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

ITEM: 3.11
(ID # 30256)
MEETING DATE:
Tuesday, May 12, 2026

FROM : HOUSING AND WORKFORCE SOLUTIONS

SUBJECT: HOUSING AND WORKFORCE SOLUTIONS: Adoption of Resolution Number 2026-073, A Resolution of the County of Riverside Finding and Declaring that Certain Real Property Located in the City of Desert Hot Springs, County of Riverside, State of California, Identified as APN 656-040-061 is "Exempt Surplus Land" under the Surplus Land Act; Authorization to Convey Fee Simple Interest in Real Property Located in the City of Desert Hot Springs Identified as APN 656-040-061 to Park Lane Homes, L.P., and Approval of the form of the Disposition and Development Agreement between the County of Riverside and Park Lane Homes, L.P. for the Sale and Development of the Property for Affordable Housing Purposes, District 4, [$0]; (Making Findings as the Responsible Agency Pursuant to CEQA) Clerk of the Board to File the Notice of Determination

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find in its independent judgment and analysis as a Responsible Agency under CEQA in issuing certain limited approvals, the County of Riverside, after it reviewed and considered the information in the previously adopted Mitigated Negative Declaration (MND) approved by the City of Desert Hot Springs, as lead agency, on May 13, 2025 under Environmental Assessment No. 25-1 for the Park Lane Homes Project, that as to those potential environmental impacts within the County's powers and authorities as Responsible Agency concerning the Agreement for development of Park Lane Homes Apartments and approvals associated therewith, any potentially significant environmental effects have been adequately analyzed and nothing further is required under CEQA. The City of Desert Hot Springs, as the Lead Agency, filed its Notice of Determination Mitigated Negative Declaration on May 14, 2025;

Continued on Page 2
ACTION: Policy

Heidi Marshall, Director 4/28/2026

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes:	Medina, Spiegel, Washington, Perez, and Gutierrez
Nays:	None
Absent:	None
Date:	May 12, 2026
xc:	HWS, Recorder, State Clearinghouse

Kimberly A. Rector
Clerk of the Board
By: _____
Deputy

RECOMMENDED MOTION: That the Board of Supervisors:

2. Adopt Resolution No. 2026-073, A Resolution of the County of Riverside Finding and Declaring that Certain Real Property Located in the City of Desert Hot Springs, County of Riverside, State of California, identified as APN 656-040-061 is "Exempt Surplus Land" Under the Surplus Land Act;

3. Approve the attached form of Disposition and Development Agreement, including all attachments thereto ("Agreement") between the County of Riverside ("County") and Park Lane Homes, L.P., a California limited partnership, providing for, among other things, the disposition of real property located in the City of Desert Hot Springs, County of Riverside, State of California, identified as Assessor's Parcel Number 656-040-061 for the development thereon by Park Lane Homes, L.P. of affordable housing for lower-income households;

4. Authorize the Director of HWS to execute the Agreement, conforming in form and substance to the attached, on behalf of County, subject to approval as to form by County Counsel;

5. Direct the Clerk of the Board to file the attached Notice of Determination within five (5) business days upon approval of the Agreement; and

6. Authorize the Director of HWS, 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.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	$ 0	$ 0	$ 0	$ 0
NET COUNTY COST	$ 0	$ 0	$ 0	$ 0
SOURCE OF FUNDS:			Budget Adjustment:	No
			For Fiscal Year:	2025/26

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County of Riverside (County) owns certain real property located on Palm Drive and Park Lane in the City of Desert Hot Springs, also identified as Assessor Parcel Number 656-040-061, depicted on the attached Site map ("Property"). Abode Communities is a California nonprofit public benefit corporation engaged in building safe and affordable housing for low-income families. It has formed a California limited partnership, Park Lane Homes, L.P. (Developer), to develop and finance the new construction of Park Lane Homes.

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.

The project is anticipated to be developed and constructed as a mixed-use development consisting of a 12,000 square foot early childhood education center and affordable housing consisting of one hundred and sixty-seven (167) three-story units, including 30 one-bedroom, 34 two-bedroom, and 23 three-bedroom apartment units in Phase I and 27 one-bedroom units, 35 two-bedroom units, and 18 three-bedroom units in Phase II. The Project will be developed in two phases. Phase I will include 87 residential units along with the 12,000 square foot early childhood education center. Phase II will add the remaining 80 units, completing the full buildout of the community. On site amenities will include a property management and resident service office, recreation area with a swimming pool, a single-story 1,335 square foot community building, picnic areas, playgrounds, walking paths, and passive open space. Indoor community facilities will include a community room with kitchen, two laundry rooms, a social services office, property management offices, and shaded play structures (collectively, the "Proposed Project").

The County may declare County owned land exempt from the Surplus Land Act if a Proposed Project meets exemption criteria outlined in Government Code Section 54221(f)(1)(F). In order to meet exemption criteria, the Proposed Project must be used as affordable housing, restrict 100 percent of the units to low-income families, remain affordable for a minimum of 55 years, benefit the community, and meet other additional requirements. Through this action, the County seeks to declare the Property as exempt surplus land from the Surplus Land Act.

There is an unmet need for affordable housing within the County of Riverside. Staff recommends the Board of Supervisors authorize the conveyance of the Property to Developer to provide housing affordable to lower-income families in furtherance of and consistent with the interests of the County. Staff recommend the adoption of Resolution No. 2026-073 to declare the Property exempt surplus land. Resolution No. 2026-073 has been reviewed and approved by County Counsel as to legal form. Staff further recommend authorization to dispose of its fee simple interests in the Property to Developer; and approval of the Disposition and Development Agreement between the County of Riverside and Developer for the sale and development of the Property for affordable housing purposes.

Consistent with applicable provisions of the California Government Code and subject to the satisfaction of certain conditions precedent, the Property will be sold at fair market value. Based on an April 25, 2025, appraisal, the fair market sale price of the 15.4-acre Property is $990,000 which shall be paid for by delivery to the County of a note secured by deed of trust. At the time of closing the Property will be reappraised and sold at fair market value. An Agreement

Containing Covenants in substantially the form attached to the Agreement will be recorded against the Property upon transfer to the Developer.

Developer is responsible and has obtained 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 an affordable housing project in two phases. All land use and development entitlements, including compliance with CEQA must be obtained from the City of Desert Hot Springs.

Upon the sale to the Developer, the Developer will deliver a note secured by deed of trust to the County, and the note given by Abode will be deemed reduced by that amount. In order to ensure the long-term affordability of the units consistent with the Agreement and applicable law, will be subject to an Agreement Containing Covenants requiring the units remain affordable for fifty-five (55) years.

The terms of the Property sale and applicable affordability restrictions are set forth in the attached form of Disposition and Development Agreement, including attachments, to be executed by the County and Developer. The deed restriction of the new units as affordable to low-income households is in the best interests of the County and residents of the Desert Hot Springs area.

Any potential significant effects of the Proposed Project have been addressed by the City of Desert Hot Springs, as Lead Agency, in its review of Environmental Assessment No. 25-1 for the Project, filed with the Riverside County Clerk's Office on May 14, 2025, a Notice of Determination was filed indicating that the Project will not have a significant effect on the environment. A Mitigated Negative Declaration was prepared in accordance with the CEQA, and appropriate mitigation measures, along with a mitigation monitoring and reporting program, were adopted as conditions of Proposed Project approval. Acting as the Responsible Agency, the County Board of Supervisors will adopt the Notice of Determination. Entering into the Disposition and Development Agreement will not result in any new significant environmental effects; the actions will not substantially increase the severity of the environmental effects; no considerably different mitigation measures have been identified; and no mitigation measures found infeasible have become feasible. As a result, no further environmental documentation is required for California Environmental Quality Act purposes and the Board acting as a responsible agency hereby makes the findings that the prior CEQA document sufficiently addresses any actions on the part of the County.

County Counsel has reviewed and approved as to form the attached Resolution No. 2026-073 and the form of the Disposition and Development Agreement, including all attachments. Staff recommend that the Board adopt Resolution No. 2026-073, approve the Disposition and Development Agreement, including all attachments, and authority the Director of HWS, or designee, to execute all necessary documents to complete this transaction.

Impact on Residents and Businesses

Approval of the Disposition and Development Agreement will provide the land and financing for a new affordable housing project which will create temporary construction jobs and bring much needed quality lower-income housing in the Desert Hot Springs area.

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. 2026-073
- Form of the Disposition and Development Agreement, including all attachments
- Site Map
- Notice of Determination

Stacey Pena
Stacey Pena, EO Management Analyst 5/7/2026

Aaron Gettis
Aaron Gettis, Chief Deputy County Counsel 5/7/2026

RESOLUTION NO. 2026-073

A RESOLUTION OF THE COUNTY OF RIVERSIDE FINDING AND DECLARING THAT CERTAIN REAL PROPERTY LOCATED IN THE CITY OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, IDENTIFIED AS APN 656-040-061 IS "EXEMPT SURPLUS" LAND UNDER THE SURPLUS LANDACT

WHEREAS, the California Surplus Land Act ((Assembly Bill ("AB") 1486 (Statutes of 2019, Chapter 664) and AB 1255 (Statutes of 2019, Chapter 661) ("SLA")) requires that before a Local Agency, including a County, takes any action to sell or lease surplus property, it must declare the property to be either "surplus land" or "exempt surplus land";

WHEREAS, "surplus land" means land owned in fee simple for which a local agency's governing body takes formal action at a regular public meeting declaring that such land is surplus and is not necessary for the agency's use;

WHEREAS, unless the surplus land is exempt, the agency must give written notice of its availability to any local public entity, including schools and park districts, within whose jurisdiction the property is located, as well as to housing sponsors that have notified the State Department of Housing and Community Development ("HCD") of their interest in surplus properties and imposes a mandatory negotiation process giving first priority to affordable housing development;

WHEREAS, the SLA exempts certain properties, "exempt surplus lands," from the mandatory notification and negotiation procedures, including, without limitation, certain properties conveyed for affordable housing developments purposes;

WHEREAS, the County of Riverside, a political subdivision of the State of California ("County"), is the legal owner of record of approximately 15.4 acres of land located on Palm Drive and Park Lane in the City of Desert Hot Springs, and also identified as Assessor Parcel Number 656-040-061, as further described on the attached Exhibit "A" (collectively, the "Property");

FORM APPROVED COUNTY COUNSEL
BY AMRIT S. DHILLON 5/6/2026 DATE

WHEREAS, County solicited in a completive process, through Request for Qualifications No. 2023-100 ("RFQ"), issued on May 1, 2023 in which thirteen (13) responses to RFQ were received and reviewed by a scoring committee, followed by a presentation by the four (4) final developers chosen for consideration, Abode Communities, a California nonprofit public benefit corporation ("Abode"), was selected, because of their experience obtaining financing and constructing affordable housing projects in a timely manner;

WHEREAS, pursuant to Abode's successful proposal, the County and Abode entered into that certain Exclusive Negotiation Agreement dated February 27, 2024 (the "Agreement") and terminating on August 31, 2025, subject to two additional one-year extension periods, for purposes of facilitating a proposed affordable housing development project with Abode;

WHEREAS, on January 31, 2026, the County and Abode executed a First Amendment to the Agreement, extending the Negotiating Period through January 31, 2027;

WHEREAS, the proposed affordable housing development project, known as "Park Lane Homes", is anticipated to be developed and constructed as a mixed-use development consisting of a 12,000 square foot early childhood education center and affordable housing consisting of one hundred and sixty-seven (167) units, including 30 one-bedroom, 34 two-bedroom, and 23 three-bedroom apartment units in Phase I; and 27 one-bedroom units, 35 two-bedroom units and 18 three-bedroom units in Phase II. The Project will be developed in two phases. Phase I will include 87 residential units along with the 12,000 square foot early childhood education center. Phase II will add the remaining 80 units. On site amenities will include a property management and resident service office, recreation area with a swimming pool, a single-story 1,335 square foot community building, picnic areas, playgrounds, walking paths, and passive open space. Indoor community facilities will include a community room with kitchen, two laundry rooms, a social services office, property management offices, and shaded play structures. ("Project").

WHEREAS, 100% of the housing units developed and operated shall be rented and occupied by low-income households earning 60% or less of the area median income, thus addressing the pressing need for affordable housing in the County of Riverside; and

WHEREAS, the Property qualifies for an exemption from the SLA because the proposed Project meets the exemption criteria outlined in the Government Code Section 54221(f)(1)(F) as set forth below.

NOW, THEREFORE, BE IT RESOLVED, FOUND, DETERMINED, AND ORDERED, by the Board of Supervisors of the County of Riverside, State of California, ("Board") in regular session assembled on May 12, 2026, in the meeting room of the Board located on the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California, that this Board does hereby determine and declare as follows:

1. Incorporation of Findings. The County of Riverside hereby incorporates by this reference the recitals set forth above as true and correct.

2. Declaration of Exemption (Surplus Land Act). The County of Riverside finds and determines that the Property is "exempt surplus land" under the SLA because it meets the exemption criteria contained in Government Code Section 54221(f)(1)(F) and the Updated Surplus Lands Act Guidelines ("Guidelines") Section 103(c)(7)(A), contingent on HCD's 30-day review and approval of this Resolution, as follows:

    a. Affordable Housing: The Project restricts 100% of its residential units to persons and families of low income. At least 75% of the units (i.e., 126 out of 167 total units) will be reserved for lower-income households, as defined by Section 102(a) of the Guidelines issued by the California Housing and Community Development Department ("HCD") on August 1, 2024 ("Guidelines"), thereby satisfying the exemption requirement. This restriction will be legally enforced through an Agreement Containing Covenants recorded against the property at the time of sale or ground lease, ensuring long-term affordability.

    b. Rent Levels: The proposed rent levels for the restricted units will be affordable to low-income households whose income does not exceed 60% of the area median income for the County of Riverside. County of Riverside staff used recent data on area median income rents within the County to calculate the appropriate rent levels for the restricted units, in compliance with the requirements of Section 102(a) of the Guidelines. These

affordability requirements will be documented in a recorded covenant or restriction that will run with the land and will be enforceable against any future owner or successor in interest who violates the terms of the covenant.

c. Long-term Affordability: The Project will maintain its affordability restrictions for a period of no less than 55 years. This long-term affordability will ensure that low-income individuals in the County of Riverside have access to affordable housing options for the foreseeable future, aligning with both the County's mission and state housing objectives.

d. Community Benefits: Park Lane Homes will offer significant benefits to its residents, including accessibility to an approximately 12,000 square foot early childhood education center, a community room, and outdoor pool and play areas. Additionally, the Project will include resident services programs focused on further enhancing the quality of life for the residents.

3. Based on the findings above, the County of Riverside finds and concludes that the Property constitutes exempt surplus land for the purposes of Government Code Section 54221. The proposed development is an affordable housing project with appropriate affordability restrictions, and it meets the statutory requirements for surplus land exemption. Consequently, the County of Riverside finds and declares the Property exempt surplus land to facilitate the development of affordable housing on the site.

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Board of Supervisors **COUNTY OF RIVERSIDE**

RESOLUTION NO. 2026-073

A RESOLUTION OF THE COUNTY OF RIVERSIDE FINDING AND DECLARING THAT CERTAIN REAL PROPERTY LOCATED IN THE CITY OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, IDENTIFIED AS APN 656-040-061 IS "EXEMPT SURPLUS" LAND UNDER THE SURPLUS LANDACT

ROLL CALL:

Ayes:	Medina, Spiegel, Washington, Perez, and Gutierrez
Nays:	None
Absent:	None
Abstain:	None

The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the date therein set forth.

KIMBERLY A. RECTOR, Clerk of said Board

By: _____

Deputy

05/12/2026 Item 3.11

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

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 SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 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 THROUGH 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 0°07'36" WEST TO THE SOUTHERLY LINE OF SAID NORTH HALF.

ALSO EXCEPTING THAT PORTION OF THE SOUTH 30 FEET OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING BETWEEN THE EASTERLY LINE OF PALM DRIVE AS DESCRIBED IN DEED RECORDED IN BOOK 467, PAGE 521 OF OFFICIAL RECORDS OF SAID COUNTY, AND THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT B OF PARCEL MAP NO. 17663, AS SHOWN ON MAP FILED IN BOOK 102, PAGES 9 THROUGH 11 INCLUSIVE OF PARCEL MAPS IN THE OFFICE OF THE COUNTY

RECORDER OF SAID COUNTY, PER DEED RECORDED NOVEMBER 28, 1990 AS INSTRUMENT NO. 432371 OF OFFICIAL RECORDS.

APN 656-040-061

Peter Aldana
Riverside County
Assessor-County Clerk-Recorder
2724 Gateway Drive
Riverside, CA 92507
(951) 486-7000
www.rivcoacr.org

Receipt: 26-143434

Product	Name	Extended
FISH	CLERK FISH AND GAME FILINGS	$50.00
	# Pages	1
	Document #	E-202600406
	Filing Type	5
	State Fee Prev Charged	false
	No Charge Clerk Fee	false
F&G Clerk Handling Fee		$50.00
Total		$50.00
Tender (On Account)		$50.00

Account# CEQAHWS/WDD
Account Name CEQAHWS/WDD - HOUSING AND WORKFORCE SOLUTIONS, WORKFORCE DEVELOPMENT DIVISION
Balance $550.00

5/13/26, 1:06 PM PST
Gateway Clerk

State of California - Department of Fish and Wildlife

2026 ENVIRONMENTAL DOCUMENT FILING FEE CASH RECEIPT

DFW 753.5a (REV. 01/01/26) Previously DFG 753.5a

RECEIPT NUMBER: 26-143434

STATE CLEARINGHOUSE NUMBER *(If applicable)*

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.

LEAD AGENCY	LEAD AGENCY EMAIL	DATE
COUNTY OF RIVERSIDE DEPARTMENT OF	MMANALO@RIVCO.ORG	05/13/2026

COUNTY/STATE AGENCY OF FILING	DOCUMENT NUMBER
RIVERSIDE	E-202600406

PROJECT TITLE

DISPOSITION AND DEVELOPMENT AGREEMENT FOR PARK LANE HOMES APARTMENTS

PROJECT APPLICANT NAME	PROJECT APPLICANT EMAIL		PHONE NUMBER
COUNTY OF RIVERSIDE DEPARTMENT OF	MMANALO@RIVCO.ORG		(951) 955-0774
PROJECT APPLICANT ADDRESS	**CITY**	**STATE**	**ZIP CODE**
4080 LEMON STREET, SUITE 400	RIVERSIDE	CA	92501

PROJECT APPLICANT *(Check appropriate box)*

☒ Local Public Agency ☐ School District ☐ Other Special District ☐ State Agency ☐ Private Entity

CHECK APPLICABLE FEES:

☐ Environmental Impact Report (EIR)	$4,227.50	$
☐ Mitigated/Negative Declaration (MND)(ND)	$3,043.75	$
☐ Certified Regulatory Program (CRP) document - payment due directly to CDFW	$1,437.25	$
☐ Exempt from fee		
☐ Notice of Exemption (attach)		
☐ CDFW No Effect Determination (attach)		
☐ Fee previously paid (attach previously issued cash receipt copy)		
☐ Water Right Application or Petition Fee (State Water Resources Control Board only)	$850.00	$
☒ County documentary handling fee		$ $50.00
☐ Other		$

PAYMENT METHOD:

☐ Cash ☐ Credit ☐ Check ☒ Other **TOTAL RECEIVED** $ $50.00

SIGNATURE	AGENCY OF FILING PRINTED NAME AND TITLE
X	Deputy Adrienne Ribac

FILED / POSTED
County of Riverside
Peter Aldana
Assessor-County Clerk-Recorder
E-202600406
05/13/2026 01:06 PM Fee: $ 50.00
Page 1 of 1
Removed: By: Deputy

Notice of Determination

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

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

From:
Public Agency: County of Riverside
Address: 4080 Lemon Street, Suite 400
Riverside, CA 92501
Contact: Mervyn Manalo
Phone: (951) 955-0774

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 and Development Agreement for Park Lane Homes Apartments

Project Location (include county): North side of Park Lane, East of Palm Drive, Desert Hot Springs, CA, Riverside County Assessor's Parcel Number 656-040-061

Project Description:
The Disposition and Development Agreement (DDA) for the development of Park Lane Homes located at North side of Park Lane and East of Palm Drive, in the City of Desert Hot Springs on 15.4 acres of land identified as Assessor's Parcel Number 656-040-061. The Project consists of 167 units consisting of 30 one-bedroom, 34 two-bedroom, and 23 three-bedroom apartment units in Phase I and 27 one-bedroom units, 35 two-bedroom units and 18 three-bedroom units in Phase II. The Project will be developed in two phases. Phase I will include 87 residential units along with a 12,000 square foot early childhood education center. Phase II will add the remaining 80 units, completing the full buildout of the community. On site amenities will include a property management and resident service office, recreation area with a swimming pool, a single-story 1,335 square foot community building, picnic areas, playgrounds, walking paths, and passive open space. Indoor community facilities will include a community room with kitchen, two laundry rooms, a social services office, property management offices, and shaded play structures. Under the County's DDA, One Hundred percent (100%) of the units will be restricted to lower income households for a period of at least 55 years from the recordation of the Notice of Completion.

Project Sponsor: County of Riverside Department of Housing and Workforce Solutions

This is to advise that the County of Riverside Board of Supervisors approved the above project on
☐ Lead agency or ☒ Responsible Agency

May 12, 2026 (tentative date) and has made the following determinations regarding the above-described project:

In its independent judgment and analysis as a Responsible Agency under CEQA in issuing limited approvals, the County of Riverside, after it reviewed and considered the information in the previously adopted **MITIGATED NEGATIVE DECLARATION (MND)** approved by the City of Desert Hot Springs, as lead agency, on May 13, 2025 under Environmental Assessment No. 25-1 for the Park Lane Homes Project, that as to those potential environmental impacts within the County's powers and authorities as Responsible Agency concerning the DDA for development of Park Lane Homes Apartments and approvals associated therewith, any potentially significant environmental effects have been adequately analyzed and nothing further is required under CEQA. The City of Desert Hot Springs, as the Lead Agency, filed its Notice of Determination Mitigated Negative Declaration on May 14, 2025.

Signature: (Public Agency) Mervyn Manalo Title: Supervising Development Specialist

Date: 5/6/2026 Date received for filing at OPR:

Notice of Determination

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

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

From:
Public Agency: County of Riverside
Address: 4080 Lemon Street, Suite 400
Riverside, CA 92501
Contact: Mervyn Manalo
Phone: (951) 955-0774

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):

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(tentative date)

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Signature: (Public Agency) _____ Title: Supervising Development Specialist
Mervyn Manalo

Date: _____ Date received for filing at OPR: _____

Document Root (Read-Only)

Selected Document

2025031169 - NOD - Disposition and Development Agreement for Park Lane Homes Apartments

City of Desert Hot Springs
Created - **5/14/2026** | Submitted - **5/14/2026** | Posted - **5/15/2026** | Received - **5/14/2026** | Published - **5/15/2026** | Updated - **5/15/2026**
Whitney N Mayo

Document Details

Lead Agency
City of Desert Hot Springs

Document Type
Notice of Determination

Document Status
Published

Title
Disposition and Development Agreement for Park Lane Homes Apartments

Document Description
The Disposition and Development Agreement (DDA) for the development of Park Lane Homes located at North side of Park Lane and East of Palm Drive, in the City of Desert Hot Springs on 15.4 acres of land identified as Assessor's Parcel Number 656-040-061. The Project consists of 167 units consisting of 30 one-bedroom, 34 two-bedroom, and 23 three-bedroom apartment units in Phase I and 27 one-bedroom units, 35 two-bedroom units and 18 three-bedroom units in Phase II. The Project will be developed in two phases. Phase I will include 87 residential units along with a 12,000 square foot early childhood education center. Phase II will add the remaining 80 units, completing the full buildout of the community. On site amenities will include a property management and resident service office, recreation area with a swimming pool, a single-story 1,335 square foot community building, picnic areas, playgrounds, walking paths, and passive open space. Indoor community facilities will include a community room with kitchen, two laundry rooms, a social services office, property management offices, and shaded play structures. Under the County's ODA, One Hundred percent (100%) of the units will be restricted to lower income households for a period of at least 55 years from the recordation of the Notice of Completion.

Attachments (Upload Project Documents)

3.11 - NOD - Agreement for Park Lane Homes Apartments.pdf

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Regions

Southern California

Counties

Riverside

Cities

Desert Hot Springs

Location Details

Cross Streets
North side of Park Lane, East of Palm Drive, Desert Hot Springs, CA

Parcel Number - 656-040-061

Other Location Info
North side of Park Lane, East of Palm Drive, Desert Hot Springs, CA, Riverside County Assessor's Parcel Number 656-040-061

Notice of Determination

Agency Approved by
County of Riverside Board of Supervisors

Agency Role
Responsible Agency

Approved On
5/12/2026

Significant Environmental Impact
Will Not

Environmental Impact Report Prepared
No

Mitigated or Negative Declaration Prepared
Yes

Mitigation Measures
Were not made a condition of the approval of the project

Mitigation Reporting Or Monitoring Plan
Was not adopted for this project

Statement Of Overriding Considerations
Was not adopted for this project

Findings
Were not made pursuant to the provisions of CEQA

Final Environmental Document Available at
City of Desert Hot Springs 11999 Palm Drive, Desert Hot Springs, CA 92240

County Clerk(s)

Riverside

Signature

Title

Date

Outlook

SCH Number 2025031169

From Thomas Hubbard <THOMAS.HUBBARD@lci.ca.gov>
Date Fri 5/15/2026 8:15 AM
To Mayo, Whitney <WMayo@Rivco.org>

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Thomas Hubbard | *he/him/his*
Jr. CEQA Analyst
Governor's Office of Land Use & Climate Innovation
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3403 Tenth Street, Suite 300
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Attn: Juan Garcia, Deputy Director

SPACE ABOVE THIS LINE FOR RECORDERS USE

DISPOSITION AND DEVELOPMENT AGREEMENT

By and Between

THE COUNTY OF RIVERSIDE

and

PARK LANE HOMES, L.P.

for

Park Lane Homes Apartments Affordable Housing Project

TABLE OF CONTENTS

ARTICLE 1 SUBJECT OF AGREEMENT 3

Section 1.01 Recitals 3

Section 1.02 Definitions 3

Section 1.03 Purpose of Agreement 14

Section 1.04 COUNTY 14

Section 1.05 Developer 15

Section 1.06 Assignments and Transfers 15

ARTICLE 2 DISPOSITION OF THE PROPERTY; CLOSING 16

Section 2.01 ENA 16

Section 2.02 Conveyance of the Property; Purchase Price 16

Sections 2.03 Termination Agreement 16

Section 2.04 Escrow 17

Section 2.05 Possession of Property Upon Close of Escrow 17

Section 2.06 Form of Deed 17

Section 2.07 Condition of Title 17

Section 2.08 Closing Date 17

Section 2.09 Title Insurance 18

Section 2.10 Taxes and Assessments 18

Section 2.11 Occupants of the Property 18

Section 2.12 Condition of the Property 19

Section 2.12.1 Hazardous Substances 19

Section 2.13 Suitability of the Property 20

Section 2.14 Property Access Prior to Close of Escrow 21

Section 2.15 Method of Financing 21

Section 2.16 Representations and Warranties 21

Section 2.17 Conditions Precedent to the Close of Escrow 23

Section 2.18 Failure of Conditions to Close of Escrow 26

Section 2.19 Evidence of Financing 26

ARTICLE 3 DEVELOPMENT OF THE PROPERTY 27

Section 3.01 Land Use Approvals 27

Section 3.02 Compliance with CEQA and Other Laws as Condition Precedent to Closing 27

Section 3.03	Scope of Development	28
Section 3.04	Basic Concept, Schematic Drawings and Related Documents	28
Section 3.05	Landscaping and Grading Plans	28
Section 3.06	Architects	29
Section 3.07	Cost of Construction	29
Section 3.08	Schedule of Performance	29
Section 3.09	Local, State, and Federal Laws	30
Section 3.10	Notice of Non-Responsibility	30
Section 3.11	Nondiscrimination During Construction	30
Section 3.12	Indemnification and Insurance	30
Section 3.13	Disclaimer of Responsibility by COUNTY	34
Section 3.14	Rights of Access	35
Section 3.15	Taxes, Assessments, Encumbrances and Liens	35
Section 3.16	Prohibition Against Transfer	35
Section 3.17	No Encumbrances Except Approved Financing	35
Section 3.18	Lender Not Obligated to Construct Improvements	34
Section 3.19	Notice of Default to Lenders and Tax Credit Investor; Right of Lender and Tax Credit Investor to Cure Defaults	36
Section 3.20	Failure of Lender to Complete Improvements	37
Section 3.21	Right of COUNTY to Cure Defaults	37
Section 3.22	Right of COUNTY to Satisfy Other Liens on the Property	37
ARTICLE 4	USE OF THE PROPERTY	38
Section 4.01	Uses	38
Section 4.02	Maintenance of the Property	39
Section 4.03	Monitoring and Monitoring Fee	41
Section 4.04	Obligation to Refrain from Discrimination	41
Section 4.05	Effect and Duration of Covenants	42
Section 4.06	Effect of Violation of the Terms and Provisions of this Agreement	42
Section 4.07	Hazardous Substances	43
ARTICLE 5	DEFAULTS, REMEDIES AND TERMINATION	43
Section 5.01	Defaults - General	43
Section 5.02	Termination	45

Section 5.03 Remedies of the Parties for Default 46
Section 5.04 Attorneys' Fees 47
Section 5.05 Institution of Legal Actions 47
Section 5.06 Applicable Law 47
Section 5.07 Acceptance of Service of Process 47
Section 5.08 Rights and Remedies Are Cumulative 48
Section 5.09 Damages 48
Section 5.10 Termination 48
Section 5.11 Specific Performance after Closing 48
ARTICLE 6 GENERAL PROVISIONS 49
Section 6.01 Notices, Demands and Communications between the Parties 49
Section 6.02 Conflicts of Interest 49
Section 6.03 Nonliability of COUNTY Officials and Employees 50
Section 6.04 Force Majeure 50
Section 6.05 Inspection of Books and Records 50
Section 6.06 Approvals and Non-Substantive Amendments 50
Section 6.07 Real Estate Commissions 51
Section 6.08 Further Assurances 51
Section 6.09 Construction and Interpretation of Agreement 51
Section 6.10 Time of Essence 52
Section 6.11 No Partnership 52
Section 6.12 Compliance with Law 52
Section 6.13 Binding Effect 52
Section 6.14 No Third Party Beneficiaries 52
Section 6.15 Authority to Sign 52
Section 6.16 Incorporation by Reference 53
Section 6.17 Counterparts 53
ARTICLE 7 ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS 53
ARTICLE 8 EFFECTIVE DATE OF AGREEMENT 53

ATTACHMENTS

ATTACHMENT NO. 1	-	LEGAL DESCRIPTION
ATTACHMENT NO. 2	-	SITE MAP
ATTACHMENT NO. 3	-	METHOD OF FINANCING
ATTACHMENT NO. 4	-	SCHEDULE OF PERFORMANCE
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
ATTACHMENT NO. 9	-	ENVIRONMENTAL INDEMNITY
ATTACHMENT NO. 10	-	NOTICE OF AFFORDABILITY RESTRICTIONS
ATTACHMENT NO. 11	-	FORM OF AGREEMENT CONTAINING COVENANTS
ATTACHMENT NO. 12	-	REQUEST FOR NOTICE
ATTACHMENT NO. 13		FORM OF PURCHASE MONEY NOTE SECURED BY DEED OF TRUST
ATTACHMENT NO. 14		DEED OF TRUST WITH ASSIGNMENT OF RENTS

DISPOSITION AND DEVELOPMENT AGREEMENT

(Park Lane Homes Apartments)

THIS DISPOSITION AND DEVELOPMENT AGREEMENT ("**DDA**") is entered into as of this___day of May 2026, by and between THE COUNTY OF RIVERSIDE, a political subdivision of the State of California, ("**COUNTY**") and PARK LANE HOMES, L.P., a California limited partnership ("**Developer**"). COUNTY and Developer are collectively referred to herein as the "Parties" and individually as a "Party."

RECITALS

The following Recitals are a substantive part of this DDA. Capitalized terms used in these Recitals and not otherwise defined shall have the meaning set forth in Section 1.02.

A. The County owns 100% fee interest in that certain real property consisting of approximately 15.4 acres of land located on Palm Drive and Park Lane in the City of Desert Hot Springs, and also identified as Assessor Parcel Numbers 656-040-061, 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 Request For Qualifications, 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 sixty-seven (167) affordable rental housing units to be rented to and occupied by Low Income Households (the "**Project**"), which may be developed in a two phases;

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. In conjunction with the RFQ, COUNTY and Abode entered into an Exclusive Negotiation Agreement ("**ENA**") dated February 27, 2024;

G. COUNTY and Abode entered into the First Amendment to ENA dated January 30, 2026, extending the term of ENA to January 31, 2027. The terms and conditions will be amended and restated in accordance herewith;

H. Abode transferred all rights and obligations under the ENA to Developer;

I. As a result of negotiations under the ENA, COUNTY and Developer desire to enter into this DDA, pursuant to which COUNTY will convey fee title in the Property to Developer for the development and construction thereon of a mixed-use development consisting of a 12,000 square foot early childhood education center and affordable housing consisting of one hundred and sixty-seven (167) units consisting of 30 one-bedroom, 34 two-bedroom, and 23 three-bedroom apartment units in Phase I and 27 one-bedroom units, 35 two-bedroom units and 18 three-bedroom units in Phase II. The Project will be developed in two phases. Phase I will include 87 residential units along with the 12,000 square foot early childhood education center. Phase II will add the remaining 80 units, completing the full buildout of the community. On site amenities will include a property management and resident service office, recreation area with a swimming pool, a single-story 1,335 square foot community building, picnic areas, playgrounds, walking paths, and passive open space. Indoor community facilities will include a community room with kitchen, two laundry rooms, a social services office, property management offices, and shaded play structures. (collectively, the "**Proposed Project**");

J. One hundred percent (100%) of the total units in the Proposed Project, not identified for occupancy by a property manager, shall be restricted to occupancy by Low Income Households as set forth herein (collectively, the "**Restricted Units**");

K. COUNTY desires to facilitate the development of the Proposed Project on the Property, which will serve to preserve, protect, improve and increase the affordable housing stock and help eliminate blight within the County of Riverside;

L. Facilitating the development of the Property for affordable multi-family rental housing through the conveyance of the Property will also assist the County and the State of California in achieving its goals of assisting low-income families; and

M. COUNTY desires to convey the Property to Developer for the development and construction thereon of the Proposed Project, as more specifically described herein, and provide for the COUNTY Loan in connection therewith; and

N. The Parties intend, in this DDA, following and contingent upon Developer obtaining the necessary Project-related financing, discretionary entitlements, permits and full compliance with the California Environmental Quality Act, to provide for COUNTY's disposition of the Property to Developer, the provision of the COUNTY Loan, and Developer's construction of the Improvements and operation of an affordable housing project on the Property.

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

Article I. SUBJECT OF AGREEMENT

Section 1.01 Recitals The Recitals set forth above are true and correct and incorporated herein by this reference.

Section 1.02 Definitions

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

(a) "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.

(b) "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.

(c) "Affordability Period" means a period of fifty-five (55) years, commencing from the issuance of a Certificate of Occupancy for the last building for which construction is completed for the Project, in compliance with applicable laws including, but not limited to, the Surplus Land Act and the California Health and Safety Code.

(d) "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 Low Income Households, Adjusted for Family Size Appropriate to the Unit, as applicable, occupying the Restricted Units as determined pursuant to (i) the Agreement Containing Covenants and applicable provisions of the Surplus Land Act; (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 Developer 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 Developer in accordance with this definition. The tenant utility allowance shall be determined by COUNTY.

(e) "Agreement Containing Covenants" means a regulatory agreement to be executed by Developer in favor of COUNTY pursuant to the requirements of the Surplus Land Act and the California Health and Safety Code. The Agreement Containing Covenants shall be substantially in the form attached hereto as **Attachment No. 11** and incorporated herein by this reference. DDA

(f) "Approved Financing" means the construction and permanent financing set forth in an updated Project Budget approved by COUNTY in connection with Construction Closing.

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

(h) "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.

(i) "Board of Supervisors" means the governing, legislative body of the County of Riverside.

(j) "Building Permit" means the building permit(s) issued by the City of Desert Hot Springs required for the development of the Project.

(k) "City" means the City of Desert Hot Springs, California.

(l) "Closing," "Close of Escrow" or "Construction Closing" means the point in time when all conditions precedent to the conveyance and acquisition of the Property have been satisfied in accordance with this DDA and the Grant Deed is recorded in the Official Records.

(m) "Closing Date" means the date on which the Closing has occurred.

(n) "Completion" means the point in time at which all of the following have been satisfied: (a) issuance of a certificate of occupancy by the City Desert Hot Springs for all the buildings constituting the Project, (b) recordation of a Notice of Completion pursuant to Civil Code section 8182, (c) submission to COUNTY of unconditional lien releases or waivers obtained by Developer or Developer'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 Property has been developed in accordance with this DDA, the Scope of Development and plans approved by COUNTY and any other Governmental Authority DDA with jurisdiction over the Property or the Project.

(o) "Construction Closing Date" means the date on which the Construction Closing has occurred.

(p) "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 the Project.

(q) "Construction Loan" means a construction loan to be made by a Construction Lender to Developer.

(r) "Construction Loan Deed of Trust" means the deed of trust securing a Construction Loan.

(s) "Conversion Date" means the date that construction of the Project has been completed and all of the other conditions precedent in order for a Permanent Lender to fund the Permanent Loan for the Project have been satisfied.

(t) "Conveyance" means the transfer of title to the Property from COUNTY to Developer evidenced by recordation in the Official Records of a Grant Deed in the form attached hereto as **Attachment No. 5**.

(u) "County" means the County of Riverside.

(v) "COUNTY Indemnitees" is defined in Section 2.13 of this DDA.

(w) "COUNTY Loan" means a loan made by COUNTY to Developer upon Construction Closing in an amount equal to the Purchase Price. The COUNTY Loan shall be evidenced by the Promissory Note and secured by the Deed of Trust.

(x) "COUNTY Loan Documents" shall refer to this DDA, the Promissory Note, the Deed of Trust, the Agreement Containing Covenants, the Notice of Affordability Restrictions, the Attachments hereto, any agreement entered into substantially in the form of an Attachment hereto or in connection herewith, and any extensions, modifications or amendments thereto.

(y) "DDA" or "Agreement" means this Disposition and Development Agreement by and between COUNTY and Developer which shall be recorded in the Official Records on title to the Property upon Closing.

(z) "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.

(aa) "Deed of Trust" means a deed of trust substantially in the form of **Attachment No. 14** to be executed by Developer and recorded against the Property securing the COUNTY Loan upon the Closing.

(bb) "Developer" means Park Lane Homes, L.P., a California limited partnership, and its successors and assigns DDA.

(cc) "Development Costs" means all costs which are actually incurred by Developer for the acquisition of the Property and the financing, design, development and construction of the Proposed Project.

(dd) "Effective Date" means the date the Chair of the Board of Supervisors executes this DDA after approval by the Board of Supervisors.

(ee) "ENA" is defined in Recital F.

(ff) "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 the Project.

(gg) "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.

(hh) "Escrow Instructions" or "Escrow Agreement" means escrow instructions prepared on behalf of COUNTY relating to the sale of the Property to Developer and funding of the COUNTY Loan, in such form as reasonably required by COUNTY.

(ii) "Evidence of Financing" is defined in Section 2.19 of this DDA.

(jj) "Evidence of Insurance" is defined in Section 3.12 of this DDA.

(kk) "Director" means the director of COUNTY's Housing and Workforce Solutions ("HWS") Department, or their designee.

(ll) "Final Plans" is defined in Section 3.04.

(mm) "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 COUNTY shall not excuse performance by COUNTY); 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 DDA. 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 DDA. 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 COUNTY Loan Document.

(nn) "Force Majeure Delay" means any delay in taking any action required by this DDA, 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 DDA may also be extended in writing by mutual agreement between COUNTY 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 Developer 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, COUNTY 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 DDA.

(oo) "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 the Project.

(pp) "Governmental Authority(ies)" means the United States, the State of California, the City, 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.

(qq) "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, the City 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.

(rr) "Grant Deed" means the instrument by which COUNTY will convey title to the Property to Developer, substantially in the form attached hereto as **Attachment No. 5** and incorporated herein by this reference.

(ss) "Gross Income" shall be calculated in accordance with Title 25, § 6914 of the California Code of Regulations.

(tt) "Hazardous Substances" and "Hazardous Materials" shall have the meaning set forth in Section 2.12.1 of this DDA.

(uu) "HCD" means the California Department of Housing and Community Development.

(vv) "Household" means one or more individuals occupying or applying to occupy a Unit.

(ww) HSC" means the California Health and Safety Code.

(xx) "Improvements" means all of the improvements to be constructed on the Property as specifically described in the Scope of Development and any plans and/or specifications approved by the City or other Governmental Authorities in connection with the Project, including, but not limited to, a 12,000 square foot early childhood education center and approximately one hundred sixty seven (167) unit affordable housing complex and related amenities.

(yy) "Lender" means a lender of a Loan.

(zz) "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 the Property. The definition of Loan shall include, but not be limited to, any Construction Loan, any Permanent Loan and the COUNTY Loan.

(aaa) "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.

(bbb) "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.

(ccc) "Manager Unit (s)" means both or either of two 2-bedroom units in the Project to be occupied by an on-site property manager.

(ddd) "Method of Financing" shall mean the document attached to this DDA as **Attachment No. 3** incorporated herein by this reference.

(eee) "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 on the Property, payable on April 1 of each year during the Affordability Period commencing on the first April 1 after the Completion of the Project.

(fff) "Notice of Affordability Restrictions" means that certain Notice of Affordability Restrictions substantially in the form of **Attachment No. 10** to be recorded in the Official Records at Closing.

(ggg) "Official Records" means the Official Records of the Office of the County Recorder for the County of Riverside, California.

(hhh) "Operating Expenses" with respect to the Project, includes the aggregate of the expenses directly incurred, paid and attributable to the following:

(i) Cost of utilities supplied to and used for the Project and payable by Developer;

(ii) Cost of all insurance required for the Project by this DDA, Developer's partnership agreement, the Senior Financing documents, or any ancillary documents concerning the operation of the Project;

(iii) Real property taxes, if any, and assessment payments;

(iv) Expenses and costs of any social services programs and compliance/monitoring reporting for the Project;

(v) The deposits for the replacement reserves or operating reserves for the Project, in the amount provided by the Senior Financing or required by Developer'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 Project and any expenditures required based upon a physical needs assessment by the Developer's limited partner or Senior Financing lender (including materials and labor) not funded from reserves required for the Project, 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 Project which are directly attributable and customarily incurred in the operation of real estate projects similar to the Project, 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 Developer in connection with administering this DDA or a Loan in connection with the Project;

(ix) All scheduled, or otherwise due, payments of principal and/or interest required by any loans to Developer provided by HCD and/or the Senior Financing, together with all financing fees and related charges payable by Developer 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 Developer'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 Developer in accordance with Developer'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 Developer 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 Project.

(iii) "Operating Expenses" shall not include the following: (a) repairs or replacements paid out of insurance proceeds received by or reserves held by the Developer; (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 Developer's general overhead expenses, or expenses, costs and fees paid to an affiliate of Developer, 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 Project to a third party in connection with expenses which, if incurred by Developer, would be Operating Expenses; and (h) optional or elective payments with respect to debt secured by a lien senior to the COUNTY Loan (unless made with the consent of COUNTY in its reasonable discretion).

(jjj) "Outside Closing Date" means December 31, 2027.

(kkk) "Parcel" means a legal parcel or parcels of land located within the boundaries of the Property upon which Developer will develop the Project.

(lll) "Permanent Lender" means the institutional lender who at the Completion of the Project takes out or reduces a Construction Loan and provides permanent financing for the Project.

(mmm) "Permanent Loan" means a loan made by the Permanent Lender on the Conversion Date.

(nnn) "Permitted Exceptions" means those encumbrances, liens, taxes, assessments, easements, rights of way, leases, covenants, agreements or other exceptions affecting title to the Property as of the date of recordation of the Grant Deed which are approved in Section 2.11 below or otherwise in writing by the Developer as set forth in the Preliminary Title Report. The Parties will use Commonwealth Land Title Insurance Company to close these transactions.

(ooo) "Permitted Transfer" means assignment of all or any part of this DDA or any right therein, or the sale, agreement to sell, transfer, encumbrance, conveyance or assignment of the Property or any portion thereof or interest therein to any of the following:

(i) A conveyance of a security interest in any portion of the Property in connection with any Approved Financing and any transfer of title by foreclosure, deed or other conveyance in lieu of foreclosure in connection therewith;

(ii) A conveyance of any portion of the Property to an Affiliate;

(iii) A partnership or limited liability company in which Developer, or an entity controlled by Developer, is a general partner or managing member and is in control thereof;

(iv) The admission of additional new general or limited partners or members, or the substitution or deletion of partners or members to Developer, so long as Abode Communities or an entity controlled by Developer continues to exercise managerial control of such entity;

(v) The removal of the entity controlled by Abode Communities from the Developer 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;

(vi) A corporation that is wholly owned and that is controlled by Developer or an entity controlled by Developer;

(vii) The lease for occupancy of any Unit within the Property in accordance herewith; and

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

(ix) Any transfer described in clauses (i) through (vii) shall not require the consent of COUNTY.

(ppp) "Permitted Transferee" means an entity which is the transferee in connection with a Permitted Transfer.

(qqq) "Person" means an individual, partnership, limited partnership, trust, estate, association, corporation, limited liability company, or other entity, domestic or foreign.

(rrr) "Plans" means any architectural and construction plans and drawings prepared on behalf of Developer for the Project in accordance with this DDA.

(sss) "Preliminary Title Report" means that certain Developer approved Preliminary Title Report for the Property issued by Commonwealth Land and Title dated within sixty (60) days before or after approval by the Board of Supervisors and attached hereto as **Attachment No. 8** and incorporated herein by this reference.

(ttt) "Project" means Developer's development, construction and operation on the Property of the Improvements constituting 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 City of Desert Hot Springs, COUNTY and any other entity having jurisdiction over the Property, which shall be performed in accordance with this DDA, including, but not limited to the Scope of Development attached hereto as **Attachment No. 6**.

(uuu) "Estimated Project Budget" means a schedule of construction and permanent sources and uses of funds necessary to pay Development Costs and operations for the Project, 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 COUNTY. The Estimated Project Budget as of the date hereof is attached as Attachment No. 7 hereto. Prior to Construction Closing, Developer shall provide to COUNTY for its approval an updated Project Budget substantially the form attached hereto as **Attachment No. 7** reflecting the sources and used of financing and other financial terms of the final Project, which shall constitute the Project Budget as approved by COUNTY in connection with Section 2.19 and the Method of Financing.

(vvv) "Promissory Note" means a promissory note evidencing the COUNTY Loan substantially in the form of **Attachment No. 13** to be given by Developer for the benefit of COUNTY at Closing.

(www) "Property" means that certain real property consisting of 15.4 acres of land located on Palm Drive and Park Lane in the City of Desert Hot Springs, and also identified as Assessor Parcel Numbers 656-040-061,, as further described in the Legal Description attached hereto as **Attachment No. 1** and as depicted on the Site Map attached hereto as **Attachment No. 2**. The Property may be divided or reconfigured by Developer. The terms of such division or reconfiguration including, without limitation, designation of Parcel boundaries, shall be determined by Developer, subject to the prior written approval of COUNTY, which shall not be unreasonably withheld or delayed, and subject to the subdivision requirements of the City. COUNTY agrees to assist Developer at no cost to COUNTY 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 potentially using the authority of COUNTY to create parcels that are exempt from certain provisions of the Subdivision Map Act.

(xxx) "Proposed Project" is defined in Recital I.

(yyy) "Purchase Price" shall have the meaning set forth in **Attachment No. 3**, the Method of Financing.

(zzz) "Restricted Unit(s)" One hundred percent (100%) of the total units in the Proposed Project, not identified for occupancy by a property manager, that shall be exclusively rented to and occupied at an Affordable Rent by Low Income Households in accordance with Section 4.01.

(aaaa) "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.

(bbbb) "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.

(cccc) "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 the COUNTY Loan. The COUNTY Loan shall be subordinate to the Senior Financing, provided that COUNTY and the holder of the Senior Financing enter into a subordination agreement in such form as is acceptable to COUNTY in its reasonable discretion. Senior Financing shall also include such financing and instruments, if any, recorded upon the Property in conjunction with low income housing tax credits. Any subordination agreement required to be executed by COUNTY as a subordinate lender shall be delivered to COUNTY for review no less than fifteen (15) days prior to the date upon which such agreement must be executed, provided, however, such condition may be waived by COUNTY.

(dddd) "Tax Credit Investor" shall mean a limited partner entity admitted to Developer.

(eeee) "TCAC" shall mean the California Tax Credit Allocation Committee.

(ffff) "Term" means the term of this DDA, which shall be the period of fifty-five (55) years from the date of issuance of the Certificate of Occupancy by the City of Desert Hot Springs for the last building built in the Project.

(gggg) "Title Company" means First American Title Insurance Company, or another title insurance company mutually agreed upon by COUNTY and Developer.

(hhhh) "Unit" means each of the approximately one hundred sixty-seven (167) apartment dwelling units required to be developed by the Developer on the Property in accordance with this DDA. Any Unit not reserved as a Manager Unit and that does not constitute a Restricted Unit shall be exclusively rented to and occupied by Households whose Gross Income does not exceed the income set forth herein for a Low Income Household..

Section 1.03 Purpose of Agreement

(a) The purpose of this DDA is to effectuate COUNTY's requirement that the Property be used for the Proposed Project including a mixed-use development consisting of a 12,000 square foot early childhood education center and affordable housing consisting of one hundred and sixty-seven (167) units. The Restricted Units located on the Property shall be rented to and occupied by Low Income Households at an Affordable Rent during the Affordability Period. The development and use of the Property pursuant to this DDA, and the fulfillment of this DDA, are in the vital and best interests of the COUNTY 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 1.04 COUNTY

(a) COUNTY is a political subdivision of the State of California. The principal office of COUNTY is located at 3403 Tenth Street, Suite 300, Riverside, CA 92501.

(b) "COUNTY" as used in this DDA includes the County of Riverside and any assignee of or successor to its rights, powers and responsibilities.

Section 1.05 Developer

(a) Developer is Park Lane Homes, L.P., a California limited partnership. The principal address of Developer for purposes of this DDA is Park Lane Homes, L.P., c/o Abode Communities, 2420 E. Cesar E. Chavez Ave #101 Los Angeles, CA 90033. Whenever the term "Developer" is used herein, it shall mean and include DDA any assignee of or successor to the rights, powers and responsibilities of Developer permitted by this DDA, and any assignee of or successor to all or a portion of the Property.

Section 1.06 Assignments and Transfers

(a) Developer represents and agrees that its undertakings pursuant to this DDA are for the purpose of developing the Project on the Property and providing affordable rental housing for Low Income Households, and not for speculation in land holding. Developer further recognizes that the qualifications and identity of Developer are of particular concern to COUNTY, in light of the following: (1) the importance of the development of the 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 development possible; and (3) the fact that a change in ownership or control of Developer or any other act or transaction involving or resulting in a significant change in ownership or control of Developer, is for practical purposes a transfer or disposition of the property then owned by Developer. Developer further recognizes that it is because of such qualifications and identity that COUNTY is entering into the DDA with Developer. Therefore, no voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this DDA except as expressly permitted herein.

(b) Except for a Permitted Transfer, Developer shall not assign all or any part of this DDA, the Property or any interest herein without the prior written approval of COUNTY.

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

(d) Any assignment or transfer of this DDA or the Property or any interest herein or significant change in ownership of Developer, other than certain Permitted Transfers or as permitted below in subsection (g), shall require the prior written approval of COUNTY, which shall not be unreasonably withheld. To the extent COUNTY approval of an assignment or transfer is required by this DDA, in granting or withholding its approval, COUNTY 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 DDA.

(e) Developer shall promptly notify COUNTY of any and all changes whatsoever in the identity of the parties in control of 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 DDA may be terminated by COUNTY if there is any significant change, (voluntary or involuntary) in membership, management or control, of Developer (other than such changes occasioned by the death or incapacity of any individual) prior to Closing.

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

(g) Except for Permitted Transfers, Developer shall promptly reimburse COUNTY for its reasonable attorneys' fees and costs for any transfer or proposed transfer of all or any portion of the Property or the rights and obligations set forth herein.

Article II. DISPOSITION OF THE PROPERTY

Section 2.01 ENA

(a) Upon the Effective Date, the ENA shall terminate and all rights and obligations of the Parties shall be as set forth herein.

Section 2.02 Conveyance of the Property; Purchase Price

(a) At such time as all conditions precedent to the Conveyance of the Property have been satisfied, in consideration for the covenants, representations, and warranties provided herein by Developer and upon receipt by COUNTY of the Purchase Price for the Property, COUNTY shall convey the Property 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.

(b) The Board of Supervisors approved this DDA and the sale of the Property to Developer, and no further action shall be required by the Board of Supervisors in order to convey the Property provided that such Conveyance is made in accordance with the terms and conditions hereof. The COUNTY Director of HWS may execute any and all documents necessary to transfer the Property to Developer without further Board of Supervisors approval or action.

(c) The Purchase Price for the Property shall be paid by Developer with a "COUNTY Loan". COUNTY shall make the COUNTY Loan in an amount equal to the Purchase Price, which Purchase Price shall be fair market value of the Property at Closing, Developer shall execute and deliver to COUNTY a Promissory Note in the amount of the COUNTY Loan, which such Promissory Note shall be secured by a Deed of Trust recorded against the Property, and evidence the COUNTY Loan made in accordance herewith.

Section 2.03 Termination of Agreement

(a) Subject to the notice and cure provisions set forth in Section 5.01 and to the enforced delay provisions set forth in Section 6.04 of this DDA, COUNTY at its option may terminate this DDA pursuant to Sections 5.08 and 5.09 if any of the conditions precedent to the conveyance of the Property are not satisfied by Developer or waived in writing by COUNTY by the Outside Closing Date DDA.

Section 2.04 Escrow

(a) Developer agrees to open an escrow for the conveyance of the Property with the Title Company or with any other licensed escrow company first approved by COUNTY and Developer ("**Escrow Agent**"), no later than the date established therefor in the Schedule of Performance. No later than the time provided in the Schedule of Performance, COUNTY shall cause to be prepared and shall deliver the Escrow Instructions to the Escrow Agent. COUNTY 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 Property, consistent with this DDA.

Section 2.05 Possession of Property Upon Close of Escrow

(a) Conveyance of the Property shall occur on or before the Outside Closing Date, or such later date as mutually agreed to in writing by COUNTY and Developer and communicated in writing to the Escrow Agent pursuant to Section 2.02 herein. COUNTY and Developer agree to use commercially reasonable best efforts to perform all acts necessary to convey title in sufficient time for escrow to be closed in accordance with the foregoing provisions.

(b) Possession of the Property shall be delivered to Developer immediately following the Close of Escrow, except that access and entry may be granted before the Close of Escrow pursuant to Section 2.12 of this DDA.

Section 2.06 Form of Deed

(a) COUNTY shall convey title to the Property to Developer in the condition provided in Section 2.05 of this DDA, by a Grant Deed substantially in the form of **Attachment No. 5**, incorporated herein by this reference.

Section 2.07 Condition of Title

(a) COUNTY shall convey to Developer the Property free and clear of all liens, encumbrances, covenants, restrictions, easements, leases, taxes and other defects; except those which are set forth in this DDA and included in the Grant Deed and Agreement Containing Covenants, and those exceptions to title for the Property set forth in the Preliminary Title Report.

Section 2.08 Closing Date

(a) 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 prior to the Outside Closing Date.

Section 2.09 Title Insurance

(a) Concurrently with the recordation of the Grant Deed, 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 2.05 of this DDA ("**Owner's Title Policy**"). The Title Company shall provide COUNTY 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 Property as permitted by the terms of this DDA, COUNTY shall cooperate with Developer, at no cost to COUNTY, 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, COUNTY does not warrant the accuracy or sufficiency of such material. The responsibility of COUNTY assumed by this paragraph is limited to cooperating in good faith with Developer. COUNTY 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, COUNTY, at Developer's cost, shall receive a 2006 A.L.T.A. lender's policy of title insurance in the amount of the COUNTY Loan, together with such endorsements as are reasonably requested by COUNTY insuring the COUNTY Loan subject only to the liens of current property taxes and assessments and any exception to title which may be approved by COUNTY ("**COUNTY Lender's Policy**").

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

Section 2.10 Taxes and Assessments

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

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

Section 2.11 Occupants of the Property

(a) COUNTY warrants and agrees that title to the Property 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 2.12 Condition of the Property

(a) Section 2.12.1 Hazardous Substances

(i) "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.

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

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

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

Section 2.13 **Suitability of the Property**

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

(b) The Property shall be accepted by Developer in an "as is" physical condition, with no warranty, express or implied by COUNTY 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, the condition of the Property is not in all respects entirely suitable for the use or uses to which such Property will be put, then COUNTY and Developer shall meet and confer in order to determine which party shall be responsible for the costs to place the 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 DDA.

(c) Effective upon Closing, Developer shall indemnify, defend and hold harmless COUNTY, 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 "COUNTY Indemnitees"), by executing and delivering an Environmental Indemnity (**Attachment No. 9**).

(d) On and after the Closing, Developer hereby waives, releases and discharges the COUNTY 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 COUNTY's or Developer's use, maintenance, ownership or operation of the Property, any Hazardous Substances on the Property, or the existence of Hazardous Substances contamination in any state on the Property, however the Hazardous Substances came to be placed there, except that arising out of the gross negligence or willful misconduct of COUNTY, 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:

(i) "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."

(e) To the extent of the release set forth in this Section 2.13, Developer hereby waives and relinquishes all rights and benefits which it may have under §1542 of the California Civil Code.

Section 2.14 Property Access Prior to Close of Escrow

(a) Beginning on the Effective Date of this DDA and ending at the Closing, Developer and representatives of Developer shall have the right of access to and entry upon the Property subject to execution of a License Agreement in a form provided by COUNTY for the purpose of performing customary due diligence on the Property.

Section 2.15 Method of Financing

(a) Development of the Project shall be financed with a combination of sources of financing, as further detailed in the Project Budget and 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 the Project as required by this DDA and any Governmental Authority. Within the time period set forth in the Schedule of Performance, Developer shall submit to COUNTY an updated Project Budget and supporting documentation evidencing the Method of Financing at Construction Closing.

Section 2.16 **Representations and Warranties**

(a) As an inducement to COUNTY to enter into this DDA and consummate the transactions described herein, Developer hereby represents and warrants to COUNTY, which representations and warranties are true and correct as of the date of this DDA and any Closing and which shall survive the Close of Escrow:

(i) 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 COUNTY 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 DDA and the instruments referenced herein, and to satisfy all obligations of the Developer in this DDA or in any instrument or document referred to herein (referred to collectively as the "**Developer's Obligations**");

(ii) This DDA 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. The parties who have executed this DDA and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this DDA 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 DDA and all other documents or instruments executed and delivered, or to be executed and delivered pursuant hereto, have been duly taken;

(iii) 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;

(iv) 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;

(v) 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 DDA, including any attachments hereto or documents related to this DDA, nor the incurrence of the Developer's Obligations, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this DDA 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;

(vi) 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;

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

(viii) No representation, warranty or statement of Developer in this DDA or any Project Budget submitted to COUNTY 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 COUNTY 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

(ix) Developer's representations and warranties made in this Section 2.16 shall be continuing and shall be true and correct as of the date of the Close of Escrow 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 COUNTY to the performance of COUNTY's obligations hereunder.

Section 2.17 **Conditions Precedent to the Close of Escrow**

(a) Conditions for the benefit of COUNTY

(i) The Close of Escrow shall occur no later than the 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 Schedule of Performance (**Attachment No. 4**), unless otherwise waived in writing by COUNTY's Director. Closing shall deem all conditions precedent satisfied:

(ii) This DDA shall be in full force and effect.

(iii) Developer shall have timely (unless such timely performance has been waived by the Director) and duly performed each and every obligation to be performed by Developer hereunder prior to the Close of Escrow.

(iv) Developer's representations, warranties and covenants set forth in this DDA shall be true and correct as of the date of the Close of Escrow;

(v) Developer shall not be in default under this DDA;

(vi) 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 COUNTY for the COUNTY Loan, or such other title insurance as the Parties may request pursuant to Section 2.07 of this DDA;

(vii) Developer shall have submitted to COUNTY Evidence of Insurance as required by this DDA;

(viii) Developer shall have timely (unless such timely performance has been waived by the Director) submitted to COUNTY, and COUNTY shall have approved, an updated Project Budget, Evidence of Financing for the Project and related financing documents, as well as any preliminary marketing or management plans as may be reasonably required by COUNTY.

(ix) Developer shall have delivered documentation relating to the corporate, partnership, limited liability or other similar status of Developer, and Developer's limited and 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 execution of this DDA 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;

(x) Developer shall have obtained and delivered to COUNTY (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 and naming COUNTY as co-obligee, and (ii) such other evidence satisfactory to COUNTY in such form as reasonably required by COUNTY insuring the lien free completion of the Project in accordance with and subject to the terms and conditions of this DDA;

(xi) Escrow Agent shall have approved such supplemental recording instructions as may have been prepared on behalf of COUNTY;

(xii) The Construction Contract for the Project shall be fully executed.

(xiii) COUNTY, 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:

1) **Agreement Containing Covenants** (substantially in the form of **Attachment No. 11**, to be signed and acknowledged by Developer and COUNTY);

2) **Notice of Affordability Restrictions** (substantially in the form of **Attachment No. 10** to be signed and acknowledged by the Developer and COUNTY);

3) **Environmental Indemnity** (substantially in the form of **Attachment No. 9**, to be signed by the Developer);

4) **Escrow Instructions** (to be signed by COUNTY and the Developer);

5) **Promissory Note** (substantially in the form of **Attachment No. 13**, to be signed by Developer) in the amount of the COUNTY Loan;

6) **Deed of Trust** (substantially in the form of **Attachment No. 14**, to be signed by COUNTY and Developer) securing the COUNTY Loan;

7) Subordination agreements and assignments of the management agreement, any operating subsidy or such other assignments as may be reasonably requested by COUNTY in such form as is required by COUNTY; provided, however, COUNTY acknowledges that any such assignments must be subordinate to any agreements or assignments required by a senior Lender or tax credit investor.

8) Any other document or amendment to this DDA or any attachment hereto reasonably required by COUNTY; and

9) All documents by any other party providing financing for the Project, including, without limitation, Loan documents, deeds of trust, regulatory agreements and subordination agreements.

10) Developer shall have obtained all Entitlements and a Building Permit for the Project and satisfied the requirements of Sections 3.01 and 3.02 hereof.

11) When all conditions precedent have been satisfied, 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

(i) Developer's obligation to effect a Close of Escrow hereunder is conditioned upon the satisfaction of all of the conditions set forth in this Section 2.17b, which conditions are for the benefit of Developer, in addition to the other conditions to Developer's obligations provided for elsewhere in this DDA. 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 shall deem all conditions satisfied.

(ii) COUNTY shall have duly performed each and every obligation to be performed by COUNTY hereunder prior to the Close of Escrow and COUNTY's representations, warranties and covenants set forth in this DDA shall be true and correct as of the date of the Close of Escrow;

(iii) COUNTY shall not be in default under this DDA;

(iv) 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 2.07 of this DDA;

(v) COUNTY, 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:

1) **Agreement Containing Covenants** (substantially in the form of **Attachment No. 11**, to be signed and acknowledged by Developer and COUNTY);

2) **Notice of Affordability Restrictions** (substantially in the form of **Attachment No. 10** to be signed and acknowledged by Developer and COUNTY);

3) Escrow Instructions (to be signed by COUNTY and Developer); and

4) **Grant Deed** (substantially in the form of **Attachment No. 5**).

(vi) Developer shall have obtained adequate financing for the construction of the Project on terms and conditions acceptable to Developer in its sole discretion.

(vii) Developer shall have determined in its sole discretion that the Property is in an acceptable environmental condition with respect to the presence of any Hazardous Materials.

Section 2.18 Failure of Conditions to Close of Escrow

(a) In the event any of the conditions precedent to the Close of Escrow are not timely satisfied in accordance with the Schedule of Performance and/or waived by the party for whose benefit the condition was made for any reason other than a default by the party for whose benefit the condition was made, the following shall occur:

(i) The party for whose benefit the condition was made shall, subject to applicable notice and cure periods provide in Section 5.01, have the right to terminate this DDA, the Escrow and the rights and obligations of COUNTY and Developer hereunder, except as otherwise provided herein; and

(ii) In the event of termination, the Escrow Agent is hereby instructed to promptly return to Developer and COUNTY 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

(iii) Neither party shall have any further rights or obligations hereunder except as otherwise provided herein.

(b) In the event the Close of Escrow terminates because of the non-satisfaction of any condition or the default of COUNTY or Developer under this DDA, 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 2.19 **Evidence of Financing**

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

(i) A copy of all draft loan or other financing documents, including any Tax Credit and other award letters, a final Project Budget approved by COUNTY, Construction Lender and Permanent Lender, certified by Developer to be a true and correct copy or copies thereof;

(ii) 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

(iii) A copy of any amendments to the partnership agreement of Developer.

Article III. DEVELOPMENT OF THE PROPERTY

Section 3.01 Land Use Approvals

(a) It is the responsibility of Developer, without any cost to COUNTY, to ensure that zoning of the Property and all applicable County and City land use requirements will permit development and construction of the Improvements on the Property and the use, operation and maintenance of such Improvements in accordance with the provisions of this DDA. Nothing contained herein shall be deemed to entitle Developer to any City or County permit or other City or County approval necessary for the development of the Project on the Property or waive any applicable City or County requirements relating thereto. This DDA does not (a) grant any land use Entitlement to Developer, (b) supersede, nullify or amend any condition which may be imposed by the City or the County in connection with approval of the development described herein, (c) guarantee to Developer or any other party any profits from the development of the Property, or (d) amend any City or County laws, codes or rules. Developer acknowledges that this DDA does not vest any development rights and that this is not a Development Agreement as provided in Government Code §65864.

Section 3.02 Compliance with CEQA and Other Laws as Condition Precedent to Closing

(a) Prior to Closing, Developer shall have performed all necessary final actions and obtained the final approvals for the development and construction of the Project on the Property 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 DDA 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.

(b) Developer represents and warrants that after Close of Escrow, the 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 does not comply with said Applicable Requirements, Developer shall promptly rectify the same at Developer's expense.

(c) Developer represents and warrants that the Project will be developed in full compliance with all applicable CEQA requirements for new construction in the City. 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 the Project, including any actions related to any of the proposed uses of the Property or the DDA, Developer shall indemnify, defend (with counsel reasonably acceptable to COUNTY), and hold harmless COUNTY, its divisions, and departments, their respective directors, officers, elected and appointed officials, employees, agents, and representatives 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 ("**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 City, any Governmental Authority with jurisdiction over the Project or the Property, or COUNTY, its advisory agencies, or legislative body concerning this DDA, including CEQA compliance.

Section 3.03 Scope of Development

(a) The 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 the City and other Governmental Authorities. Developer shall be solely responsible to pay all costs to develop and construct the Project on the Property pursuant to this DDA, any Entitlements, and any requirements of a Governmental Authority. Except as set forth herein, COUNTY shall not be obligated to provide any funds for the development of the Project, provided, however, COUNTY acknowledges that Developer intends to request funding from the County of Riverside for development costs of some or all of the Project, though the County of Riverside shall have no obligation to provide such funding.

Section 3.04 Basic Concept, Schematic Drawings and Related Documents

(a) Developer shall prepare and submit to COUNTY and City for approval and review (including, but not limited to, architectural review) the following documents within the time frame set forth in the Schedule of Performance: (i) schematic drawings and related documents for the development of the Project, and (ii) construction plans for the development of the Project, (collectively called "**Plans**").

(b) The Project shall be developed as established in the basic concept and schematic drawings and related documents.

(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 COUNTY within the time frame set forth in the Schedule of Performance.

Section 3.05 Landscaping and Grading Plans

(a) The landscaping plans for the Project 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 3.06 Architects

(a) Developer shall employ a licensed architect in connection with the design and construction of the Project.

Section 3.07 Cost of Construction

(a) 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 COUNTY. Developer shall be responsible for paying all Development Costs. If the Construction Lender requires issuance of payment and performance bonds for the Project, Developer shall take commercially reasonable steps to cause COUNTY to be named as an additional obligee on any such bonds.

Section 3.08 Schedule of Performance

(a) Developer and COUNTY shall perform all acts respectively required of such party in this DDA within the times provided in the Schedule of Performance. The Schedule of Performance for the Project is attached hereto as **Attachment No. 4**.

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

(c) Each party to this DDA shall perform the obligations to be performed by such party pursuant to this DDA within the respective times provided in the Schedule of Performance (**Attachment No. 4**) and if no such time is provided, within a reasonable time. The Schedule of Performance shall be subject to amendment from time to time in writing upon the mutual agreement of COUNTY and Developer. The Director, on behalf of COUNTY, and without referring such matter to the Board of Supervisors, 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 Director, on behalf of COUNTY, and without referring such matter to the Board of Supervisors, may extend the Outside Closing Date for up to one (1) year; provided, however, that any additional extensions and any extension of an Outside Closing Date past December 31, 2025 shall be subject to review and shall require approval by the Board of Supervisors.

(d) After the Closing, 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.

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

Section 3.09 Local, State, and Federal Laws

(a) Developer shall carry out the design, construction and operation of the Project in conformity with all applicable laws, including all applicable state labor standards and federal prevailing wage laws (including without limitation provisions for payment of prevailing wages in connection with all construction of the Improvements to the extent applicable). Developer, including but not limited to its contractors and subcontractors, shall comply with applicable provisions of the Labor Code Section 1720, *et seq.*, and its implementing regulations, regarding the payment of prevailing wages ("State Prevailing Wage Law"), and, only if applicable, federal prevailing wage law ("Federal Prevailing Wage Law" and, together with State Prevailing Wage Law, "Prevailing Wage Laws") with regard to the undertaking, constructing and completing the Project. Developer shall be solely responsible for determining and effectuating compliance with the Prevailing Wage Laws. Developer hereby releases from liability, and agrees to indemnify, defend, assume all responsibility for and hold COUNTY harmless from any and all claims, demands, actions, suits, proceedings, fines, penalties, damages, expenses resulting from, arising out of, or based upon Developer's acts or omissions pertaining to the compliance with the Prevailing Wage Laws for the Project and Improvements.

Section 3.10 Notice of Non-Responsibility

(a) COUNTY shall, at any and all times during the term of this DDA, have the right to post and maintain on the Property, and record against the Property, 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 COUNTY, post and maintain on the Property, and record against the Property, all notices of non-responsibility provided for by the mechanics' lien laws of the State of California.

Section 3.11 Nondiscrimination During Construction

(a) Developer agrees that during the construction of the Improvements provided for in the DDA, 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

(a) Developer shall indemnify and hold harmless COUNTY, its directors, officers, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as "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 the Property, development of the Property, or any other activity engaged in in furtherance of this DDA, 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 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.

(b) 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 COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Developer's indemnification obligations to the Indemnitees as set forth herein.

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

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

(e) 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 COUNTY to the fullest extent allowed by law.

(f) The foregoing indemnity shall continue to remain in effect in the event this DDA is terminated and after the Completion.

(g) Without limiting or diminishing Developer's obligation to indemnify or hold COUNTY and the Indemnitees harmless, the Developer shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages commencing upon Close of Escrow.

(h) Worker's Compensation Insurance. Developer shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the COUNTY, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

(i) 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. Developer may hire a general Contractor to comply with Completed Operations line with the Commercial General Liability requirements of this paragraph. Policy shall name the COUNTY, 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 combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this DDA or be no less than two (2) times the occurrence limit.

(ii) Vehicle Liability Insurance. If vehicles or mobile equipment are used in the performance of the obligations under this DDA, 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 DDA or be no less than two (2) times the occurrence limit. Policy shall name the COUNTY, 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 ("Risk Manager").

(iii) 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 Property or other COUNTY-owned property, or used in any way connected with the performance of the work required pursuant to this DDA.

(iv) 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 COUNTY, 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, 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 Developer 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 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 COUNTY, Developer shall declare all terms, conditions, coverages and limits of such policy. If the COUNTY 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.

(v) General Insurance Provisions – All Lines.

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California or be approved to transact insurance by the California Insurance Commissioner 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 COUNTY, 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) Developer shall cause Developer's insurance carrier(s) to furnish the COUNTY 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 an endorsement providing thirty (30) days written notice shall be given to the COUNTY prior to any cancellation of such insurance. Developer shall not continue operations until 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 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 COUNTY 's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

5) If, during the term of this DDA 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 COUNTY reserves the right to adjust the types of insurance required under this DDA 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 Developer has become inadequate.

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

7) Developer agrees to notify 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 DDA.

Section 3.13 Disclaimer of Responsibility by COUNTY

(a) COUNTY 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 COUNTY 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 DDA) nor any third party is entitled to rely thereon. COUNTY shall not be responsible for any of the work of construction, improvement or development of the Property.

Section 3.14 Rights of Access

(a) Commencing upon the Closing and prior to Completion, representatives of COUNTY shall have the reasonable right of access to the Property, upon 24 hours' written notice to Developer (except in the case of an emergency, in which case COUNTY 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 DDA, including, but not limited to, the inspection of the work being performed in constructing the Improvements. Such representatives of COUNTY shall be those who are so identified in writing by the Director.

Section 3.15 Taxes, Assessments, Encumbrances and Liens

(a) Commencing upon the Closing, Developer shall pay when due all real estate taxes and assessments assessed and levied on or against the Property 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 or as otherwise authorized by this DDA. 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 DDA.

Section 3.16 Prohibition Against Transfer

(a) The qualifications and identity of Developer are of particular concern to COUNTY. It is because of those qualifications and identity that COUNTY has entered into this DDA with Developer. No voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this DDA, nor shall Developer make any total or partial sale, transfer, conveyance, assignment, subdivision, refinancing or lease of the whole or any part of the Property or the Improvements thereon (excepting the rental of Units in conformity with this DDA) without prior written approval of COUNTY, except for Permitted Transfers as otherwise allowed under this DDA, 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, Developer shall have the right to encumber the Property 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 Property which were included in the Project Budget approved by COUNTY ("**Approved Financing Purposes**"). Prior to Closing, Developer shall submit an updated Project Budget for the Project along with Evidence of Financing for COUNTY's approval. Once approved, the financing set forth in the Project Budget shall constitute the "**Approved Financing**" for the Project. Prior to Completion: (1) Developer shall not have any authority to encumber the Property for any purpose other than Approved Financing Purposes; (2) Developer shall obtain the consent of COUNTY, 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 Purposes requiring a conveyance of security interests in the Property without the prior written approval of COUNTY.DDA

(b) In any event, Developer shall promptly notify COUNTY of any security interest created or attached to the Project 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 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 COUNTY hereunder. Upon the reasonable request of a Lender, the Director shall execute from time-to-time such reasonable estoppel certificates to the extent they are consistent with the terms of this DDA.

(e) Notwithstanding the foregoing, Developer shall have a one-time right to refinance the Permanent Loan upon written notice to COUNTY in accordance with this DDA 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 COUNTY Loan.

Section 3.18 Lender Not Obligated to Construct Improvements

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

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

(a) Whenever COUNTY shall deliver any notice or demand to Developer with respect to any breach or default by Developer hereunder, COUNTY shall at the same time deliver to each Lender of record and the Tax Credit Investor a copy of such notice or demand. Each such Lender shall (insofar as the rights of COUNTY 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 Property, 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 DDA, shall have the right to undertake or continue the construction or Completion of the Improvements upon execution of a written agreement with COUNTY by which such Lender expressly assumes Developer's rights and obligations under this DDA with respect to the Project, approval of which agreement shall not be unreasonably withheld by COUNTY. The 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 to Complete Improvements

(a) In any case where, one hundred and twenty (120) days after default by Developer to complete the Improvements within the time frame required by the Schedule of Performance, subject to all applicable notice and cure periods and Force Majeure, if the Lender has elected not to complete construction of the Improvements, COUNTY 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 COUNTY.

Section 3.21 Right of COUNTY to Cure Defaults

(a) 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 the Property, COUNTY may cure the default at any time prior to completion by a Lender of any foreclosure under its deed of trust. In such event, COUNTY shall be entitled to prompt reimbursement from Developer of all costs and expenses incurred by COUNTY in curing the default. COUNTY shall also be entitled to increase the balance due under its Promissory Note to the extent of such costs and disbursements.

Section 3.22 Right of COUNTY to Satisfy Other Liens on the Property

(a) 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 the Property, COUNTY shall have the right, but not the obligation, to satisfy any such liens or encumbrances; provided, however, that nothing in this DDA 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 Property to forfeiture or sale. In such event, COUNTY shall be entitled to prompt reimbursement from Developer of all costs and expenses incurred by COUNTY in satisfying any such liens or encumbrances. Any such lien shall be subordinate and subject to any Loan encumbering the Property.

Article IV. USE OF THE PROPERTY

Section 4.01 Uses

(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 development and operation of the Project and related uses specified in the COUNTY Loan Documents (including, without limitation, the Scope of Development, the Agreement Containing Covenants and all Governmental Approvals). No change in the use of the Property shall be permitted without the prior written approval of COUNTY.

(b) Notwithstanding the generality of Section 4.01(a), Developer, its successors and assigns, shall use the Property only for the uses permitted in this DDA, specifically including the following: (i) residential rental use affordable to Low Income households, (ii) a community room, (iii) laundry facilities, (iv) property management and resident service office, (v) parking and DDA common open spaces, and (vi) early childhood education center.

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

(d) Residential Uses. For a period of fifty-five (55) years from the recordation by the City of Desert Hot Springs of the Certificate of Occupancy for the last building for which construction is completed, Developer hereby covenants and agrees as follows:

(i) All of the Restricted Units shall be continuously occupied or held vacant and made available solely to Low Income Households at an Affordable Rent, in accordance with the Distribution of Affordable Rents attached to Exhibit "C" to the Agreement Containing Covenants and the rent limitations set forth herein and in the Agreement Containing Covenants;

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

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

(iv) The Restricted Units shall remain continually affordable to Low Income Households, for fifty-five (55) years from the issuance of a Certificate of Occupancy for the Project, pursuant to the Agreement Containing Covenants. The Agreement Containing Covenants shall contain a provision making the covenants and conditions of the agreement binding upon successors in interest of Developer. The Agreement Containing Covenants shall be recorded in the Official Records. The Agreement Containing Covenants shall be recorded in the grantor-grantee index to the name of the property owner as grantee and to the name of COUNTY as grantor.

(v) Notwithstanding anything to the contrary herein, the affordability covenants (rent and income restrictions) contained in the Agreement Containing Covenants DDAshall 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 may be subordinated to the Senior Financing pursuant to a subordination agreement in a form to be approved in the Director's reasonable discretion.

(e) Restricted Units. One hundred percent (100%) of the total units in the Proposed Project, not identified for occupancy by a property manager, shall be restricted to occupancy by Low Income Households as set forth herein

(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 4.02 Maintenance of the Property

(a) In addition to the property maintenance requirements set forth in the Agreement Containing Covenants, Developer covenants and agrees that after Close of Escrow but prior to the commencement of construction of the Improvements, Developer shall maintain and secure the applicable Parcel in accordance with reasonable vacant property management practices, and upon and after completion of construction, Developer, its successors and assigns, shall maintain the Property and any improvements thereon and the landscaping thereon in a manner consistent with community standards which will uphold the value of the Property, in accordance with this DDA, and applicable provisions of the City of Desert Hot Springs Municipal Code and the County of Riverside Ordinances (the "**Codes**"), as follows:

(i) Exterior Maintenance. All exterior, painted surfaces of any structures located on the 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.

(ii) 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.

(iii) Graffiti Removal. All graffiti, and defacement of any type, including marks, words and pictures, must be removed from the Property 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 COUNTY.

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

(v) 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 DDA and the Code.

(vi) Damage and Destruction Affecting Property -- Duty to Rebuild. If all or any portion of the Property and the Improvements thereon 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 Property in a timely manner to restore it to Code compliance condition or the condition required by the City. Developer shall have no obligation to rebuild, repair or reconstruct the Property in excess of available insurance proceeds.

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

(viii) 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 COUNTY.

(ix) Inspection. In the event COUNTY, in the sole discretion of the Director, determines that the Developer has failed to maintain the Property in accordance with the requirements of this Section 4.02, COUNTY, 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 Property, correct any Deficiency, and hold Developer responsible for the cost thereof. Any cost incurred by COUNTY to cure any such Deficiency, until paid by Developer, shall constitute a lien on the Property pursuant to Civil Code § 2881.

Section 4.03 Monitoring and Monitoring Fee

(a) 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 no later than April 1 of each year during the Affordability Period, commencing on the first April 1 following the Completion of construction.

Section 4.04 Obligation to Refrain from Discrimination

(a) Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property 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 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 Property. All deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or non segregation clauses:

(i) 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."

(ii) 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."

(iii) 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."

(b) In addition to the obligations and duties of Developer set forth herein, Developer shall, upon notice from COUNTY, promptly pay to COUNTY all fees and costs, including administrative and attorneys' fees, incurred by COUNTY 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 DDA, the Agreement Containing Covenants, and the Grant Deed other than discrimination claims arising from the direct or indirect actions or inactions of COUNTY.

Section 4.05 Effect and Duration of Covenants

(a) The covenants established in this DDA shall, without regard to technical classification and designation, be binding on Developer and any successor in interest to the Property for the benefit and in favor of COUNTY, its successors and assigns. The covenants against discrimination shall remain in effect in perpetuity, and the remainder of the covenants shall remain in effect for a period of fifty-five (55) years from the issuance of the Certificate of Occupancy by the City of Desert Hot Springs for the last building constructed as part of the Project.

Section 4.06 Effect of Violation of the Terms and Provisions of this Agreement

(a) COUNTY is deemed beneficiary of the terms and provisions of this DDA 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 DDA and the covenants running with the land have been provided. Subject to the notice and cure provisions of Section 5.01, COUNTY shall have the right if the covenants contained in this DDA 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 DDA and covenants are entitled.

Section 4.07 Hazardous Substances

(a) At the Close of Escrow, Developer shall execute and deliver to COUNTY an Environmental Indemnity substantially conforming in form and substance to the Environmental Indemnity attached hereto as **Attachment No. 9**.

Article V. DEFAULTS, REMEDIES AND TERMINATION

Section 5.01 Defaults – General

(a) 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 DDA, including any of the Attachments or agreements entered into the form of an Attachment, shall constitute a default under this DDA. 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 COUNTY 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 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 COUNTY 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.

(b) 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.

(c) 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 DDA, 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 DDA, 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.

(d) The occurrence of an "Event of Default" hereunder shall entitle COUNTY to declare all amounts outstanding under the Promissory Note, as applicable, immediately due and payable and pursue any other remedies permitted by law. Prepayment of the COUNTY 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.

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

Section 5.02 Termination

(a) Termination by Developer Prior to the Closing

(i) In the event that Developer fails, after diligent best efforts but prior to the Outside Closing Date, to obtain Entitlements necessary for the development of the Property, or to secure financing necessary to construct the Improvements on the Property and operate the Project thereon, then this DDA may, at the option of the Developer, be terminated by written notice thereof to COUNTY. 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

(i) The foregoing right to terminate shall not in any way limit Developer or COUNTY's right to terminate this DDA in an Event of Default.

(c) Automatic Termination

(i) This DDA shall automatically terminate upon the Outside Closing Date 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 DDA.

(d) Survival of Terms After Termination

(i) Except as otherwise expressly provided herein, following any termination, neither COUNTY nor the Developer shall have any further rights against or liability to the other under this DDA or otherwise with respect to the subject matter of this DDA. Developer's indemnification obligations under this DDA 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 5.03 Remedies of the Parties for Default

(a) Acceleration of COUNTY Loan

(i) Upon the occurrence of an Event of Default, at the option of COUNTY and in addition to any other remedies available to COUNTY at law or in equity, and subject to any applicable terms of any subordination agreement to which COUNTY is a party, COUNTY may declare all amounts outstanding under the Promissory Note, as applicable, immediately due and payable. For purposes of this DDA, repayment of any or all amounts outstanding under the Promissory Note, as applicable, 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, as applicable. The covenants set forth in the Agreement Containing Covenants shall remain in effect throughout the Affordability Period and survive any termination of this DDA or payment or prepayment of the COUNTY Loan prior to the expiration of the Affordability Period.

(b) Survival

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

(c) Limitation on Liability

(i) Notwithstanding anything to the contrary contained herein, neither Developer nor COUNTY 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 DDA, 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:

1) "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

(i) 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 5.04 Attorneys' Fees

(a) 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 DDA, 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 DDA, reasonable costs and expenses including, without limitation, litigation costs, expert witness fees and reasonable attorneys' fees.

(b) 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 COUNTY 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 5.05 Institution of Legal Actions

(a) Subject to the notice and cure provisions of Section 5.01, in addition to any other rights or remedies (and except as otherwise provided in this DDA), 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 DDA. Such legal actions must be instituted in the Superior Court of the County of Riverside, State of California.

Section 5.06 Applicable Law

(a) The laws of the State of California shall govern the interpretation and enforcement of this DDA.

Section 5.07 Acceptance of Service of Process

(a) In the event that any legal action is commenced by Developer against COUNTY, any government claims or service of process shall be made by personal service upon COUNTY in such manner as may be provided by law.

(b) In the event that any legal action is commenced by COUNTY 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 5.08 Rights and Remedies Are Cumulative

(a) Except with respect to rights and remedies expressly declared to be exclusive in this DDA, 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 5.09 Damages

(a) Subject to the limitations set forth in Section 5.03(c) above, if either party defaults with regard to any of the provisions of this DDA, subject to the notice and cure provisions of Section 5.01, 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

(a) Prior to the Close of Escrow, either party shall have the right to terminate this DDA in the event the other party is in default of any material term or provision of this DDA, and, following notice, fails to cure such default within the time provided in Section 5.01.

Section 5.11 Specific Performance

(a) If either party defaults with regard to any of the provisions of this DDA, subject to the notice and cure provisions of Section 5.01, 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 DDA pertaining to such default.

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

(c) In addition to COUNTY's rights set forth in paragraph (a) of this Section, before Completion in accordance with this DDA, COUNTY shall have the additional right to seek a specific performance under this DDA in the event any of the following defaults shall occur with respect to the Project:

(i) Developer fails to cause the maintenance of the Property, or fails to cause the commencement of construction of the Improvements as required by this DDA, for a period of thirty (30) days after written notice from COUNTY, provided that Developer shall not have obtained an extension or postponement to which Developer may be entitled pursuant to Section 6.04 hereof; or

(ii) Subject to Force Majeure, Developer abandons a portion of the Property or, substantially suspends construction of the Improvements for a period of thirty (30) days and fails to commence construction within thirty (30) days after written notice has been given by COUNTY 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

(iii) Except as otherwise permitted by the terms of the DDA, including, without limitation, Permitted Transfers, Developer assigns or attempts to assign this DDA, or any rights herein, or, transfer, or suffer any involuntary transfer of the Property, or any part thereof, in violation of this DDA, and such breach is not cured within thirty (30) days after the date of written notice thereof; or

(iv) Developer otherwise materially breaches this DDA, and such breach is not cured within the respective times provided in Section 5.01 of this DDA.

(d) 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 DDA or any other instrument.

(e) Notwithstanding anything to the contrary contained herein, after Close of Escrow COUNTY shall have the right to seek specific performance for which such default has occurred.

Article VI. GENERAL PROVISIONS

Section 6.01 Notices, Demands and Communications between the Parties

(a) Formal notices, demands and communications between COUNTY and Developer shall be sufficiently given if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of COUNTY and Developer, as designated in Section 1.04 and 1.05 hereof. Such written notices, demands and communications to COUNTY shall be addressed to the 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 6.01. 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 6.02 Conflicts of Interest

(a) No member, official or employee of COUNTY shall have any personal interest, direct or indirect, in this DDA nor shall any such member, official or employee participate in any decision relating to the DDA 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 DDA.

Section 6.03 Nonliability of COUNTY Officials and Employees

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

Section 6.04 Force Majeure

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

Section 6.05 Inspection of Books and Records

(a) Developer shall maintain complete, accurate, and current records, accounts, documentation and other material pertaining to the Property and the Project and its financing for a period of five (5) years after the Affordability Period of this DDA expires, and shall permit any duly authorized representative, designee or invitee of COUNTY, 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 6.06 Approvals; Non-Substantive Amendments

(a) Except as otherwise expressly provided in this DDA, approvals required of COUNTY or Developer in this DDA, including the attachments hereto, 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 DDA, approvals required of COUNTY shall be deemed granted by the written approval of the Director. Notwithstanding the foregoing, the Director may, in their sole discretion, refer to the governing body of COUNTY any item requiring COUNTY approval; otherwise, "COUNTY approval" means and refers to approval by the Director or designee.

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

Section 6.07 Real Estate Commissions

(a) Neither COUNTY 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. COUNTY and Developer each represent to the other that it has employed no broker, agent, or finder in connection with this transaction.

Section 6.08 Further Assurances

(a) Developer shall execute any further documents consistent with the terms of this DDA, including documents in recordable form, as COUNTY may from time to time find necessary or appropriate to effectuate its purposes in entering into this DDA.

Section 6.09 Construction and Interpretation of Agreement

(a) The language in all parts of this DDA 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 DDA 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 DDA 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 DDA, this DDA 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 DDA, 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 DDA shall not be affected thereby and each other term and provision of this DDA 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 DDA that is illegal, invalid, or unenforceable, there be added as a part of this DDA 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 "DDA" 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 DDA, 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

(a) Time is of the essence with respect to the performance of each of the covenants and agreements contained in this DDA.

Section 6.11 No Partnership

(a) Nothing contained in this DDA shall be deemed or construed to create a lending partnership, other 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 COUNTY to be responsible in any way for the debts or obligations of Developer, or any other party.

Section 6.12 Compliance with Law

(a) Developer agrees to comply with all the Governmental Requirements now in force, or which may hereafter be in force, of all Governmental Authorities, 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 COUNTY 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 COUNTY and Developer.

Section 6.13 Binding Effect

(a) This DDA, 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

(a) The Parties to this DDA acknowledge and agree that the provisions of this DDA are for the sole benefit of COUNTY 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

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

Section 6.16 Incorporation by Reference

(a) Each of the attachments and exhibits attached hereto is incorporated herein by this reference.

Section 6.17 Counterparts

(a) This DDA 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 VII. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

Section 7.01 This DDA shall be executed in three duplicate originals each of which is deemed to be an original. This DDA, including all attachments hereto and exhibits appended to such attachments shall constitute the entire understanding and agreement of the Parties.

Section 7.02 This DDA 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.

Section 7.03 All waivers of the provisions of this DDA must be in writing and signed by the appropriate authorities of COUNTY or Developer, and all amendments hereto must be in writing and signed by the appropriate authorities of COUNTY and Developer. This DDA and any provisions hereof may be amended by mutual written agreement by Developer and COUNTY.

Article VIII. EFFECTIVE DATE OF AGREEMENT

Section 8.01 This DDA 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 Supervisors and executed by Director and Developer.

[signature page follows]

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

COUNTY	DEVELOPER
County of Riverside, a political subdivision of the State of California	PARK LANE HOMES, L.P., A California limited partnership Park Lane Homes GP, LLC, a California limited company By: Abode Communities, a California nonprofit corporation, its sole member
Heidi Marshall, Director of HWS	Lara Regus, Senior Vice President, Development
Date	Date
APPROVED AS TO FORM	"LIMITED PARTNER" Abode Community Housing, a California nonprofit corporation
Amrit P. Dhillon, Deputy County Counsel	Lara Regus, Senior Vice President, Development

(COUNTY and Developer SIGNATURES MUST BE NOTARIZED)

FORM

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

ATTACHMENT NO. 1

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 SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 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 THROUGH 11 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

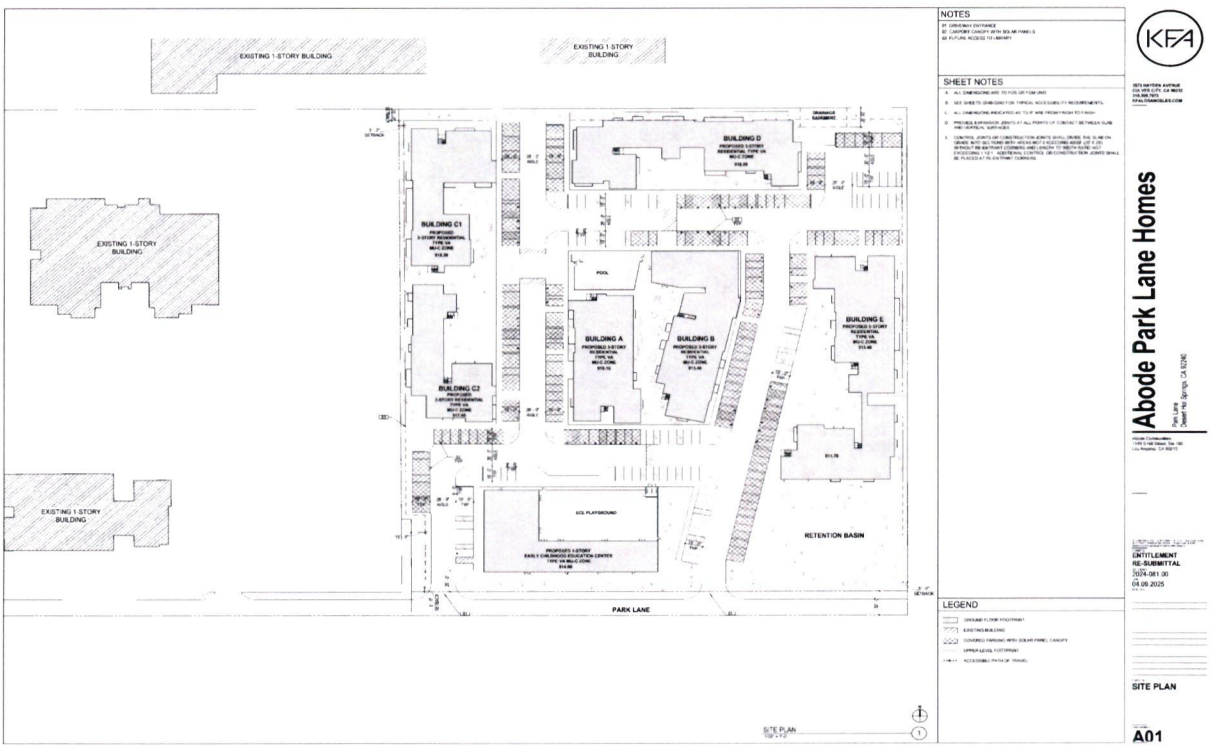
THENCE ALONG THE EASTERLY LINE OF SAID PARCEL "B" AND ITS PROLONGATION, SOUTH 0°07'36" WEST TO THE SOUTHERLY LINE OF SAID NORTH HALF.

ALSO EXCEPTING THAT PORTION OF THE SOUTH 30 FEET OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING BETWEEN THE EASTERLY LINE OF PALM DRIVE AS DESCRIBED IN DEED RECORDED IN BOOK 467, PAGE 521 OF OFFICIAL RECORDS OF SAID COUNTY, AND THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT B OF PARCEL MAP NO. 17663, AS SHOWN ON MAP FILED IN BOOK 102, PAGES 9 THROUGH 11 INCLUSIVE OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, PER DEED RECORDED NOVEMBER 28, 1990 AS INSTRUMENT NO. 432371 OF OFFICIAL RECORDS.

APN 656-040-061

ATTACHMENT NO. 2

SITE MAP



ATTACHMENT NO. 3

METHOD OF FINANCING

This is the Method of Financing attached to the Disposition and Development Agreement ("**DDA**") between the County of Riverside, a political subdivision of the State of California ("**COUNTY**"), and Park Lane Homes, L.P., a California limited partnership ("**Developer**"), pertaining to the conveyance of certain real property located in the City of Desert Hot Springs ("**Property**") from COUNTY to Developer for the development thereon of a mixed-use development consisting of a 12,000 square foot early childhood education center and affordable housing consisting of one hundred and sixty-seven (167) units consisting of 30 one-bedroom, 34 two-bedroom, and 23 three-bedroom apartment units in Phase I and 27 one-bedroom units, 35 two-bedroom units and 18 three-bedroom units in Phase II. The Project will be developed in two phases. Phase I will include 87 residential units along with the 12,000 square foot early childhood education center. Phase II will add the remaining 80 units, completing the full buildout of the community. On site amenities will include a property management and resident service office, recreation area with a swimming pool, a single-story 1,335 square foot community building, picnic areas, playgrounds, walking paths, and passive open space. Indoor community facilities will include a community room with kitchen, two laundry rooms, a social services office, property management offices, and shaded play structures. (collectively, the "**Proposed Project**") Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the DDA.

The Project will be financed by a combination of tax credits, government financing, bank financing, grants and contributions as set forth in the Project Budget (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.

1) **Purchase Price**. The Property will be conveyed by COUNTY to Developer at Closing. The Purchase Price shall be the fair market value as established by an appraisal dated within 120 days of Closing. The Purchase Price shall be financed through a COUNTY Loan from COUNTY to Developer. All appraisals shall be prepared by a qualified licensed appraiser approved by COUNTY in its reasonable discretion.

2) **Sources of Financing.** The Parties anticipate that the Development Costs shall be financed with a combination of sources of financing as set forth in the Project Budget. Prior to the Close of Escrow, COUNTY shall have the right to approve, which approval shall not be unreasonably withheld, conditioned or delayed, the sources of financing, including, without limitation, the Senior Financing. The COUNTY Loan at Closing shall be evidenced and secured by a Promissory Note and Deed of Trust in substantially the forms attached to the DDA, with such revisions as are necessary in connection with the Closing.

3) **Project Budget**

   a) The Parties anticipate that all Development Costs and operations shall be set forth in the updated Project Budget submitted by Developer to COUNTY in connection with

Construction Closing. Prior to the Closing, COUNTY shall have the right to approve, which approval shall not be unreasonably withheld, conditioned or delayed, an updated Project Budget, which Project Budget shall be in the form attached hereto as Attachment No. 7. The Estimated Project Budget shall demonstrate that the development and operation of the Project are financially feasible.

b) The Development Costs in the updated Project Budget approved by COUNTY prior to Closing shall not be subject to change except upon the approval of COUNTY; provided, however, the use of any funds from a contingency line item in the updated Project Budget shall not require the approval of COUNTY and a change of less than 10% for any line item within the Project Budget shall not require the approval of COUNTY.

4) **No Subordination of Affordability Covenants.** Notwithstanding anything to the contrary herein or in the DDA, the affordability covenants (rent and income restrictions) contained in the Agreement Containing Covenants (Attachment No. 11 the DDA) 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 may be subordinated to the Senior Financing pursuant to a subordination agreement in a form to be approved in the Director's reasonable discretion.

5) **Evidence of Financing and Marketing Plan.**

a) Construction Financing. The sum of the Construction/Permanent Loans shall be sufficient at all times to pay all Development Costs and operate the Project as set forth in the COUNTY approved Project Budget. To the extent that the sum of the Construction/Permanent Loans is insufficient to pay all Development Costs and operate the Project, Developer shall submit evidence acceptable to COUNTY that additional funds will be available as and when required to fully pay for all Development Costs and operations for the Project.

b) Marketing Plan. Developer shall prepare and submit to COUNTY 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. COUNTY shall not unreasonably withhold its approval of the Marketing Plan.

6) **Initial Operating Budget.** Developer shall prepare an initial annual budget for the operation of the 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 Developer 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, Developer shall submit an amended annual Operating Budget to COUNTY in a Project Budget updated as of conversion to permanent financing, 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 COUNTY's reference but shall not require COUNTY's approval.

ATTACHMENT NO. 4

SCHEDULE OF PERFORMANCE

1.	Financing. Developer shall timely submit applications for financing for the Project.	Following COUNTY approval and execution of the DDA, but in no event later than _____.
2.	Additional Financing. If necessary, Developer shall re-apply for financing for the Project or apply for additional financing.	Following COUNTY approval and execution of the DDA, but in no event later than _____.
3.	Project Budget and Plans. Developer shall submit to COUNTY the updated Project Budget and Plans in accordance with Section 3.4.	A draft updated 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 prior to Construction Closing.
4.	Escrow - Disposition of the Property from COUNTY to Developer. Developer and COUNTY shall open Escrow for the sale of the 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.
5.	Conditions Precedent to the Close of Escrow for the Sale of the Property to Developer. Developer shall satisfy all conditions precedent to the Close of Escrow set forth in Section 2.15 of the DDA.	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 made prior to the Outside Closing Date.
6.	Closing Date. Conveyance of the Property by COUNTY to Developer provided all conditions precedent in Section 2.15 of DDA 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 made prior to the Outside Closing Date.
7.	Submission – Final Construction Drawings and Related Documents. Developer shall submit complete Final Plans, including landscape and grading documents for the Project to	Within 30 days after the Closing Date.

	COUNTY pursuant to Section 3.4 of the DDA.	
8.	Evidence of Financing. Developer shall submit to COUNTY evidence of financing necessary for the acquisition and development of the Project.	Developer shall exercise commercially reasonable best efforts to submit Evidence of Financing to COUNTY 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 Developer or Developer of commitment letters, award letters, draft loan documents and draft partnership agreement.
9.	Construction Commencement. Developer shall commence construction of the Project.	Within 15 days of the Closing Date.
10.	Construction Completion. Developer shall complete construction of the Improvements for the Project (as shown on the Final Construction Drawings upon which Developer's building permit is based).	Within thirty six (36) months of the Construction Closing Date.
11.	Units Offered for Rent. Developer shall cause the Units within the Project to be offered for rent.	Within one hundred (100) days after Completion of construction.

ATTACHMENT NO. 5

GRANT DEED

(behind this page)

OFFICIAL BUSINESS

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:
The County of Riverside
3403 Tenth Street, Suite 300
Riverside, CA 92501
Attn: Juan Garcia, Deputy Director

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: **656-040-061**

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 THE COUNTY OF RIVERSIDE, a political subdivision of the State of California, herein called "Grantor," hereby grants to Park Lane Homes, L.P., 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, 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."

[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"

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

By: *Exhibit – Do Not Sign*
Heidi Marshall, Director of HWS

Date: _____

APPROVED AS TO FORM:

Exhibit – Do Not Sign
Amrit P. Dhillon
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"

Park Lane Homes I, L.P.,

A California limited partnership

By: *Exhibit – Do Not Sign*

Name: *Exhibit – Do Not Sign*

Title: *Exhibit – Do Not Sign*

Date: *Exhibit – Do Not Sign*

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 SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THE SOUTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 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 THROUGH 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 0°07'36" WEST TO THE SOUTHERLY LINE OF SAID NORTH HALF.

ALSO EXCEPTING THAT PORTION OF THE SOUTH 30 FEET OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING BETWEEN THE EASTERLY LINE OF PALM DRIVE AS DESCRIBED IN DEED RECORDED IN BOOK 467, PAGE 521 OF OFFICIAL RECORDS OF SAID COUNTY, AND THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT B OF PARCEL MAP NO. 17663, AS SHOWN ON MAP FILED IN BOOK 102, PAGES 9 THROUGH 11 INCLUSIVE OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, PER DEED RECORDED NOVEMBER 28, 1990 AS INSTRUMENT NO. 432371 OF OFFICIAL RECORDS.

APN 656-040-061

ATTACHMENT NO. 6

SCOPE OF DEVELOPMENT

Pursuant to the Disposition and Development Agreement ("**DDA**") executed by and between the County of Riverside, a public body corporate and politic, ("**COUNTY**") and Park Lane Homes, L.P., a California limited partnership ("**Developer**") shall develop a mixed-use development consisting of a 12,000 square foot early childhood education center and affordable housing consisting of one hundred and sixty-seven (167) units consisting of 30 one-bedroom, 34 two-bedroom, and 23 three-bedroom apartment units in Phase I and 27 one-bedroom units, 35 two-bedroom units and 18 three-bedroom units in Phase II. The Project will be developed in two phases. Phase I will include 87 residential units along with the 12,000 square foot early childhood education center. Phase II will add the remaining 80 units, completing the full buildout of the community. On site amenities will include a property management and resident service office, recreation area with a swimming pool, a single-story 1,335 square foot community building, picnic areas, playgrounds, walking paths, and passive open space. Indoor community facilities will include a community room with kitchen, two laundry rooms, a social services office, property management offices, and shaded play structures. (collectively, the "**Proposed Project**") Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in the DDA. All capitalized terms not defined herein shall have the meaning ascribed to such terms in the DDA.

The quality of construction shall be of a high level. The Improvements shall conform to the Plans approved by COUNTY pursuant to Section 3.4 of the DDA (the "**Approved Plans**"), including all conditions and mitigation measures imposed by the City of Desert Hot Springs in connection with the development approval process for which Permitted Assignee is responsible under the terms of the DDA.

Developer shall commence and complete the Improvements for the Project by the times established therefore in the 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 City of Desert Hot Springs ("**City 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 City of Desert Hot Springs in accordance with City Ordinances. In the interest of minimizing traffic congestion, the City of Desert Hot Springs 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 City of Desert Hot Springs.

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 City of Desert Hot Springs approval, and signs must conform to the City 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 City of Desert Hot Springs.

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 City of Desert Hot Springs. 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 City 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 the Property for development. Such Property preparations shall consist of the following:

a. Complete demolition and removal of all existing improvements if any.

9. **Environmental Impact Mitigation Measures.** To the extent required under the terms of the DDA, 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 COUNTY for review and approval prior to installation. The sign shall, at a minimum, include:

- Illustration of development

- Development name

- Developer

- Logo of the County of Riverside

- List of Board of Supervisors 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 City.

Housing Type – The Housing Project shall consist of development of a multi-family apartment complex with approximately 167 units.

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.

Childhood Education Center - 12,000 square foot early childhood education center

II. DEMOLITION AND SOILS

Except to the extent otherwise expressly provided in the DDA, 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 COUNTY, the County, or their respective officers, agents and employees.

III. SPECIAL AMENITIES

Developer shall undertake all improvements required by the City as a condition of development of the Property, as more particularly provided in the City 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.

ATTACHMENT NO. 7

ESTIMATED PROJECT BUDGET

[attached]

ATTACHMENT NO. 8

PRELIMINARY TITLE REPORT

[attached]

Commonwealth Land Title Company
601 S. Figueroa Street, Suite 4000
Los Angeles, CA 90017
Phone: (800) 432-0706

Commonwealth Land Title Company
601 S Figueroa St Suite 4000
Los Angeles, CA 90017

Attn: **Cheryl Greer**

Your Reference No:

Property Address: Vacant Land, Desert Hot Springs, California

Our File No: 09177045
Title Officer: Kathy Religioso
e-mail: Teamreligioso@cltic.com
Phone: (213) 330-2330
Fax: (213) 330-3105

PRELIMINARY REPORT(V5)

Dated as of December 26, 2025 at 7:30 a.m. Issue Date: January 7, 2026

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.

PRELIMINARY REPORT

EFFECTIVE DATE: December 26, 2025 **at 7:30 a.m.**

ORDER NO.: 09177045-917-CG8-KRE

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

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

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

   A FEE

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

   COUNTY OF RIVERSIDE

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

   See Exhibit A attached hereto and made a part hereof.

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 SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 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 THROUGH 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 0°07'36" WEST TO THE SOUTHERLY LINE OF SAID NORTH HALF.

ALSO EXCEPTING THAT PORTION OF THE SOUTH 30 FEET OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING BETWEEN THE EASTERLY LINE OF PALM DRIVE AS DESCRIBED IN DEED RECORDED IN BOOK 467, PAGE 521 OF OFFICIAL RECORDS OF SAID COUNTY, AND THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT B OF PARCEL MAP NO. 17663, AS SHOWN ON MAP FILED IN BOOK 102, PAGES 9 THROUGH 11 INCLUSIVE OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, PER DEED RECORDED NOVEMBER 28, 1990 AS INSTRUMENT NO. 432371 OF OFFICIAL RECORDS.

APN 656-040-061

EXHIBIT B

Section A

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 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 unless such lien is shown by the Public Records at Date of Policy.

EXHIBIT B

Section B

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

A. Intentionally deleted.

B. There were no taxes levied for the fiscal year 2025-2026 as the property was vested in a public entity.

C. 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. Reservations contained in the Patent

From:	The United States of America
To:	Samuel A. Coolidge
Recording Date:	November 9, 1915
Recording No:	book 7, page 72 of Patents

Which among other things recites as follows:

Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of the courts, and the reservation from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States.

3. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

Purpose:	Drainage and flood control purposes
Recording Date:	June 2, 1981
Recording No:	100973 of Official Records
Affects:	A portion of said land as more particularly described in said document.

4. Matters contained in that certain document

Entitled:	Agreement to Dedicate Land to the City of Desert Hot Springs
Executed by:	City of Desert Hot Springs and Yu Ku and Lin Hsiac Ling Chang Lin, You Lin Yin Wu Lin
Recording Date:	March 18, 1999
Recording No:	99-110639 of Official Records

Reference is hereby made to said document for full particulars.

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

In favor of:	Southern California Edison Company
Purpose:	Public utilities
Recording Date:	October 6, 2011
Recording No:	2011-0441787 of Official Records
Affects:	A portion of said land as more particularly described in said document.

EXCEPTIONS
(Continued)

Limitations on the use, by the owners of said Land, of the easement area as set forth in the easement document shown hereinabove.

Reference is hereby made to said document for full particulars.

6. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of:	City of Desert Hot Springs
Purpose:	Road and public utility
Recording Date:	August 28, 2012
Recording No:	2012-0408403 of Official Records
Affects:	A portion of said land as more particularly described in said document.

7. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of:	City of Desert Hot Springs
Purpose:	Sidewalk and landscape purposes
Recording Date:	August 28, 2012
Recording No:	2012-0408404 of Official Records
Affects:	A portion of said land as more particularly described in said document.

8. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of:	Mission Springs Water District, a County Water District and Public Agency
Purpose:	Public sewer and water utilities
Recording Date:	October 10, 2012
Recording No:	2012-0482500 of Official Records
Affects:	A portion of said land as more particularly described in said document.

9. A financing statement as follows:

Debtor:	County of Riverside, California
Secured Party:	Banc of America Public Capital Corp.
Recording Date:	May 27, 2018
Recording No:	2018-0259160 of Official Records

10. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled:	Memorandum of Ground Lease Agreement
Lessor:	County of Riverside, a political subdivision of the State of California
Lessee:	CFP Riverside, LLC, a nonprofit limited liability company organized and existing under the laws of the State of Minnesota
Recording Date:	August 28, 2019
Recording No:	2019-0331756 of Official Records

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

Affects:	The herein described Land and other land.

EXCEPTIONS
(Continued)

11. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein as disclosed by the document

Entitled:	Memorandum of Facilities Lease Agreement
Lessor:	CFP Riverside, LLC, a nonprofit limited liability company organized and existing under the laws of the State of Minnesota
Lessee:	County of Riverside, a political subdivision of the State of California
Recording Date:	August 28, 2019
Recording No:	2019-0331757 of Official Records

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

Affects: The herein described Land and other land.

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

Granted to:	City of Desert Hot Springs
Purpose:	Road and public utility purposes
Recording Date:	May 17, 2021
Recording No:	2021-0302801 of Official Records
Affects:	A portion of said land as more particularly described in said document.

13. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.

14. Water rights, claims or title to water, whether or not disclosed by the public records.

15. 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.

16. 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.

17. 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.

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

Map:	Record of Survey
Recording Date:	March 14, 2025
Recording No:	2025-0075362 of Official Records

PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.

END OF EXCEPTIONS

REQUIREMENTS SECTION

1. The requirement for submission to this Company for a resolution of the governing body of the County of Riverside authorizing the transaction for which this report has been requested together with a copy of such corporations by laws. The resolution must designate the officers authorized to execute on the corporation's behalf.

2. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

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

END OF REQUIREMENTS

INFORMATIONAL NOTES SECTION

1. Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are: No names were furnished with the application. Please provide the name(s) of the buyers as soon as possible.

2. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

3. Note: The charge for a policy of title insurance, when issued through this title order, will be based on the Basic Title Insurance Rate.

4. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

5. The application for title insurance was placed by reference to only a street address or tax identification number. The proposed Insured must confirm that the legal description in this report covers the parcel(s) of Land requested to be insured. If the legal description is incorrect, the proposed Insured must notify the Company and/or the settlement company in order to prevent errors and to be certain that the legal description for the intended parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

6. Note: If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

7. Note: Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of a Company agent, an authorized employee of the insured lender, or by using Bancserv or other Company-approved third-party service. If the above requirement cannot be met, please call the Company at the number provided in this report.

8. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.

9. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.

INFORMATIONAL NOTES
(Continued)

10. Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company's State Counsel, Regional Counsel, or one of their designees.

11. Note: None of the items shown in this report will cause the Company to decline to attach ALTA Endorsement Form 9 to an Extended Coverage Loan Policy, when issued.

END OF INFORMATIONAL NOTES

Kathy Religioso/q30

WIRE SAFE. Inquire before you wire!

Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
http://www.fbi.gov

Internet Crime Complaint Center:
http://www.ic3.gov

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Commonwealth Land Title Company
601 S. Figueroa Street, Suite 4000
Los Angeles, CA 90017
Phone: (800) 432-0706

Notice of Available Discounts

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

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

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Company

CTC – Chicago Title company
CLTC – Commonwealth Land Title Company
FNTC – Fidelity National Title Company of California
FNTCCA - Fidelity National Title Company of California
TICOR – Ticor Title Company of California
LTC – Lawyer's Title Company
SLTC – ServiceLink Title Company

Underwritten by FNF Underwriters

CTIC – Chicago Title Insurance Company
CLTIC - Commonwealth Land Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
CTIC – Chicago Title Insurance Company

Available Discounts

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

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)
On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

MILITARY DISCOUNT RATE
Upon the Company being advised in writing and prior to the closing of the transaction that an active duty, honorably separated, or retired member of the United States Military or Military Reserves or National Guard is acquiring or selling an owner occupied one-to-four family property, the selling owner or acquiring buyer, as applicable, will be entitled to a discount equal to 15% of the otherwise applicable rates such party would be charged for title insurance policies.

Minimum charge: $425.00

The Company may require appropriate proof of eligibility from the parties to the transaction verifying they are entitled to the discount as described. No other discounts or special rates, or combination of discounts or special rates, shall be applicable.

FIDELITY NATIONAL FINANCIAL, INC.
PRIVACY NOTICE

Effective December 1, 2023

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 these 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.
- To provide reviews and testimonials about our services, with your consent.

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 affiliated or 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;

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- to affiliated or nonaffiliated third parties 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 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
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 Connecticut Residents: For additional information about your Connecticut consumer privacy rights, or to make a consumer privacy request, or to appeal a previous privacy request, please email privacy@fnf.com or call (888) 714-2710.

For Colorado Residents: For additional information about your Colorado consumer privacy rights, or to make a consumer privacy request, or appeal a previous privacy request, please email privacy@fnf.com or call (888) 714-2710.

For Nevada Residents: We are providing this notice pursuant to state law. You may be placed on our internal Do Not Call List by calling FNF Privacy at (888) 714-2710 or by contacting us via the information set forth at the end of this Privacy Notice. For further information concerning Nevada's telephone solicitation law, you may contact: 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: aginquiries@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 Utah Residents: For additional information about your Utah consumer privacy rights, or to make a consumer privacy request, please call (888) 714-2710.

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.

For Virginia Residents: For additional information about your Virginia consumer privacy rights, or to make a consumer privacy request, or appeal a previous privacy request, please email privacy@fnf.com or call (888) 714-2710.

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

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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

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.

Accessing and Correcting Information; Contact Us

If you have questions or would like to correct your Personal Information, visit FNF's Privacy Inquiry Website or contact us by phone at (888) 714-2710, by email at privacy@fnf.com, or by mail to:

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

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ATTACHMENT ONE

CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 1990 (11-09-18)

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 unless such lien is shown by the public records at Date of Policy.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART II
(Variable exceptions such as taxes, easements, CC&R's, etc., are inserted here)

CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE OWNER'S POLICY (02-04-22)

EXCLUSIONS FROM COVERAGE

The following matters are 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) that restricts, regulates, prohibits, or relates to:
      i. the occupancy, use, or enjoyment of the Land;
      ii. the character, dimensions, or location of any improvement on the Land;
      iii. the subdivision of land; or
      iv. environmental remediation or protection.
   b. any governmental forfeiture, police, regulatory, or national security power.
   c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b. Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:

a. created, suffered, assumed, or agreed to by the Insured Claimant;
b. not Known to the Company, not recorded in the Public Records at the 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 the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
   a. fraudulent conveyance or fraudulent transfer;
   b. voidable transfer under the Uniform Voidable Transactions Act; or
   c. preferential transfer:
      i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
      ii. for any other reason not stated in Covered Risk 9.b.
5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

PART I

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 at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, 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 at Date of Policy.
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, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

PART II

(Variable exceptions such as taxes, easements, CC&R's, etc., are inserted here)

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (07-01-2021)

EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy and We 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) that restricts, regulates, prohibits, or relates to:
      i. the occupancy, use, or enjoyment of the Land;
      ii. the character, dimensions, or location of any improvement on the Land;
      iii. the subdivision of land; or
      iv. environmental remediation or protection.
   b. any governmental forfeiture, police, or regulatory, or national security power.
   c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b. Exclusion 1 does not modify or limit the coverage provided under Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23, or 27.
2. Any power to take the Land by condemnation. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 17.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
   a. created, suffered, assumed, or agreed to by You;
   b. not Known to Us, not recorded in the Public Records at the Date of Policy, but Known to You and not disclosed in writing to Us by You prior to the date You became an Insured under this policy;
   c. resulting in no loss or damage to You;

d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 5, 8.f., 25, 26, 27, 28, or 32); or
e. resulting in loss or damage that would not have been sustained if You paid consideration sufficient to qualify You as a bona fide purchaser of the Title at the Date of Policy.

4. Lack of a right:
   a. to any land outside the area specifically described and referred to in Item 3 of Schedule A; and
   b. in any street, road, avenue, alley, lane, right-of-way, body of water, or waterway that abut the Land.
   Exclusion 4 does not modify or limit the coverage provided under Covered Risk 11 or 21.
5. The failure of Your existing structures, or any portion of Your existing structures, to have been constructed before, on, or after the Date of Policy in accordance with applicable building codes. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 14 or 15.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transfer of the Title to You is a:
   a. fraudulent conveyance or fraudulent transfer;
   b. voidable transfer under the Uniform Voidable Transactions Act; or
   c. preferential transfer:
      i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
      ii. for any other reason not stated in Covered Risk 30.
7. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
8. Negligence by a person or an entity exercising a right to extract or develop oil, gas, minerals, groundwater, or any other subsurface substance.
9. Any lien on Your Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 9 does not modify or limit the coverage provided under Covered Risk 8.a. or 27.
10. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

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

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

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:

Our Maximum Dollar

	Your Deductible Amount	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

ALTA OWNER'S POLICY (07-01-2021)

EXCLUSIONS FROM COVERAGE

The following matters are 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) that restricts, regulates, prohibits, or relates to:
   i. the occupancy, use, or enjoyment of the Land;
   ii. the character, dimensions, or location of any improvement on the Land;
   iii. the subdivision of land; or
   iv. environmental remediation or protection.
   b. any governmental forfeiture, police, regulatory, or national security power.
   c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b. Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
   a. created, suffered, assumed, or agreed to by the Insured Claimant;
   b. not Known to the Company, not recorded in the Public Records at the 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 the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
   e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
   a. fraudulent conveyance or fraudulent transfer;
   b. voidable transfer under the Uniform Voidable Transactions Act; or
   c. preferential transfer:
      i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
      ii. for any other reason not stated in Covered Risk 9.b.
5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

NOTE: The 2021 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed as 1 through 7 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 at Date of Policy but that could be (a) ascertained by an inspection of the Land or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, 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 at Date of Policy.
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, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B

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:

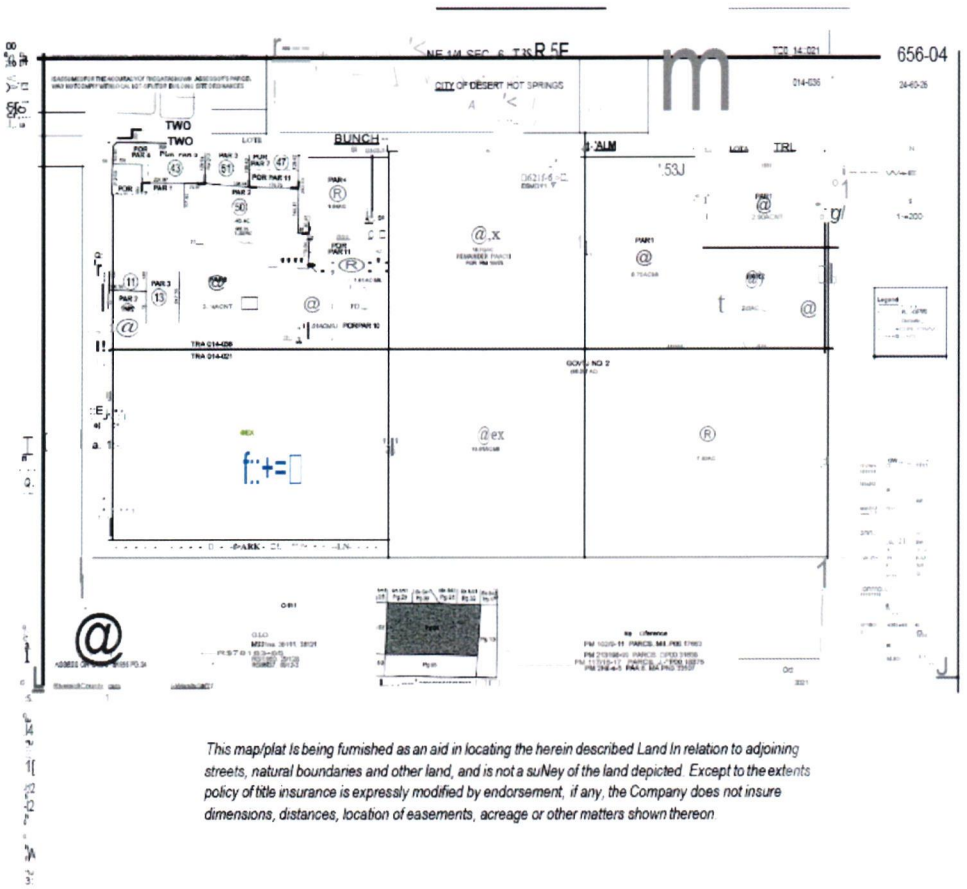
1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
   (i) the occupancy, use, or enjoyment of the Land;
   (ii) the character, dimensions, or location of any improvement erected on the Land;
   (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.

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:

NOTE: The 2006 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed below as 1 through 7 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 at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, 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 at Date of Policy.
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, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.



This map/plat is being furnished as an aid in locating the herein described Land In relation to adjoining streets, natural boundaries and other land, and is not a suNey of the land depicted. Except to the extents policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

OWNER'S DECLARATION

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)

   a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at _____, further described as follows: See Preliminary Report/Commitment No. 09177045-917-CG8-KRE for full legal description (the "Land").

   b. Declarant is the _____ of _____ ("Owner"), which is the owner or lessee, as the case may be, of certain premises located at _____, further described as follows: See Preliminary Report/Commitment No. 09177045-917-CG8-KRE for full legal description (the "Land").

2. (Fill in the applicable paragraph and strike the other)

   a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.

   b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with _____ upon the Land in the approximate total sum of $_____, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: _____. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Commonwealth Land Title Company against any and all claims arising therefrom.

3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.

4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, regular assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records.

5. The Land is currently in use as _____; _____ occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:

   _____

6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.

7. There are no outstanding options to purchase or rights of first refusal affecting the Land.

8. There are no material violations of any current, enforceable covenant affecting the Property and the Undersigned has received no written notice from any third party claiming that there is a present violation of any current, enforceable covenant affecting the Property.

This declaration is made with the intention that Commonwealth Land Title Company and Commonwealth Land Title Insurance Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on ____at _____.

Signature: _____ Signature: _____

ATTACHMENT NO. 9

ENVIRONMENTAL INDEMNITY

[attached]

ENVIRONMENTAL INDEMNITY

THIS ENVIRONMENTAL INDEMNITY (this "**Indemnity**"), dated as of _____, 20__, is made by Park Lane Homes, L.P., a California limited partnership (referred to as "**Indemnitor**"), whose address for purposes of giving notices is 2420 E. Cesar E. Chavez Ave #101 Los Angeles, CA 90033, in favor of THE COUNTY OF RIVERSIDE, a political subdivision of the State of California, whose address for purposes of giving notices is 3403 Tenth Street, Suite 300, Riverside, CA 92501 ("COUNTY").

WITNESSETH

WHEREAS, Indemnitor is the owner of the real property in the City of Desert Hot Springs, 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, Indemnitor and COUNTY, entered into that certain Disposition and Development Agreement, dated as of _____, 2026 (the "**DDA**"), pursuant to which COUNTY agreed to convey the Property to Developer, or its assignee for the purpose of developing an of a mixed-use development consisting of a 12,000 square foot early childhood education center and affordable housing consisting of one hundred and sixty-seven (167) three-story units consisting of 30 one-bedroom, 34 two-bedroom, and 23 three-bedroom apartment units in Phase I and 27 one-bedroom units, 35 two-bedroom units and 18 three-bedroom units in Phase II. The Project will be developed in two phases. Phase I will include 87 residential units along with the 12,000 square foot early childhood education center. Phase II will add the remaining 80 units, completing the full buildout of the community. On site amenities will include a property management and resident service office, recreation area with a swimming pool, a single-story 1,335 square foot community building, picnic areas, playgrounds, walking paths, and passive open space. Indoor community facilities will include a community room with kitchen, two laundry rooms, a social services office, property management offices, and shaded play structure; and

WHEREAS, Indemnitor, has agreed to execute and deliver to COUNTY this Indemnity to induce COUNTY 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 COUNTY as follows:

1. Section 1. DEFINITIONS

1.1. 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.

1.2. For the purpose of this Indemnity, "COUNTY Loan Documents" shall refer to the DDA, any agreement entered into substantially in the form of an Attachment thereto or in connection therewith, and any extensions, modifications or amendments thereto.

2. Section 2. COVENANTS AND INDEMNITY

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

2.1. Covenants.

2.1.1. 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.

2.1.2. 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 COUNTY Loan Documents.

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

2.1.4. COUNTY shall have the right, at any time, to conduct an environmental audit of the Property at COUNTY'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 COUNTY 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 COUNTY and its agents and employees access to the Property to remove, or otherwise to mitigate against the effects of, Hazardous Materials.

2.1.5. 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, COUNTY 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.

2.1.6. Indemnitor shall immediately advise COUNTY 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.

2.1.7. Indemnity. Indemnitor shall indemnify, protect, and hold COUNTY 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 COUNTY and arising in connection with, from or out of:

2.1.7.1. 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 COUNTY to Indemnitor;

2.1.7.2. The breach of any covenant made by Indemnitor in Section 2.1 hereof; or

2.1.7.3. The enforcement by COUNTY 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 existing on the Property prior to the Close of Escrow or 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.

3. 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 COUNTY Loan Documents or affecting any of the rights of COUNTY with respect thereto. The obligations of Indemnitor hereunder shall be absolute and unconditional irrespective of:

3.1.1. The validity, regularity, or enforceability of the DDA or any other instrument or document executed or delivered in connection therewith;

3.1.2. Any alteration, amendment, modification, release, termination, or cancellation of the COUNTY 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 COUNTY Loan Documents;

3.1.3. Any exculpatory provision in any of the COUNTY Loan Documents or any document delivered in connection therewith limiting COUNTY's recourse to property encumbered by the deed of trust securing Indemnitor's obligations under the COUNTY Loan Documents, or to any other security, or limiting COUNTY's rights to a deficiency judgment against Indemnitor;

3.1.4. The insolvency or bankruptcy of Indemnitor; or

3.1.5. 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 COUNTY 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 COUNTY 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 COUNTY Loan Documents, this Indemnity shall not terminate if any of the following shall have occurred:

3.3.1. COUNTY 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

3.3.2. 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.

4. Section 4. WAIVER

4.1. Indemnitor hereby waives the following:

4.1.1. Promptness and diligence;

4.1.2. Notice of acceptance and notice of the incurrence of any obligation by Indemnitor;

4.1.3. Notice of any action taken by COUNTY, Developer, or any other interested party under the DDA or under any other agreement or instrument relating thereto;

4.1.4. 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;

4.1.5. Any requirement that COUNTY protect, secure, perfect, or insure any security interest or lien in or on any property subject thereto,

4.1.6. Any requirement that COUNTY exhaust any right or take any action against Borrower or any other person or collateral;

4.1.7. Any defense that may arise by reason of:

4.1.7.1. The incapacity, lack of authority, death or disability of, or revocation hereof by, any person or persons;

4.1.7.2. The failure of COUNTY to file or enforce any claim against the estate (in probate, bankruptcy, or any other proceedings) of any person or persons; or

4.1.7.3. Any defense based upon an election of remedies by COUNTY, including, without limitation, an election to proceed by non-judicial foreclosure or which destroys or otherwise impairs the subrogation rights of COUNTY or any other right of COUNTY to proceed against Indemnitor.

5. Section 5. NOTICES

5.1. 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):

5.1.1. In the case of COUNTY:

The County of Riverside
3403 Tenth Street, Suite 300
Riverside, CA 92501
Attn: Deputy Director

5.1.2. In the case of Indemnitor:

PARK LANE HOMES, L.P.
c/o Abode Communities
2420 E. Cesar E. Chavez Ave #101
Los Angeles, CA 90033
Attn: President

5.1.3. With copy sent to legal counsel:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 W. Fifth Street, Suite 5880
Los Angeles, CA 90071
Attention: Nicole Deddens

5.2. 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.

6. 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 COUNTY 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 COUNTY, 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 COUNTY, 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 COUNTY to exercise, and no delay in exercising, any right hereunder or under the COUNTY 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 COUNTY 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 COUNTY hereunder, to the benefit of COUNTY, its respective directors, officers, employees, and agents, any successors to COUNTY'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 COUNTY's rights and remedies under the COUNTY 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, COUNTY may, subject to, and in accordance with, the provisions of the COUNTY Loan Documents, assign or otherwise transfer all or any portion of its rights and obligations under the COUNTY 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 COUNTY herein or otherwise. None of the rights or obligations of Indemnitor hereunder may be assigned or otherwise transferred without the prior written consent of COUNTY, except as provided in the COUNTY 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:

PARK LANE HOMES, L.P.,

a California limited partnership

By: *Exhibit – Do Not Sign*

Name: _____

Title: _____

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 SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 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 THROUGH 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 0°07'36" WEST TO THE SOUTHERLY LINE OF SAID NORTH HALF.

ALSO EXCEPTING THAT PORTION OF THE SOUTH 30 FEET OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING BETWEEN THE EASTERLY LINE OF PALM DRIVE AS DESCRIBED IN DEED RECORDED IN BOOK 467, PAGE 521 OF OFFICIAL RECORDS OF SAID COUNTY, AND THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT B OF PARCEL MAP NO. 17663, AS SHOWN ON MAP FILED IN BOOK 102, PAGES 9 THROUGH 11 INCLUSIVE OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, PER DEED RECORDED NOVEMBER 28, 1990 AS INSTRUMENT NO. 432371 OF OFFICIAL RECORDS.

APN 656-040-061

ATTACHMENT NO. 10

NOTICE OF AFFORDABILITY RESTRICTIONS

[attached]

Order No.
Escrow No.
Loan No.

WHEN RECORDED MAIL TO:

County of Riverside
3403 Tenth Street, Suite 300
Riverside, CA 92501
Attn: Juan Garcia, Deputy 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 Surplus Land Act and the California Health and Safety Code, certain real property located at 66550 Park Lane, in the City of Desert Hot Springs ("**City**"), County of Riverside, State of California, and known as Assessor's Parcel Numbers 656-040-061, 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 (Including Rental Restrictions)** dated as of _____, 20_, between the County of Riverside, a public body corporate and politic, as successor-in-interest to the Agency ("**COUNTY**"), and Park Lane Homes, L.P., a California limited partnership, ("**Developer**") recorded concurrently herewith and incorporated herein by this reference (collectively, "**Restrictions**"). The Property and the Improvements shall be collectively referred to herein as the "**Project**."

The affordability covenants and restrictions contained in the Restrictions include, without limitation, and as further described in the Restrictions:

1. One hundred sixty-seven (167) of the units in the 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.

2. Additional requirements concerning operation, management, and maintenance of the 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 such date as is fifty-five (55) years after the City of Desert Hot Springs's issuance of the final certificate of occupancy for the construction of the last residential building in the Project.

This Notice is being recorded and filed by COUNTY 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 COUNTY and Developer.

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.

COUNTY:

COUNTY OF RIVERSIDE,
a political subdivision of the State of California

By: *Exhibit – Do Not Sign*
Heidi Marshall, Director HWS

Date: _____

APPROVED AS TO FORM:

Exhibit – Do Not Sign
Amrit P. Dhillon, Deputy County Counsel

[SIGNATURE PAGE TO NOTICE OF AFFORDABILITY RESTRICTIONS]

[PAGE 1 OF 2]

"DEVELOPER"

PARK LANE HOMES, L.P., a California limited partnership

By: Park Lane Homes GP, LLC, a California limited company

By: Abode Communities, a California nonprofit corporation, its sole member

By: *Exhibit – Do Not Sign*
Lara Regus, Senior Vice President, Development

Date: _____

"LIMITED PARTNER"

Abode Communities, a California nonprofit corporation

By: *Exhibit – Do Not Sign*
Name: Lara Regus,

Its: Senior Vice President, Development

Date: _____

[SIGNATURE PAGE TO NOTICE OF AFFORDABILITY RESTRICTIONS]

[PAGE 2 OF 2]

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

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 SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 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 THROUGH 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 0°07'36" WEST TO THE SOUTHERLY LINE OF SAID NORTH HALF.

ALSO EXCEPTING THAT PORTION OF THE SOUTH 30 FEET OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING BETWEEN THE EASTERLY LINE OF PALM DRIVE AS DESCRIBED IN DEED RECORDED IN BOOK 467, PAGE 521 OF OFFICIAL RECORDS OF SAID COUNTY, AND THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT B OF PARCEL MAP NO. 17663, AS SHOWN ON MAP FILED IN BOOK 102, PAGES 9 THROUGH 11 INCLUSIVE OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, PER DEED RECORDED NOVEMBER 28, 1990 AS INSTRUMENT NO. 432371 OF OFFICIAL RECORDS.

APN 656-040-061

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

AGREEMENT CONTAINING COVENANTS

[attached]

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

Recording Requested by and When
Recorded Return to:

THE COUNTY OF RIVERSIDE
3403 Tenth Street, Suite 300
Riverside, California 92501
Attn: Juan Garcia, Deputy Director

Space above this line for Recorder's use only

AGREEMENT CONTAINING COVENANTS
(INCLUDING RENTAL RESTRICTIONS)

THIS AGREEMENT CONTAINING COVENANTS (INCLUDING RENTAL RESTRICTIONS) (this "Covenant Agreement" or "Agreement") is entered into as of _____, 20__, by and between THE COUNTY OF RIVERSIDE, a political subdivision of the State of California (herein referred to as "COUNTY"), and PARK LANE HOMES L.P., a California limited partnership (herein referred to as "Developer"). COUNTY and Developer are individually referred to herein as a "Party" and collectively as "Parties."

RECITALS

A. The County owns 100% fee interest in that certain real property consisting of approximately 15.4 acres of land located on Palm Drive and Park Lane in the City of Desert Hot Springs, and also identified as Assessor Parcel Numbers 656-040-061, 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 Request For Qualifications, 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 sixty-seven (167) affordable rental housing units to be rented to and occupied by low income households (the "Project"), which may be developed in a two phases;

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. In conjunction with the RFQ, COUNTY and Abode entered into an Exclusive Negotiation Agreement dated February 27, 2024;

G. COUNTY and Abode entered into the First Amendment to ENA dated January 30, 2026, extending the term of ENA to January 31, 2027. The terms and conditions will be amended and restated in accordance herewith;

H. Abode transferred all rights and obligations under the ENA to Developer;

I. As a result of negotiations under the ENA, COUNTY and Developer have entered into a Disposition and Development Agreement (Park Lane Homes Apartments) dated _____, 2026 ("**DDA**"), pursuant to which COUNTY will convey fee title in the Property to Developer pursuant to the Surplus Land Act ("**SLA**") for the development and construction thereon of a mixed-use development consisting of a 12,000 square foot early childhood education center and affordable housing consisting of one hundred and sixty-seven (167) three-story units consisting of 30 one-bedroom, 34 two-bedroom, and 23 three-bedroom apartment units in Phase I and 27 one-bedroom units, 35 two-bedroom units and 18 three-bedroom units in Phase II. The Project will be developed in two phases. Phase I will include 87 residential units along with the 12,000 square foot early childhood education center. Phase II will add the remaining 80 units, completing the full buildout of the community. On site amenities will include a property management and resident service office, recreation area with a swimming pool, a single-story 1,335 square foot community building, picnic areas, playgrounds, walking paths, nd passive open space. Indoor community facilities will include a community room with kitchen, two laundry rooms, a social services office, property management offices, and shaded play structures. (collectively, the "**Proposed Project**");

J. In compliance with the SLA and California Health & Safety Code ("**HSC**") Sections 50053 and 50079.5, one hundred percent (100%) of the total units in the Proposed Project, not identified for occupancy by a property manager, shall be restricted to occupancy low income households as set forth herein (collectively, the "**Restricted Units**");

K. COUNTY desires to facilitate the development of the Proposed Project on the Property, which will serve to preserve, protect, improve and increase the affordable housing stock and help eliminate blight within the County of Riverside;

L. Facilitating the development of the Property for affordable multi-family rental housing through the conveyance of the Property will also assist the County and the State of California in achieving its goals of assisting low-income families;

M. COUNTY desires to convey the Property to Developer for the development and construction thereon of the Proposed Project, as more specifically described herein, and provide for the COUNTY Loan in connection therewith;

N. The Parties intend, following and contingent upon Developer obtaining the necessary Project-related financing, discretionary entitlements, permits and full compliance with the California Environmental Quality Act, to provide for COUNTY's disposition of the Property to Developer, the provision of the COUNTY Loan, and Developer's construction of the Improvements and operation of an affordable housing project on the Property; and

O. To ensure that the Property will be used and operated in accordance with all applicable conditions and restrictions, COUNTY 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 Property or any part thereof, and COUNTY agree as follows:

1. Restrictions.

a. Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that Developer, such successors and such assignees shall use the Property only for the uses specified in the DDA and this Covenant Agreement. No change in the use of the Property shall be permitted without the prior written approval of COUNTY. 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 shall use the Property for the development, construction and operation thereon of the Project, consisting of 167 multi-family affordable rental units, one hundred percent (100%) of which shall constitute the Restricted Units hereunder. The Restricted Units shall be made available solely to and occupied by Low Income Households at an Affordable Rent, in compliance with the SLA, HSC, and the Final Surplus Land Act Guidelines, updated on August 1, 2024 (the "**Guidelines**").

c. The maximum incomes of Low Income 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 "Low Income" shall mean a household gross income that does not exceed sixty percent (60%) of Area Median Income, adjusted for family size. For purposes of this definition, "adjusted for family size" means the actual number of persons in the applicable household.

e. 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.

f. COUNTY, and its successors and assigns, shall have the right, but not the obligation, to monitor and enforce the covenants contained in this Section 1.

g. Except for a resident manager, no officer, employee, agent, official or consultant of Developer may occupy any of the units.

h. Failure to comply with the affordability requirements of this Agreement is an event of default under the terms of the DDA.

i. 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 Project ("Term" or "Affordability Period").

j. Developer, and its successors and assigns, shall comply with the terms of this Agreement, the DDA and related Agreements to the extent applicable to the Project and any other instrument secured by the Property.

k. Notwithstanding anything to the contrary contained herein, if the 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 the California Tax Credit Allocation Committee ("CTCAC"). In the event of a conflict between the two, Developer shall comply with the most restrictive covenant.

l. The Restricted Units required under this Agreement must be developed prior to or substantially at the same time as the non-residential portion of the Project. Developer agrees that for each phase, the affordability requirements herein shall be met in each phase.

2. Maintenance of the Property. Developer, on behalf of itself and its successors, assigns, and each successor in interest to the Property and Project or any part thereof, hereby covenants to and shall protect, maintain, and preserve the 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 Property in the same aesthetic and

sound condition (or better) as the condition of the Property at the time of the issuance of a Certificate of Occupancy for the Project, reasonable wear and tear excepted. This standard for the quality of maintenance of the Property shall be met whether or not a specific item of maintenance is listed below. However, representative items of maintenance shall include frequent and regular inspection for graffiti or damage or deterioration or failure, and, 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; and maintaining security devices in good working order. In the event Developer, its successors or assigns, fails to maintain the Property in accordance with the standard for the quality of maintenance, COUNTY or its designee shall have the right but not the obligation to enter the 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.

3. 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 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 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 COUNTY, promptly pay to COUNTY all fees and costs, including administrative and attorneys' fees, incurred by COUNTY 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 Agreement.

4. Development of the Property. Developer covenants and agrees for itself, its successors and assigns and every successor in Developer's interest in the 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 Property constituting the Project in

accordance with the provisions of the DDA, including, but not limited to the Entitlements for the Property, the Scope of Development (Attachment No. 6 to the DDA), and all applicable Governmental Approvals.

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 COUNTY, and its successors and assigns, against Developer, and its successors and assigns, to or of Developer's interest in the Property, or any portion thereof or any interest therein, and any party in possession or occupancy of said Property or portion thereof. COUNTY 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 COUNTY, without regard to whether COUNTY has been, remains, or is an owner of any land or interest therein in the Property. Except as provided in the preceding sentence, the covenants, conditions and restrictions contained in this Agreement shall not benefit nor be enforceable by any other owner or tenant of real property except COUNTY.

6. Insurance. Without limiting or diminishing Developer's obligation to indemnify or hold COUNTY harmless, Developer shall procure and maintain or cause to be maintained during the Term, at its sole cost and expense, insurance meeting the requirements set forth in the DDA.

7. Hold Harmless/Indemnification. Developer shall indemnify and hold harmless COUNTY, 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 the construction, development or operation of the Project on the Property, including but not limited to property damage, bodily injury, or death or any other claim or injury of any kind or nature whatsoever. 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 obligation to Indemnitees as set forth herein. Developer's obligation hereunder shall be satisfied when Developer has provided to COUNTY 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 COUNTY: The County of Riverside
3403 Tenth Street, Suite 300
Riverside, CA 92501

If to Developer: c/o Abode Communities
2420 E. Cesar E. Chavez Ave #101
Los Angeles, CA 90033
Attn: President

Copy to:

Bocarsly Emden Cowan Esmail 7 Arndt LLP
633 W. Fifth Street, Suite 5880
Los Angeles, CA 90071
Attention: Nicole Deddens

9. Remedies and Enforcement. COUNTY 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.

The terms of this Covenant Agreement shall be enforceable by any of the following parties:

A. COUNTY
B. Any resident of a Restricted Unit.
C. Any residential association formed by members who reside in the Restricted Units.
D. A former resident of a Restricted Unit who last resided in that unit.
E. An applicant seeking to enforce the Covenant Agreement for a Restricted Unit if the applicant conforms to all of the following:
    a. Is of low income, as defined in HSC 500931
    b. Is able and willing to occupy a Restricted Unit; and
    c. Was denied occupancy of a particular Restricted Unit due to an alleged breach of a convent or restriction implementing Government Code Section 54222.5.
    d. A person on an affordable housing waiting list who is of low income, as defined in HSC Section 500931, and who is willing to occupy a Restricted Unit subject to the provisions of the Guidelines.

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 Affordability Period.

11. Notice and Opportunity to Cure. Prior to exercising any remedies hereunder, COUNTY shall give 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 COUNTY. 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 COUNTY; but in no event no later than one hundred eighty (180) days from delivery of such notice of default DDA.

COUNTY, 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 who have given written notice to COUNTY of its interest in the Property and the Project at the notice address above. From and after such notice has been delivered to the permitted lenders, such permitted lenders shall have the same period for remedying the default complained of as the cure period provided to Developer pursuant to this Section.

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"), COUNTY and its successors and assigns, without regard to whether COUNTY 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. Developer hereby covenants and agrees not to sell, transfer, assign or otherwise dispose of the Project, the Property or any portion thereof, without obtaining the prior written consent of COUNTY, which shall be granted or withheld in its discretion. Any approved sale, assignment, or transfer of the Project or Property shall be memorialized in an assignment and assumption agreement the form and substance of which have been first approved in writing by COUNTY. 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 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 changed 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. Reserved. shall be obligated to construct or continue with construction of the Project.

17. Severability. In any 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 the agreement and the remaining provisions of this Covenant Agreement shall remain in full force and effect.

18. Operation of Project.

a. Project Monitoring and Evaluation; Tenant Checklist. Developer shall submit a Tenant Checklist Form to COUNTY and may be revised by COUNTY 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 Project, such other monitoring forms as reasonably requested by COUNTY.

During the Affordability Period and upon request by COUNTY, Developer shall provide access and cooperation for periodic onsite compliance monitoring in accordance with COUNTY Monitoring Policy and Procedures. The on-site visit may include, without limitation: (i) interviews with staff and tenants; (ii) review of system certifications; (iii) review of tenant files; and (iv) housing quality standards inspection of buildings, grounds, systems and assisted and handicap accessible housing units.

Developer shall provide written lease agreements for tenants of the Project for not less than one year. COUNTY shall review the initial form of the lease agreement prior to Developer executing any leases and, provided that Developer uses the approved lease form, Developer shall be permitted to enter into residential leases without COUNTY's prior written consent. Any material changes to the written lease shall be approved in writing by COUNTY 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 COUNTY prior to entering into any lease for the Project which selection policies shall be subject to all applicable laws:

(1) Are consistent with the purpose of providing housing for 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 COUNTY (if any).

(5) Carry out the affirmative marketing procedures of COUNTY, to provide information and otherwise attract eligible persons in the housing market area. Developer and COUNTY shall cooperate to effectuate this provision during the Developer's initial lease-up of the Restricted Units and as vacancies occur.

d. Reserved.

e. Submission of Audited Financial Statements. Developer shall prepare and obtain an audited annual financial statement for the Project for each Fiscal Year (the "Annual Audited Financial Statements") ending after Completion of such Project. By no later than the April 1st following the year in which final certificate of occupancy for the Project is issued, Developer shall submit such Annual Audited Financial Statements to COUNTY for the immediately preceding calendar year. Thereafter, by no later than each April 1st, Developer shall submit Annual Audited Financial Statements to COUNTY for the immediately preceding year in accordance with Section 6.1 of the DDA.

19. Access to Project. Representatives of COUNTY shall have the right of access to the Property, upon twenty four (24) hours' prior written notice to Developer (except in the case of an emergency, in which COUNTY 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.

20. Management. Developer shall be responsible for the operation of the Project either by direct management or by contracting its managerial functions to a third-party property manager ("Property Manager") reasonably acceptable to COUNTY, which Property Manager will be charged with managing the Project on behalf of the Developer. COUNTY 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 the terms of this Covenant or 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 COUNTY 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.

21. 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 City of Desert Hot Springs Municipal Code, 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.

[REMAINDER OF PAGE INTENTIONALLY BLANK]
[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, COUNTY and Developer have signed this Agreement as of the dates set opposite their signatures.

COUNTY:	**DEVELOPER:**
THE COUNTY OF RIVERSIDE, a political subdivision of the State of California By: *Exhibit – Do Not Sign* Heidi Marshall, Director HWS Date: _____ APPROVED AS TO FORM: *Exhibit – Do Not Sign* Amrit P. Dhillon, Deputy County Counsel	PARK LANE HOMES, L.P., a California limited partnership Park Lane Homes GP, LLC, a California limited company By: Abode Communities, a California nonprofit corporation, its sole member By: *Exhibit – Do Not Sign* Lara Regus, Senior Vice President, Development Date: _____ "LIMITED PARTNER" Abode Communities, a California nonprofit corporation By: *Exhibit – Do Not Sign* Name: Lara Regus, Its: Senior Vice President, Development 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

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

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 SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 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 THROUGH 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 0°07'36" WEST TO THE SOUTHERLY LINE OF SAID NORTH HALF.

ALSO EXCEPTING THAT PORTION OF THE SOUTH 30 FEET OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING BETWEEN THE EASTERLY LINE OF PALM DRIVE AS DESCRIBED IN DEED RECORDED IN BOOK 467, PAGE 521 OF OFFICIAL RECORDS OF SAID COUNTY, AND THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT B OF PARCEL MAP NO. 17663, AS SHOWN ON MAP FILED IN BOOK 102, PAGES 9 THROUGH 11 INCLUSIVE OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, PER DEED RECORDED NOVEMBER 28, 1990 AS INSTRUMENT NO. 432371 OF OFFICIAL RECORDS.

APN 656-040-061

ATTACHMENT NO. 12

REQUEST FOR NOTICE

[attached]

Recording Requested By: RIVERSIDE COUNTY AND WHEN RECORDED MAIL TO County of Riverside 3403 Tenth Street, Suite 300 Riverside, CA 92501 Attn: Mike Walsh, Assistant Director	EXEMPT RECORDING FEE CODE 27383

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. 656-040-061

Property also known as: Palm Drive and Park Lane, City of Desert Hot Springs

All notices to be mailed to: Attn: Assistant Director, the County of Riverside, 3403 Tenth Street, Suite 300, Riverside, California 92501

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.

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 SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 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 THROUGH 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 0°07'36" WEST TO THE SOUTHERLY LINE OF SAID NORTH HALF.

ALSO EXCEPTING THAT PORTION OF THE SOUTH 30 FEET OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING BETWEEN THE EASTERLY LINE OF PALM DRIVE AS DESCRIBED IN DEED RECORDED IN BOOK 467, PAGE 521 OF OFFICIAL RECORDS OF SAID COUNTY, AND THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT B OF PARCEL MAP NO. 17663, AS SHOWN ON MAP FILED IN BOOK 102, PAGES 9 THROUGH 11 INCLUSIVE OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, PER DEED RECORDED NOVEMBER 28, 1990 AS INSTRUMENT NO. 432371 OF OFFICIAL RECORDS.

APN 656-040-061

EXHIBIT I

FORM OF CONSENT TO ASSIGNMENT

[TO SIGNED BY EACH ARCHITECT, LANDSCAPE ARCHITECT AND ENGINEER PREPARING PLANS FOR THE PROPOSED PROJECT AND DELIVERED TO AUTHORITY]

The undersigned Architect/Engineer ("Architect" or "Engineer" as the case may be) hereby consents to the foregoing Assignment to which this Consent ("Consent") is a part, and acknowledges that there presently exists no unpaid claims due to the Architect/Engineer except as set forth on Schedule 1 attached hereto, arising out of the preparation and delivery of the Plans and Specifications or other work product (collectively, "Work Product") to Borrower and/or the performance of the Architect/Engineer's obligations under such Architect/Engineer Agreement entered into by Architect or Engineer with Borrower. For purposes, hereof, "Borrower" shall mean Park Lane Homes, L.P., a California limited partnership, or Abode Communities, a California nonprofit corporation.

Architect/Engineer agrees that if the County of Riverside, a public entity, corporate and politic ("County") shall become the owner of said Work Product and elects to undertake or the construction of the Improvements on any portion of the Property in accordance with the Plans and Specifications, and gives Architect/Engineer written notice of such election; then, so long as Architect/Engineer has received, receives or continues to receive the compensation called for under the Agreements, County may, at its option, use and rely on the Plans and Specifications for the purposes for which they were prepared, and Architect/Engineer will continue to perform its obligations under the Agreements for the benefit and account of County in the same manner as if performed for the benefit or account of Borrower in the absence of the Assignment.

Architect/Engineer warrants and represents that they have no knowledge of any prior assignment(s) of any interest in the Plans and Specifications and/or the Agreements, except for a prior assignment to Abode Communities, Inc. Except as otherwise defined herein, the terms used herein shall have the meanings given them in the Assignment.

The foregoing Consent to Assignment is applicable to the following contracts or agreements between Architect or Engineer and Borrower:

[*Borrower to insert names and dates of Contracts*]

_____

_____

[signature page follows]

Executed on _____, 20

ARCHITECT/ENGINEER:

[insert name of company]

By: _____

Print Name:_____

Its: _____

Architect/Engineer s Address:

_____

SCHEDULE 1 TO CONSENT TO ASSIGNMENT
SCHEDULE OF UNPAID CLAIMS

Schedule 1 to Consent to Assignment of Agreements, Plans and Specifications and Entitlements:

[to be inserted]

[None.]

EXHIBIT II

SCHEDULE OF ARCHITECTURAL AND ENGINEERING AGREEMENTS,

PLANS AND SPECIFICATIONS AND ENTITLEMENTS

[Developer to provide]

ATTACHMENT NO. 13

PROMISSORY NOTE

[attached]

RESIDUAL RECEIPTS PROMISSORY NOTE SECURED BY DEED OF TRUST

$_____ ("**Loan Amount**") _____, 20__ ("**Note Date**")

FOR VALUE RECEIVED, PARK LANE HOMES, L.P., a California limited partnership ("**Maker**") hereby promises to pay to the order of the COUNTY OF RIVERSIDE, a public body corporate and politic ("**Holder**" or "**County**"), 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 DDA (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 a mixed-use development consisting of a 12,000 square foot early childhood education center and one-hundred sixty-seven (167) units of affordable housing and related appurtenances (the "**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 of even date herewith 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 COUNTY) for the benefit of Holder and recorded in the Office of the Riverside County Recorder concurrently herewith ("**Regulatory Agreement**").

III. Disposition and Development Agreement dated _____ by and between Holder (as COUNTY) and PARK LANE HOMES, L.P. (Developer), a California limited partnership, (as may be amended to date, the "**DDA**").

All of the foregoing listed documents are referred to herein collectively as the "**COUNTY Loan Documents**" and individually as an "**COUNTY Agreement**." The County Agreements 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 DDA.

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 in accordance with the DDA (the "**COUNTY 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**.

a) 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, County'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 Project, and the last payment shall be due on April 1st fifty-five (55) years later but in no event later than _____ ("**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 County 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.

b) 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 DDA), (ii) any partnership management fees in an amount not to exceed $5,000 increasing annually by the greater of 3.5% 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 3.5% or the annual increase in tenant rents expressed as a percentage, and (iv) any deferred developer fee and (v) any payments made pursuant to the Amended and Restated Agreement of Limited Partnership of Maker to the limited partner of Maker to pay credit adjusters or with respect to tax liability incurred by such limited partner. Maker shall annually, on or before April 1, commencing in the year after the Certificate of Occupancy is issued for the Project, submit to County a calculation of cash flow and a calculation of County's Proportional Share which shall provide the basis for Maker's Annual Payment to County. 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 Property 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 Project or Property.

c) Maker shall deliver audited financial statements for the preceding calendar year for the Project on each April 1st following issuance of final certificate of occupancy for the 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.

d) 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.

e) This Note may be prepaid in whole or in part at any time without penalty.

f) Maker shall have a one-time right to refinance the Permanent Loan upon written notice to Holder in accordance with the DDA ("**Permitted Refinance**"). If Maker refinances all or part of the 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 DDA, 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 Project prior to expiration of the fifteen year tax compliance period, Maker shall either rebuild the 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 DDA. The terms and conditions of the Regulatory Agreement shall survive any repayment of the COUNTY Loan pursuant to this Section prior to the expiration of the Affordability Period.

g) 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 County Agreements and (c) payment of Deferred Developer Fee.

4) **Default; Cross-Default; Acceleration**.

a) Default by Maker of this Note or of any of the COUNTY Loan Documents (subject to all applicable notice and cure periods), shall constitute a default of this Note and all of the COUNTY Loan Documents.

b) 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:

   i) Upon the occurrence of any "Event of Default" as set forth below; or

   ii) Except as permitted by the COUNTY Loan Documents, Maker sells or transfers the 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 DDA; or

   iii) 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 paid to Holder in an amount not to exceed any amounts due Holder under the COUNTY Loan Documents.

c) In the event Maker fails to perform hereunder or under any of the COUNTY Loan Documents, Maker shall be in default of this Note. Prior to exercising any of its remedies hereunder, County 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 DDA. If Maker cures a default under the COUNTY Loan Documents within the cure period set forth in the applicable COUNTY 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 COUNTY Loan Documents within the cure period set forth in the applicable COUNTY Loan Documents, an "**Event of Default**" shall be deemed to have occurred under all of the COUNTY 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 COUNTY Loan Documents, any attorney is engaged by Holder to enforce of 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:

   a) To Holder:

      County of Riverside
      3403 Tenth St., Ste. 300
      Riverside, CA 92501
      ATTN: Deputy Director

   b) To Maker:

      Park Lane Homes, L.P.
      c/o Abode Communities
      2420 E. Cesar E. Chavez Ave #101
      Los Angeles, CA 90033
      Attn: President

   c) With Copy to:

      Bocarsly Emden Cowan Esmail &Arndt LLP
      633 West Fifth Street, Suite 5880
      Los Angeles, CA 90071
      Attn: Nicole Deddens

   d) 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.

   e) 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 DDA. All amounts outstanding under this Note shall become immediately due and payable upon a transfer in violation of the terms and conditions of the DDA.

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 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 Site. 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 COUNTY 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 COUNTY Loan Documents, provided, however, nothing herein shall be deemed to obligate Maker to repay any portion of the COUNTY Loan evidenced hereby as a result of any such indemnification; and (E) material waste by Maker with respect to the Property.

IN WITNESS WHEREOF, Maker has executed this Note as of the date first above written.

MAKER

PARK LANE HOMES, L.P., A California limited partnership

By: Park Lane Homes GP, LLC, a California limited company

By: Abode Communities, a California nonprofit corporation, its sole member

By: *Exhibit – Do Not Sign*
Lara Regus, Senior Vice President, Development

Date: _____

"LIMITED PARTNER"

Abode Communities, a California nonprofit corporation

By: *Exhibit – Do Not Sign*
Name: Lara Regus,

Its: Senior Vice President, Development

Date: _____

ATTACHMENT NO. 14

DEED OF TRUST

[attached]

Order No.
Escrow No.
Loan No.

WHEN RECORDED MAIL TO:
County of Riverside
3403 Tenth Street
Riverside, CA 92504
Attn: Mike Walsh, Assistant Director

Space above this line reserved 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 ___, 2026, between PARK LANE HOMES, L.P., a California limited partnership ("**TRUSTOR")**, whose address is 2420 E. Cesar E. Chavez Ave #101 Los Angeles, CA 90033, in favor of the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("**BENEFICIARY")**, and _____ ("**TRUSTEE").**

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, Trustor's estate in that real property in the City of Desert Hot Springs, 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 Residual Receipts 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: 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	130-31	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	1964				

[signature page follows]

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:

PARK LANE HOMES, L.P., A California limited partnership

By: Park Lane Homes GP, LLC, a California limited company

By: Abode Communities, a California nonprofit corporation, its sole member

By: *Exhibit – Do Not Sign*

Lara Regus, Senior Vice President, Development

Date: _____

"LIMITED PARTNER"

Abode Communities, a California nonprofit corporation

By: *Exhibit – Do Not Sign*

Name: Lara Regus,

Its: Senior Vice President, Development

Date: _____

[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.

1) To protect the security of this Deed of Trust, Trustor agrees:

   a) 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.

   b) 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.

   c) 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.

   d) 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.

   e) 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 is 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.

f) 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.

2) It is mutually agreed:

a) 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.

b) 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.

c) 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.

d) 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."

e) 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.

f) 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.

g) 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.

h) 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.

i) 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.

j) 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 __, 2026, by PARK LANE HOMES, L.P., a California limited partnership ("**Trustor**") in favor of the COUNTY OF RIVERSIDE, a political subdivision of the State of California ("**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 "**County Documents**"): (i) Residual Receipts 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 and Development Agreement" dated _____ by and between Beneficiary as "COUNTY" and Trustor providing for Trustor's acquisition and development of the Property (including any modifications or amendments thereto, the "**DDA**"); and (iii) that certain "Agreement Containing Covenants (Including Rental Restrictions)" dated _____, 2026, by and between Trustor as "Developer" and Beneficiary as "COUNTY", providing for the use, operation, and maintenance of the Property (including any modifications or amendments thereto, the "**Regulatory Agreement**").

The parties hereto agree:

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**"):

The real property located in the City of Desert Hot Springs, 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 All buildings, structures and improvements now located or later to be constructed on the Land (the "**Improvements**"); together with

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

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

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 COUNTY 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

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

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

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

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

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

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

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

All insurance policies (and the unearned premiums therefor) and bonds required by the COUNTY 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

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

All commercial tort claims Trustor now has or hereafter acquires relating to any of the property described above; together with

All software embedded within or used in connection with any of the property described above; together with

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.

Obligations Secured. Trustor makes this grant and assignment for the purpose of securing the following obligations ("**Secured Obligations**"):

Payment to Beneficiary of all indebtedness at any time owing under the terms of the Note;

Payment and performance of all obligations of Trustor under this Deed of Trust, the DDA, the Note, and the Regulatory Agreement;

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

All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced.

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.

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.

Subordination. Beneficiary shall subordinate this Deed of Trust to the Senior Financing (as such term is defined in the DDA) in accordance with the DDA pursuant to a subordination agreement in such form as is acceptable to Beneficiary.

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.

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 DDA 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 DDA or by Beneficiary pursuant thereto.

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.

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.

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 DDA.

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.

Default; Cross-Default; Acceleration. A default as specified above or a default under the DDA, 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.

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.

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 COUNTY 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.

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.

Reconveyance. Prepayment or payment of the COUNTY 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.

Indemnification.

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:

In performing any act required or permitted by this Deed of Trust or any of the other Authority Documents or by law;

Because of any failure of Trustor to perform any of Trustor's obligations; or

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.

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.

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.

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.

Transfers. Notwithstanding anything to the contrary contained herein, any Permitted Transfer (as such term is defined in the DDA) permitted under the DDA, shall be permitted hereunder without prior written consent of Beneficiary, and any permitted Assignee 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 DDA, or any portion thereof that does not constitute a Permitted Transfer under the DDA.

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:

County of Riverside
3403 Tenth St., Ste. 300
Riverside, CA 92501
Attn: Deputy Director

To Trustor:

Park Lane Homes, L.P.

c/o Abode Communities
2420 Cesar E. Chavez Ave #101
Los Angeles, CA 90033
Attn: President

With Copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 Fifth Street, Suite 5880
Los Angeles, CA 90071
Attn: Nicole Deddens

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.

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.

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.

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.

Governing Law. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

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.

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.

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 84-4763655; and (c) Trustor's principal place of business is 2420 E. Cesar E. Chavez Ave #101 Los Angeles, CA 90033. 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.

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.

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.

[SIGNATURES ON FOLLOWING PAGE]

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.

PARK LANE HOMES, L.P., A California limited partnership

By: Park Lane Homes GP, LLC, a California limited company

By: Abode Communities, a California nonprofit corporation, its sole member

By: *Exhibit – Do Not Sign*

Lara Regus, Senior Vice President, Development

Date: _____

"Limited Partner Desert Hot Springs"

Abode Communities, a California nonprofit corporation

By: *Exhibit – Do Not Sign*

Name: Lara Regus,

Its: Senior Vice President, Development

Date: _____

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 SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 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 THROUGH 11 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

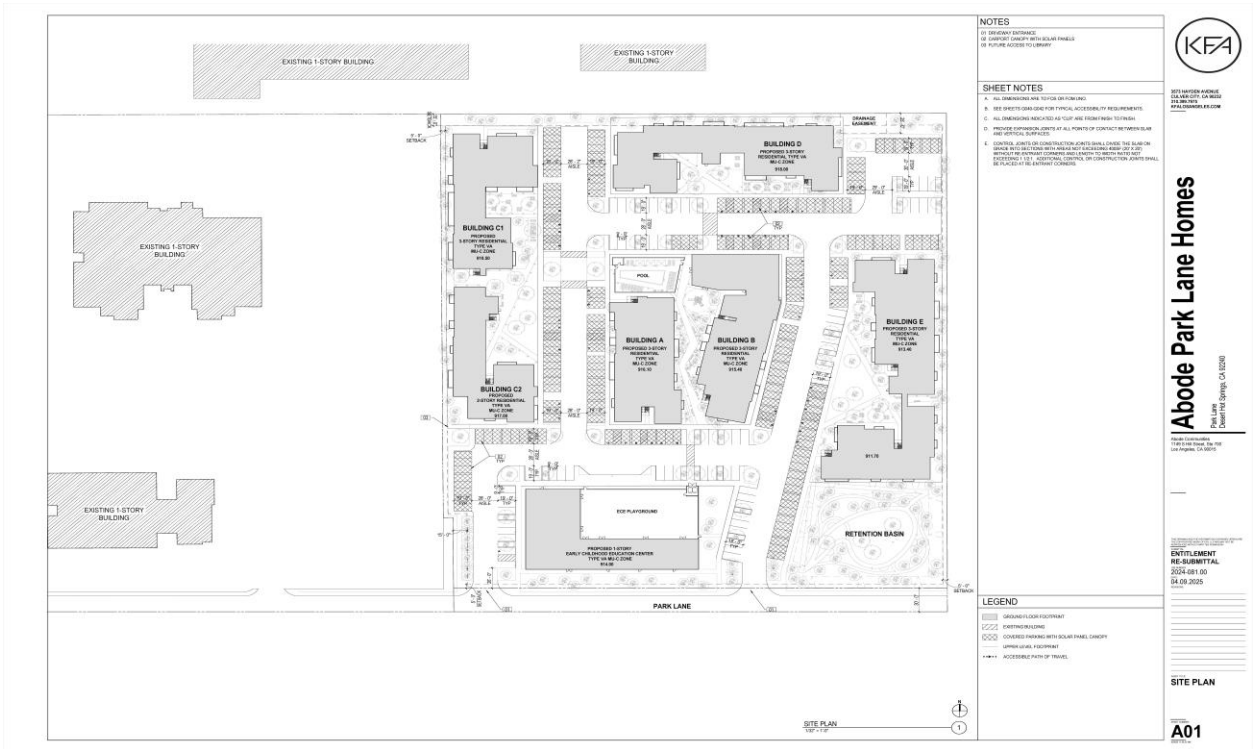
THENCE ALONG THE EASTERLY LINE OF SAID PARCEL "B" AND ITS PROLONGATION, SOUTH 0°07'36" WEST TO THE SOUTHERLY LINE OF SAID NORTH HALF.

ALSO EXCEPTING THAT PORTION OF THE SOUTH 30 FEET OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 6, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SAN BERNARDINO MERIDIAN, IN THE CITY OF DESERT HOT SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING BETWEEN THE EASTERLY LINE OF PALM DRIVE AS DESCRIBED IN DEED RECORDED IN BOOK 467, PAGE 521 OF OFFICIAL RECORDS OF SAID COUNTY, AND THE SOUTHERLY PROLONGATION OF THE EAST LINE OF LOT B OF PARCEL MAP NO. 17663, AS SHOWN ON MAP FILED IN BOOK 102, PAGES 9 THROUGH 11 INCLUSIVE OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, PER DEED RECORDED NOVEMBER 28, 1990 AS INSTRUMENT NO. 432371 OF OFFICIAL RECORDS.

APN 656-040-061

SITE MAP

Desert Springs
Middle School
Palm Drive
Park Lane


EXISTING 1-STORY BUILDING
EXISTING 1-STORY BUILDING
EXISTING 1-STORY BUILDING
EXISTING 1-STORY BUILDING
BUILDING C1
BUILDING C2
BUILDING D
BUILDING A
BUILDING B
BUILDING E
POOL
ECE PLAYGROUND
RETENTION BASIN
PARK LANE
SITE PLAN
NOTES
SHEET NOTES
LEGEND
KFA
Abode Park Lane Homes
ENTITLEMENT
RE-SUBMITTAL
2024-081.00
04.09.2025
SITE PLAN
A01