trees, shrubs and installation of an automatic irrigation system adequate to maintain such plant material. The type and size of trees to be planted, together with a landscaping plan.

5. **Utilities.** All utilities on the Property provided to service the units constructed by Developer shall be underground at Developer's expense.

6. **Building Design.** Buildings shall be constructed such that the Improvements shall be of high architectural quality, and shall be effectively and aesthetically designed and in conformance with County approvals.

7. **Energy Considerations.** The design of the Improvements shall include, where feasible, energy conservation construction techniques and design, including co-generation facilities and active and passive solar energy design. Developer shall be required to demonstrate consideration of such energy features during the design review process and to consistency with energy conservation provisions of the building code.

8. **Site Preparation.** Developer, at its cost and expense, shall prepare Property for development. Such Property preparations shall consist of the demolition and removal of all existing improvements, if any.

9. **Environmental Impact Mitigation Measures.** To the extent required under the terms of the DDLA, Developer shall implement any and all mitigation measures and/or mitigation monitoring requirements as identified in any certified environmental document or mitigated negative declaration certified in connection with the project.

10. **Construction Fence.** Developer shall install a temporary construction chain link fence. The construction fence shall be maintained free of litter and in good repair for the duration of its installation.

11. **Development Identification Signs.** Prior to commencement of construction on the Property, Developer shall prepare and install, at its cost and expense, one sign on the barricade around the Property which identifies the development. The sign shall be at least four (4) feet by six (6) feet and be visible to passing pedestrians and vehicular traffic. The design of the sign, as well as the proposed location, shall be submitted to HACR for review and approval prior to installation. The sign shall, at a minimum, include:

- Illustration of development
- Development name
- Name of Developer and/or CVHC
- Logo of the County of Riverside and Riverside County Housing Authority
- List of Board of Commissioners and their districts

- Information number
- Completion Date

**B. Design Features:**

The following design features are considered essential components to the Improvements:

Handicapped Units – An agreed upon number of units are to be fully handicapped accessible in compliance with State Housing Code – Title 24 requirements.

Overall Design Quality, Materials, Colors, Design Features – Quality of design is important, materials and colors are to be approved by the County.

Housing Type – The Housing Project shall consist of development of a multi-family apartment complex with approximately one hundred sixty (160) units which shall be developed in up to two (2) Phases.

Mobility – All facilities shall comply, to the extent feasible, with current CTCAC standards.

Green Building Standards – All facilities shall comply, to the extent feasible, with CTCAC minimum green building standards.

**II. DEMOLITION AND SOILS**

Except to the extent otherwise expressly provided in the DDLA, Developer assumes all responsibility for surface and subsurface conditions at the Property, and the suitability of the Property for the Improvements. Developer has undertaken all investigation of the Property as it shall deem necessary and has not received or relied upon any representations of HACR, the County, or their respective officers, agents and employees.

**III. SPECIAL AMENITIES**

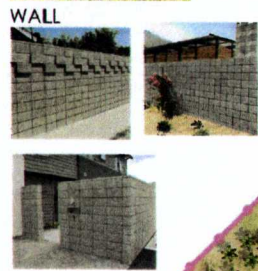
Developer shall undertake all improvements required by the County as a condition of development of the Property, as more particularly provided in the County approvals given for the property.

**IV. MAINTENANCE OF SITE**

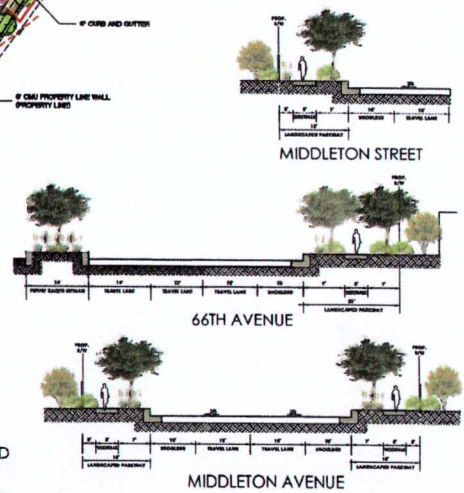
Developer shall maintain the Property free of all weeds and trash prior to start of construction.



**LEGEND**  
 6' BLOCK WALL  
 6' TUBE FENCE



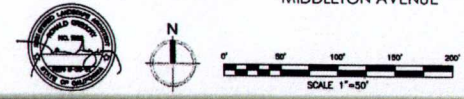
**STREET SECTIONS**



NOTE:  
 SEE SHEET 5.03 FOR PLANT LEGEND



**CVHC OASIS COMMUNITY | OVERALL SITE**



L-5.00



**ATTACHMENT NO. 7**

**PROJECT BUDGET**



Line Item	Amount	Category
7 Land donation?		
8 AHP		
9 Sema at max		
10 County?		
11 Deferred developer fee		
12 GP equity to net down to dev fee \$2.2m		
13 GP Equity	1,400,000	
14 Investor Capital Contributions — balance here w state credits	19,516,640	
15		
16 TOTAL SOURCES	38,714,640	
17		
18 Construction ban	26,989,986	
19		
20		
21		
22 USES OF FUNDS		
23		
24 LAND COST/ACQUISITION		
25 Acquisition — land donation?		
26 Demolition		
27 Legal & Closing Costs		
28 Off-Site Improvements		
29 Off-Site Acquisition Cost -		
30 REHABILITATION		
31 Site Work and Utilities		
32 Structures		
33 Solar Net Cost		
34 General Requirements		
35 Contractor Insurance & Bond		
36 Contractor Overhead		
37 Contractor Profit		
38 Total Rehabilitation Costs		
39 NEW CONSTRUCTION		
40 Site Work and Utilities		
41 Structures - Sun Country #19 numbers		
42 Solar Net Cost		
43 General Requirements		
44 Contractor Insurance & Bond		
45 Contractor Overhead		
46 Contractor Profit		
47 Total New Construction Costs		
48 ARCHITECTURAL FEES		
49 Design		
50 Supervision		
51 Total Architectural Costs		
52 SURVEY AND ENGINEERING, incl testing		
53 CONSTN INTEREST & FEES		
54 Const Loan Interest during construction - 18 months		
55 Const Loan Interest post-CO - 6 months		
56 Construction loan fee and expenses		
57 Construction period interest on USDA loans (just post 12-mo amort)		
58 Predev Interest - C-YHC		
59 Taxes		
60 Insurance		
61 Title and Recording		
62 PERMANENT FINANCING		
63 Loan Fees @ 75%		
64 Costs of bond issuance		
65 Title and Recording		
66 Other Financing Costs		
67 LEGAL FEES		
70 Lender Legal Costs Paid by Applicant		
71 Other - Owner Legal		
72 Total Attorney Costs		
73 RESERVES		
74 Capitalized Operating Reserve @ 6 mo ops		
75 Additional reserve for USDA		
76 Services reserve		
77 Total Reserve Costs		
78 Total Appraisal Costs		
79 OTHER		
81 Tax Credit App Alloc/ Monitoring fees		
82 Local Development Impact Fees		
83 Permit Processing Fees		
84 Marketing & Lease up		
85 Market Study		
86 Marketing & Lease up		
87 Environmental		
88 Inspections, construction management		
89 Fundshings		
90 Prebidding wage monitoring		
91 Soft Cost Contingency		
92 Total Other Costs		
93 DEVELOPER COSTS		
94 Developer Overhead/Profit		
95 Consultant/Processing Agent		
96 Total Developer Costs		
97 TOTAL PROJECT COST		
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net dev fee 2,200,000

max \$10m

apply 2021 790,000

apply 2021 10,000,000

apply 2021 1,000

apply 2021 38,714,640

Construction period costs

34,732,650

7,742,664

26,989,986

4,00%

14 months construction plus

6

TOTAL COST BASIS FOR 4% CREDIT Construction Period Costs

250,000 250,000 275,000

0 0 275,000

0 0 275,000

0 0 275,000

0 0 275,000

0 0 275,000

0 0 275,000

0 0 275,000

0 0 275,000

0 0 275,000

0 0 275,000

0 0 275,000

0 0 275,000

0 0 275,000

0 0 275,000

0 0 275,000

0 0 275,000

119	Basis to calculate credit	47,958,345	
120			
121	Credit rate	4.00% fixed	
122	Federal Credit	1,918,334	
123	State Credit	3,294,128	
124			<b>equity estimate</b>
125	Equity from Federal Credit	16,881,338	0.8800
126	Equity from State Credit	2,635,302	0.8000
127	Equity from pv credit	0	1.0000
128	TOTAL EQUITY TO PROJECT	19,516,640	
129			
130			
131			





22			
21			
20	1.36		
19	111,464	116,425	121,248
18	48,000	48,000	48,000
17	0	0	0
16	42,000	42,000	42,000
15	89,817	89,817	89,817
14	177,950	177,950	177,950
13	4,000	4,000	4,000
12	473,251	478,192	483,015
11	689,047	713,164	738,125
10	1,162,289	1,191,356	1,221,140
9	346,972	355,647	364,538
8	-42,912	-43,885	-45,084
7	0	0	0

**ATTACHMENT NO. 8**

**PRELIMINARY TITLE REPORT**



Commonwealth Land Title Company  
888 S. Figueroa Street, Suite 2100  
Los Angeles, CA 90017  
Phone: (800) 432-0706

**Coachella Valley Housing Coalition**  
45-701 Monroe Street #G  
Indio, CA 92201

Attn: **Adriana Mattox**

Our File No: 09191584  
Title Officer: Kathy Religioso  
e-mail: kathy.religioso@cltic.com  
Phone: (213) 330-2330  
Fax: (213) 330-3105

Your Reference No:

Property Address: 85750, 85851 & 85856 Middleton Road, Thermal Area, California

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## PRELIMINARY REPORT (V7)

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Dated as of April 14, 2021 at 7:30 a.m.

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

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

The policy(s) of title insurance to be issued hereunder will be policy(s) of **Commonwealth Land Title Insurance Company**.

*Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.*

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

Order No: 09191584-919-KRC-KRE

## **SCHEDULE A**

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

**ALTA Standard Owner's Policy of Title Insurance (6-17-06)**

**ALTA Extended Loan Policy of Title Insurance (6-17-06)**

The estate or interest in the land hereinafter described or referred to covered by this report is:

**A FEE**

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

**Housing Authority of the County of Riverside, a public body, corporate and politic of the State of California**

The land referred to herein is situated in the County of Riverside, State of California, and is described as follows:

**SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF**



## EXHIBIT "A"

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

PARCEL A1:

THE NORTHWESTERLY HALF OF LOT 9 OF THE "SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS SHOWN BY MAP OF FILE IN [BOOK 10, PAGE 23](#) OF MAPS, RIVERSIDE COUNTY RECORDS; THE SOUTHEASTERLY LINE OF SAID NORTHWESTERLY HALF BEING PARALLEL WITH THE NORTHWESTERLY LINE OF SAID LOT.

PARCEL A2:

A STRIP OF LAND 10 FEET WIDE, FOR ROAD PURPOSES, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST SOUTHERLY CORNER OF LOT 10 OF THE "SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, AS SHOWN BY MAP ON FILE IN [BOOK 10, PAGE 23](#) OF MAPS, RIVERSIDE COUNTY RECORDS;  
THENCE NORTHWESTERLY, ALONG THE SOUTHWESTERLY LINE OF SAID LOT, 350 FEET;  
THENCE AT A RIGHT ANGLE NORTHEASTERLY 10 FEET;  
THENCE AT A RIGHT ANGLE SOUTHEASTERLY, PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT, 350 FEET, TO THE SOUTHEASTERLY LINE THEREOF;  
THENCE SOUTHWESTERLY, ALONG THE SOUTHEASTERLY LINE OF SAID LOT 10 FEET, TO THE POINT OF BEGINNING.

PARCEL B:

THE SOUTHWESTERLY 10 ACRES OF LOT 10 OF SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS SHOWN BY MAP ON FILE IN [BOOK 10, PAGE 23](#) OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE SOUTHWESTERLY 10 FEET OF SAID SOUTHEASTERLY 350 FEET.

PARCEL C:

LOT 10 OF THE SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS SHOWN BY MAP ON FILE IN [BOOK 10, PAGE 23](#) OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE SOUTHWESTERLY 10 ACRES, THE NORTHEASTERLY LINE OF SAID 10 ACRES BEING PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT 10;

ALSO EXCEPT THAT PORTION OF SAID PROPERTY CONVEYED TO HENRY J. DIETRICH AND GEORGIA LEE DIETRICH, HUSBAND AND WIFE, BY DEED RECORDED APRIL 19, 1955 IN [BOOK 1724, PAGE 578 OF OFFICIAL RECORDS](#) OF SAID COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 10;  
THENCE SOUTH 45 DEGREES 35' WEST ON THE SOUTHEASTERLY LINE OF SAID LOT, 308.6 FEET; THENCE IN A NORTHWESTERLY DIRECTION, 216 FEET, MORE OR LESS, TO A POINT ON THE NORTHERLY LINE OF SAID LOT, 378 FEET WESTERLY FROM OF THE POINT OF BEGINNING; THENCE EASTERLY TO THE POINT OF BEGINNING.

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ALSO EXCEPT ONE-HALF INTEREST IN AND TO ALL OIL, OTHER HYDROCARBONS, GAS AND OTHER ASSOCIATED SUBSTANCES AND OTHER MINERALS AND KINDRED SUBSTANCES IN AND/OR LYING UNDER SAID LAND, AS RESERVED IN DEED FROM OLLA J. GRANT AND ELISE M. GRANT, HUSBAND AND WIFE, RECORDED JUNE 22, 1954 IN [BOOK 1600, PAGE 501 OF OFFICIAL RECORDS](#) OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL D:

LOT 1 OF THE SUBDIVISION OF A PORTION OF SECTION 17, TOWNSHIP 7 SOUTH, RANGE 8 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF AS SHOWN BY MAP ON FILE IN [BOOK 10, PAGE 23](#) OF MAPS, RECORDS OF SAID COUNTY.

EXCEPT THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1, THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID ONE-HALF ACRE BEING PARALLEL WITH THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID LOT 1;

ALSO EXCEPT THE PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1;  
THENCE SOUTH 44 DEGREES 25' EAST ON THE SOUTHWESTERLY LINE OF SAID ONE-HALF ACRE, 130 FEET TO THE TRUE POINT OF BEGINNING;  
THENCE SOUTH 45 DEGREES 35' WEST 20 FEET;  
THENCE SOUTH 44 DEGREES 25' EAST 20 FEET;  
THENCE NORTH 45 DEGREES 35' EAST 20 FEET;  
THENCE NORTH 44 DEGREES 25' WEST 20 FEET TO THE TRUE POINT OF BEGINNING.

TOGETHER WITH AN UNDIVIDED 15/320TH INTEREST IN AND TO FOUR CERTAIN WELLS, PUMPING HOUSE MACHINERY AND THE ONE-HALF ACRE OF LOT 1 OF SAID SUBDIVISION UPON WHICH SAID WELLS ARE LOCATED, SAID ONE-HALF ACRE BEING THE NORTHEASTERLY ONE-HALF ACRE OF THE SOUTHWESTERLY THREE-QUARTERS ACRE OF SAID LOT 1, THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID ONE-HALF ACRE BEING PARALLEL WITH THE NORTHEASTERLY AND SOUTHWESTERLY LINES OF SAID LOT 1.

Assessor's Parcel Number:     [751-160-004-8](#); [751-160-007-1](#); [751-160-009-3](#), [751-160-012-5](#); [751-160-014-7](#)

## **SCHEDULE B – Section A**

The following exceptions will appear in policies when providing standard coverage as outlined below:

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

## SCHEDULE B – Section B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2021-2022.
- B. There were no taxes levied for the fiscal year 2020-2021 as the property was vested in a public entity.
- C. Taxes and assessments levied by the Coachella Valley Water District.
- D. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

- 1. Water rights, claims or title to water, whether or not disclosed by the public records.
- 2. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Henry J. Dietrich and Georgia Lee Dietrich, husband and wife  
Purpose: pipe line  
Recording Date: July 14, 1949  
Recording No: in Book 1092, Page 332 of Official Records  
Affects: said land more particularly described therein.

Reference is hereby made to said document for full particulars.

and Recording Date: April 19, 1955  
and Recording No: in Book 1724, Page 578 of Official Records

- 3. The effect of an easement 30 feet on each side of section lines in favor of the public for public highways, as evidenced by petition, dated January 9, 1901 and recorded April 17, 1959 as Instrument No. 32692 of Official Records of Riverside County, California.
- 4. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Coachella Valley County Water District  
Purpose: building and maintaining a pipeline  
Recording Date: February 17, 1972  
Recording No: as Instrument No. 20904 of Official Records  
Affects: Parcels A and B

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

Purpose: build and maintain an underground pipe lines and necessary devices and appurtenances  
Recording Date: March 17, 1972  
Recording No: as Instrument No. 35949 of Official Records  
Affects: Parcel A

- 6. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

Map: Record of Survey  
Recording Date: October 2, 1990  
Recording No: as Instrument No. 364349, in Book 86, Pages 85 and 86 of Record of Survey

7. Notice of Noncompliance pursuant to Sections 17274 and 24436.5 of the California Revenue and Taxation Code by the Bureau of Building Inspection Code Enforcement Division

Recording Date: October 24, 2008  
Recording No.: as Instrument No. 2008-0569487 of Official Records

Reference is hereby made to said document for full particulars.

Affects: Parcel A

8. Notice of Noncompliance pursuant to Sections 17274 and 24436.5 of the California Revenue and Taxation Code by the Bureau of Building Inspection Code Enforcement Division

Recording Date: October 24, 2008  
Recording No.: as Instrument No. 2008-0569489 of Official Records

Reference is hereby made to said document for full particulars.

Affects: Parcel A

9. The Land described herein is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the Redevelopment Plan) as disclosed by a document.

Redevelopment Agency: Riverside County Economic Development Agency  
Recording Date: February 6, 2009  
Recording No.: as Instrument No. 2009-0057439 of Official Records

10. Notice of Noncompliance pursuant to Sections 17274 and 24436.5 of the California Revenue and Taxation Code by the Bureau of Building Inspection Code Enforcement Division

Recording Date: February 10, 2009  
Recording No.: as Instrument No. 2009-0063732 of Official Records

Reference is hereby made to said document for full particulars.

Affects: Parcel A

11. A deed of trust securing surety bond which purports to secure performance of an agreement referred to therein, and any other obligations secured thereby

Dated: December 13, 2009  
Trustor/Grantor: Margarita Ramirez  
Trustee: Spencer W. Mohler  
Beneficiary: Seneca Insurance Company, Inc., a New York corporation  
Power No.: S25-01525039  
Recording Date: December 17, 2009  
Recording No.: as Instrument No. 2009-0649261 of Official Records

Affects: Parcels A1 and A2

12. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on

Map: Record of Survey  
Recording Date: July 6, 2010  
Recording No.: as Instrument No. 2010-0313583, in Book 134, Pages 16 and 17 of Record of Survey

13. Intentionally deleted.
  
14. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters shown on  
Map: Record of Survey  
Recording Date: September 7, 2012  
Recording No: as Instrument No. 2012-0427302, in Book 139, Pages 34 through 36 of Records of Survey
  
15. Intentionally deleted.
  
16. Intentionally deleted.
  
17. Intentionally deleted.
  
18. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.  
  
The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.  
  
The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.
  
19. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.
  
20. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.

Order No: 09191584-919-KRC-KRE

21. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

**END OF SCHEDULE B EXCEPTIONS**

**PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH FOLLOWS FOR  
INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION**

## REQUIREMENTS SECTION:

1. Prior to the close of escrow, the Company requires a Statement of Information to be completed by the following party(s),

Party(s): All Parties

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

2. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below:

Name of Corporation: Redevelopment Agency for the County of Riverside

- a) A Copy of the corporation By-laws and Articles of Incorporation
- b) An original or certified copy of a resolution authorizing the transaction contemplated herein
- c) If the Articles and/or By-laws require approval by a 'parent' organization, a copy of the Articles and By-laws of the parent

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

3. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance by the corporation named below:

Name of Corporation: Housing Authority of the County of Riverside, a public body, corporate and politic of the State of California

- a) A Copy of the corporation By-laws and Articles of Incorporation
- b) An original or certified copy of a resolution authorizing the transaction contemplated herein
- c) If the Articles and/or By-laws require approval by a 'parent' organization, a copy of the Articles and By-laws of the parent

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



## INFORMATIONAL NOTES SECTION

1. The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.
2. For wiring Instructions please contact your Title Officer or Title Company Escrow officer.
3. Note: The Company requires current beneficiary demands prior to closing. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:
  - a) If the Company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. This hold will be in addition to the verbal hold the lender may have stipulated.
  - b) If the Company cannot obtain a verbal update on the demand, we will either pay off the expired demand or wait for the amended demand, at our discretion.
  - c) All payoff figures are verified at closing. If the customer's last payment was made within 15 days of closing, our Payoff Department may hold one month's payment to insure the check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).
4. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

Typist: nb0

Date Typed: August 20, 2016; August 22, 2017; October 18, 2019; September 9, 2020; March 10, 2021

**ATTACHMENT ONE**

**CALIFORNIA LAND TITLE ASSOCIATION  
STANDARD COVERAGE POLICY – 1990**

**EXCLUSIONS FROM COVERAGE**

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

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

**EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I**

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.

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

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)**

**ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE**

**EXCLUSIONS**

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

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
  - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and

- b. in streets, alleys, or waterways that touch the Land.  
This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
- 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
- 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
- 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

**LIMITATIONS ON COVERED RISKS**

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

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

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

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

**2006 ALTA LOAN POLICY (06-17-06)**

**EXCLUSIONS FROM COVERAGE**

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

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

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

**EXCEPTIONS FROM COVERAGE**

(Except as provided in Schedule B - Part II, (t or T)his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

**(PART I**

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

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.

4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

## PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:)

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

#### EXCLUSIONS FROM COVERAGE

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

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

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

#### EXCEPTIONS FROM COVERAGE

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

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

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

### ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (12-02-13)

#### EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

### Notice of Available Discounts

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

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

FNF Underwritten Title Company  
LTC – Lawyers Title Company

FNF Underwriter  
CLTIC – Commonwealth Land Title Insurance Co.

#### Available Discounts

##### DISASTER LOANS (CLTIC)

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

##### EMPLOYEE RATE (LTC and CLTIC)

No charge shall be made to employees (including employees on approved retirement) of the Company or its underwritten, subsidiary or affiliated title companies for policies or escrow services in connection with financing, refinancing, sale or purchase of the employees' bona fide home property. Waiver of such charges is authorized only in connection with those costs which the employee would be obligated to pay, by established custom, as a party to the transaction.

Notice of Available Discounts

Mod. 10/21/2011

### FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

Effective January 1, 2020

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

#### **Collection of Personal Information**

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

### **Collection of Browsing Information**

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

### **Other Online Specifics**

**Cookies.** When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

**Web Beacons.** We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

**Do Not Track.** Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

**Links to Other Sites.** FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

### **Use of Personal Information**

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

### **When Information Is Disclosed**

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We do share Personal Information among affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

### **Security of Your Information**

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

### **Choices With Your Information**

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you.

Order No: 09191584-919-KRC-KRE

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

**For California Residents:** We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

**For Nevada Residents:** You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

**For Oregon Residents:** We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

**For Vermont Residents:** We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

#### **Information From Children**

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

#### **International Users**

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

#### **FNF Website Services for Mortgage Loans**

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

#### **Your Consent To This Privacy Notice; Notice Changes; Use of Comments or Feedback**

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice. We may use comments or feedback that you submit to us in any manner without notice or compensation to you.

#### **Accessing and Correcting Information; Contact Us**

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests to [privacy@fnf.com](mailto:privacy@fnf.com), by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.  
601 Riverside Avenue  
Jacksonville, Florida 32204  
Attn: Chief Privacy Officer





**ATTACHMENT NO. 9**  
**ENVIRONMENTAL INDEMNITY**

**[attached]**

ATTACHMENT NO. 9

**ENVIRONMENTAL INDEMNITY**

THIS ENVIRONMENTAL INDEMNITY (this “Indemnity”), dated as of \_\_\_\_\_, 20\_\_, is made by \_\_\_\_\_, a California limited partnership (referred to as “Indemnitor”), whose address for purposes of giving notices is \_\_\_\_\_, in favor of the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public bode corporate and politic, whose address for purposes of giving notices is 5555 Arlington Avenue, Riverside, CA 92504 (“HACR”).

WITNESSETH

WHEREAS, Indemnitor is the owner of the real property in the unincorporated community of Oasis, County of Riverside, California, as more particularly described on Exhibit A attached hereto and made a part hereof, and the real property improvements thereon (collectively referred to as the “Property”);

WHEREAS, Coachella Valley Housing Coalition, a California nonprofit public benefit corporation (“CVHC”) and HACR, entered into that certain Disposition, Development and Loan Agreement (Oasis Villas Affordable Housing Project), dated as of June 15, 2021 (the “DDLA”), pursuant to which HACR agreed to convey the Property to CVHC, or its assignee, for the purpose of developing an approximately one hundred sixty (160) unit multifamily rental affordable housing development and related improvements and amenities on parcels of property in multiple phases, which parcels include the Property; and

WHEREAS, Indemnitor, as the assignee of CVHC’s rights and obligations to construct \_\_\_\_\_ [describe improvements for this Phase] (the “Project Phase” under the DDLA) has agreed to execute and deliver to HACR this Indemnity to induce HACR to convey the Property to Indemnitor.

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

Section 1. DEFINITIONS

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

substance” for purposes of applicable state or local law and (iii) petroleum, flammable explosives, urea formaldehyde insulation, asbestos and radioactive materials, substances defined as “extremely hazardous substances,” “hazardous substances,” “hazardous materials,” “hazardous waste” or “toxic substances” the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq.; and those substances defined as “hazardous waste” in Section 25117 of the California Health and Safety Code, as “infectious waste” in Section 25117.5 of the California Health and Safety Code, or as “hazardous substances” in Section 25316 of the California Health and Safety Code or “hazardous materials” as defined in Section 353 of the California Vehicle Code; and in the regulations adopted and publications promulgated pursuant to said laws. “Hazardous Materials” and “Hazardous Substances” shall expressly exclude substances typically used in the construction, development, operation and maintenance of an apartment complex provided such substances are used in accordance with all applicable laws.

For the purpose of this Indemnity, “Seller Loan Documents” shall refer to the DDLA, any agreement entered into in the form of an Attachment thereto or in connection therewith, and any extensions, modifications or amendments thereto.

## Section 2. COVENANTS AND INDEMNITY

The following covenants and indemnities are hereby given and made by Indemnitor:

### 2.1 Covenants.

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

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

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

(d) HACR shall have the right, at any time, to conduct an environmental audit of the Property at HACR’s expense, unless Hazardous Materials are found in violation of this Indemnity, then at Indemnitor’s sole cost and expense, and Indemnitor shall cooperate in the conduct of any such environmental audit but in no event shall such audit be conducted unless HACR believes that such audit is warranted. Other than in an emergency, such audit shall be

conducted only after prior notice has been given to Indemnitor and only in the presence of a representative of Indemnitor. Indemnitor shall give HACR and its agents and employees access to the Property to remove, or otherwise to mitigate against the effects of, Hazardous Materials.

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

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

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

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

Notwithstanding the foregoing, Indemnitor's liability under this Section 2.2 shall not extend to any Hazardous Substance present or released in, on, or around any part of the Property, or in the soil, groundwater, or soil vapor or under the Property that first arise, commence or occur after the actual dispossession of the Property from Indemnitor and all entities which control, are

controlled by, or are under common control with Indemnitor, following foreclosure or acquisition of the Property by a deed in lieu of foreclosure.

### Section 3. INDEMNITOR'S UNCONDITIONAL OBLIGATIONS

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

- (a) The validity, regularity, or enforceability of the DDLA or any other instrument or document executed or delivered in connection therewith;
- (b) Any alteration, amendment, modification, release, termination, or cancellation of the Seller Loan Documents, or any change in the time, manner, or place of payment or performance of, or in any other term in respect of, all or any of the obligations of Indemnitor contained in any of the Seller Loan Documents;
- (c) Any exculpatory provision in any of the Seller Loan Documents or any document delivered in connection therewith limiting HACR's recourse to property encumbered by the deed of trust securing Indemnitor's obligations under the Seller Loan Documents, or to any other security, or limiting HACR's rights to a deficiency judgment against Indemnitor;
- (d) The insolvency or bankruptcy of Indemnitor; or
- (e) Any other circumstance that might otherwise constitute a defense available to, or a discharge of, Indemnitor with respect to any or all of the Obligations.

3.2 Continuation. The Indemnity provided under § 2.2 (a) is a continuing indemnity and shall remain in full force and effect until the satisfaction in full of all of the Obligations (notwithstanding the release or other extinguishment of the deed of trust securing Indemnitor's obligations under the Seller Loan Documents); and (b) shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the HACR upon the insolvency, bankruptcy, or reorganization of Indemnitor, all as though such payment had not been made.

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

- (a) HACR has at any time or in any manner participated in the management or control of, taken possession of (whether personally, by agent or by appointment

of a receiver), or taken title to the Property or any portion thereof, whether by foreclosure, deed in lieu of foreclosure, sale under power of sale or otherwise; or

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

#### Section 4. WAIVER

Indemnitor hereby waives the following:

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

#### Section 5. NOTICES

Any notice, demand, statement, request, or consent made hereunder shall be in writing and shall be personally served, mailed by first-class registered mail, return receipt requested, to the address set forth in the first paragraph of this Indemnity, above, or given by telecopier to the telecopier numbers stated below, with confirmations mailed by first class registered mail, return receipt requested to the address set forth above, of the party to whom such notice is to be given (or to such other address as the Parties hereto, shall designate in writing):

In the case of HACR:

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

In the case of Indemnitor:

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

Any notice that is transmitted by electronic facsimile transmission followed by delivery of a "hard" copy, shall be deemed delivered upon its transmission; any notice that is personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; and any notice that is sent by registered or certified mail, postage prepaid, return receipt required shall be deemed received on the date of receipt thereof.

## Section 6. MISCELLANEOUS

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

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

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



6.4 Any provision of this Indemnity that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof and without affecting the validity or enforceability of such provision in any other jurisdiction.

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

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

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

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

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

[Signatures on the Following Page]

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

**INDEMNITOR:**

\_\_\_\_\_,  
a California limited partnership

By: Exhibit – Do Not Sign

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit A  
**LEGAL DESCRIPTION**

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

[to be inserted]

**ATTACHMENT NO. 10**  
**NOTICE OF AFFORDABILITY RESTRICTIONS**  
**[attached]**

WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This document is exempt from recording fees  
pursuant to Government Code Section 27383

## NOTICE OF AFFORDABILITY RESTRICTIONS ON TRANSFER OF PROPERTY

**NOTICE IS HEREBY GIVEN** that, in order to carry out certain obligations under the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.), certain real property located at \_\_\_\_\_, in the County of Riverside ("**County**"), State of California, and known as Assessor's Parcel Number \_\_\_\_\_, and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference ("**Property**"), together with all buildings, structures and other improvements located thereon ("**Improvements**"), is subject to certain affordability covenants and restrictions identified in that certain **AGREEMENT CONTAINING COVENANTS** dated as of \_\_\_\_\_, 20\_\_, between the Housing Authority of the County of Riverside, a public body corporate and politic ("**HACR**"), and \_\_\_\_\_, a California limited partnership ("**Owner**"), recorded concurrently herewith and incorporated herein by this reference (collectively, "**Restrictions**"). The Property and the Improvements shall be collectively referred to herein as the "**Phase Project.**"

The affordability covenants and restrictions contained in the Restrictions include, without limitation, and as further described in the Restrictions:

1. \_\_\_\_\_ ( ) of the units in the Phase Project are restricted for occupancy by households with an adjusted gross income that does not exceed thirty percent (30%) of area median income,

calculated in accordance with Health and Safety Code Section 50106, at rents affordable to Extremely Low Income Households.

2. \_\_\_\_\_ ( ) of the units in the Phase Project are restricted for occupancy by households with an adjusted gross income that does not exceed sixty percent (60%) of area median income, at rents affordable to Low Income Households (as defined in the Restrictions).

3. Additional requirements concerning operation, management, and maintenance of the Phase Project are also imposed by the Restrictions.

In the event of any conflict between this Notice of Affordability Restrictions on Transfer of Property (“**Notice**”) and the Restrictions, the terms of the Restrictions shall prevail.

The Restrictions shall remain in effect until the later of the date fifty-five (55) years after the County’s issuance of the final certificate of occupancy for the construction of the last residential building in the Phase Project or \_\_\_\_\_, 20\_\_\_\_.

This Notice is being recorded and filed by HACR in compliance with Health and Safety Code Sections 33334.3(f)(3) and (4) and/or Section 33413(c)(5), as amended effective this date, and shall be indexed against HACR and Owner.

This Notice may be executed in counterparts, and multiple originals, each of which shall be deemed to be an original and shall constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the Parties have duly executed this Notice of Affordability Restrictions on Transfer of Property.

**HACR:**

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE,  
a public body corporate and politic

By: Exhibit – Do Not Sign

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

COUNTY COUNSEL

By: Exhibit – Do Not Sign

Deputy County Counsel

[SIGNATURE PAGE TO NOTICE OF AFFORDABILITY  
RESTRICTIONS]

[PAGE 1 OF 2]

**“OWNER”**

\_\_\_\_\_,  
a California limited partnership

By: Exhibit – Do Not Sign  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**[SIGNATURE PAGE TO NOTICE OF AFFORDABILITY  
RESTRICTIONS]**

**[PAGE 2 OF 2]**



**EXHIBIT "A"**

**LEGAL DESCRIPTION OF THE PROPERTY**

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

[TO COME]

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, 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

**ATTACHMENT NO. 11**  
**FORM OF AGREEMENT CONTAINING COVENANTS**  
**(AFFORDABLE HOUSING)**

**[attached]**

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

Recording Requested by and When  
Recorded Return to:

HOUSING AUTHORITY OF THE  
COUNTY OF RIVERSIDE  
5555 Arlington Avenue  
Riverside, California 92504  
Attn: Deputy Director

---

Space above this line for Recorder's use only

AGREEMENT CONTAINING COVENANTS  
(INCLUDING RENTAL RESTRICTIONS)  
(FIRST PHASE)

THIS AGREEMENT CONTAINING COVENANTS (INCLUDING RENTAL RESTRICTIONS) (this "**Covenant Agreement**" or "**Agreement**") is entered into as of \_\_\_\_\_, 20\_\_, by and between the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body, corporate and politic (herein referred to as "**HACR**"), as successor-in-interest to the former Redevelopment Agency for the County of Riverside, a public body, corporate and politic ("**Former Agency**") and \_\_\_\_\_, a California limited partnership (herein referred to as "**Developer**"). HACR and Developer are individually referred to herein as a "Party" and collectively as "Parties."

RECITALS

A. HACR was established by action of the Board of Supervisors of the County of Riverside on November 23, 1942, pursuant to the California Housing Authorities Law (Health and Safety Code §§ 34200, et seq., the "**Housing Authority Law**"), and constitutes a corporate and politic public body, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out the purposes and provisions of the Housing Authority Law.

B. The former Redevelopment Agency of the County of Riverside ("**Former Agency**") purchased certain real property located in the County of Riverside, State of California with proceeds from tax exempt bonds deposited into the low and moderate income housing fund.

C. California redevelopment agencies were dissolved on February 1, 2012 such that the Former Agency is now deemed a former redevelopment agency under Health and Safety Code section 34173 and AB x1 26, as modified by Assembly Bill No. 1484 (as modified to date, the "**Dissolution Law**"), which 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**").

D. Pursuant to CRL § 34176 (a), and HACR Resolution Nos. 2012-035, 2012-001 and 2012-005, all housing functions previously performed by the Former Agency, including related rights, powers, duties, obligations, and housing assets (excluding unencumbered amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the non-housing successor agency under the Dissolution Law) were transferred to HACR, making HACR the “**Housing Successor**” to the Former Agency under the Dissolution Law.

E. There is an unmet need for affordable housing within the County of Riverside, California.

F. HACR, in its capacity as Housing Successor, acquired certain additional real property in the County of Riverside, State of California for affordable housing purposes.

G. In furtherance of the affordable housing goals and objectives of the HACR, HACR and Coachella Valley Housing Coalition, a California nonprofit public benefit corporation (“**CVHC**”) entered into that certain Disposition, Development and Loan Agreement (Oasis Villas Affordable Housing Project) (“**DDLA**”) dated as of June 15, 2021, relating to, among other things, the sale of certain property by HACR to CVHC, or its assigns, and the construction and development thereon of a total of approximately one hundred sixty (160) apartment units affordable to Extremely Low Income Households and Low Income Households and Moderate Income Households in a multifamily affordable rental housing development, with related infrastructure, and an adjacent commercial development providing necessary services to the occupants of the housing development, as more specifically described in the DDLA (“**Proposed Project**”). The DDLA permits the Proposed Project to be developed in up to three (3) phases (two (2) phases for the affordable housing project and one Phase for the adjacent commercial development). The term “**DDLA**” as used herein shall mean, refer to and include the DDLA, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in the DDLA. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the DDLA.

H. Pursuant to the DDLA, each phase of the Project is to be separately financed and owned by a limited partnership. Developer constitutes a “Partnership Assignee” under the DDLA and has assumed the obligations of CVHC under the DDLA with respect to the First Phase and the Phase Property (as hereinafter defined). As a result, Developer holds fee title interest to that certain real property located in the County of Riverside, State of California, legally described in the “**Legal Description**” attached hereto as **Exhibit A** (the “**Phase Property**”), incorporated herein by this reference.

I. Developer intends to construct eighty (80) affordable rental units, a community center, pool, pool house, parking and other community amenities (the “**Improvements**”) on the Phase Property (the “**Phase Project**”).

J. Pursuant to the DDLA and in furtherance of the housing functions transferred to HACR pursuant to the Dissolution Law, the Developer is required to restrict the use and occupancy of forty-nine percent (49%) of the rental units (excluding the Manager Units) in the Phase Project to occupancy by Extremely Low Income Households and Low Income Households at an

DDLA - Oasis Villas FINAL

Affordable Rent for a period of fifty-five (55) years from the date of issuance of a Certificate of Occupancy for the last building within the Phase Project.

K. Concurrently herewith, in accordance with the DDLA, HACR is making a loan to Developer in the amount of \$\_\_\_\_\_ (the “**Seller Loan**”) for the purchase of the Phase Property, and a loan to Developer in the amount of \$\_\_\_\_\_ (the “**HACR Loan**”) for predevelopment expenses incurred for the Phase Project. The Seller Loan and HACR Loan are evidenced by a promissory note dated of even date herewith, which is secured by a deed of trust of even date herewith recorded against the Phase Property.

L. The Phase Property was initially purchased by the Former Agency as HACR’s predecessor-in-interest with bond proceeds deposited into the Low and Moderate Income Housing Fund (LMIHF) for affordable housing purposes. The covenants and restrictions set forth herein are given in consideration of the Seller Loan, the HACR Loan and the conditions imposed upon the use of LMIHF monies and affordable housing by applicable law.

M. HACR has agreed to convey the Phase Property to Developer and provide the Seller Loan and the HACR Loan to Developer on the condition that the Phase Project be maintained and operated in accordance with California Health and Safety Code (“**HSC**”) Sections 33334.2 et seq., and in accordance with additional restrictions concerning affordability, operation, and maintenance of the Phase Project, as specified in this Covenant Agreement.

N. In consideration of receipt of the conveyance of the Phase Property, the Seller Loan, the HACR Loan, deferred repayment terms and substantially below market rate interest on the Seller Loan and the HACR Loan, and other good and valuable consideration, the receipt of which is acknowledged by Developer, Developer has agreed to observe all the terms and conditions set forth herein.

O. To ensure that the Phase Property will be used and operated in accordance with all applicable conditions and restrictions, HACR and Developer wish to enter into this Covenant Agreement.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer, on behalf of itself and its successors, assigns, and each successor in interest to the Phase Property or any part thereof, and HACR agree as follows:

1. **Restrictions.**

a. Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Phase Property or any part thereof, that Developer, such successors and such assignees shall use the Phase Property only for the uses specified in the DDLA and this Covenant Agreement. No change in the use of the Phase Property shall be permitted without the prior written approval of HACR. The Improvements shall comply with all applicable requirements of the California Building Code, including, without limitation, all applicable sections regarding

comprehensive accessibility and adaptability requirements for multifamily new construction development.

b. Without limiting the generality of the foregoing, Developer, such successors and such assignees shall use the Phase Property for the development, construction and operation thereon of an eighty (80) unit multi-family affordable rental housing complex, forty nine percent (49%) or \_\_\_\_\_ Units of which (excluding any Manager Unit(s)) shall be occupied by or made available at an Affordable Rent to Extremely Low Income Households and Low Income Households (collectively, the “**Restricted Units**”). Of the Restricted Units, thirty percent (30%) or \_\_\_\_\_ Units shall be occupied by or made available at an Affordable Rent to Extremely Low Income Households. The required distribution of the Restricted Units by type, affordability mix and rent is set forth in Exhibit D attached hereto and incorporated herein by this reference.

c. The maximum incomes of Extremely Low Income Household and Low Income Household residential tenants eligible to rent the Restricted Units shall be determined on the basis of the area median income for the County of Riverside Standard Metropolitan Area as determined by the U.S. Department of Housing and Urban Development and published approximately annually by the California Department of Housing and Community Development (“**Area Median Income**”).

d. For purposes of this Agreement, the term “**Extremely Low Income Household**” shall mean a household whose Gross Income does not exceed the requirements set forth in HSC §50106 for the County of Riverside, adjusted for actual family size.

e. For purposes of this Agreement, the term “**Low Income Household**” shall mean a household whose Gross Income does not exceed sixty percent (60%) of Area Median Income, adjusted for actual family size.

f. “**Gross Income**” shall be calculated in accordance with Title 25, § 6914 of the California Code of Regulations

g. The maximum monthly Affordable Rent for an Extremely Low Income Household, including a reasonable utility allowance for utilities and services (excluding telephone), that may be charged to tenants of the Restricted Units, shall not exceed one-twelfth (1/12) times the product of thirty percent (30%) times thirty percent (30%) of the Area Median Income, adjusted for family size appropriate for the Restricted Unit.

h. The maximum monthly Affordable Rent for a Low Income household, including a reasonable utility allowance for utilities and services (excluding telephone), that may be charged to tenants of the Restricted Units, shall not exceed one-twelfth (1/12) times the product of thirty percent (30%) times sixty percent (60%) of the Area Median Income, adjusted for family size appropriate for the Restricted Unit.

i. For purposes of calculating Affordable Rent, “adjusted for family size appropriate for the Restricted Unit” shall mean the number of bedrooms in the Unit plus one; or, if permitted in accordance with the HSC, the number of bedrooms in the Unit multiplied by 1.5.

j. HACR, and its successors and assigns, shall have the right, but not the obligation, to monitor and enforce the covenants contained in this section 1.

k. To the extent permitted by law, Section 42 of the Internal Revenue Code and TCAC, this Paragraph shall govern in the event of increases in tenant incomes: (a) A tenant who initially qualified as an Extremely Low Income Household, but who, due to an increase in income, no longer qualifies as an Extremely Low Income Household but does qualify as a Low Income Household, shall pay as rent an amount that does not exceed affordable rent to a Low Income Household, as permitted hereby; (b) a tenant whose Gross Income exceeds that permitted for a Low Income Household but does not exceed 80% of Area Median Income, shall pay as rent in an amount not to exceed 30% of 70% of Area Median Income; (d) if a household's income increases to above 80% of Area Median Income, but is less than 120% of Area Median Income, the household may be required to pay 30% of 110% of Area Median Income; and (e) if a household's income increases to above 120% of Area Median Income, the household may be required to pay market rate rent for the unit, to the extent permitted by applicable law.

l. Except for one or more resident manager(s), no officer, employee, agent, official or consultant of Developer may occupy any of the units.

m. Units in the Phase Project that are not Restricted Units shall be occupied by households whose Gross Income does not exceed that permitted for a Moderate Income Household at a monthly rent not to exceed one-twelfth (1/12) times the product of thirty percent (30%) times one hundred ten percent (110%) of the Area Median Income, adjusted for family size appropriate for the unit. For purposes hereof, "**Moderate Income Household**" means a Household whose Gross Income does not exceed one hundred twenty percent (120%) of Area Median Income, adjusted for actual family size. Prior to leasing a Unit and annually thereafter, Developer, at its sole expense, shall cause the Property Manager to certify the eligibility of the Moderate Income Household tenant consistent with the income certification procedures for Restricted Units set forth in Section 19.d.

n. Failure to comply with the requirements of this Agreement is an event of default under the terms of the DDLA.

o. Except for the non-discrimination provisions set forth below, which shall remain in effect in perpetuity, this Agreement and the use and occupancy restrictions set forth herein shall remain in effect for a period of fifty-five (55) years from the issuance of a Certificate of Occupancy for the last building built in the Phase Project ("**Term**" or "**Affordability Period**"). Without regard to a transfer, for the duration of the term set forth herein, the Phase Property shall be held, sold and conveyed, subject to the covenants, conditions, and restrictions of the Phase Project set forth herein

p. Developer shall comply with the terms of the DDLA and related Agreements to the extent applicable to the Phase Project and any other instrument secured by the Property.

q. Notwithstanding anything to the contrary contained herein, if the Phase Project qualifies for low income housing tax credits, Developer shall at all times comply with the rent restrictions and affordability requirements set forth in Section 42 of the Internal Revenue Code



of 1986, as amended and any statutes, regulations of TCAC. In the event of a conflict between the rent and affordability requirements required by TCAC and this Covenant, Developer shall comply with the most restrictive covenant.

2. **Structural Modifications.** In order to protect and maintain the architectural and structural integrity of the Phase Property, no structural modification will be made to the Phase Property without a validly issued building permit in accordance with the requirements of the County of Riverside Ordinances. Any application for a building permit pursuant to this section and in connection with a proposed exterior modification to the Phase Property shall be accompanied by elevations and plans depicting the proposed modifications.

3. **Maintenance of the Property.** Developer, on behalf of itself and its successors, assigns, and each successor in interest to the Phase Property and Phase Project or any part thereof hereby covenants to and shall protect, maintain, and preserve the Phase Property in compliance with all applicable federal and state law and regulations and local ordinances. In addition, Developer, its successors and assigns, shall maintain the improvements on the Phase Property in the same aesthetic and sound condition (or better) as the condition of the Phase Property at the time of the issuance of a Certificate of Occupancy for the Phase Project, reasonable wear and tear excepted. This standard for the quality of maintenance of the Phase Property shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and within a reasonable period of time repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash receptacles and removal of litter; on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as reasonably necessary; cleaning windows on a regular basis; painting the buildings on a regular program and prior to the significant deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices in good working order. In the event Developer, its successor or assign fails to maintain the Phase Property in accordance with the standard for the quality of maintenance, HACR or its designee shall have the right but not the obligation to enter the Phase Property upon reasonable notice to Developer, correct any violation, and hold Developer, or such successors or assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property; provided, however, any such liens shall be subject and subordinate to the deed of trust in favor of any senior Lender.

4. **Nondiscrimination.** Developer shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age or disability in the solicitation, selection, hiring or treatment of any contractors or consultants, to participate in subcontracting/subconsulting opportunities. Developer understands and agrees that violation of this clause shall be considered a material breach of this Covenant Agreement and may result in termination, debarment or other sanctions. This language shall be incorporated into all contracts between Developer and any contractor, consultant, subcontractor, subconsultants, vendors and suppliers. Developer shall comply with the provisions of the California Fair Employment and Housing Act (Government Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended, and all Administrative Rules and Regulations issued pursuant to said acts and orders with respect to its use of the Property.

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

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

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

In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

In contracts: "There shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in

the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the land.”

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

5. **Development of the Property.** Developer covenants and agrees for itself, its successors and assigns and every successor in Developer’s interest in the Phase Property or any part thereof, that Developer, its successors and assigns, shall develop and construct, or cause the development and construction, of the Improvements on the Phase Property in accordance with the provisions of the DDLA, including, but not limited to the Entitlements for the Phase Property, the Scope of Development (Attachment No. 6 to the DDLA), and all applicable Governmental Approvals.

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

7. **Insurance.** Without limiting or diminishing Developer’s obligation to indemnify or hold HACR harmless, Developer shall procure and maintain or cause to be maintained, at its sole cost and expense, insurance meeting the requirements set forth in the DDLA.

8. **Hold Harmless/Indemnification.** Developer shall indemnify and hold harmless HACR, the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, governing Boards, 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 actions or failure to act of Developer, its officers, employees, subcontractors, agents or representatives, arising out of, in connection with or in any way relating to this Covenant Agreement, including but not limited to property damage, bodily injury, or death or any other claim or injury of any kind or nature whatsoever, except in the event of the gross negligence or willful misconduct of an Indemnatee; provided however, any gross negligence or willful misconduct of an Indemnatee will only affect Developer’s duty to indemnify

for the specific act found to be gross negligence or willful misconduct, and will not preclude Developer's duty to indemnify for any act or omission of Developer as required herein. Developer shall defend the Indemnitees against any claim or action based upon such alleged acts or omissions, at Developer's sole expense, including all costs and fees including, but not limited, to attorneys' fees and costs, cost of investigation, defense and settlements or awards. With respect to any action or claim subject to indemnification herein by Developer, Developer shall, at its sole cost, have the right to use counsel of its own choice to adjust, settle, or compromise any such action or claim without the prior consent of Indemnitees; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Developer's indemnification to Indemnitees as set forth herein. Developer's obligation hereunder shall be satisfied when Developer has provided to HACR the appropriate form of dismissal relieving Indemnitees from any liability for the action or claim involved. The specified insurance limits required in this Agreement shall in no way limit or circumscribe Developer's obligations to indemnify and hold harmless 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 the Developer from indemnifying the Indemnitees to the fullest extent allowed by law. The indemnity set forth herein shall survive the expiration or earlier termination of this Agreement.

9. **Notices.** All Notices provided for in this Agreement shall be deemed received when personally delivered, or two (2) days following mailing by certified mail, return receipt requested. All mailing shall be addressed to the respective parties at their addresses set forth below, or at such other address as each party may designate in writing and give to the other party:

If to HACR:                   Housing Authority of the County of Riverside  
5555 Arlington Avenue  
Riverside, CA 92504

If to Developer:           c/o CVHC Communities  
45-701 Monroe Street, Suite G  
Indio, CA 92201

10. **Remedies.** HACR shall have the right, in the event of any breach of any term or covenant of this Agreement, to exercise all available rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of such term or covenant.

11. **Term.** The non-discrimination covenants, conditions and restrictions contained in this Covenant Agreement shall remain in effect in perpetuity. Every other covenant, condition and restriction contained in this Covenant Agreement shall continue in full force and effect for the Affordability Period.

12. **Notice and Cure.** Prior to exercising any remedies hereunder, HACR shall give Developer notice of such default in accordance herewith. Any monetary default shall be cured within seven (7) business days of delivery of written notice. Except as otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within sixty (60) days of delivery of such notice of default, Developer shall have such period to effect a cure prior to exercise of

remedies by HACR. If the non-monetary default is such that it is not reasonably capable of being cured within sixty (60) days of delivery of such notice of default, and Developer (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Developer shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by HACR; but in no event no later than one hundred eighty (180) days from delivery of such notice of default, unless such date is extended in accordance with the DDLA.

HACR, upon providing Developer with any notice of default under this Agreement, shall at the same time provide a copy of such default notice to permitted lenders and any tax credit investor who have given written notice to HACR of its interest in the Phase Property and the Phase Project. From and after such notice has been delivered to the permitted lenders and tax credit investor, and such permitted lenders and tax credit investor shall have the same period for remedying the default complained of as the cure period provided to Developer pursuant to this Section. HACR shall accept performance by the permitted lenders and tax credit investor as if the same had been made by Developer.

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

13. **Sale, Assignment or Transfer of the Project or Property.** Except for a Permitted Transfer as provided in the DDLA, Developer hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the Phase Project, the Phase Property or any portion thereof, without obtaining the prior written consent of HACR, which shall be granted or withheld in its discretion. Any approved sale, assignment, or transfer of the Phase Project or Phase Property shall be memorialized in an assignment and assumption agreement, the form and substance of which has been first approved in writing by HACR in its discretion. Such assignment and assumption agreement shall, among other things, provide that the transferee has assumed in writing and in full, and is reasonably capable of performing and complying with, Developer’s duties and obligations under this Covenant Agreement; provided, however, Developer shall not be released of all obligations under this Agreement for any obligations which arose or were due to be performed prior to the date of such assignment.

14. **Amendments or Modifications.** This Agreement may only be amended or modified only by a written amendment signed by authorized representatives of both parties.

15. **Governing Law; Venue; Severability.** This Agreement shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Covenant Agreement shall be filed only in the Superior Court of the State of California located in

Riverside, California, and the parties waive any provision of law providing for a change of venue to another location. In the event any provision in this Covenant Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way

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

17. **Permitted Mortgages.** No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Covenant Agreement shall defeat or render invalid or in any way impair the lien or charge of any deed of trust or mortgage permitted by the DDLA or the lien or charge of a deed of trust made by the Developer for the benefit of any lender first approved in writing by HACR, to the extent such approval is required by the DDLA (each, a “**Permitted Lender**”) and nothing herein or in the DDLA shall prohibit or otherwise limit the exercise of a Permitted Lender’s rights and remedies thereunder, including a foreclosure or deed-in-lieu of foreclosure and subsequent transfer thereafter.

18. **Severability.** In the event that any provision, whether constituting a separate paragraph or whether contained in a paragraph with other provisions, is hereafter determined to be void and unenforceable, it shall be deemed separated and deleted from this Agreement and the remaining provisions of this Covenant Agreement shall remain in full force and effect.

19. **Operation of Project.**

a. **Project Monitoring and Evaluation; Tenant Checklist.** Developer shall submit a Tenant Checklist Form to HACR, substantially in the form of Exhibit B attached hereto and incorporated herein by this reference, may be revised by HACR from time to time, summarizing the racial/ethnic composition, number and percentage of households who are tenants of the Restricted Units. The Tenant Checklist Form shall be submitted upon Completion of the construction and thereafter, on a semi-annual basis on or before March 31 and September 30. In addition, Developer shall annually submit, on each April 1 after the issuance of a Certificate of Occupancy for the last building in the Phase, such other monitoring forms as reasonably requested by HACR.

Developer shall provide to HACR draft written lease agreements for tenants of the Phase for not less than one year. HACR shall review the initial form of the lease agreement prior to Developer executing any leases and, provided that Developer uses a lease form approved by HACR, Developer shall be permitted to enter into residential leases without HACR’s prior written consent. Any material changes to the written lease shall be approved in writing by HACR prior to any use by Developer.

b. **Prohibited Lease Terms.** The rental agreement/lease may not contain any of the following provisions:

(1) **Agreement to be sued.** Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of Developer in a lawsuit brought in connection with the lease.

(2) Treatment of property. Agreements by tenant that Developer may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. Developer may dispose of this personal property in accordance with State law.

(3) Excusing Developer from responsibility. Agreement by the tenant not to hold Developer or Developer's agents legally responsible for any action or failure to act, whether intentional or negligent.

(4) Waiver of notice. Agreement of the tenant that Developer may institute a lawsuit without notice to the tenant.

(5) Waiver of legal proceeding. Agreement by the tenant that the Developer may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.

(6) Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury.

(7) Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.

(8) Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorneys' fees or other legal costs even if the tenant wins in a court proceeding by Developer against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

(9) Mandatory supportive services. Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.

c. Written Selection Policies. Developer shall adopt written selection policies and criteria that meet the following requirements, and are approved in writing by HACR prior to entering into any lease for the Phase Project, which selection policies shall be subject to all applicable laws, including Section 42 of the Internal Revenue Code:

(1) Are consistent with the purpose of providing housing for Extremely Low Income Households and Low Income Households.

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

(3) Provide for:

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

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

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

(5) Carry out the affirmative marketing procedures of HACR, to provide information and otherwise attract eligible persons from all racial, ethnic and gender groups in the housing market area. Developer and HACR shall cooperate to effectuate this provision during the Developer's initial lease-up of the Restricted Units and as vacancies occur.

d. **Income Requirements and Certification.** Prior to leasing a Restricted Unit and annually thereafter, Developer, at its sole expense, shall cause the Property Manager to certify the eligibility of each tenant applicant as an Extremely Low Income Household or Low Income Household. The Developer shall complete such certification on forms as may be reasonably required by HACR (which may include provision to HACR of any reporting forms required by California Tax Credit Allocation Committee (CTCAC)). Gross income calculations for prospective (and continuing) tenants shall be determined in accordance herewith and with applicable state law. Developer shall cause the Property Manager to submit such income certification, verification and such additional information as may reasonably be required in the future by HACR or CTCAC. Such supporting documentation shall include, for each member of the household eighteen (18) years old or older, copies of documentation and verification procedures as required by Section IV of CTCAC's Compliance Online Reference Manual, as may be amended from time to time by CTCAC and currently located at - <https://www.treasurer.ca.gov/ctcac/compliance/manual/manual.pdf>. Developer and HACR agree and acknowledge that HACR may require such additional information, if any, required to comply with applicable California law regarding affordable housing.

e. **Submission of Audited Financial Statements.** Developer shall prepare and obtain an audited annual financial statement for the Phase Project for each calendar year (the "Annual Audited Financial Statements") ending after Completion of such Phase Project. By no later than the April 1st following the year in which final certificate of occupancy for the Phase Project is issued, Developer shall submit such Annual Audited Financial Statements to HACR for the immediately preceding calendar year. Thereafter, by no later than each April 1st, Developer shall submit Annual Audited Financial Statements to HACR for the immediately preceding year in accordance with Section 6.1 of the DDLA.

20. **Agreement Runs with Property.** In accordance with California Civil Code Section 1461 et seq., all conditions, covenants and restrictions contained in this Agreement shall be covenants running with the land. HACR shall be deemed the beneficiary of the covenants, conditions and restrictions of this Agreement both for and in their own rights and for the purposes of protecting the interests of the community. The covenants, conditions, and restrictions shall run in favor of HACR, without regard to whether HACR has been, remains, or is an owner of any land or interest therein in the Phase Property, surrounding areas or the Project Area.



21. **Access to Project.** Representatives of HACR shall have the right of access to the Phase Property, upon twenty four (24) hours' prior written notice to Developer (except in the case of an emergency, in which HACR shall provide such notice as may be practical under the circumstances), without charges or fees, during normal business hours to review the operation of the Project in accordance with this Agreement subject to the rights of tenants under individual tenant leases.

22. **Management.** Developer shall be responsible for the operation of the Phase Project either by direct management or by contracting its managerial functions to a third party property manager reasonably acceptable to HACR. The property manager will be charged with managing the Phase Project on behalf of the Developer. HACR shall have the right to review and approve, which approval shall not be unreasonably withheld, conditioned or delayed any such entity prior to its selection by the Developer. Developer shall include in any such property management agreement a provision providing for the termination of the agreement in the event that the property manager violates any federal, state or local health and safety laws and regulations which are not cured within thirty (30) days following the giving of notice of such violations by HACR or any other governmental entity; provided, however, that in the case of a violation that cannot be cured within such thirty (30) day period, that such cure shall be commenced within thirty (30) days of notification and shall be diligently prosecuted to completion not later than sixty (60) days after notification. Developer, its successors and assigns, upon notice from HACR, shall pay any costs and fees (including administrative and attorneys' fees) incurred by HACR in connection with responding to or defending any discrimination claim brought by any third party and/or local, state or federal government entity, arising out of or in connection with the Permitted Financing Purposes and/or this Agreement.

23. **Compliance with Applicable Laws.** Developer shall carry out the design, construction and operation of the Project in conformity with all applicable federal, state and local laws, ordinances, statutes, codes, rules, resolutions, regulations, policy statements, orders, and decrees including without limitation, all applicable labor and employment laws and standards, laws regarding hazardous substances, laws regarding the acceptance or rejection of tenants and/or the termination of any tenancy, zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the Code of Ordinances of Riverside County, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. § 12101, *et seq.*, as currently exists or as may be amended from time to time, Government Code § 4450, *et seq.*, as currently exists or as may be amended from time to time, Government Code § 11135, *et seq.*, as currently exists or as may be amended from time to time, and the California Building Standards Code, Health and Safety Code § 18900, *et seq.* as currently exists or as may be amended from time to time.

24. **Recitals.** The Recitals are a substantive part of this Agreement and are incorporated herein by this reference.

25. **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.

26. **Entire Agreement.** This Covenant Agreement, the DDLA, and the remainder of the Seller Loan Documents set forth and contain the entire understanding and agreement of the parties hereto with respect to the subject matter hereof. There are no oral or written representations, understandings, or ancillary covenants, undertakings or agreements, which are not contained or expressly referred to within the Seller Loan Documents.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, HACR and Developer have signed this Agreement as of the dates set opposite their signatures.

**HACR:**

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic

By: Exhibit – Do Not Sign  
Heidi Marshall, Executive Director

Date: \_\_\_\_\_

**DEVELOPER:**

\_\_\_\_\_,  
a California limited partnership

By: Exhibit – Do Not Sign  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
COUNTY COUNSEL

By: Exhibit – Do Not Sign  
Deputy County Counsel

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, 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

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, 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  
LEGAL DESCRIPTION

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

[to come]

**Exhibit “B”**  
**Tenant Checklist**  
[attached]





## EXHIBIT C

### SCHEDULE OF AFFORDABLE RENTS

Type of Units		Maximum Income	Maximum Monthly Affordable Rent
_____	_____ Bedroom	Extremely Low Income Household	1/12 of 30% X 30% of AMI (less utility allowances)
_____	_____ Bedroom	Low Income Household	1/12 of 30% X 60% of AMI (less utility allowances)
_____	_____ Bedroom	Moderate Income Household	1/12 of 30% of 110% of AMI (less utility allowance)

**ATTACHMENT NO. 12**  
**REQUEST FOR NOTICE**

**[attached]**

Recording Requested By:  
RIVERSIDE COUNTY

EXEMPT RECORDING FEE GOVERNMENT CODE SECTION 27383

AND WHEN RECORDED MAIL TO  
Housing Authority of the County  
of Riverside  
5555 Arlington Avenue  
Riverside, CA 92504  
Attn: \_\_\_\_\_

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

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

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A"

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

All notices to be mailed to: Attn: \_\_\_\_\_, \_\_\_\_\_, 5555 Arlington Avenue, Riverside, California 92504

Request is hereby made that a copy of any notice of default and a copy of any notice of sale under the deed of trust

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

Dated \_\_\_\_\_

COUNTY OF RIVERSIDE

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

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

On \_\_\_\_\_ before  
me, \_\_\_\_\_ a

(This area for official notarial seal)

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

\_\_\_\_\_

\_\_\_\_\_

**ATTACHMENT NO. 13**  
**AGREEMENT CONTAINING COVENANTS**  
**(COMMERCIAL PROPERTY)**

**[attached]**

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

Recording Requested by and When  
Recorded Return to:

HOUSING AUTHORITY OF THE  
COUNTY OF RIVERSIDE  
5555 Arlington Avenue  
Riverside, California 92504  
Attn: Deputy Director

---

Space above this line for Recorder's use only

AGREEMENT CONTAINING COVENANTS  
(COMMERCIAL PROPERTY)

THIS AGREEMENT CONTAINING COVENANTS (COMMERCIAL PROPERTY) (this "**Covenant Agreement**" or "**Agreement**") is entered into as of \_\_\_\_\_, 20\_\_, by and between the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body, corporate and politic (herein referred to as "**HACR**"), as successor-in-interest to the former Redevelopment Agency for the County of Riverside, a public body, corporate and politic ("**Former Agency**") and \_\_\_\_\_, a California limited partnership (herein referred to as "**Developer**"). HACR and Developer are individually referred to herein as a "Party" and collectively as "Parties."

RECITALS

A. HACR was established by action of the Board of Supervisors of the County of Riverside on November 23, 1942, pursuant to the California Housing Authorities Law (Health and Safety Code §§ 34200, et seq., the "**Housing Authority Law**"), and constitutes a corporate and politic public body, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out the purposes and provisions of the Housing Authority Law.

B. The former Redevelopment Agency of the County of Riverside ("**Former Agency**") purchased certain real property located in the County of Riverside, State of California with proceeds from tax exempt bonds deposited into the low and moderate income housing fund.

C. California redevelopment agencies were dissolved on February 1, 2012 such that the Former Agency is now deemed a former redevelopment agency under Health and Safety Code section 34173 and AB x1 26, as modified by Assembly Bill No. 1484 (as modified to date, the "**Dissolution Law**"), which 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**").

D. Pursuant to CRL § 34176 (a), and HACR Resolution Nos. 2012-035, 2012-001 and 2012-005, all housing functions previously performed by the Former Agency, including related rights, powers, duties, obligations, and housing assets (excluding unencumbered amounts in the Low and Moderate Income Housing Fund and enforceable obligations retained by the non-housing successor agency under the Dissolution Law) were transferred to HACR, making HACR the “**Housing Successor**” to the Former Agency under the Dissolution Law.

E. HACR, in its capacity as Housing Successor, acquired certain additional real property in the County of Riverside, State of California for affordable housing purposes.

F. In furtherance of the affordable housing goals and objectives of the HACR, HACR and Coachella Valley Housing Coalition, a California nonprofit public benefit corporation (“**CVHC**”) entered into that certain Disposition, Development and Loan Agreement (Oasis Villas Affordable Housing Project) (“**DDLA**”) dated as of June 15, 2021, relating to, among other things, the sale of certain property by HACR to CVHC, or its assigns, and the construction and development thereon of a total of approximately one hundred sixty (160) apartment units affordable to Extremely Low Income Households and Low Income Households and Moderate Income Households in a multifamily affordable rental housing development, with related infrastructure and an adjacent commercial development providing necessary services to the occupants of the housing development, as more specifically described in the DDLA (“**Proposed Project**”). The Proposed Project is permitted to be built in up to three (3) phases. The term “**DDLA**” as used herein shall mean, refer to and include the DDLA, as well as any riders, exhibits, addenda, implementation agreements, amendments and attachments thereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in the DDLA. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the DDLA.

G. Pursuant to the DDLA, each phase of the Project is to be separately financed and owned by a permitted transferee of CVHC. Developer constitutes a “Permitted Transferee” under the DDLA and has assumed the obligations of CVHC under the DDLA with respect to the Phase Property (as hereinafter defined). As a result, Developer holds fee title interest to that certain real property located in the County of Riverside, State of California, legally described in the “**Legal Description**” attached hereto as **Exhibit A** (the “**Phase Property**”), incorporated herein by this reference.

H. In connection with CVHC’s affordable housing and other obligations under the DDLA, Developer has agreed to construct general retail and commercial businesses on the Phase Property that will provide services to residents of the affordable housing project, including a childcare facility, market, general retail, medical clinic, or other service business(es) reasonably approved by HACR (collectively, the “**Improvements**”) on the Phase Property (the “**Phase Project**”).

I. In consideration of receipt of the conveyance of the Phase Property as a component of an affordable housing project, the use of the proceeds of the Purchase Price for the Phase Property as a loan to the affordable housing project, and other good and valuable consideration, the receipt of which is acknowledged by Developer, Developer, on behalf of itself and all successors and assigns thereof, has agreed to observe all the terms and conditions set forth herein. The

conditions, covenants and restrictions contained within this Agreement are intended to apply to Developer and all of its successors and assigns to the fee ownership of the Phase Property.

J. To ensure that the Phase Property will be used and operated in accordance with all applicable conditions and restrictions, HACR and Developer wish to enter into this Covenant Agreement.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer, on behalf of itself and its successors, assigns, and each successor in interest to the Phase Property or any part thereof, and HACR agree as follows:

1. **Development, Use and Restricted Uses.**

a. Developer covenants and agrees for itself, its successors and assigns and every successor in Developer's interest in the Phase Property or any part thereof, that Developer, its successors and assigns, shall develop and construct, or cause the development and construction, of the Improvements on the Phase Property in accordance with the provisions of the DDLA and this Covenant Agreement, including, but not limited to the Entitlements for the Phase Property, the Scope of Development (Attachment No. 6 to the DDLA), and all applicable Governmental Approvals.

b. No change in the use of the Phase Property shall be permitted without the prior written approval of HACR. The Improvements shall be constructed in accordance with, and, after completion, comply with, all applicable Governmental Requirements, including, without limitation, all applicable sections of the California Building Code regarding comprehensive accessibility.

c. Without limiting the generality of the foregoing, Developer agrees to use the Phase Property for the development, construction and operation thereon of general retail and commercial businesses on the Phase Property that will provide services to residents of the affordable housing project, including a childcare facility, market, general retail, medical clinic, or other service business(es) reasonably approved by HACR.

d. HACR, and its successors and assigns, shall have the right, but not the obligation, to monitor and enforce the covenants contained in this section 1.

e. All development, construction and use of the Phase Property shall comply with all applicable provisions of the County of Riverside Ordinances ("**Code**").

f. Developer covenants and agrees that no portion of the Phase Property shall be used for any of the following purposes:

- (i) outdoor kiosks or newsstands;



- (ii) the operation of any private or commercial golf course, country club, massage parlor, hot tub facility, or suntan facility, any race track or other facility used for gambling, any store the principal business of which is the sale of alcoholic beverages for consumption off premises, or any check cashing store;
- (iii) the development or holding of intangibles for sale or license;
- (iv) farming (within the meaning of Section 2032A(e)(5)(A) or (B) of the Internal Revenue Code);
- (v) the operation of any bank, credit union or other financial institution;
- (vi) any type of sexually oriented business, adult entertainment or adult bookstore; including but not limited to any facility selling or displaying adult or pornographic books, literature, videotapes or materials in any medium, or any facility providing adult entertainment or other adult services (for purposes of this limitation, materials or activities shall be considered “adult” or “pornographic” if the same are not available for sale or rental to children under the age of eighteen (18) years old because they explicitly deal with or depict human sexuality);
- (vii) escort services, dating services, or similar matchmaking or companion services;
- (viii) without limitation of (ii) above, bingo or similar games of chance;
- (ix) the sale of any firearms, ammunition or weapons, or a shooting gallery of any type;
- (x) the sale of fireworks, except as an incidental part of another primary business;
- (xi) pay day lending activities, pay day advances, pay check advances, or any similar type of lending activity;
- (xii) pawn shops, pawn brokers, car title lender (which, for purposes of this limitation, will not include auto loans made by a state or federally chartered bank or thrift), or any similar type of lending activity;
- (xiii) check cashing services, except as an incidental part of another primary business or incident to the banking activities of a state or federally chartered bank or thrift;
- (xiv) debt collection activities, debt consolidation services, credit repair or credit restoration activities, except as such activities are incidental to banking activities conducted by a state or Federally chartered bank or thrift;
- (xv) bail bond services of any kind, or any activities of a bail bond agent;
- (xvi) the sale, distribution, marketing, or production of marijuana, cannabis or any constituent cannabinoids such as THC (this limitation applies broadly, regardless of whether the activity is conducted by collectives, collective caregivers, co-ops, growers, or any other entity or organization.);
- (xvii) the sale, distribution, or manufacture of any type of drug paraphernalia;

- (xviii) tattoo parlors or any establishment that performs tattooing;
- (xix) a bar, restaurant or other establishment (other than a restaurant or café deriving at least 80% of its income from the sale of food and non-alcoholic beverages may operate in the Project and serve alcohol provided that the restaurant, and not the commercial tenant, is the applicant for any required liquor license);
- (xx) businesses based predominantly on inbound or outbound telemarketing activities, except as such calls are an incidental part of another primary business;
- (xxi) video game or amusement arcade;
- (xxii) multi-level marketing activities, the sale of multi-level business opportunities or network marketing activities;
- (xxiii) any manufacturing, distilling, refining, smelting, agricultural or mining operation;
- (xxiv) any dumping, disposing, incineration or reduction of garbage,
- (xxv) any bowling alley or skating rink;
- (xxvi) any mortuary or funeral home;
- (xxvii) any auto repair facility, an automobile parts store or other automobile-related retail establishment;
- (xxviii) any convenience store;
- (xxix) any on-premises dry cleaner;
- (xxx) any business which produces environmental hazards regulated under applicable environmental laws;
- (xxxi) any parole, juvenile detention or similar service;
- (xxxii) neon signage;
- (xxxiii) billboards;
- (xxxiv) agri-waste mulchers; or
- (xxxv) recycling center, transfer station, or carwash.

g. Developer shall not maintain, cause to be maintained, or allow to be maintained on or about the Phase Property any public or private nuisance, including without limitation, the conduct of criminal activities set forth in the nuisance abatement provisions of the Uniform Controlled Substances Act (Health & Safety Code Sections 11570, et seq.) or the Street Terrorism Enforcement and Prevention Act (Penal Code Sections 186.22 et seq.) or any successor statute or law.

h. Failure to comply with the requirements of this Agreement is an event of default under the terms of the DDLA.

i. Except for the non-discrimination provisions set forth below, which shall remain in effect in perpetuity, this Agreement and the use restrictions set forth herein shall remain in effect for a period of fifty-five (55) years from the issuance of a Certificate of Occupancy for the last building built in the Phase Project (“**Term**”). Without regard to a transfer, for the duration of

the term set forth herein, the Phase Property shall be held, sold and conveyed, subject to the covenants, conditions, and restrictions of the Phase Project set forth herein.

j. Developer shall comply with the terms of the DDLA and related Attachments to the extent applicable to the Phase Project and any other instrument secured by the Property.

2. **Structural Modifications.** In order to protect and maintain the architectural and structural integrity of the Phase Property, no structural modification will be made to the Phase Property without a validly issued building permit in accordance with the requirements of the Code. Any application for a building permit pursuant to this section and in connection with a proposed exterior modification to the Phase Property shall be accompanied by elevations and plans depicting the proposed modifications.

3. **Maintenance of the Property.** Developer, on behalf of itself and its successors, assigns, and each successor in interest to the Phase Property and the Phase Project or any part thereof hereby covenants to and shall protect, maintain, and preserve the Phase Property in compliance with all applicable federal and state law and regulations and local ordinances. In addition, Developer, its successors and assigns, shall maintain the improvements on the Phase Property in the same aesthetic and sound condition (or better) as the condition of the Phase Property at the time of the issuance of a Certificate of Occupancy for the Phase Project, reasonable wear and tear excepted. This standard for the quality of maintenance of the Phase Property shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and within a reasonable period of time repainting or repair or replacement of all surfaces, fencing, walls, equipment, etc., as necessary; emptying of trash receptacles and removal of litter; on-site walks and paved areas and washing-down as necessary to maintain clean surfaces; maintenance of all landscaping in a healthy and attractive condition, including trimming, fertilizing and replacing vegetation as reasonably necessary; cleaning windows on a regular basis; painting the buildings on a regular program and prior to the significant deterioration of the painted surfaces; conducting a roof inspection on a regular basis and maintaining the roof in a leak-free and weather-tight condition; maintaining security devices in good working order. In the event Developer, its successor or assign fails to maintain the Phase Property in accordance with the standard for the quality of maintenance, HACR or its designee shall have the right but not the obligation to enter the Phase Property upon reasonable notice to Developer, correct any violation, and hold Developer, or such successors or assigns responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property; provided, however, any such liens shall be subject and subordinate to the deed of trust in favor of any Lender.

4. **Nondiscrimination.** Developer shall not discriminate on the basis of race, gender, religion, national origin, ethnicity, sexual orientation, age or disability in the solicitation, selection, hiring or treatment of any contractors or consultants, to participate in subcontracting/subconsulting opportunities. Developer understands and agrees that violation of this clause shall be considered a material breach of this Covenant Agreement and may result in termination, debarment or other sanctions. This language shall be incorporated into all contracts between Developer and any contractor, consultant, subcontractor, subconsultants, vendors and suppliers. Developer shall comply with the provisions of the California Fair Employment and Housing Act (Government

Code Sections 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended, and all Administrative Rules and Regulations issued pursuant to said acts and orders with respect to its use of the Property.

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

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

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

In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

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

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

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

6. **Insurance.** Without limiting or diminishing Developer’s obligation to indemnify or hold HACR harmless, Developer shall procure and maintain or cause to be maintained, at its sole cost and expense, insurance meeting the requirements set forth in the DDLA.

7. **Hold Harmless/Indemnification.** Developer shall indemnify and hold harmless HACR, the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, governing Boards, 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 actions or failure to act of Developer, its officers, employees, subcontractors, agents or representatives, arising out of, in connection with or in any way relating to this Covenant Agreement, including but not limited to property damage, bodily injury, or death or any other claim or injury of any kind or nature whatsoever, except in the event of the gross negligence or willful misconduct of an Indemnitee; provided however, any gross negligence or willful misconduct of an Indemnitee will only affect Developer’s duty to indemnify for the specific act found to be gross negligence or willful misconduct, and will not preclude Developer’s duty to indemnify for any act or omission of Developer as required herein. Developer shall defend the Indemnitees against any claim or action based upon such alleged acts or omissions, at Developer’s sole expense, including all costs and fees including, but not limited, to

attorneys' fees and costs, cost of investigation, defense and settlements or awards. With respect to any action or claim subject to indemnification herein by Developer, Developer shall, at its sole cost, have the right to use counsel of its own choice to adjust, settle, or compromise any such action or claim without the prior consent of Indemnitees; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Developer's indemnification to Indemnitees as set forth herein. Developer's obligation hereunder shall be satisfied when Developer has provided to HACR the appropriate form of dismissal relieving Indemnitees from any liability for the action or claim involved. The specified insurance limits required in this Agreement shall in no way limit or circumscribe Developer's obligations to indemnify and hold harmless 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 the Developer from indemnifying the Indemnitees to the fullest extent allowed by law. The indemnity set forth herein shall survive the expiration or earlier termination of this Agreement.

8. **Notices.** All Notices provided for in this Agreement shall be deemed received when personally delivered, or two (2) days following mailing by certified mail, return receipt requested. All mailing shall be addressed to the respective parties at their addresses set forth below, or at such other address as each party may designate in writing and give to the other party:

If to HACR:                   Housing Authority of the County of Riverside  
5555 Arlington Avenue  
Riverside, CA 92504

If to Developer:           c/o CVHC Communities  
45-701 Monroe Street, Suite G  
Indio, CA 92201

9. **Remedies.** HACR shall have the right, in the event of any breach of any term or covenant of this Agreement, to exercise all available rights and remedies, and to maintain any actions at law or suit in equity or other proper proceedings to enforce the curing of such breach of such term or covenant.

10. **Term.** The non-discrimination covenants, conditions and restrictions contained in this Covenant Agreement shall remain in effect in perpetuity. Every other covenant, condition and restriction contained in this Covenant Agreement shall continue in full force and effect for the Term.

11. **Notice and Cure.** Prior to exercising any remedies hereunder, HACR shall give Developer notice of such default in accordance herewith. Any monetary default shall be cured within seven (7) business days of delivery of written notice. Except as otherwise set forth herein, if a non-monetary default is reasonably capable of being cured within sixty (60) days of delivery of such notice of default, Developer shall have such period to effect a cure prior to exercise of remedies by HACR. If the non-monetary default is such that it is not reasonably capable of being cured within sixty (60) days of delivery of such notice of default, and Developer (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Developer shall have such additional time as is reasonably

necessary to cure the default prior to exercise of any remedies by HACR; but in no event no later than one hundred eighty (180) days from delivery of such notice of default, unless such date is extended in accordance with the DDLA.

HACR, upon providing Developer with any notice of default under this Agreement, shall at the same time provide a copy of such default notice to permitted lenders and any tax credit investor who have given written notice to HACR of its interest in the Phase Property and the Phase Project. From and after such notice has been delivered to the permitted lenders and tax credit investor, and such permitted lenders and tax credit investor shall have the same period for remedying the default complained of as the cure period provided to Developer pursuant to this Section. HACR shall accept performance by the permitted lenders and tax credit investor as if the same had been made by Developer.

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

12. **Sale, Assignment or Transfer of the Project or Property.** Except for a Permitted Transfer as provided in the DDLA, Developer hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the Phase Project, the Phase Property or any portion thereof, without obtaining the prior written consent of HACR, which shall be granted or withheld in its discretion. Any approved sale, assignment, or transfer of the Phase Project or Phase Property shall be memorialized in an assignment and assumption agreement, the form and substance of which has been first approved in writing by HACR in its discretion. Such assignment and assumption agreement shall, among other things, provide that the transferee has assumed in writing and in full, and is reasonably capable of performing and complying with, Developer’s duties and obligations under this Covenant Agreement; provided, however, Developer shall not be released of all obligations under this Agreement for any obligations which arose or were due to be performed prior to the date of such assignment.

13. **Amendments or Modifications.** This Agreement may only be amended or modified only by a written amendment signed by authorized representatives of both parties.

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

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

16. **Permitted Mortgages.** No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Covenant Agreement shall defeat or render invalid or in any way impair the lien or charge of any deed of trust or mortgage permitted by the DDLA or the lien or charge of a deed of trust made by the Developer for the benefit of any lender first approved in writing by HACR, to the extent such approval is required by the DDLA (each, a “**Permitted Lender**”) and nothing herein or in the DDLA shall prohibit or otherwise limit the exercise of a Permitted Lender’s rights and remedies thereunder, including a foreclosure or deed-in-lieu of foreclosure and subsequent transfer thereafter.

17. **Severability.** In the event that any provision, whether constituting a separate paragraph or whether contained in a paragraph with other provisions, is hereafter determined to be void and unenforceable, it shall be deemed separated and deleted from this Agreement and the remaining provisions of this Covenant Agreement shall remain in full force and effect.

18. **Objectives of Project.** The Parties agree to use their best commercially reasonable efforts to carry out their respective obligations under the terms of this Agreement and to realize the objectives of the Phase Project consistent with the redevelopment and housing goals of the HACR. Accordingly, HACR and Developer agree to pursue the following objectives in good faith:

- (i) Assure that the Project is developed.
- (ii) Assure that the Project is consistent with the DDLA.

HACR’s participation in the foregoing objectives shall not be construed as prohibiting the HACR from carrying out any legally permissible redevelopment purpose consistent with HACR’s obligations as Housing Successor, including any redevelopment purpose that affects the Phase Project.

Developer understands its obligation to develop, construct and operate the Phase Project. The parties will cooperate in good faith to address any delays in the performance of either of their obligations that may be caused by circumstances that are not reasonably foreseeable as of the date hereof or are out of their direct control.

19. **Agreement Runs with Property.** In accordance with California Civil Code Section 1461 et seq., all conditions, covenants and restrictions contained in this Agreement shall be covenants running with the land. HACR shall be deemed the beneficiary of the covenants, conditions and restrictions of this Agreement both for and in their own rights and for the purposes of protecting the interests of the community. The covenants, conditions, and restrictions shall run in favor of HACR, without regard to whether HACR has been, remains, or is an owner of any land or interest therein in the Phase Property, surrounding areas or the Project Area.

20. **Access to Project.** Representatives of HACR shall have the right of access to the Phase Property, upon twenty four (24) hours’ prior written notice to Developer (except in the case of an emergency, in which HACR shall provide such notice as may be practical under the circumstances), without charges or fees, during normal business hours to review the operation of



the Project in accordance with this Agreement subject to the rights of tenants under individual tenant leases.

21. **Management.** Developer shall be responsible for the operation of the Phase Project either by direct management or by contracting its managerial functions to a third party property manager reasonably acceptable to HACR. The property manager will be charged with managing the Phase Project on behalf of the Developer. HACR shall have the right to review and approve, which approval shall not be unreasonably withheld, conditioned or delayed any such entity prior to its selection by the Developer. Developer shall include in any such property management agreement a provision providing for the termination of the agreement in the event that the property manager violates any federal, state or local health and safety laws and regulations which are not cured within thirty (30) days following the giving of notice of such violations by HACR or any other governmental entity; provided, however, that in the case of a violation that cannot be cured within such thirty (30) day period, that such cure shall be commenced within thirty (30) days of notification and shall be diligently prosecuted to completion not later than sixty (60) days after notification. Developer, its successors and assigns, upon notice from HACR, shall pay any costs and fees (including administrative and attorneys' fees) incurred by HACR in connection with responding to or defending any discrimination claim brought by any third party and/or local, state or federal government entity, arising out of or in connection with the Permitted Financing Purposes and/or this Agreement.

22. **Compliance with Applicable Laws.** Developer shall carry out the design, construction and operation of the Project in conformity with all applicable federal, state and local laws, ordinances, statutes, codes, rules, resolutions, regulations, policy statements, orders, and decrees including without limitation, all applicable labor and employment laws and standards, laws regarding hazardous substances, laws regarding the acceptance or rejection of tenants and/or the termination of any tenancy, zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the Code of Ordinances of Riverside County, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. § 12101, *et seq.*, as currently exists or as may be amended from time to time, Government Code § 4450, *et seq.*, as currently exists or as may be amended from time to time, Government Code § 11135, *et seq.*, as currently exists or as may be amended from time to time, and the California Building Standards Code, Health and Safety Code § 18900, *et seq.* as currently exists or as may be amended from time to time.

23. **Recitals.** The Recitals are a substantive part of this Agreement and are incorporated herein by this reference.

24. **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.

25. **Entire Agreement.** This Covenant Agreement and the DDLA contain the entire understanding and agreement of the parties hereto with respect to the subject matter hereof. There are no oral or written representations, understandings, or ancillary covenants, undertakings or agreements, which are not contained or expressly referred to within the Covenant Agreement and the DDLA.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, HACR and Developer have signed this Agreement as of the dates set opposite their signatures.

**HACR:**

HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic

By: Exhibit – Do Not Sign  
Heidi Marshall, Executive Director

Date: \_\_\_\_\_

**DEVELOPER:**

\_\_\_\_\_,  
a California limited partnership

By: Exhibit – Do Not Sign  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:  
COUNTY COUNSEL

By: Exhibit – Do Not Sign  
Deputy County Counsel

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, 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

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT**

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

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, 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  
LEGAL DESCRIPTION**

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

[to come]

**ATTACHMENT NO. 14**

**FORM OF PROMISSORY NOTE SECURED BY DEED OF TRUST**

**[attached]**

**PROMISSORY NOTE SECURED BY DEED OF TRUST**

\$ \_\_\_\_\_ (“**Loan Amount**”) \_\_\_\_\_, 20\_\_ (“**Note Date**”)

FOR VALUE RECEIVED, \_\_\_\_\_, a California limited partnership (“**Maker**”) hereby promises to pay to the order of the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic (“**Holder**” or “**Authority**”), at a place designated by Holder, the principal sum of \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) (“**Note Amount**”), plus accrued interest (as may be applicable under this Note), or such lesser amount which shall from time to time be owing hereunder pursuant to the terms hereof. The principal sum represents the amount due to Holder pursuant to the terms and conditions set forth in the DDLA (as defined below) pertaining to Maker’s acquisition and development of certain real property more specifically described in the Deed of Trust (as such term is defined below) (the “**Property**”) and development thereon of an affordable housing development consisting of \_\_\_\_\_ units and related appurtenances (the “**Phase Project**”).

Reference is also made to the following additional agreements and documents involving Maker and Holder and/or pertaining to the Site:

- i. Deed of Trust with Assignment of Rents and Rider Attached Hereto Containing Terms Including Security Agreement and Fixture Filing dated \_\_\_\_\_, 20\_\_ made by and among Maker as trustor, Holder as beneficiary, and \_\_\_\_\_ as trustee, and recorded in the Office of the Riverside County Recorder concurrently herewith (“**Deed of Trust**”). The Deed of Trust secures repayment of this Note.
- ii. Agreement Containing Covenants (Including Rental Restrictions) dated \_\_\_\_\_, 20\_\_ by and between Maker (as Owner) and Holder (as HACR) for the benefit of Holder, and recorded in the Office of the Riverside County Recorder concurrently herewith (“**Regulatory Agreement**”).
- iii. Disposition, Development and Loan Agreement (Oasis Villas Affordable Housing Project) dated June 15, 2021 by and between Holder (as HACR) and Coachella Valley Housing Coalition, a California nonprofit public benefit corporation (as amended to date and assumed by Maker, the “**DDLA**”).

All of the foregoing listed documents and this Note are referred to herein collectively as the “**Seller Loan Documents**” and individually as a “**Seller Loan Document.**” The Seller Loan Documents are incorporated herein as though fully set forth.

Except as otherwise provided herein, the defined terms used in this Note shall have the same meaning as set forth in the DDLA.



1. **Purpose of Loan.** The loan evidenced by this Note is a purchase money carry-back obligation for the sale of the Property to Maker plus any additional funds loaned to Maker by Holder in accordance with the DDLA (the “**Loan**”).

2. **Principal Amount, Interest.** The principal amount of this Loan shall be \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_). Interest shall accrue on the outstanding principal amount at three percent (3%) simple interest per annum. In the event of a default hereunder, outstanding amounts due hereunder shall bear interest at a default interest rate of ten percent (10%) per annum.

3. **Term of Note; Repayment.**

3.1 Maker shall be obligated to repay the principal amount of this Note and the accrued interest, without set off or deduction, by paying to Holder, on each April 1st in which there was positive Cash Flow (as defined below) for the calendar year, or portion thereof, ending on the immediately preceding December 31, Authority’s Proportional Share (as hereinafter defined) of that year’s Cash Flow (“**Annual Payments**”). The first such repayment under this Section 3.1 shall be due on the first April 1st following the issuance of the last certificate of occupancy for the Phase Project, and the last payment shall be due on April 1st fifty-five (55) years later (“**Maturity Date**”). Notwithstanding the foregoing, this Note shall be fully due and payable on the Maturity Date. “**Proportional Share**” shall mean the percentage of Cash Flow to which the Authority will be entitled hereunder which shall be equal to the percentage resulting from dividing the original principal balance of this Loan by the sum of the original principal balances of all loans made to Maker and payable from residual receipts, which in total shall not be less than fifty percent (50%) of Cash Flow.

The term “**Cash Flow**” shall mean for any calendar year the amount of Project Gross Income (as hereinafter defined) for such fiscal year less: (i) the Operating Expenses (as defined in the DDLA), (ii) any partnership management fees in an amount not to exceed \$50,000 increasing annually by the greater of 3% or the annual increase in tenant rents expressed as a percentage, (iii) any limited partner asset management fees in an amount not to exceed \$7,500 increasing annually by the greater of 3% or the annual increase in tenant rents expressed as a percentage, and (iv) any deferred developer fee in an amount not to exceed 60% of total developer fee. Maker shall annually, on or before April 1, commencing in the year after the Certificate of Occupancy is issued for the Phase Project, submit to Authority a calculation of cash flow and a calculation of Authority’s Proportional Share which shall provide the basis for Maker’s Annual Payment to Authority. Cash Flow shall be calculated on a modified accrual basis according to generally accepted accounting principles. The term “**Project Gross Income**” shall mean: (i) all rents and payments received by the Maker (from any source) from tenants and occupants for the use and occupancy of the Site and the Project, (ii) laundry income, (iii) income from concessionaires and licensees, and (iv) rent subsidies, if any, received by the Maker, but “**Project Gross Income**” shall not include any security deposits (unless and until such deposits have been forfeited by the tenants and are payable to the Maker), insurance or condemnation proceeds (except for loss rental claims), industry level operating reserves or deposits (not to exceed six (6) months of operating expenses plus debt expenses), interest on such reserve accounts (if added to funds on deposit in such accounts), capital improvements not funded from a

Project replacement reserve, capital contributions made to the Maker by the partners thereof, proceeds from the construction financing or other financing provided to Maker, including financing provided by any partner of Maker, or proceeds from the sale or refinancing of the Phase Project or Site.

3.2 Maker shall deliver audited financial statements for the preceding calendar year for the Phase Project on each April 1st following issuance of final certificate of occupancy for the Phase Project, as well as a calculation of Cash Flow for such year, certified as true and correct by an Officer of Maker. Upon Holder's request, Maker shall provide such additional information as Holder may reasonably request.

3.3 Any payments made by Maker in payment of this Note shall be applied in the following order: (i) first to any amounts due to Holder other than interest and principal; (ii) second, in payment of interest, if any, then accrued and due on the unpaid principal balance under this Note; and (iii) lastly, to reduction of the principal balance of this Note.

3.4 This Note may be prepaid in whole or in part at any time without penalty.

3.5 Maker shall have a one-time right to refinance the Permanent Loan upon written notice to Holder in accordance with the DDLA ("**Permitted Refinance**"). If Maker refinances all or part of the Phase Project other than a Permitted Refinance, any Net Refinancing Proceeds (as hereinafter defined) of that refinancing shall be payable to Holder no later than the recording of the refinancing and applied to the outstanding balance of the Loan. If Maker transfers all or part of the Project, the Property or the DDLA, any net proceeds of that transfer shall be payable to Holder no later than the date of close of escrow or other consummation of the transfer and applied to the outstanding principal and interest due on the Loan. If any casualty or condemnation occurs to the Phase Project prior to expiration of the fifteen year tax compliance period, Maker shall either rebuild the Phase Project or pay any net proceeds to Holder in accordance with the previous sentence. Notwithstanding the foregoing, Holder shall have the right to declare all amounts outstanding immediately due and payable in the event of a transfer other than a Permitted Transfer in accordance with the terms and conditions of the DDLA. The terms and conditions of the Regulatory Agreement shall survive any repayment of the Loan pursuant to this Section.

For purposes hereof, "**Net Refinancing Proceeds**" means the gross face amount of any loan obtained in connection with such refinancing, after: (a) payment of the actual, documented and reasonable expenses of such refinancing, including escrow fees, title policy expenses, legal expenses, survey fees, recording fees, commissions, or other usual and reasonable expenses of any such refinancing (provided, that no deduction shall be allowed for payments in connection with such refinancing which are in excess of the amounts that would be paid for the same or equivalent services in an arms' length transaction between unrelated parties acting reasonably); and (b) deduction of amounts repaid (excluding voluntary payments) in connection with the refinancing towards amounts outstanding under any financing senior to the Seller Loan Documents and (c) payment of developer fee.

**4. Default; Cross-Default; Acceleration.**

4.1 Default by Maker of this Note or of any of the Seller Loan Documents (subject to all applicable notice and cure periods), shall constitute a default of this Note and all of the Seller Loan Documents.

4.2 The entire outstanding principal balance of the Note, together with any outstanding interest and other amounts payable thereunder, shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Borrower:

(a) Upon the occurrence of any “Event of Default” as set forth below; or

(b) Except as permitted by the Seller Loan Documents, Maker sells or transfers the Phase Project or the Property, including, without limitation, lease, exchange or other disposition of the Property or any interest therein, whether voluntary or involuntary, except a sale or transfer which under federal law would not, by itself, permit Holder to exercise a due on sale or due on encumbrance clause, and except as permitted by the DDLA; or

(c) Except as permitted by (b) above, if Maker refinances the lien of the Deed of Trust or any lien or encumbrance to which the Deed of Trust is subordinate for a loan amount in excess of the then current loan balance secured by such lien or encumbrance, any Net Refinancing Proceeds shall be paid to Holder in an amount not to exceed any amounts due Holder under the Seller Loan Documents.

4.3 In the event Maker fails to perform hereunder or under any of the Seller Loan Documents, Maker shall be in default of this Note. Prior to exercising any of its remedies hereunder, Authority shall give Maker written notice of such default, and Maker shall thereafter have thirty (30) days to cure such default; provided, however, that if such default cannot be cured within the 30-day period, Maker shall not be in default provided Maker promptly commences to cure such matter and diligently prosecutes same to completion, provided that, in no event shall Maker have longer than one hundred eighty (180) calendar days to effect any cure, unless agreed to in accordance with the DDLA. If Maker cures a default under a Seller Loan Document within the cure period set forth in the applicable Seller Loan Documents, Maker shall be deemed to have also cured that default under this Note. If Maker does not cure a default under any of the Seller Loan Documents within the cure period set forth in the applicable Seller Loan Documents, an “**Event of Default**” shall be deemed to have occurred under all of the Seller Loan Documents and under this Note. In an Event of Default, Holder may, at its option declare this Note and the entire obligations hereby evidenced immediately due and payable, regardless of the date of maturity, and notice of the exercise of said option is hereby expressly waived by Maker.

**5. Collection Costs; Attorneys’ Fees.** If, because of any Event of Default under this Note or any of the Seller Loan Documents, any attorney is engaged by Holder to enforce or defend any provision of this instrument, whether or not suit is filed hereon, then Maker shall pay upon demand reasonable attorneys’ fees, expert witness fees and all costs so incurred by Holder together with interest thereon until paid at the applicable rate of interest payable hereunder, as if such fees and costs had been added to the principal owing hereunder.

6. **Waivers by Maker.** Maker and all endorsers, guarantors and persons liable or to become liable on this Note waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note.

7. **Severability.** The unenforceability or invalidity of any provision or provisions of this Note as to any persons or circumstances shall not render that provision or those provisions unenforceable or invalid as to any other provisions or circumstances, and all provisions hereof, in all other respects, shall remain valid and enforceable.

8. **Notices.** All notices, demands, requests, elections, approvals, disapprovals, consents or other communications given under this Note shall be in writing and shall be given by personal delivery, certified mail, return receipt requested, or overnight guaranteed delivery service and addressed as follows:

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

To Maker:                    c/o Coachella Valley Housing Coalition  
45-701 Monroe Street, Suite G  
Indio, CA 92201  
Attn: Executive Director

With copies to:           Gubb & Barshay LLP  
505 14<sup>th</sup> Street, Suite 450  
Oakland, CA 94612  
Attn: Nicole Kline, Esq.

Notices shall be effective upon the earlier of receipt or refusal of delivery. Each party shall promptly notify the other party of any change(s) of address to which notice shall be sent pursuant to this Note.

Notwithstanding anything to the contrary contained in this Note, Holder agrees that any cure of any default made or tendered by Maker's limited partner shall be deemed to be a cure by Maker and shall be accepted or rejected on the same basis as if made or tendered by Maker. Copies of all notices which are sent to Maker shall also be sent to Maker's limited partner as specified above.

9. **Modifications.** Neither this Note nor any term hereof may be waived, amended, discharged, modified, changed or terminated orally; nor shall any waiver of any provision hereof be effective except by an instrument in writing signed by Maker and Holder. No delay or omission on the part of Holder in exercising any right hereunder shall operate as a waiver of such right or of any other right under this Note.

10. **No Waiver by Holder.** No waiver of any breach, default or failure of condition under the terms of this Note shall be implied from any failure of the Holder of this Note to take, or any delay be implied from any failure by the Holder in taking action with respect to such breach, default or failure from any prior waiver of any similar or unrelated breach, default or failure.

11. **Usury.** Notwithstanding any provision in this Note, the total liability for payment in the nature of interest shall not exceed the limit imposed by applicable laws of the State of California.

12. **Assignability.** Holder may freely transfer, assign, or encumber Holder's interest in this Note in any manner, at Holder's sole discretion. Maker may not transfer, assign or encumber its obligations hereunder except upon the prior written consent of Holder in accordance with the DDLA. All amounts outstanding under this Note shall become immediately due and payable upon a transfer in violation of the terms and conditions of the DDLA.

13. **Governing Law.** This Note has been executed and delivered by Maker in the State of California and is to be governed and construed in accordance with the laws thereof.

14. **Time of Essence.** Time is of the essence in the performance of the obligations and provisions set forth in this Note.

15. **Non-Recourse.** Notwithstanding anything to the contrary herein contained (i) the liability of Maker (and its partners) shall be limited to Maker's interest in the Property and any other security for this Note and any rents, issues, and profits arising from the Phase Project or the Property and, in addition, with respect to any obligation to hold and apply insurance proceeds, proceeds of condemnation or other monies hereunder, any such monies received by it to the extent not so applied in accordance with the terms of this Note; (ii) no other assets of Maker (or its partners) shall be affected by or subject to being applied to the satisfaction of any liability which Maker may have to Holder or to another person by reason of this Note; and (iii) any judgment, order, decree or other award in favor of Holder shall be collectible only out of, or enforceable in accordance with, the terms of this Note by termination or other extinguishment of Maker's interest in the Property. Notwithstanding the foregoing, it is expressly understood and agreed that the aforesaid limitation on liability shall in no way restrict or abridge Maker's continued personal liability for: (A) fraud or willful or negligent misrepresentation made by Maker in connection with this Note or any of the Seller Loan Documents; (B) misapplication of (a) proceeds of insurance and condemnation or (b) rent received by Maker under rental agreements entered into for any portion of the Property after default of the Note; (C) the retention by Maker of all advance rentals and security deposits of tenants not refunded to or forfeited by such tenants; (D) the indemnification undertakings of Maker under the Seller Loan Documents, provided, however, nothing herein shall be deemed to obligate Maker to repay any portion of the Loan evidenced hereby as a result of any such indemnification; and (E) material waste by Maker with respect to the Property.

[signature page follows]

IN WITNESS WHEREOF, Maker has executed this Note as of the date first above written.

MAKER

\_\_\_\_\_,  
a California limited partnership

By: Exhibit - Do Not Sign

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT NO. 15**  
**FORM OF DEED OF TRUST**

**[attached]**

Order No.  
Escrow No.  
Loan No.

WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE  
EXEMPT FROM RECORDING FEE PER GOV. CODE § 27383

**DEED OF TRUST WITH ASSIGNMENT OF RENTS AND RIDER  
ATTACHED HERETO CONTAINING TERMS INCLUDING SECURITY  
AGREEMENT AND FIXTURE FILING**

NOTE: RIDER ATTACHED TO THIS DEED OF TRUST ("**RIDER**") CONTAINS ADDITIONAL TERMS INCLUDING SECURITY AGREEMENT AND FIXTURE FILING.

**This DEED OF TRUST WITH ASSIGNMENT OF RENTS AND RIDER ATTACHED HERETO ("Deed of Trust")**, is made \_\_\_\_\_, 20\_\_, between \_\_\_\_\_, a California limited partnership ("**TRUSTOR**"), whose address is 45-701 Monroe Street, Suite G, Indio, CA 92201, in favor of the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic ("**BENEFICIARY**"), and \_\_\_\_\_ ("**TRUSTEE**").

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, Trustor's estate in that real property in the County of Riverside, State of California, described as set forth on EXHIBIT "A" attached hereto ("**Property**") together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of \$\_\_\_\_\_, with interest thereon according to the terms of that certain Promissory Note Secured by Deed of Trust of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof; (2) the performance of each agreement of Trustor incorporated by reference or contained herein; (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or its successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust; and (4) all additional obligations specified in the Rider.

To protect the security of this Deed of Trust, and with respect to the Property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:



[ACKNOWLEDGMENT FORMS AT END OF RIDER]

By: \_\_\_\_\_  
*Exhibit – Do Not Sign*  
 \_\_\_\_\_  
 Its: \_\_\_\_\_  
 \_\_\_\_\_  
 a California limited partnership

**TRUSTOR:**

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-	Lake	437	110	Plumas	166	1307	Siskiyou	506	762
		31									
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1330	513	San Bernardino	T-3878	874	Sacramento	5039	124	Sonoma	2067	427
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	56
Colusa	323	391	Marin	1849	122	San Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	San Francisco	A-804	596	Tehama	457	183
Del Norte	101	549	Mendocino	667	99	San Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	San Luis Obispo	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	San Mateo	4778	175	Tuolumne	177	160
Glenn	469	76	Mono	69	302	Santa Barbara	2065	881	Ventura	2607	237
Humboldt	801	83	Monterey	357	239	Santa Clara	6626	664	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Cruz	1638	607	Yuba	398	693
Inyo	165	672	Nevada	363	94	Shasta	800	633			
Kern	3756	690	Orange	7182	18	San Diego	SERIES 5 Book 1964, Page 149774				

## **DO NOT RECORD**

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

1) To keep said property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in a good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at the option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

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

4) To pay: at least ten (10) days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

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

5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from the date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

1) That any award in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or be a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collecting of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6) That upon default by Trustor in payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledges, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

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

**DO NOT RECORD**

REQUEST FOR FULL RECONVEYANCE

TO \_\_\_\_\_, TRUSTEE:

The undersigned is the legal owner and holder of the note or notes and of all indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness and performance secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, an all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Please mail Deed of Trust,  
Note and Reconveyance to \_\_\_\_\_

**Do Not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.**

**DEED OF TRUST  
WITH POWER OF SALE**

\_\_\_\_\_  
*Company*  
**TRUSTEE**

## RIDER TO DEED OF TRUST WITH ASSIGNMENT OF RENTS

**THIS RIDER TO DEED OF TRUST WITH ASSIGNMENT OF RENTS (“Rider”)** is executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, a California limited partnership (“**Trustor**”) in favor of the HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE, a public body corporate and politic (“**Beneficiary**”), the same parties to that certain “Deed of Trust With Assignment of Rents and Rider Attached Hereto Containing Terms Including Security Agreement and Fixture Filing” of even date herewith to which this Rider is attached (“**Deed of Trust**”). This Rider is made a part of and is incorporated into said Deed of Trust. This Rider shall supersede any conflicting term or provision of the form Deed of Trust to which it is attached.

Reference is made to the following agreements and documents (collectively, the “**Seller Loan Documents**”): (i) Promissory Note Secured by Deed of Trust in the amount of \$\_\_\_\_\_ made by Trustor as “Maker” in favor of Beneficiary as “Holder” of even date herewith, the repayment of which by Trustor is secured by this Deed of Trust (including any modifications or amendments thereto, the “**Note**”); (ii) that certain “Disposition, Development and Loan Agreement (Oasis Villas Affordable Housing Project)” dated June 15, 2021 by and between Beneficiary as “HACR” and Coachella Valley Housing Coalition, a California nonprofit public benefit corporation, providing for Trustor’s acquisition and development of the Property (including any modifications or amendments thereto, the “**DDLA**”); and (iii) that certain “Agreement Containing Covenants (Including Rental Restrictions)” dated \_\_\_\_\_, 20\_\_, by and between Trustor as “Developer” and Beneficiary as “HACR”, providing for the use, operation, and maintenance of the Property (including any modifications or amendments thereto, the “**Regulatory Agreement**”).

The parties hereto agree:

**1. Grant in Trust.** In consideration and for the purpose of securing payment and performance of the Secured Obligations (as defined below), Trustor hereby irrevocably and unconditionally grants, bargains, conveys, sells, transfers, and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all estate, right, title, and interest which Trustor now has or may later acquire in and to the following property (all or any part of such property, or any interest in all or any part of it, as the context may require, the “**Property**”):

(a) The real property located in the County of Riverside, California, as more fully described in **Exhibit A** attached hereto and made a part hereof, together with all rights, privileges, easements, appurtenances, tenements, hereditaments, rights of way, appendages, projections, water rights including riparian and littoral rights and whether or not appurtenant, streets, ways, alleys, and strips and gores of land, now or hereafter in any way belonging, adjoining, crossing or pertaining to such real property (the “**Land**”); together with

(b) All buildings, structures and improvements now located or later to be constructed on the Land (the “**Improvements**”); together with

(c) All articles of personal property (including those specified below) and any software imbedded therein, now owned or hereafter acquired by Trustor and attached to, placed

upon for an indefinite term, or used in connection with the Land and/or Improvements, together with all goods and other property that are, or at any time become, so related to the Property that an interest in them arises under real estate law, or they are otherwise a “fixture” under applicable law (each a “**Fixture**,” collectively “**Fixtures**”); together with

(d) All existing and future as-extracted collateral produced from or allocated to the Land, including, all minerals, oil, gas, other hydrocarbons and associated substances, sulphur, nitrogen, carbon dioxide, helium and any other commercially valuable substances which may be in, under or produced from any part of the Land, and all products processed or obtained therefrom, and the proceeds thereof, and all development rights and credits, air rights, water, water courses, water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) and water stock, easements, rights-of-way, gores or strips of land, and any land lying in the streets, ways, alleys, passages, roads or avenues, open or proposed, in front of or adjoining the Land and Improvements; together with

(e) All existing and future leases, subleases, subtenancies, licenses, occupancy agreements, concessions, and other agreements of any kind relating to the use or occupancy of all or any portion of the Property, whether now in effect or entered into in the future (each a “**Lease**,” collectively, the “**Leases**”) relating to the use and enjoyment of all or any part of the Land and Improvements, all amendments, extensions, renewals, or modifications thereof (subject to Beneficiary’s right to approve same pursuant to the terms of the Loan Documents), and any and all guaranties of, and security for, lessees’ performance under any and all Leases, and all other agreements relating to or made in connection with any of such Leases; together with

(f) All rents (and payments in lieu of rents), royalties, issues, profits, income, proceeds, payments, and revenues of or from the Property, and/or at any time payable under any and all Leases, including all rent loss insurance proceeds, prepaid rents and any and all security deposits received or to be received by Trustor pursuant to any and all Leases, and all rights and benefits accrued, or to accrue, to Trustor under any and all Leases (some or all collectively, as the context may require, “**Rents**”); together with

(g) All rights to the name, signs, trade names, trademarks, trademark applications, service marks, licenses, software, and symbols used in connection with the Land and Improvements; together with

(h) All goods, materials, supplies, chattels, furniture, fixtures, machinery, apparatus, fittings, equipment, and articles of personal property of every kind and nature whatsoever, including consumable goods, now or hereafter located in or upon the Property or any part thereof, or to be attached to or placed in or on, or used or useable in connection with any present or future use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including by way of description but without limiting the generality of the foregoing, all computer systems, telephone and telecommunication systems, televisions and television systems, pumps or pumping plants, tanks, motors, conduits, engines, pipes, ditches and flumes, and also all gas and electrical apparatus (including, but not limited to, all electrical transformers, switches, switch boxes, and equipment boxes), cooking, heating, cooling, air conditioning, sprinkler equipment, lighting, power equipment, ventilation, incineration, refrigeration and plumbing apparatus, fixtures and equipment, screens, storm doors and windows, stoves, wall beds, refrigerators, attached cabinets,



partitions, ovens, ranges, disposals, dishwashers, carpeting, plants and shrubbery, ground maintenance equipment, ducts and compressors; together with all building materials, goods and personal property on or off the Property intended to be affixed to or incorporated in the Property but not yet affixed to or incorporated in the Property, all which shall be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; provided however that the foregoing shall not include personal property owned by tenants occupying the Units on the Property together with

(i) All building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, which have been or later will be acquired for the purpose of being incorporated into or installed in or about the Land or Improvements; together with

(j) All deposit accounts of Trustor, including but not limited to, the replacement reserve account (if any), the operating reserve account (if any), the transition reserve (if any), and all Loan funds deposited into any such account, whether disbursed or not, and Trustor's own funds now or later to be held on deposit in all such accounts; together with

(k) To the extent not expressly prohibited by law, all federal, state, and local tax benefits (except the low income housing tax credits or other tax credits) related to the Property; together with

(l) All rights to the payment of money and all guaranties thereof and judgments therefor, and all accounts, accounts receivable, reserves, deferred payments, refunds of real property and personal property taxes and other refunds, cost savings, payments and deposits, whether now or later to be received from third parties (including all earnest money sales deposits) or deposited by Trustor with third parties (including all utility deposits), warranty rights, contract rights, management contracts, service contracts, construction and architectural contracts, contracts for the purchase and sale of the Property or any part thereof, end-loan or other financing commitments, development and use rights, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as-built drawings, chattel paper, instruments, documents, promissory notes, drafts, letters of credit (other than letters of credit in favor of Beneficiary), letter of credit rights supporting obligations, and general intangibles, including payment intangibles, whether any of the foregoing are tangible or electronic, which arise from or relate to construction on the Land or to any business now or later to be conducted on it, or to the Land and Improvements generally; together with

(m) All insurance policies (and the unearned premiums therefor) and bonds required by the Seller Loan Documents and all proceeds thereof, and all proceeds (including all claims to and demands for them) of the voluntary or involuntary conversion of any of the Land, the Improvements, or the other property described above into cash or liquidated claims, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to, or defect in, the Land, the Improvements, or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements, including

causes of action arising in tort, contract, fraud, misrepresentation, or concealment of a material fact; together with

(n) All books, records, and all recorded data of any kind or nature (regardless of the medium of recording) pertaining to any and all of the property described above, including records relating to tenants under any leases, and the qualification of such tenants, and all certificates, vouchers, and other documents in any way related thereto, and all records relating to the application and allocation of any federal, state, and local tax credits or benefits, including computer-readable memory and any computer hardware or software necessary to access and process such memory (collectively, the “**Books and Records**”); together with

(o) All commercial tort claims Trustor now has or hereafter acquires relating to any of the property described above; together with

(p) All software embedded within or used in connection with any of the property described above; together with

(q) All products, accounts, and proceeds (cash or non-cash) of, additions, betterments, extensions, accessions and accretions to, substitutions, renewals and replacements for, and changes in any of the property described above, including all proceeds of any voluntary or involuntary disposition or claim respecting any such property (arising out of any judgment, condemnation or award, or otherwise arising) and all supporting obligations ancillary to or arising in connection therewith, general intangibles (including payment intangibles) arising in connection therewith, and all goods, accounts, instruments, documents, promissory notes, chattel paper, deposit accounts, supporting obligations, and general intangibles (including payment intangibles) (whether any of the foregoing are tangible or electronic), wherever located, acquired with cash proceeds of any of the foregoing or its proceeds.

Trustor shall and will warrant and forever defend the above-bargained Property in the quiet and peaceable possession of Trustee, its successors and assigns, against all and every person or persons lawfully claiming or to claim the whole or any part thereof. Trustor agrees that any greater title to the Property hereafter acquired by Trustor during the term hereof shall be subject hereto.

**2. Obligations Secured.** Trustor makes this grant and assignment for the purpose of securing the following obligations (“**Secured Obligations**”):

(a) Payment to Beneficiary of all indebtedness at any time owing under the terms of the Note;

(b) Payment and performance of all obligations of Trustor under this Deed of Trust, the DDLA, the Note, and the Regulatory Agreement;

(c) Payment and performance of all future advances and other obligations of Trustor or any other person, firm, or entity with the approval of Trustor, may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when the obligation is evidenced by a writing which recites that it is secured by this Deed of Trust; and

(d) All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced.

3. **Obligations.** The term “obligations” is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges, late charges and fees at any time accruing or assessed on any of the Secured Obligations.

4. **Incorporation.** All terms of the Note and the Secured Obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Property shall be deemed to have notice of the terms of all of the foregoing documents.

5. **Subordination.** Beneficiary shall subordinate this Deed of Trust to the Senior Financing (as such term is defined in the DDLA) in accordance with the DDLA pursuant to a subordination agreement in such form as is acceptable to Beneficiary.

6. **Mortgagee-in-Possession.** Neither the assignment of rents set forth in this Deed of Trust nor the exercise by Beneficiary of any of its rights or remedies hereunder shall be deemed to make Beneficiary a “mortgagee-in-possession” or otherwise liable in any manner with respect to the Property, unless Beneficiary, in person or by agent, assumes actual possession thereof. Nor shall appointment of a receiver for the Property by any court at the request of Beneficiary or by agreement with Trustor, or the entering into possession of the Property by such receiver, be deemed to make Beneficiary a “mortgagee-in-possession” or otherwise liable in any manner with respect to the Property.

7. **Required Insurance.**

Trustor shall at all times provide, maintain and keep in force or cause to be provided, maintained and kept in force, at no expense to Trustee or Beneficiary, policies of insurance in accordance with the terms of the DDLA in form and amounts, providing for deductibles, and issued by companies, associations or organizations covering such casualties, risks, perils, liabilities and other hazards as required by the DDLA or by Beneficiary pursuant thereto.

8. **Casualty and Condemnation.** In the event of any fire or other casualty to the improvements on the Property or eminent domain proceedings resulting in condemnation of the improvements or any part thereof, and provided Beneficiary has been provided the opportunity to participate in any proceedings as required in this Deed of Trust, if the Beneficiary determines that restoration or rebuilding of the improvements is economically feasible, Trustor shall have the right to rebuild the improvements, and to use the net insurance proceeds therefor subject to the following requirements, (i) the funds are sufficient to rebuild as evidenced by a construction budget and construction contract reasonably approved by Beneficiary, (ii) if the funds are insufficient to rebuild, that Trustor shall provide the balance of such funds necessary to rebuild, (iii) that all funds will be held by an independent escrow company for distribution during reconstruction, and (iv) any excess proceeds shall be applied to reduce the Note (subject to the terms of the Senior Financing). Condemnation alone shall not cause acceleration of the Note and Secured Obligations shall not be due and payable unless it is a condemnation of a material portion of the Project, in Beneficiary’s reasonable discretion.

9. **No Cure.** In the event Beneficiary collects and receives any rents under the Deed of Trust upon any default hereof, such collection or receipt shall in no way constitute a curing of the default.

**10. Default; Opportunity to Cure.** Trustor's failure or delay to perform any term or provision of this Deed of Trust constitutes a default under this Deed of Trust; however, Trustor shall not be deemed to be in default if (i) Trustor cures, corrects, or remedies such default within thirty (30) days after receipt of a notice specifying such failure or delay, or (ii) for such defaults that cannot reasonably be cured, corrected, or remedied within thirty (30) days, if Trustor commences to cure, correct, or remedy such failure or delay within thirty (30) days after receipt of a written notice specifying such failure or delay, and diligently prosecutes such cure, correction or remedy to completion; provided that any such cure shall be completed within one hundred (180) calendar days, unless such period for cure is extended in accordance with the DDLA.

Beneficiary shall give written notice of default to Trustor, specifying the default complained of by Trustor. Copies of any notice of default given to Trustor shall also be delivered to any lender with a mortgage or deed of trust secured by the Property, including, without limitation in accordance with any Senior Financing, and to Trustor's limited partner. Beneficiary may not institute proceedings against Trustor until thirty (30) days after giving such notice or such longer period of time as may be provided herein. In no event shall Beneficiary be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default.

Except as otherwise expressly provided in this Deed of Trust, any failure or delay in giving such notice or in asserting any of its rights and remedies as to any default shall not constitute a waiver of any default, nor shall it change the time of default, nor shall it deprive either party of its rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

In the event of any inconsistency in the terms of this Rider and the provisions set forth in the standard deed of trust recorded in the Recorder's Office of the County of Riverside, the terms of this Rider shall control.

Notwithstanding anything to the contrary contained in this Deed of Trust, Beneficiary hereby agrees that any cure of any default made or tendered by Trustor's limited partner shall be deemed to be a cure by Trustor and shall be accepted or rejected on the same basis as if made or tendered by Trustor.

**11. Default; Cross-Default; Acceleration.** A default as specified above or a default under the DDLA, Note or Regulatory Agreement (subject to applicable notice and cure periods) shall be a default under this Deed of Trust. Upon a default of this Deed of Trust, Beneficiary may, at its option, declare the Note and all the Secured Obligations hereby evidenced immediately due and payable and collectible then or thereafter as Beneficiary may elect, regardless of the date of maturity, and notice of the exercise of said option is hereby expressly waived by Trustor.

**12. Possession Upon Default.** Subject to the above, upon the occurrence of a default, and after delivery of notice and the expiration of all applicable cure periods, Beneficiary may, at its option, without any action on its part being required and without in any way waiving such default, take possession of the Property and have, hold, manage, lease and operate the same, on such terms and for such period of time as Beneficiary may deem proper, and may collect and

receive all rents and profits, with full power to make, from time to time, all alterations, renovations, repairs or replacements thereto as may seem proper to Beneficiary, and to apply such rents and profits to the payment of (a) the cost of all such alterations, renovations, repairs and replacements, and all costs and expenses incident to taking and retaining possession of the Property, and the management and operation thereof, and keeping the same properly insured; (b) all taxes, charges, claims, assessments, and any other liens which may be prior in lien or payment of the Note, and premiums for insurance, with interest on all such items; and (c) the indebtedness secured hereby, together with all costs and reasonable attorney's fees, in such order or priority as to any of such items as Beneficiary in its sole discretion may determine, any statute, law, custom or use to the contrary notwithstanding. Any amounts received by Beneficiary or its agents in the performance of any acts prohibited by the terms of this assignment, including, but not limited to, any amounts received in connection with any cancellation, modification or amendment of any lease prohibited by the terms of this assignment and any rents and profits received by Trustor after the occurrence of a default shall be held by Trustor as trustee for Beneficiary and all such amounts shall be accounted for to Beneficiary and shall not be commingled with other funds of the Trustor. Any person receiving any portion of such trust funds shall receive the same in trust for Beneficiary as if such person had actual or constructive notice that such funds were impressed with a trust in accordance therewith.

**13. Receiver; Power of Sale.** In addition to any and all other remedies of Beneficiary set forth under this Deed of Trust or permitted at law or in equity, if a default shall have occurred, after delivery of notice and expiration of all cure periods, Beneficiary, to the extent permitted by law and without regard to the value, adequacy or occupancy of the security for the Note and other sums secured hereby, shall be entitled as a matter of right if it so elects to the appointment of a receiver to enter upon and take possession of the Property and to collect all rents and profits and apply the same as the court may direct, and such receiver may be appointed by any court of competent jurisdiction by ex parte application and without notice, notice of hearing being hereby expressly waived. The expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to the power herein contained shall be promptly paid by Trustor.

If it chooses to do so in connection with any such cure, Beneficiary or Trustee may also enter the Property and/or do any and all other things that it may, in its sole and absolute discretion, consider necessary and appropriate to protect the security of this Deed of Trust. Such other things may include: appearing in and/or defending any action or proceeding that purports to affect the security of, or the rights or powers of Beneficiary or Trustee under, this Deed of Trust; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien, which in Beneficiary's or Trustee's sole judgment is or may be senior in priority to this Deed of Trust; obtaining insurance and/or paying any premiums or charges for insurance required to be carried under the Loan Documents; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Beneficiary or Trustee. Beneficiary and Trustee may take any of the actions permitted under this Section either with or without giving notice to any person.

Beneficiary may bring an action in any court of competent jurisdiction to foreclose this Deed of Trust in the manner provided by law for the foreclosure of deeds of trusts or mortgages on real property and/or to obtain specific enforcement of any of the covenants or agreements of

this Deed of Trust. If Beneficiary brings such an action, Trustor agrees to pay Beneficiary's reasonable attorneys' fees (including the allocated costs of in-house counsel to the extent not prohibited by applicable law) and court costs as determined by the court.

Under the power of sale hereby granted, Beneficiary shall have the discretionary right to cause some or all of the Property, including any Property which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

**14. Security Agreement.** This Deed of Trust also constitutes a security agreement with respect to all personal property in which Beneficiary is granted a security interest hereunder, not including personal property owned by tenants occupying the Units on the Property, and Beneficiary shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as enacted in California ("**California Uniform Commercial Code**") as well as all other rights and remedies available at law or in equity. Trustor hereby agrees to execute and deliver on demand and hereby irrevocably constitutes and appoints Beneficiary the attorney-in-fact of Trustor, to execute, deliver and, if appropriate, to file with the appropriate filing officer or office such security agreements, financing statements, continuation statements or other instruments as Beneficiary may request or require in order to impose, perfect or continue the perfection of, the lien or security interest created hereby. Trustor and Beneficiary agree that the filing of a financing statement in the record normally having to do with personal property shall never be construed as in any way derogating from or impairing the lien of this Deed of Trust and the intention of Trustor and Beneficiary that everything used in connection with the operation or occupancy of the Property is and at all times and for all purposes and in all proceedings, both legal and equitable, shall be regarded as real property or goods which are or are to become fixtures, irrespective of whether (i) any such item is physically attached to the buildings and improvements on the Property; (ii) serial numbers are used for the better identification of certain equipment items capable of being filed by the Beneficiary; or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Such mention in the financing statements is declared to be for the protection of the Beneficiary in the event any court or judge shall at any time hold that notice of Beneficiary's priority of interest must be filed in the California Commercial Code records to be effective against a particular class of persons, including, but not limited to, the federal government and any subdivision or entity of the federal government. Trustor covenants and agrees to reimburse Beneficiary for any costs incurred in filing such financing statement and any continuation statements.

Upon the occurrence of default hereunder, and after delivery of notice and the expiration of all applicable cure periods, Beneficiary shall have the right to cause any of the Property which is personal property and subject to the security interest of Beneficiary hereunder to be sold at any one or more public or private sales as permitted by applicable law, and Beneficiary shall further have all other rights and remedies, whether at law, in equity, or by statute, as are available to secured creditors under applicable law, specifically including without limitation the right to proceed as to both the real property and the personal property contained within the Property as permitted by Uniform Commercial Code Section 9501(4), including conducting a unified sale thereof. Any such disposition may be conducted by an employee or agent of Beneficiary or Trustee. Any person, including both Trustee and Beneficiary, shall be eligible to purchase any part or all of such property at any such disposition.

This Deed of Trust constitutes a fixture filing under Sections 9313 and 9402(6) of the California Uniform Commercial Code, as amended or recodified from time to time.

**15. Reconveyance.** Prepayment or payment of the Loan shall not relieve Trustor of its obligations under the Regulatory Agreement. Trustor's performance under the Regulatory Agreement is secured by this Deed of Trust.

**16. Indemnification.**

(a) Subject to the provisions of Section 15 of the Note, Trustor agrees to indemnify, defend, and hold Trustee and Beneficiary harmless, for, from, and against, and reimburse them for, all losses, damages, liabilities, claims, causes of action, judgments, penalties, court costs, reasonable attorneys' fees and other legal expenses and expenses of professional consultants and experts, cost of evidence of title, cost of evidence of value, and other costs and expenses, including the settlement of any such matter, excepting those arising out of, or resulting, solely from Beneficiary's or Trustee's, as the case may be, gross negligence or willful misconduct, which either may suffer or incur:

(i) In performing any act required or permitted by this Deed of Trust or any of the other Authority Documents or by law;

(ii) Because of any failure of Trustor to perform any of Trustor's obligations; or

(iii) Because of any alleged obligation of or undertaking by Trustor to perform or discharge any of the representations, warranties, conditions, covenants, or other obligations in any document relating to the Property other than the Authority Documents.

This agreement by Trustor to indemnify Trustee and Beneficiary shall survive payoff, termination, or the release and cancellation of any or all of the Secured Obligations, and the full or partial release and/or reconveyance of this Deed of Trust.

(b) Trustor shall pay all obligations to pay money arising under this Section immediately upon written demand by Trustee or Beneficiary. Each such obligation shall be added to, and considered to be part of, the principal of the Note, and shall bear interest from the date the obligation arises at the Default Rate (as such term may be defined in the Note), or if no Default Rate is specified, at five percent (5%) in excess of the Stated Rate. For purposes hereof, "**Stated Rate**" means the stated interest rate in effect from time to time under the Note and/or other debt instrument evidencing the Loan; provided that if more than one rate of interest is in effect, the highest rate shall be used.

**17. Defense and Notice of Claims and Actions.** At Trustor's sole expense, Trustor shall protect, preserve and defend the Property and title to and right of possession of the Property, and the security of this Deed of Trust and the rights and powers of Beneficiary and Trustee created under it, against all adverse claims. Trustor shall give Beneficiary and Trustee prompt notice in writing if any claim is asserted which does or could affect any of such matters, or if any action or proceeding is commenced which alleges or relates to any such claim.

**18. Subrogation.** Beneficiary shall be subrogated to the liens of all encumbrances affecting the Property, whether released or not, which are discharged in whole or in part by

Beneficiary in accordance with this Deed of Trust or with the proceeds of any loan secured by this Deed of Trust.

**19. Transfers.** Notwithstanding anything to the contrary contained herein, any Permitted Transfer (as such term is defined in the DDLA) permitted under the DDLA, shall be permitted hereunder without prior written consent of Beneficiary, and any Permitted Transferee shall assume all obligations of Trustor hereunder. All amounts secured hereby shall be immediately due and payable in the event of any transfer or assignment of the Property, the Project or the DDLA, or any portion thereof that does not constitute a Permitted Transfer under the DDLA.

**20. Notices, Demands, and Communications.** Formal notices, demands, and communications between Trustor and Beneficiary shall be given by (i) personal service, (ii) delivery by reputable document delivery service such as Federal Express that provides a receipt showing date and time of delivery, or (iii) mailing in the United States mail, certified mail, postage prepaid, return receipt requested, addressed to:

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

To Trustor:                c/o Coachella Valley Housing Coalition  
45-701 Monroe Street, Suite G  
Indio, CA 92201  
Attn: Executive Director

With copies to:           Gubb & Barshay LLP  
505 14th Street, Suite 450  
Oakland, CA 94612  
Attn: Nicole Kline, Esq.

Notices personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices mailed shall be deemed effective on the second business day following deposit in the United States mail. Such written notices, demands, and communications shall be sent in the same manner to such other addresses as either party may from time to time designate by mail.

Copies of all notices which are sent to Trustor shall also be sent to Trustor's limited partner as specified above. This obligation may not be changed by Trustor but only upon written notice to Beneficiary by the limited partner.

**21. Successors and Assigns.** This Deed of Trust applies to, inures to the benefit of and binds all parties hereto, and the heirs, legatees, devisees, administrators, executors, successors and assigns of Beneficiary. The term "Beneficiary" means the owner and holder of the Note, whether or not named as Beneficiary herein. In exercising any rights hereunder or taking any actions provided for herein, Beneficiary may act through its employees, agents or independent contractors authorized by Beneficiary.

DDLA - Oasis Villas FINAL



**22. Invalidity of Certain Provisions.** Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal, invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

**23. Attorneys' Fees.** In the event that either party hereto brings any action or files any proceeding in connection with the enforcement of its respective rights under this Deed of Trust or the Promissory Note, as a consequence of any breach by the other party of its obligations thereunder, the prevailing party in such action or proceeding shall be entitled to have its reasonable attorneys' fees and out-of-pocket expenditures paid by the losing party. The attorneys' fees so recovered shall include fees for prosecuting or defending any appeal and shall be awarded for any supplemental proceedings until the final judgment is satisfied in full. In addition to the foregoing award of attorneys' fees, the prevailing party in any lawsuit with respect to the Note or this Deed of Trust shall also be entitled to its attorneys' fees incurred in any post-judgment proceedings to collect or enforce the judgment. In addition to the foregoing, Trustor agrees to pay or reimburse Beneficiary, upon demand by Beneficiary, for all costs incurred by Beneficiary in connection with enforcement of this Deed of Trust or the Note, including without limitation, reasonable attorneys' fees and costs, if there shall be filed by or against Trustor any proceedings under any federal or state bankruptcy or insolvency laws, whether Beneficiary is a creditor in such proceedings or otherwise.

As used herein, the terms "attorneys' fees" or "attorneys' fees and costs" means the fees and expenses of counsel to the parties hereto (including, without limitation, in-house counsel employed by Beneficiary) which may include printing, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and others not admitted to the bar but performing services under the supervision of an attorney. The terms "attorneys' fees" or "attorneys' fees and costs" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, arbitrations and bankruptcy proceedings, and whether or not any action or proceeding is brought with respect to the matter for which said fees and expenses were incurred.

**24. Governing Law.** This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

**25. Joint and Several Obligations.** Should this Deed of Trust be signed by more than one party, all obligations herein contained shall be deemed to be the joint and several obligations of each party executing this Deed of Trust.

**26. Interpretation.** In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

**27. Nonforeign Entity.** Section 1445 of the Internal Revenue Code of 1986, as amended (the "**Code**") and Sections 18805, 18815 and 26131, as applicable, of the Revenue and Taxation Code ("**CRTC**") provide that a transferee of a U.S. real property interest must withhold tax, in the case of the Code, if the transferor is a foreign person, or if, in the case of the CRTC, the transferor is not a California resident. To inform Beneficiary that the withholding of tax will not be required in the event of the disposition of the Property or the Improvements, or any

portion thereof or interest therein, pursuant to the terms of this Deed of Trust, Trustor hereby certifies, under penalty of perjury, that: (a) Trustor is not a foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Code and the regulations promulgated thereunder; and (b) Trustor's U.S. employer identification number is [\_\_\_\_\_]; and (c) Trustor's principal place of business is 45-701 Monroe Street, Suite G, Indio, CA 92201. It is understood that Beneficiary may disclose the contents of this certification to the Internal Revenue Service and the California Franchise Tax Board, and that any false statement contained herein could be punished by fine, imprisonment or both. Trustor covenants and agrees to execute such further certificates, which shall be signed under penalty of perjury, as Beneficiary shall reasonably require. The covenant set forth herein shall survive the foreclosure of the lien of this Deed of Trust or acceptance of a deed in lieu thereof.

**28. Substitute Trustee.** Beneficiary at any time and from time to time, by instrument in writing, may substitute and appoint a successor Trustee (either corporate or individual) to any Trustee named herein or previously substituted hereunder, which instrument when executed, acknowledged, and recorded in the Official Records of the Office of the Recorder of the county or counties where The Property is located shall be conclusive proof of the proper substitution and appointment of each successor trustee or trustees, who shall then have all the title, powers, duties and rights of the predecessor Trustee, without the necessity of any conveyance from such predecessor. Trustee shall not be obligated to notify any party hereto of pending sale under any other Deed of Trust, or, unless brought by Trustee, or any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party.

**29. Tax Credit Provisions.** Notwithstanding anything to the contrary contained herein or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of foreclosure (collectively, "Foreclosure") with respect to the Security encumbered by this Deed of Trust, the following rule contained in Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986 (26 U.S.C. Section 429H)(6)E(ii)), as amended, shall apply:

For a period of three years from the date of Foreclosure, with respect to any unit that had been regulated by the Regulatory Agreement with the California Tax Credit Allocation Committee, (i) none of the tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause), (ii) nor may rent be increased except as otherwise permitted under Section 42 of the Code.

IN WITNESS WHEREOF, Trustor has executed this Rider on the date of Trustor's acknowledgment hereinbelow, to be effective for all purposes as of the day and year first set forth above.

**[SIGNATURES ON FOLLOWING PAGE]**

**TRUSTOR:**

\_\_\_\_\_,  
a California limited partnership

By: Exhibit – Do Not Sign

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

Real property located in the County of Riverside, State of California, legally described as:

[to come]



