

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 3.19  
(ID # 23530)**

**MEETING DATE:**

**FROM :** HOUSING AND WORKFORCE SOLUTIONS:

Tuesday, February 06, 2024


**SUBJECT:** HOUSING AND WORKFORCE SOLUTIONS (HWS): Approve the Form of the Exclusive Negotiation Agreement between the County of Riverside and Abode Communities in Connection with a Proposed Affordable Housing Rental Project, Located in the City of Desert Hot Springs, and Authorize the Director of HWS, or Designee to Execute the Exclusive Negotiation Agreement; District 4. [\$0]; Not a Project under CEQA (Clerk of the Board to File the Notice of Exemption)

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

1. Find that the Exclusive Negotiation Agreement (ENA) does not constitute a project under the California Environmental Quality Act (CEQA) and does not vest any development rights and will not result in any physical change to the environment. The ENA requires the developer to obtain all necessary land use approvals and entitlements from the City of Desert Hot Springs including compliance with CEQA. As the jurisdiction exercising land use control over the Property, the City of Desert Hot Springs will be the lead agency for purposes of CEQA. The ENA 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;

Continued on Page 2

**ACTION:**Policy

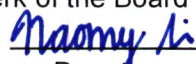
  
Heidi Marshall, Director 1/24/2024

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**MINUTES OF THE BOARD OF SUPERVISORS**

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 Gutierrez  
Nays: None  
Absent: None  
Date: February 6, 2024  
xc: HWS, Recorder

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

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

2. Approve the attached form of the Exclusive Negotiation Agreement (ENA) between the County of Riverside, a political subdivision of the State of California (County) and Abode Communities, a California nonprofit public benefit corporation in connection with the proposed affordable housing project, located in the City of Desert Hot Springs;
3. Authorize the Director of Housing and Workforce Solutions (HWS), or designee, to sign the ENA, substantially conforming in form and substance to the attached, subject to approval as to form by County Counsel; and
4. Authorize the Director of the HWS, or designee, to take all necessary steps to implement and administer the attached ENA, including, but not limited to, signing subsequent necessary and relevant documents, exercising the options to extend the ENA for up to two years, and executing amendments to the ENA, subject to approval as to form by County Counsel; and
5. Direct the Clerk of the Board to file the Notice of Exemption with the County Clerk and the State Clearinghouse at the Office of Planning and Research (OPR) within five (5) business days of approval.

<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: N/A</b>			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	23/24

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

**BACKGROUND:**

**Summary**

The County of Riverside (County) is the current owner of 9.7 acres of vacant land in the City of Desert Hot Springs. The site is located on Palm Drive and Park Lane in the City of Desert Hot Springs, identified as Assessor Parcel Numbers 656-040-039 (Property).

County staff issued Request for Qualifications No. 2023-100 for a collaborative developer partner to develop affordable housing on the Property. Thirteen proposals were received and after thorough review of both proposals, County staff selected Abode Communities, a California nonprofit public benefit corporation (Abode), as its collaborative developer partner. The selection was due to, among other things, Abode’s extensive experience in the development of affordable housing, sustained history of leveraging multiple funding sources, and excellent reference.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
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The project (Proposed Project) is slated to consist of approximately one hundred and eighty (180) affordable rental housing units consisting of 60 one-bedroom units, 75 two-bedroom units, and 45 three-bedroom units (two units will be set-aside for on-site managers); a community-serving commercial building of approximately 12,000 square feet; a resident center with outdoor pool and play area, and related infrastructure such as public improvements and other utilities, (collectively defined herein as the Project). The Project will provide affordable housing to persons and families at the low and very low-income levels.

Abode desires to enter into the attached proposed Exclusive Negotiation Agreement (ENA) with the County to explore and negotiate in good faith a possible Disposition and Development Agreement and Ground Lease, or such other type of agreement or agreements as the parties may deem appropriate to specify the rights and obligations of the parties with respect to the leasing of the Property and development of the Proposed Project. The ENA does not constitute a commitment to convey, lease or develop the Property. Any agreements arising out of or as a result of the ENA will be subject to the prior approval of the County of Riverside Board of Supervisors. Under the ENA, Abode will process entitlements and may seek other leveraging sources for the development of the Proposed Project. The term of the proposed ENA is for approximately 24 months with two 1-year extensions, should the parties mutually agree.

The Proposed Project set forth in the ENA is in line with the HWS's mission of providing affordable, decent, safe, and sanitary housing for low-income families and satisfies the covenants of the bond proceeds utilized to acquire the Property.

County Counsel has reviewed and approved as to the form of the ENA. Staff recommends approval of the form of the attached ENA and authorization for the Director of HWS, or designee, to execute an ENA that substantially conforms in form and substance to the attached.

**Impact on Residents and Businesses**

The potential development of 180 units will have a positive impact on the residents in the County of Riverside as it will create much needed affordable housing in the Coachella Valley as well as create construction, maintenance, and property management jobs.

**Additional Fiscal Information**

No general funds will be used for the proposed ENA. Abode will bear its own costs and expenses incurred in connection with the negotiating and preparing in good faith of a possible Disposition and Development Agreement and/or Ground Lease for the Desert Hot Springs Apartments Affordable Housing Project.

**Attachments:**

- Form of Exclusive Negotiation Agreement with Abode Communities.
- Notice of Exemption

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

  
Brianna Lontajo, Principal Management Analyst 1/30/2024

  
Aaron Gettis, Deputy County Counsel 1/25/2024

FILED / POSTED

County of Riverside  
Peter Aldana  
Assessor-County Clerk-Recorder

E-202400135  
02/07/2024 10:48 AM Fee: \$ 50.00  
Page 1 of 1



Removed: \_\_\_\_\_ By: \_\_\_\_\_ Deputy  


**Notice of Exemption**

To:  Office of Planning and Research  
For U.S Mail: \_\_\_\_\_ Street Address: \_\_\_\_\_  
P.O. Box 3044 1400 Tenth St.  
Sacramento, CA 95812-3044 Sacramento, CA 95814  
From: Public  
Agency: County of Riverside  
Address: 4080 Lemon Street, Suite 400  
Riverside, CA 92501  
Contact: Nicole Sanchez  
Phone: 760-863-2825

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: Juan Garcia  
Phone: +19519558126

**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: Exclusive Negotiation Agreement (ENA)

Project Location (include county): Palm Drive and Park Lane in the City of Desert Hot Springs, also identified as Assessor Parcel Numbers 656-040-039

**Project Description:**

The Housing Authority of the County of Riverside (Housing Authority) owns that certain real property located at Palm Drive and Park Lane in the City of Desert Hot Springs, and also identified as Assessor Parcel Numbers 656-040-039. Developer desires to acquire the property from the Housing Authority for affordable housing purposes and to develop thereon a proposed multifamily rental housing project comprised of approximately one hundred and eighty (180) affordable rental housing units consisting of 60 one-bedroom units, 75 two-bedroom units, and 45 three-bedroom units (two units will be set-aside for on-site managers); a community-serving commercial building; a resident center with outdoor pool and play area, and related infrastructure such as public improvements and other utilities, (collectively defined herein as the Project). The Project will provide affordable housing to persons and families at the low and very low-income levels, as defined by California Health and Safety Code Sections 50079.5, 50093 and 50105, in accordance with the CRL and the Housing Authorities Law. The ENA allows the developer to explore funding opportunities, complete entitlements and negotiate in good faith a potential disposition and development agreement to develop and build the project.

Project Sponsor: Housing Authority of the County of Riverside

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

Lead agency or  Responsible Agency

February 6, 2024 and has made the following determinations regarding the above described project:  
(tentative date)

The ENA does not constitute a project pursuant to the California Environmental Quality Act and State CEQA Guidelines (CEQA). Approval by the Housing Authority of the ENA does not vest any development rights and will not result in any physical change to the environment. The ENA requires the developer to obtain all necessary land use approvals and entitlements from the City of Jurupa Valley including compliance with CEQA. As the jurisdiction exercising land use control over the Property, the City of Jurupa Valley will be the lead agency for purposes of CEQA. The ENA 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.

Signature: (Public Agency) Juan Garcia Title: Deputy Director

Date: 1/23/24 Date received for filing at OPR: \_\_\_\_\_

**EXCLUSIVE NEGOTIATION AGREEMENT**

THIS EXCLUSIVE NEGOTIATION AGREEMENT ("Agreement") is entered into as of \_\_\_\_\_, 2024 by and between the County of Riverside, a political subdivision of the State of California ("County"), and Abode Communities, a California nonprofit public benefit corporation or its permitted assignee pursuant to Section VI below ("Abode"), on the terms and provisions set forth below:

**RECITALS**

A. The County owns 100% fee interest in that certain real property consisting of approximately 9.7 acres of land located on Palm Drive and Park Lane in the City of Desert Hot Springs, and also identified as Assessor Parcel Numbers 656-040-039, as further described in the Legal Description attached hereto as Exhibit "A" and incorporated herein by this reference ("Master Site");

B. The County procured proposals through Request for Qualifications No. 2023-100 ("RFQ") and selected Abode as the successful proposer and collaborative developer partner, due to, among other things, Abode's extensive experience in the development of affordable housing, sustained history of leveraging multiple funding sources, excellent references, and distinguished property management team;

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

D. Pursuant to the RFQ, the County desires to explore entering into an agreement with Abode for the potential acquisition of a portion of the Master Site (the "Property") by Abode for use by Abode in connection with Abode's proposed development and construction of an affordable housing development on the Property, that is currently anticipated to include approximately one hundred eighty (180) affordable rental housing units to be rented to and occupied by low income households (the "Project"), which may be developed in a single phase;

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

F. Facilitating the development of the Property for affordable multi-family rental housing through the conveyance or leasehold interest in the land will also assist the County and the State of California in achieving its goals of assisting families of low-income, including low-income farmworkers and their families; and

The purpose of this Agreement is to establish the procedures and standards for the negotiation by the County and Abode (hereinafter the "Parties") of a Disposition and Development Agreement with respect to the Project (the "DDA") or such other type of agreement as the parties may deem appropriate for the disposition or the leasehold interest as development of the proposed Project on the Property. This Agreement in itself does not grant Abode or any successor or affiliated entity the

right to acquire the Property and/or develop the Project.

NOW, THEREFORE, the County and Abode hereby mutually agree as follows:

I. Recitals

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

II. Negotiation

A. Good Faith Negotiations

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

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

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

B. Period of Negotiations

The negotiating period shall commence on the Effective Date (defined below) and end August 31, 2025 ("Negotiating Period"), subject to extension. The Negotiating Period may be extended for two additional one-year periods (the "Extension Period") by the written mutual agreement of the Parties. The Director of Housing and Workforce Solutions (HWS), or designee, in their reasonable discretion, may consent to an extension of the Negotiation Period on behalf of the County. In determining whether to consent to an extension of the Negotiating Period, the Director may consider the following factors, (i) whether sufficient progress in accomplishing the tasks set forth in the Schedule of Performance, attached hereto as Exhibit C and incorporated herein by this reference, has occurred, and (ii) whether the Parties are continuing to work toward a mutually acceptable DDA.

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

The term "Effective Date" used herein shall mean that certain date this Agreement is executed by the Director of HWS.

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

C. Abode Obligations During the Negotiation Period

Abode shall, within the Negotiating Period (including any mutually agreed upon Extension Period) satisfy the following obligations (unless otherwise waived in writing by the County's Director or designee) subject to force majeure delays:

1. Investigate the projected costs of developing the Project, including the performance of all related on-site and off-site improvements for the Project;
2. Identify and develop a plan to obtain the necessary land use entitlements required for the Project and secure those land use entitlements required herein no later than the dates set forth in the Schedule of Performance attached hereto as Exhibit "C";
3. Agree to participate and/or conduct community meetings as reasonably requested by the County in relation to the Project;
4. Identify sources of funding and submit funding applications after consultation with the County staff within the time frames set forth in the attached Schedule of Performance. Evaluate and provide a comprehensive written description of the estimated competitive score and feasibility of all funding applications to be submitted in connection with financing the Project on a quarterly basis commencing upon the Effective Date;
5. Conduct necessary geotechnical, cultural, traffic and environmental studies and investigations for the development of the residential, service facility and commercial uses at the Property;
6. Initiate and submit to the appropriate Governmental Authorities all applications for necessary entitlements (i.e., General Plan amendments, zone changes, parcel maps etc.) required for the development and construction of the Project as contemplated herein



within the negotiation period. The requirements set forth in this subsection 7. include performing any necessary studies and or plans required for the entitlement process; and

7. Prepare and submit to the County for its review the following pursuant to the Schedule of Performance, subject to force majeure delays, attached hereto as Exhibit "C":
  - a. A preliminary and final site plan and architectural/design concept for the proposed development of the Project, showing building layout and dimensions, parking, amenities, landscaping and access.
  - b. A schedule of the development of all structures and improvements proposed for the Project and an estimate of development costs including hard and soft costs.
  - c. A detailed financial plan for the Project containing matters typically contained in such analysis, including, without limitation, a detailed pro forma, development cost budget and sources of equity and debt capital securing construction and long term financing. The estimates and project date shall be in sufficient detail to permit adequate financial analysis by the County (which list may be supplemented or amended by Abode from time to time).
  - d. Copies of all completed reports, studies, analyses, and similar documents, but excluding confidential or proprietary information, prepared or commissioned by Abode with respect to this Agreement and the Project, without representation or warranty, promptly upon their completion.

D. County's Obligations

The County shall, within the Negotiation Period (and mutually agreed upon Extension Period) satisfy the following obligations:

1. Negotiate exclusively through its staff with Abode for the disposition and development of the leasehold estate in the Property and development of the Project.
2. Determine and process any California Environmental Quality Act ("CEQA") documentation, at Abode's expense, including the fees and expenses of any consultants to County employed in connection with the preparation of said CEQA documentation required in connection with the proposed sale of the Property to Abode and the County's approval of a DDA or similar agreement (collectively, the "CEQA Scope of Work");
3. Review site plans and, without cost to the County, use best efforts to assist Abode with securing Project Entitlements (as hereinafter defined), which may be required by the County of Riverside or any other Governmental Authorities (as defined in Section III.A. 4. below), including, without limitation, utilizing the County's exemption under the California Subdivision Map Act;
4. Review Abode's proposal; and

5. Disposal of Property in accordance with all the applicable laws; provided, however, the County has confirmed that the disposition of the Property is exempt from the Surplus Lands Act, Government Code Section 54222 et seq.

### III. Proposed Development

#### A. Development Concept and Essential Terms and Conditions

The proposed development to be negotiated hereunder shall include the development and construction of the Project on the Property as follows: the construction and development of approximately one hundred and eighty (180) affordable rental housing units consisting of 60 one-bedroom units, 75 two-bedroom units, and 45 three-bedroom units (two units will be set-aside for on-site managers); a community-serving commercial building of approximately 12,000 square feet; a resident center with outdoor pool and play area, and related infrastructure such as public improvements and other utilities, (collectively defined herein as the Project). At a minimum, each unit shall be rented to and occupied by qualified low-income households. The non-residential uses to be developed will be further defined through an engagement process with the County.

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

1. Abode shall enter into a DDA with the County in accordance with the Schedule of Performance;
2. Abode shall acquire interest in the portion of the Property from the County in accordance with the Schedule of Performance; and satisfaction of certain conditions precedent to be negotiated as part of the DDA or other such other type of agreement. The conveyance of the interest will occur after Abode has satisfactory evidence of committed financing for the development as contemplated by the DDA or other such other type of agreement;
3. Abode shall design and construct the Project on the Property, at its own cost and expense, in accordance with a Schedule of Performance to be negotiated as part of the DDA or other such other type of agreement and in accordance with the scope of development and plans and specifications prepared by Abode and approved in writing by the County;
4. Abode shall design and construct, if applicable, all on-site infrastructure improvements in connection with the Project on the Property and develop a plan for financing the cost of infrastructure improvements;

Abode shall secure at its own cost and expense, as required, in accordance with the Schedule of Performance and subject to force majeure delays, to be negotiated as part of the DDA or other such other type of agreement, the request of a density bonus and any and all entitlements (other than grading or building permits or approvals which are simply ministerial and nondiscretionary in nature) (the "Entitlements"), which may be required by the City, County or any other

governmental agency with jurisdiction over the construction and development of the Project (the "Governmental Authorities") to allow development of the Project;

5. Abode shall be responsible for marketing and leasing units the Project;
6. Other terms and conditions applicable to the DDA or other such other type of agreement are as follows:
  - a. It is understood by Abode that design and architectural approval by the County will be required for the Project and that sketches, plans, working drawings, specifications and similar documents will be required to be submitted for written approval pursuant to the terms and provisions in the DDA.
  - b. It is understood that in developing the Property, Abode will coordinate with the County the design and architectural theme of the Project to be compatible with other developments in the area.
7. A minimum of forty-nine (49%) percent of the housing units developed and operated shall be rented to and occupied by low-income households earning 80 percent or less of the area median income, as determined by the California Department of Housing and Community Development, adjusted for household size appropriate for the unit. The final affordability, maximum income and lease rate requirements will be established in the DDA or other such other type of agreement and shall conform to the CRL, including, but not limited to the requirements set forth in Health and Safety Code Sections 34176 and 34176.1.
8. The County shall reasonably cooperate with Abode in the provision of information and assistance in the filing, processing and obtaining of regulatory approvals, and, to the extent required by law, join with the Abode as a co-applicant in the filing for such regulatory approvals; provided, however, that the County shall have sole and absolute discretion to determine reasonable cooperation and the necessity of the County being a co-applicant on such approvals. Without limiting the generality of the foregoing, the County may use its exemption under the California Subdivision Map Act to subdivide the Master Site in the manner required by the Abode to develop the Project.

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

From time-to-time, as reasonably requested by the County, Abode shall provide oral Project status, and on the 15<sup>th</sup> of every month Abode shall provide written progress reports, advising the County on all matters related to the development, including financial feasibility analyses, construction cost estimates, marketing studies, and similar due diligence matters. Should negotiations not result in a DDA or other such other type of agreement between the County and Abode. The County may use the information provided by Abode (excluding any confidential or proprietary information prepared or commissioned by Abode, and subject to the proprietary rights of the authors or preparers, any confidentiality agreements and any privileges recognized by applicable law, subject to the requirements set forth in the California Public Records Act) in any way deemed by the County to be of benefit to the County. All costs incurred by Abode in the preparation and presentation of such findings, determinations, studies, reports or other requests by the County under this Agreement shall be at the sole expense of Abode.

IV. Purchase Price and/or Other Consideration

The purchase price/lease payment for the Property to be paid to the County by Abode will be established in the DDA or other such other type of agreement.

V. Environmental Requirements

Certain State and local environmental requirements under California Environmental Quality Act ("CEQA") may be applicable to the proposed Project. The County's Board of Supervisor's will consider the DDA upon submission of the County's successful negotiations with Abode on the terms and conditions of DDA. The County of Riverside ("County") will act as the "lead agency" under CEQA. Accordingly, Abode agrees to supply information and otherwise cooperate with the County, as requested by County to determine the environmental impact of the proposed Project, and to allow County to prepare such environmental documents as County may determine to be necessary pursuant to CEQA and County's guidelines and procedures.

Abode shall indemnify and hold harmless the County, their respective Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, Board of Commissioners, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as "Indemnitees") from any liability whatsoever, based or asserted upon any CEQA challenge related to the Project, except to the extent such liability is caused by the gross negligence or willful misconduct of any Indemnitees. Abode shall pay, at its sole expense, all costs and fees including, but not limited, to reasonable attorneys' fees, cost of investigation, defense and settlements or awards, of the Indemnitees in any claim or action based upon such alleged acts or omissions.

Nothing contained in this Agreement shall constitute a waiver, amendment, promise or agreement by the County (or any of its departments or boards) as to the granting of any approval, permit, consent, or other entitlement in the exercise of the County's or County's regulatory capacity or function, including, but not limited to any approvals required under CEQA. Abode acknowledges and agrees that since this Agreement relates only to an agreement to negotiate, with no development or construction requirement, any future development of the Property will be subject to separate CEQA environmental review prior to taking any choice limiting action or discretionary action.

VI. Assignment

Abode shall not assign all or any part of this Agreement without the prior written approval of the County, except to a limited partnership, limited liability company, or other entity formed for financing the Project, in which Abode or a limited liability company wholly owned by Abode is a co-general partner (if a limited partnership) or a managing member (if a limited liability company); provided, however, any of the aforementioned transfers shall be subject to the approval of documentation by the Director of HWS or designee. The County, in its reasonable discretion, may approve an assignment to any other entity if, in the reasonable determination of the County, the proposed assignee is comparable in all material respects (including experience, character and financial capability) to Abode. Any such change (or assignment of this Agreement in connection therewith) shall be by instruments approved in writing as to form and content by the

Director of HWS, or designee, and County Counsel, and if the County approval is required pursuant to this Section VI, subject to the approval by the County's Board of Supervisors of evidence of the proposed assignee's qualifications to meet the obligations of Abode under this Agreement. Abode shall promptly notify the County of any and all changes whatsoever in the identity of the parties in control of Abode or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information.

VII. Condition of Site

Abode will assume the full and complete responsibility to make all investigations of surface and subsurface conditions as may be necessary or appropriate and to evaluate the suitability of the Property for the proposed Project. The County shall not make any representations or warranties concerning the Property, its suitability for the use intended by Abode, or the surface or subsurface conditions of the Property. Upon execution of this Agreement, County shall promptly furnish to Abode all material information within its possession or control concerning the physical condition of the Master Site.

Within ten (10) days of the Effective Date, County shall promptly furnish to Abode all material information within its possession or control concerning the Master Site, including without limitation, copies of all topographical surveys, environmental reports, engineering studies, soil-bearing test data, and any similar reports and studies with respect to the Master Site, if any. Pursuant to the terms and conditions of the DDA, the Property shall be conveyed to Abode "AS IS", meaning that Abode will be accepting a leasehold interest to the Property in its present condition, including, but not limited to, the physical condition of the Property and all laws, rules and regulations, whether federal, state or local, having or potentially having any impact on possession use, subdivision, improvement or other aspects of the Property. If a DDA is executed and approved by the County, Abode shall be responsible, at its own sole cost and expense, for Project improvements, and will do all things necessary to prepare the applicable portion of the Property for the construction and development of the Project in accordance with the Entitlements therefore.

VIII. Right of Entry

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

Prior to each entry onto the Master Site, Abode shall provide twenty-four (24) hours advance written notice to the County to arrange for access. Email communications shall constitute valid written notice provided such notice is (i) submitted twenty four (24) hours in advance, (ii) sent to Nicole Sanchez at [nisanchez@rivco.org](mailto:nisanchez@rivco.org), and (iii) delivery of such email notice is confirmed with a documented reply and confirmation from Nicole Sanchez at [nisanchez@rivco.org](mailto:nisanchez@rivco.org).

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

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

- A. Abode will not permit any dangerous condition to be created on the Master Site as a result of the activities of Abode or Abode Designees;
- B. That all acts and things done by Abode on the Master Site will be done in a careful and reasonable manner, in accordance with all federal, state and local laws;
- C. Abode will enter the Master Site entirely at its own cost, risk and expense;
- D. That prior to Abode's entry upon the Master Site and during the term of this Agreement, Abode shall require each and all of Abode's contractors/consultants responsible for the Work under this Agreement with whom Abode enters into a written contract for such Work to maintain, in full force and effect, statutory workers' compensation insurance coverage and a commercial general liability policy in the amount of at least One Million Dollars (\$1,000,000) each occurrence and Two Million Dollars (\$2,000,000) policy aggregate. Not less than three (3) working days prior to entry on the Master Site, Abode shall cause Abode's contractors/consultants with whom Abode enters into a written contract for such Work to provide certificates evidencing such coverage and naming the County as additionally insured, as its interests may appear;
- E. Abode shall not suffer or permit to be enforced against the Master Site, or any part thereof, any mechanics', material men's, contractors' or subcontractors' liens or any claim for damage arising from any Work performed by Abode or Abode's designee's use of and activities upon the Master Site pursuant to this Agreement. Abode shall pay, or cause to be paid, all said liens, claims or demands before any action is brought to enforce the same against the Master Site;
- F. Abode shall not have any interest in the Master Site or be entitled to any reimbursement or repayment for any Work performed upon the Master Site pursuant to this Agreement;
- G. Abode shall take all necessary precautions to prevent the import and/or release into the environment of any hazardous materials which are imported to, in, on or under the Master Site during the performance of the Work. If hazardous materials are imported onto the Master Site as a result of the performance of the Work, Abode shall be solely responsible for removing such imported hazardous materials in conformance with all governmental requirements. Abode shall report to the County, as soon as possible after each incident, any incidents with respect to the

environmental condition of the Master Site; and

- H. Abode shall obtain and maintain all governmental permits and approvals required for the Work conducted under this Agreement and shall comply with all statutes, ordinances, rules, regulations, orders and requirements now in effect or that become effective during the term of this Agreement applicable to its sampling and other activities pursuant to the access granted by this Agreement.

IX. Indemnity

Abode shall indemnify and hold harmless the County of Riverside, their respective Agencies, Districts, Special Districts and Departments, their respective directors, officer's, Board of Supervisors, Board of Commissioners, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as "Indemnitees") from any liability whatsoever, based or asserted upon any services of Abode, its officers, employees, subcontractors, consultants, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of Abode, its officers, agents, employees, subcontractors, agents or representatives under this Agreement. Abode shall pay, at its sole expense, all costs and fees including, but not limited, to reasonable attorneys' fees, cost of investigation, defense and settlements or awards, of the Indemnitees in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by Abode, Abode shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of the County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Abode's indemnification to the Indemnitees as set forth herein.

Abode's obligation hereunder shall be satisfied when Abode has provided to the County the appropriate form of dismissal relieving the County and/or the 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 Abode'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 Abode from indemnifying the Indemnitees to the fullest extent allowed by law.

The indemnification and hold harmless obligations set forth in this section IX shall survive the expiration and termination of this Agreement.

X. Default and Remedies

(a) Failure by either party to negotiate in good faith as provided in this Agreement shall constitute an event of default under this Agreement. The non-defaulting party shall give written

notice of a default to the defaulting party, specifying the nature of the default and the required action to cure the default. If a default remains uncured thirty (30) days after receipt by the defaulting party of such notice, the non-defaulting Party may exercise the remedies set forth in subsection (b) below provided, however, that with respect to any default capable of being cured by Abode but which cannot be cured by Abode within such initial period, the default shall not be deemed to be uncured if Abode commence to cure within such initial period and diligently prosecute the cure to completion, and that the time required to prosecute such cure to completion will not require an extension of the Agreement.

(b) Remedies.

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

(2) Abode Default. In the event of an uncured default by Abode under this Agreement, the County shall be entitled to terminate this Agreement. Following such termination, neither party shall have any right, remedy or obligation under this Agreement; provided, however, that the indemnification obligations pursuant to Section IX shall survive such termination. Abode and the County hereby waive the right to specific performance as a remedy under this Agreement.

(c) Waiver of Default.

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

Notwithstanding anything to the contrary contained herein, Abode shall have the right to terminate this Agreement if at any time following the Effective Date Abode determine the Project is economically infeasible or for any other reason in the Abode's sole and absolute discretion. Upon termination of this Agreement, none of the Parties shall have any further rights or obligations hereunder.

XI. Abode Employees and Liabilities

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



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

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

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

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

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

XIV. Waivers; Amendments

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

XV. Actions By the County

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

XVI. Real Estate Commissions

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

XVII. Acknowledgments and Reservations

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

a. Not Binding

The Parties acknowledge and agree that this Agreement is for the sole purpose of stating the intention of the Parties to negotiate a DDA. The Parties have not reached agreement on the matters to be set forth in the DDA, and do not intend to be bound to the disposition and development of the Property until such time as a final written DDA is executed by both Parties.

The County's acknowledgment of this Agreement is merely an agreement to enter into a period of exclusive negotiations according to the concepts presented herein, reserving final discretion and approval by the County's Board of Supervisors, or any other agencies of the County as to any actions required of them, if any.

b. No Further Obligations

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

c. No Agreement

Abode acknowledges and agrees that no provision of this Agreement shall be deemed to be an offer by the County, nor an acceptance by the County of any offer or proposal from Abode, for the County to convey to Abode any interest in all or a portion of the Property or in or to the Property, or for the County to provide any financial or other assistance to Abode for development of the Property.

d. No Acquisition

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

e. Limitations of this Agreement

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

XVIII. Insurance

Without limiting or diminishing the Adobe's obligation to indemnify or hold the County harmless, Abode shall procure and maintain or cause to be maintained by Borrower or its general contractor for the Project ("General Contractor"), at its sole cost and expense, the following insurance coverage's during the term of this Agreement. As respects to the insurance section only, the County herein refers to the Housing Authority of the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

Concurrently with the execution of this Agreement by Abode, Abode shall procure and keep in full force and effect during the term of this Agreement, including any extensions thereto,

the following insurance policies:

1. Builder's All Risk (Course of Construction) Insurance: Abode shall cause General Contractor to 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 County, Abode, General Contractor 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, false work and temporary buildings are insured separately by the General Contractor or others, evidence of such separate coverage shall be provided to County prior to the start of the work. Such policy shall be written on an all risk basis and a completed value form. Such policy shall cover the full insurable value. Such policy shall also provide coverage for temporary structures (on-site offices, etc.), fixtures, machinery and equipment being installed as part of the work. Abode shall require that General Contractor shall be responsible for any and all deductibles under such policy. Upon request by the County, Abode, on behalf of General Contractor, shall declare all terms, conditions, coverages and limits of such policy. Such policy shall name the County as a loss payee as their interest may appear. If the County so provides, in its sole discretion, the All Risk (Course of Construction) insurance for the Project, then Abode shall cause the General Contractor to 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.
2. Worker's Compensation Insurance. If Abode has employees as defined by the State of California, Abode shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.
3. 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, covering claims which may arise from or out of Abode's performance of its obligations hereunder. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured. Policy's limit of liability shall not be less than \$2,000,000 per occurrence and \$2,000,000 in the aggregate, and such limits may be obtained through a combination of General Liability and Excess Liability.
4. Business Auto Liability Insurance. If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then Abode shall maintain liability insurance for all non-owned or hired vehicles so used in an amount not less

than \$1,000,000 per occurrence combined single limit. . Policy shall name the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured or provide similar evidence of coverage approved by County's Risk Manager.

5. 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: VII (A:7) unless such requirements are waived, in writing, by County's Risk Manager. If County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

Abode'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 COUNTY's Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to COUNTY, and at the election of COUNTY's Risk Manager, Abode's carriers shall either: (a) reduce or eliminate such self-insured retention as respects this Agreement with COUNTY, or (b) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

- 2) Abode shall furnish the County with copies of the Certificate(s) of Insurance and carrier issued Endorsements effecting coverage as required herein, and 2) if requested to do so in writing by the County's Risk Manager, provide copies of policies including all Endorsements and all attachments thereto relevant to this agreement, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any cancellation or expiration of such insurance, except ten (10) days notice for cancellation due to nonpayment of premium. In the event of cancellation or expiration, this Agreement shall terminate forthwith, unless the County receives, prior to such effective date, another Certificate of Insurance and copies of endorsements, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. Abode shall not commence operations until the County has been furnished Certificate(s) of Insurance and copies of endorsements and if requested, copies of policies of insurance including all endorsements and any and all other attachments as required in this Section.
- 3) It is understood and agreed to by the parties hereto that Abode's insurance shall be construed as primary insurance, and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.
- 4) If, during the term of this Agreement or any extension thereof, there is a material

change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or, the term of this Agreement, including any extensions thereof, exceeds five (5) years the County reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in the County's Risk Manager's reasonable judgment, the amount or type of insurance carried by Abode has become inadequate.

- 5) Abode shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.
- 6) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the County.
- 7) Abode agrees to notify the County of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

XIX. County to Execute

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

XX. Notices

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

County:

County of Riverside Department of  
Housing and Workforce Solutions (HWS)  
Attention: Director  
3403 Tenth Street #300  
Riverside, CA 92501

Abode:

Abode Communities  
Attention: Chief Executive Officer  
1149 S. Hill Street, Suite 700  
Los Angeles, CA 90015

With copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP  
633 West 5<sup>th</sup> Street, Suite 5880  
Los Angeles, CA 90071  
Attn: Nicole Deddens

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

XXI. Entire Agreement

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

XXII. Conflict of Interest

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

XXIII. No Third-Party Beneficiaries.

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

XXIV. Not Construed Against Drafter

The County and Abode acknowledge that they have read this Agreement, have had the opportunity to review it with an attorney of their respective choice, and have agreed to all its terms. Under these circumstances, the County and Abode agree that the rule of construction that a contract be construed against the drafter shall not be applied in interpreting this Agreement and that in the event of any ambiguity in any of the terms or conditions of this Agreement, including any exhibits or schedules hereto and whether or not placed of record, such ambiguity shall not be construed for or against any party hereto on the basis that such party did or did not author same.

XXV. Further Assurances.

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

XXVI. Administration/Agreement Liaison.

The Director of HWS, or designee, shall implement and administer this Agreement on behalf of the County.

XXVII. Severability

In the event that any of the provisions, or portions thereof, of this Agreement are held to

be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

XXVIII. Jurisdiction and Venue

Any action at law or in equity arising under this Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed in the consolidated Courts of Riverside County, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court or jurisdiction.

XXIX. Interpretation and Governing Law

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

XXX. Counterparts

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

[Remainder of Page Intentionally Blank]

[Signatures on Following Page]

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

**County:**

County of Riverside, a political subdivision of the State of California

By: FORM COPY - DO NOT SIGN  
Heidi Marshall, Director of HWS

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

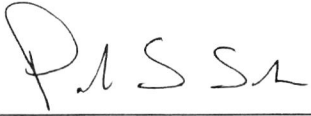
**Abode:**

Abode Communities,  
a California nonprofit public benefit corporation

By: FORM COPY - DO NOT SIGN  
Sara Tsay, Senior Vice President, Business Development

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

APPROVED AS TO FORM:  
MINH C. TRAN  
GENERAL COUNSEL

By:   
Paula S. Salcido, Deputy General Counsel



## **Exhibit A**

### **Legal Description**

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THE SOUTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SECTION 6, TOWNSHIP 3 SOUTH, RANGE S EAST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPT THAT PORTION OF SAID LAND LYING EASTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID NORTHEAST QUARTER, SAID POINT BEING THE NORTHEAST QUARTER OF PARCEL "B" OF PARCEL MAP NO. 17663 AS SHOWN ON MAP FILED IN BOOK 102 PAGES 9 TO 11 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE EASTERLY LINE OF SAID PARCEL "B" AND ITS PROLONGATION, SOUTH <:1' 07' 36" WEST TO THE SOUTHERLY LINE OF SAID NORTH HALF.

APN: 656-040-039-3

## Exhibit B

## Site Map



## Exhibit C

### SCHEDULE OF PERFORMANCE

- |     |   |   |
|-----|---|---|
| 1.  | Investigate the projected costs of developing the Project, including the performance of all related on-site and off-site improvements for the Project.  | Upon approval of ENA and prior to completion of DDA   |
| 2.  | Identify and develop a plan to obtain the necessary land use entitlements required for the Project.   | Within six (6) months of ENA approval   |
| 3.  | Agree to participate and/or conduct community meetings as requested by the County in relation to the Project.   | Ongoing, as needed  |
| 4.  | Identify sources of funding for Project and commence financing process for Project after consultation with the County staff. Evaluate and provide a comprehensive written description of the estimated competitive score and feasibility of all funding applications to be submitted in connection with financing the Project on a quarterly basis commencing upon the effective date.  | Quarterly report commencing upon ENA approval   |
| 5.  | Conduct necessary studies and investigations for the development of the residential, service facility and commercial uses at the Property such as geotechnical, cultural, traffic, and environmental.   | Within six (6) months of ENA approval   |
| 6.  | Abode shall initiate and submit application for the necessary entitlements (General Plan Amendment / Change of Zone / Parcel Map) required for the Project within the negotiation period. The requirements set forth in Section II, subsection C.7. include performing any necessary studies and or plans required for the entitlement process.   | Within eighteen (18) months of ENA approval.  |
| 7.  | A preliminary and final site plan and architectural/design concept for the proposed development of the Project, showing building layout and dimensions, parking, landscaping and access.  | Preliminary site plan within twelve (12) months of ENA approval; Final site plan within 18 months of ENA approval |
| 8.  | Prepare and submit to the County for its review a schedule of the development of all structures and improvements proposed for the Project and an estimate of development costs including hard and soft costs.   | Within six (6) months of ENA approval   |
| 9.  | Prepare and submit to the County for its review a detailed financial plan for the Project containing matters typically contained in such analysis, including, without limitation, a detailed pro forma, development cost budget and sources of equity and debt capital securing construction and long term financing. The estimates and project date shall be in sufficient detail to permit adequate financial analysis by the County. | Within nine (9) months of ENA approval  |
| 10. | Prepare and submit to the County for its review Copies of all completed reports, studies, analyses, and similar documents, but excluding confidential or proprietary information, prepared or commissioned by Abode with respect to this Agreement and the Project, promptly upon their completion.   | Ongoing, as completed   |