

PURCHASE, SALE AND DEVELOPMENT AGREEMENT

GILBANE DEVELOPMENT COMPANY

(Madison Street and Railroad Avenue, Riverside, California,
APN Nos. 230-233-013, 230-245-015, 230-450-013 and a portion of 230-253-010)

This Purchase, Sale and Development Agreement (“**Agreement**”) is entered into this _____ day of _____, 2022, (“**Effective Date**”), by and between **THE CITY OF RIVERSIDE AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE**, a public entity (“**Seller**”) and **GILBANE DEVELOPMENT COMPANY**, a Rhode Island corporation (“**Buyer**”). (“**Buyer**”). In consideration of the mutual covenants and agreements, the parties agree to the following terms and conditions:

RECITALS

A. On October 9, 2020, the State of California adopted Assembly Bill No. 1486 (“**AB 1486**”), which provides the following: “The Legislature reaffirms its declaration that housing is of vital statewide importance to the health, safety, and welfare of the residents of this state and that provision of a decent home and a suitable living environment for every Californian is a priority of the highest order. The Legislature further declares that a shortage of sites available for housing for persons and families of low and moderate income is a barrier to addressing urgent statewide housing needs and that surplus government land, prior to disposition, should be made available for that purpose.” (Government Code Section 54220.)

B. In compliance with Section 2 of AB 1486, and pursuant to Government Code 54220, et seq., on May 26, 2021, Seller gave notice of the planned sale of certain surplus property to the California Department of Housing and Community Development’s approved List of Affordable Housing Developers. In that notice, Seller indicated neither the Seller nor the City of Riverside’s Housing Authority had any funding available to subsidize the production of affordable housing units and that the subject surplus properties were intended to be sold subject to a current fair market value appraisal.

C. On or about June 18, 2021, Buyer submitted a proposal of the acquisition and development of one such subject surplus property.

ARTICLE I AGREEMENT OF SALE

1.1 **Property.** Seller owns certain real property located at Madison Street and Railroad Avenue, Riverside, California, known as Assessor’s Parcel Number(s) 230-233-013, 230-245-015, 230-450-013 and a portion of 230-253-010 (“**Property**”), more particularly described in Exhibit “A,” Legal Description, and depicted in Exhibit “B,” Plat Map, both attached hereto and incorporated herein by reference. This Agreement is subject to the approvals of the City of Riverside as Successor Agency to the Redevelopment Agency of the City of Riverside (“**Successor Agency**”), Oversight Board for the City of Riverside as Successor Agency to the Redevelopment

Agency of the City of Riverside ("**Oversight Board**") and State of California Department of Finance ("**DOF**").

1.2 **Intention.** Buyer desires to purchase in fee the Property for the development of an anticipated 120-unit, multi-family and senior housing residential project that restricts 100 percent of the residential units to persons and families of low or moderate income, with at least 75 percent of the residential units restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable rent, as defined in Sections 50052.5 or 50053 of the Health and Safety Code, for a minimum of 55 years for rental housing, and in no event shall the maximum affordable rent level be higher than 20 percent below the median market rents for the neighborhood in which the site is located with the final density and development of the project subject to approvals outlined in Section 2.4.1 below ("**Project**"). Seller desires to sell and convey the Property to Buyer.

1.3 **Incomplete Legal Description.** If the legal description of the Property is not complete or is inaccurate, this Agreement shall not be invalid and the legal description shall be completed or corrected to meet the requirements of a title company to issue a title policy hereinafter described.

1.4 **Due Diligence.** Buyer shall have one hundred and twenty (120) days following the Effective Date to perform, in its sole discretion, its due diligence review of the condition of Property and all other matters concerning the Property, including without limitation, condition of title, economic, financial, and accounting matters relating to or affecting the Property or its value, and the physical and environmental condition of the Property ("**Due Diligence Period**"). During the Due Diligence Period, Buyer shall have made such inquiries, communicated with local, state and federal government agencies as it sees fit, retained such consultants, and taken such actions as Buyer deems necessary or appropriate to enter into this Agreement. Seller authorizes Buyer to make all inquiries of appropriate governmental authorities with respect to the Property, as Buyer, in its good faith and reasonable judgment deems necessary to satisfy itself as to the condition of title to the Property and the feasibility of any proposed development on the Property. On or before the expiration of the Due Diligence Period, Buyer shall deliver written notice to Seller accepting the Property or terminating this Agreement. Buyer may unilaterally extend the term of the Due Diligence Period by up to forty-five (45) days by sending written notice to Seller prior to the expiration of the then-current term. If Buyer fails to give such notice on or before the expiration of the Due Diligence Period, as the same may be extended, Buyer shall be deemed to have accepted the Property and proceed with this Agreement.

1.5 **Right of Entry.** After the Effective Date, and during Escrow, Seller grants to Buyer, its agents, employees or nominees, the right to enter into and upon the Property for the purpose of conducting a Phase I Environmental Site Assessment, soil testing, environmental and engineering studies, and such further engineering, grading, archeological, geological or survey work as may be required for the preparation by Buyer of its development plans for the Property. Buyer shall provide Seller with forty-eight (48) hours' notice prior to such entry, and shall not unreasonably interfere with any occupant's use of the Property or any of Seller's other operations on the Property. Buyer must provide Seller with a site plan showing proposed soil boring locations and obtain prior written consent from Seller before any intrusive testing is allowed on the Property.

Buyer shall keep the Property free and clear of any liens or encumbrances that may arise out of Buyer's inspection of and activities on the Property. All costs, expenses, liabilities or charges incurred in or related to the performance of any and all of such studies and work on the Property including the preparation by Buyer of any plans or maps for the development or use of the Property, and the cost of filing, recording reports, plans, maps or other documents related thereto shall be at the sole cost and expense of and shall be paid by Buyer. Buyer hereby agrees to repair any damage done to the Property by Buyer, its agents, employees, servants or nominees, and Buyer shall restore the Property to the same or similar condition as existed on the Effective Date; provided, however, that Buyer shall not have any responsibility for the discovery, clean-up or remediation of any environmental contaminant discovered or released in the course of Buyer's due diligence investigations, except if caused by active negligence of Buyer. Buyer shall not have any such obligation if Escrow closes and title to the Property vests in Buyer. The right to enter the Property shall be co-extensive with the period during which Escrow is open, or any extension thereof.

1.6 **Insurance.** During the exercise of the right of entry in Section 1.5 above, Buyer shall maintain commercial general liability insurance in the amount of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate by an insurance company or companies authorized to transact liability insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class VII or larger. Buyer shall name Seller as an additional insured under its policy and shall provide a Certificate of Insurance and said endorsement to Seller prior to exercising its rights under Section 1.5.

1.7 **Assumption of the Risk.** Subject to the other provisions of this Agreement: (a) Buyer agrees, that by its acceptance of the Property under Section 1.4, it assumes the risk that an adverse condition of the Property may not have been revealed by its own due diligence; and (b) on Buyer's acceptance, Seller shall have no obligation to repair, correct, or compensate Buyer for any condition of the Property, including defects in improvements, noncompliance with applicable laws and regulations, including without limitation zoning laws, building codes, and the Americans with Disabilities Act, whether or not such condition of the Property would have been disclosed by Buyer's due diligence.

ARTICLE II

PURCHASE PRICE, ESCROW, DEPOSIT AND BUYER'S OBLIGATIONS

2.1 **Purchase Price.** The total purchase price to be paid by Buyer to Seller for the Property shall be Two Million Four Hundred Thousand Dollars (\$2,400,000.00) ("**Purchase Price**"). The Purchase Price shall be payable to Seller in immediately available funds in accordance with the provisions and requirements of this Agreement. The parties acknowledge and agree that the Purchase Price represents the full fair market value of the Property.

2.2 **Escrow.** Within ten (10) days following the Effective Date, Seller shall open an escrow ("**Escrow**") with Stewart Title of California – Inland Empire Division, 7065 Indiana Avenue, Riverside, CA 92506 ("**Escrow Holder**"), for the purpose of consummating this Agreement. The parties hereto shall execute and deliver to Escrow Holder such escrow instructions prepared by Escrow Holder as may be required to complete this transaction. Any such instructions shall not conflict with, amend, or supersede any provision of this Agreement. If there is any

inconsistency between such instructions and this Agreement, this Agreement shall control. The close of escrow shall be (i) five hundred forty (540) days following the Effective Date, (ii) thirty (30) days from Buyer's satisfaction of the conditions listed in Sections 2.4 and 3.2, or (iii) such date mutually agreed to by Buyer and City, whichever is earlier ("**Close of Escrow**").

2.3 **Deposit.** Within fifteen (15) calendar days following the Effective Date, Buyer shall deliver a deposit in the amount of Fifty Thousand Dollars (\$50,000.00) ("**Deposit**") to the Escrow Holder which will be applied towards the Purchase Price at the Close of Escrow, subject however to the Sellers right to liquidated damages as set forth in Section 7.5 in the event of Buyer's default. After the expiration of the Due Diligence Period, as the same may be extended, Buyer's Deposit shall become non-refundable but may still be applied towards the Purchase Price at the Close of Escrow. If this Agreement is terminated for any reason after the expiration of the Due Diligence Period, as the same may be extended, the Deposit shall be released to Seller.

2.4 **Buyer's Obligations During Escrow.**

2.4.1 Within ninety (90) days following the Effective Date, Buyer shall submit an application to the City of Riverside ("**City**") Community & Economic Development Department, Planning Division ("**Planning Division**"), pursuant to Title 19 of the Riverside Municipal Code, for required development entitlements for a proposed multi-family/senior housing affordable residential project of up to a density of 29 units per acre, as provided for in the City's High Density Residential General Plan Designation, exclusive of any additional density bonus that may be allowed for the Project. Said application shall include:

- (a) A Tract or Parcel Map to consolidate the existing parcels for the development of the Project ("**Map**");
- (b) A Project Design Review of Buyer's proposed development of the Project including specific site plan and preliminary elevations ("**Project Design**");
- (c) Entitlements and environmental clearance for the Project including any conditional use permits ("**Entitlements**"); and
- (d) Any other documents or applications required for the development of the Project.

2.4.2 Within five hundred forty (540) days following the Effective Date, Buyer to provide Seller a development pro-forma (the "**Development Pro-forma**") for the Project.

2.5 **Buyer's Closing Conditions.** Buyer's obligations under this Agreement are contingent upon satisfaction or waiver of the following (collectively, the "**Buyer Closing Conditions**");

2.5.1 Within five hundred forty (540) days following the Effective Date, Buyer shall have received financing commitments from State and local sources equal to the cost

of construction of the Project as shown on Buyer's Development Pro-forma in Section 2.4.2 above in form and substance acceptable to Buyer.

2.5.2 Within five hundred forty (540) days following the Effective Date, Buyer shall have obtained discretionary governmental approval for the Map, Project Design and Entitlements for the development of the Project.

If any of the Buyer Closing Conditions has not been satisfied on or before the Close of Escrow (or Buyer reasonably determines that any one or more of such conditions will not be satisfied during such period of time), then Buyer may terminate this Agreement by written notice to Seller, in which event this Agreement shall terminate and the parties shall have no further right or obligation under this Agreement (except for rights or obligations which expressly survive the termination of this Agreement).

ARTICLE III CLOSING

3.1 **Closing Date.** Buyer shall complete all of Buyer's Obligations as described in Section 2.4 above and Section 3.2 below by the Close of Escrow. If the Escrow is not in a condition to close by the Close of Escrow, any party who is not then in default, upon notice in writing to the Escrow Holder and the other party, may demand the return of their documents and cancel the Escrow. If no demand for cancellation is made, then Escrow will close as soon as possible. Notwithstanding the foregoing, the Close of Escrow may be extended by mutual agreement if the parties are diligently attempting to resolve the issue(s) that may be preventing or delaying the Close of Escrow.

3.2 **Closing Documents.**

3.2.1 Seller, prior to the Close of Escrow, shall deliver to Escrow Holder each of the following items, the delivery of each of which shall be a condition to the performance by Buyer of its obligations under this Agreement:

- (a) A grant deed sufficient for recording, conveying legal title of the Property to Buyer;
- (b) All additional documents and instruments which may be reasonably necessary for the Close of Escrow and to consummate the sale of the Property in accordance with the terms of this Agreement, including, without limitation, such information as the Title Company may request to show the City's authority to transfer the Property; and
- (c) A remittance for property maintenance service expenditures paid by Seller between the Effective Date and prior to Close of Escrow, which is to be deducted from the net sale proceeds of the Property.

3.2.2 Buyer, prior to the Close of Escrow, shall deliver to Escrow Holder each of the following items, the delivery of each of which shall be a condition to the performance by Seller of its obligations under this Agreement:

- (a) The Purchase Price of the Property and any additional funds necessary to satisfy Buyer's obligation relating to the acquisition of the Property, subject to a credit in the amount of the Deposit and any other credits or pro-rations provided for in this Agreement;
- (b) Copies of Buyer's authority documents and/or such other documents and instruments evidencing Buyer's due existence and authority to enter into and consummate the sale of the Property contemplated by this Agreement as Seller or Escrow Holder may at their sole discretion require;
- (c) Evidence of Project Entitlements including ready to issue letters for grading and building permits (if available prior to the completion of grading work) for a proposed multi-family/senior housing affordable residential project up to a density of 29 units per acre, as provided for in the City's High Density Residential General Plan Designation, exclusive of any additional density bonus that may be allowed for the Project;
- (d) Proof of financing, cash funding and/or financing commitments from State and local sources equal to the cost of the construction of the Project including a development pro-forma that shows the total construction cost of the Project and an income and expense statement during the Affordability Period, as defined in the Regulatory Agreement;
- (e) A Schedule of Performance, which shall be in such form as that attached hereto as Exhibit "C" and incorporated herein by this reference setting out the dates and/or time periods by which certain obligations set forth in this Agreement must be accomplished. The Schedule of Performance is subject to revision from time to time due to Permitted Delay events or as otherwise mutually agreed upon in writing between Buyer and the City. The City authorizes the City Manager to make such revisions to the Schedule of Performance as he/she deems reasonably necessary to effectuate the purposes of this Agreement;
- (f) A fully executed Regulatory Agreement with the City of Riverside, which shall be in such form as that attached hereto as Exhibit "D" and incorporated herein by this reference, as to permit it to be recorded in the Riverside County Recorder's Office;

- (g) A fully executed Notice of Affordability Restrictions on Transfer of Property with the City of Riverside, which shall be in such form as that attached hereto as Exhibit "E" and incorporated herein by this reference, as to permit it to be recorded in the Riverside County Recorder's Office; and
- (h) Any additional documents and instruments which may be reasonably necessary to consummate the sale of the Property in accordance with the terms of this Agreement.

3.3 **Taxes.** Buyer understands and acknowledges that Seller, as a public entity, is not being assessed for any real property taxes or for any special assessments on the Property. However, upon the Close of Escrow, Buyer understands and acknowledges that real property taxes and special assessments will be assessed against the Property and Buyer will be responsible for the same. Buyer agrees to hold Seller harmless for any and all real property taxes and/or special assessments on the Property assessed on and after Close of Escrow.

3.4 **Condition of Title.** At the Close of Escrow, Seller shall convey fee simple merchantable and insurable title of the Property to the Buyer free and clear of all liens, restrictions, delinquent taxes and assessments, and encumbrances as evidenced by a CLTA Title Insurance Policy ("**Title Policy**") issued by Stewart Title of California in an amount equal to the Purchase Price. Buyer may elect to require that the Title Policy be an ALTA extended coverage policy so long as that does not delay the Close of Escrow and Buyer pays the additional cost therefor (including the cost of any survey required by Stewart Title of California). The Title Policy shall show as exceptions with respect to the Property only matters approved in writing by the Buyer during the Due Diligence Period. Any exceptions to title representing monetary liens or encumbrances shall be deemed disapproved by Buyer, and, Escrow Holder is hereby authorized and instructed to cause at Seller's expense the re-conveyance or partial re-conveyance, as the case may be, of any such monetary exceptions to Buyer's title to the Property at or prior to the Close of Escrow.

3.5 **Costs.**

3.5.1 At the Close of Escrow, and as a debit from the closing proceeds to be paid to Seller, Seller shall be responsible for: (i) one-half the cost of any escrow charges imposed by the Escrow Holder; (ii) the cost of for a CLTA Standard form policy of title insurance from Stewart Title of California; and (iii) any other expenses customarily charged to Seller in connection with similar transactions including its own attorney's fees and transfer .

3.5.2 At the Close of Escrow, Buyer shall be responsible for: (i) all recording fees and any and all state, county, and local governmental transfer taxes, documentary or otherwise and any and all state, county. And local governmental transfer taxes, documentary or otherwise, and/or the cost of documentary stamps to be affixed to the instrument or instruments of conveyance (if obtained by Buyer); (ii) the extra cost of an extended ALTA owners title policy and associated costs if obtained by Buyer; (iii) one-half the cost of any escrow charges imposed by the Escrow

Holder; (iv) any taxes disclosed in Section 3.3; and (v) any other expenses customarily charged to Buyer in connection with similar transactions including its own attorney's fees.

3.6 **Brokerage Commissions.** The parties acknowledge that neither party has been represented by a broker, with respect to this transaction. The parties hereby agree to indemnify, defend and hold the other party harmless from any and all claims that may arise in regard to any commission that may be claimed to be owed.

ARTICLE IV "AS-IS" PURCHASE

4.1 **As-Is Information.** Buyer acknowledges, agrees, represents, and warrants that: (a) any information supplied or made available by Seller, whether written or oral, or in the form of maps, surveys, plats, soils reports, engineering studies, environmental studies, inspection reports, plans, specifications, or any other information whatsoever, without exception, pertaining to the Property, any and all records and other documents pertaining to the use and occupancy of the Property, income thereof, the cost and expenses of maintenance thereof, and any and all other matters concerning the condition, suitability, integrity, marketability, compliance with law, or other attributes or aspects of the Property, or a part thereof, if furnished to Buyer, is furnished solely as a courtesy; (b) **THE INFORMATION IS PROVIDED ON AN "AS-IS, WHERE-IS" BASIS AND SELLER MAKES NO REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, AS TO THE INFORMATION;** and (c) no representations have been made by Seller, or its agents or employees, in order to induce Buyer to enter into this Agreement. Without limiting the generality of the foregoing, Buyer acknowledges, agrees, warrants and represents to Seller that neither the Seller nor its agents or employees have made any representations or statements to Buyer concerning the Property's investment potential or resale at any future date, at a profit or otherwise, nor has Seller or its agents or employees rendered any advice or expressed any opinion to Buyer regarding any tax consequences of ownership of the Property.

4.2 **As-Is Property.** On the Close of Escrow, Buyer will be familiar with the Property and will have made such independent investigations as Buyer deems necessary or appropriate concerning the Property. Seller makes no representations or warranties and specifically disclaims any representation, warranty or guaranty, oral or written, past, present or future with respect to the use, physical condition or any other aspect of the Property, including without limitation the structural integrity of any improvements, the manner, construction, condition, state of repair or lack of repair of any improvements, the conformity of any improvements to any plans or specifications, including but not limited to, any plans and specifications that may have been or which may be provided to Buyer, the conformity of the Property to past, current or future applicable zoning or building code requirements or the compliance with any other laws, rules, ordinances, or regulations of any government or other body, the financial earning capacity or expenses history of the operation of the Property, the nature and extent of any right-of-way, lease, possession, lien, encumbrance, license, reservation, condition, or otherwise, the existence of soil instability, past soil repairs, soil additions or conditions of soil fill, susceptibility to landslides,

sufficiency of undershoring, sufficiency of drainage, whether the Property is located wholly or partially in a flood plain or a flood hazard boundary or similar area, the existence or nonexistence of hazardous waste or other toxic materials of any kind, whether known or unknown and whether or not regulated or governed by applicable laws (including, without limitation, hydrocarbons or asbestos), or any other matter affecting the condition, stability, suitability or integrity of the Property or portion thereof.

4.3 Negligence or Failure to Investigate. Seller shall not be responsible for any negligent misrepresentation or failure to investigate the Property on the part of Seller, any real estate broker or agent, or any other agent, contractor or employee of Seller or any third party.

4.4 As-Is. BUYER EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE PROPERTY IS BEING SOLD AND ACCEPTED ON AN "AS-IS, WHERE-IS" BASIS, AND IS BEING ACCEPTED WITHOUT ANY REPRESENTATION OR WARRANTY. IF BUYER ELECTS TO PROCEED WITH THE PURCHASE OF THE PROPERTY, ANY OBJECTIONS WHICH BUYER MAY HAVE WITH RESPECT TO THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL MATTERS, HAZARDOUS SUBSTANCES, WASTES OR TOXIC MATERIALS THAT MAY BE LOCATED ON, UNDER OR ABOUT THE PROPERTY, WHETHER KNOWN OR UNKNOWN) SHALL BE WAIVED BY BUYER.

4.5 Past Uses. BUYER EXPRESSLY ACKNOWLEDGES AND AGREES AS PART OF ITS ACCEPTANCE OF THE PROPERTY ON AN "AS-IS, WHERE-IS" BASIS THAT BUYER IS AWARE OF ALL PRIOR USES OF THE PROPERTY THAT MAY LEAD TO CONTAMINATION OF THE PROPERTY. BUYER HAS OBTAINED AND READ ALL ENVIRONMENTAL ASSESSMENTS REGARDING THE PROPERTY WHICH A REASONABLY DILIGENT BUYER WOULD HAVE OBTAINED PRIOR TO THE PURCHASE THEREOF. BUYER ASSUMES ALL RESPONSIBILITY FOR ANY CONTAMINATION THAT IS PRESENT ON THE PROPERTY DUE TO PRIOR AND/OR EXISTING USES OF THE PROPERTY.

4.6 Waivers. AS PART OF BUYER'S AGREEMENT TO PURCHASE AND ACCEPT THE PROPERTY "AS-IS, WHERE-IS", AND NOT AS A LIMITATION ON SUCH AGREEMENT, BUYER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY AND ALL ACTUAL OR POTENTIAL RIGHTS BUYER MIGHT HAVE REGARDING ANY FORM OF WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR TYPE, RELATING TO THE PROPERTY AND ITS IMPROVEMENTS. SUCH WAIVER IS ABSOLUTE, COMPLETE, TOTAL AND UNLIMITED IN ANY WAY. SUCH WAIVER INCLUDES, BUT IS NOT LIMITED TO, A WAIVER OF EXPRESS WARRANTIES, IMPLIED WARRANTIES, WARRANTIES OF FITNESS FOR A PARTICULAR USE, WARRANTIES OF MERCHANTABILITY, WARRANTIES OF HABITABILITY, STRICT LIABILITY RIGHTS AND CLAIMS OF EVERY KIND AND TYPE, INCLUDING, BUT NOT LIMITED TO, CLAIMS REGARDING DEFECTS WHICH WERE NOT OR ARE NOT DISCOVERABLE, PRODUCT LIABILITY CLAIMS, PRODUCT LIABILITY TYPE CLAIMS, ANY RIGHTS AND CLAIMS RELATING OR ATTRIBUTABLE TO ENVIRONMENTAL CONDITIONS, AND ALL

OTHER ACTUAL OR LATER CREATED OR CONCEIVED OR STRICT LIABILITY OR STRICT LIABILITY TYPE CLAIMS AND RIGHTS.

BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

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

BY INITIALING BELOW, BUYER HEREBY WAIVES THE PROVISIONS OF SAID SECTION 1542 IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING ACKNOWLEDGMENTS, WAIVERS AND RELEASES SET FORTH IN THIS ARTICLE 4. AND ACKNOWLEDGES BUYER IS PURCHASING THE PROPERTY “AS IS”.


Buyer's Initials

ARTICLE V REPRESENTATIONS, WARRANTIES AND INDEMNITIES

5.1 Seller's Representations, Warranties and Covenants. Seller hereby represents, warrants and covenants to Buyer as of the date of this Agreement, and upon the Close of Escrow, as follows, all of which shall survive the Close of Escrow:

5.1.1 Seller is a public body and has the full power and authority to enter into and carry out the agreements contained in, and transactions contemplated by, this Agreement. The person(s) signing this Agreement and any documents and instruments in connection herewith on behalf of Seller have full power and authority to do so. This Agreement has been duly authorized and executed by Buyer, and upon delivery to and execution by Seller shall be a valid and binding agreement of Seller.

5.1.2 There are no attachments, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or any other debtor relief actions contemplated by Seller or filed by Seller, or to the best of Seller's knowledge, pending in any current judicial or administrative proceeding against Seller.

5.1.3 Seller has not entered into any other written contracts or agreements for the sale or transfer of any portion of the Property.

5.1.4 To Seller's knowledge, Seller has received no written notice of any hazardous materials located on, under, or about the Property, except as disclosed to Buyer.

5.1.5 To the best of the City's actual knowledge, the Property is currently vacant and no party has any leasehold or other possessory interest in the Property. No party is entitled to any federal, state and/or local relocation benefits arising from any current or prior occupancy of the Property.

The material truth and accuracy of the foregoing representations and warranties shall be a condition of Buyer's obligations hereunder. Prior to the Close of Escrow, Seller shall notify Buyer of any facts or circumstances which are contrary to the foregoing representations and warranties.

5.2 Buyer's Representations and Warranties. Buyer hereby represents, warrants and covenants to Seller as of the date of this Agreement, and upon the Close of Escrow, as follows, all of which shall survive the Close of Escrow:

5.2.1 The person(s) signing this Agreement and any documents and instruments in connection herewith on behalf of Buyer have full power and authority to do so. This Agreement has been duly authorized and executed by Buyer, and upon delivery to and execution by Seller shall be a valid and binding agreement of Buyer.

5.2.2 There are no attachments, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or any other debtor relief actions contemplated by Buyer or filed by Buyer, or to the best of Buyer's knowledge, pending in any current judicial or administrative proceeding against Buyer.

The material truth and accuracy of the foregoing representations and warranties shall be a condition of Seller's obligations hereunder. Prior to the Close of Escrow, Buyer shall notify Seller of any facts or circumstances which are contrary to the foregoing representations and warranties.

5.3 No Warranties. Except for those representations and warranties expressly set forth in this Agreement, the parties understand and acknowledge that no person acting on behalf of Seller is authorized to make, and by execution hereof Buyer acknowledges that no person has made any representations, agreement, statement, warranty, guaranty or promise regarding the Property or the transaction contemplated herein, or regarding the zoning, construction, development, physical condition or other status of the Property. Without limiting the generality of the foregoing, Seller makes no representation or warranties with respect to the amount or types of fees required to obtain building permits or otherwise to rezone and develop the Property.

ARTICLE VI
BUYER'S AND SELLER'S OBLIGATION AFTER CLOSE OF ESCROW

6.1 Buyer's Obligations After Close of Escrow.

6.1.1 Buyer shall be the master developer of the Project. Buyer agrees that the Project will be owned by Buyer until a Certificate of Occupancy from the City of Riverside - Building and Safety Division for the Project (a "Certificate of Occupancy").

6.1.2 Buyer shall commence construction of the Project (which may include grading work) no later than ninety (90) days following the Close of Escrow of the Property in accordance with the Entitlements, subject to Permitted Delays (as defined below). A "Permitted Delay" shall be any delays due to war, terrorism, invasion, insurrection, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes or other labor disturbances, walk-outs, bankruptcy of any contractor being utilized by Buyer, riots, floods, earthquakes, fires, casualties, acts of God, adverse weather, judicial decisions, any act or failure to act by Sellers or Sellers' representatives, or any similar basis for excused performance which is not within the reasonable control of Buyer. Buyer shall diligently pursue the development of the Project to completion and must obtain a Certificate of Occupancy before such development may be deemed fully developed. Failure to commence construction or start grading within one hundred twenty (120) ninety (days from the Close of Escrow other than due to Permitted Delays shall result in the payment of a Five Hundred Dollar (\$500) per diem penalty by Buyer to the Seller until Buyer commences construction (which may include grading work).

6.1.3 Buyer shall complete construction within twenty (20) months following the Close of Escrow, subject to Permitted Delays. Completion shall be defined as the Buyer receiving a Certificate of Occupancy. Failure to obtain a Certificate of Occupancy within twenty (20) months following the Close of Escrow other than due to Permitted Delays shall result in the payment of a Five Hundred Dollar (\$500) per diem penalty by Buyer to the Seller until Buyer obtains a Certificate of Occupancy.

6.1.4 Buyer shall comply with all design standards, zoning, planning and building laws, regulations and review procedures imposed with respect to the Property by the City of Riverside, and any other public and/or quasi-public entity.

6.1.5 Local Hiring Compliance

6.1.5.1 Buyer shall comply with all provisions of Successor Agency Resolution No. 45 during construction of the Project. Buyer shall make good faith efforts to employ qualified local individuals in sufficient numbers so that no less than thirty (30) percent of the workforce, measured in labor hours, is comprised of local individuals for the construction of the Project.

6.1.5.2 "Local individual" shall mean an individual with a permanent residence within a 20-mile radius of the center of the City of Riverside.

6.1.5.3 "Good faith efforts" includes, but is not limited to: (1) Contacting and engaging local hiring halls and reputable recruitment sources, such as the American Jobs Center, to identify qualified local individuals; (2) Advertising available jobs in trade papers and newspapers of general circulation within the City of Riverside; (3) Providing ongoing assistance to local individuals in completing job application forms; (4) Conducting or participating in a job application workshop within the City of Riverside to assist the community in applying and interviewing for jobs in the contracting industry; (5) Conducting job interviews within 20 miles of the real property; and (6) Any other means of obtaining employees who are local individuals that are reasonably calculated to comply with the goals of this section.

6.1.5.4 Reports. No less than semi-annually, beginning upon the date of the issuance of the first building permit for construction, Buyer shall submit to the City of Riverside's Community and Economic Development Department, reports showing that either the thirty (30) percent local individuals hiring goal has been met, or that Buyer has made good faith efforts to reach that goal during the period covered by the report. Reports shall include the total number of employees hired, the total number of labor hours for the Project to date, the number local individuals hired, as defined in section 6.1.2.3, the total number of labor hours completed by local individuals, the name and address of each local individual hired, and the occupation or trade of each local individual hired. All reports shall be signed by Buyer under penalty of perjury.

6.1.5.5 Buyer shall have the right to determine the competency of all individuals hired, the number of employees required, the duties of such employees within their occupation, and shall have the right to reject an applicant for any reason; however, Buyer shall exercise this right in good faith and not for the purpose of avoiding the provisions of this section. Buyer shall retain records documenting reasons for rejection of local applicants and make them available for review by the City of Riverside upon request.

6.1.5.6 Nothing in this section shall preclude Buyer from advertising regionally or nationally for employees in addition to its local outreach efforts.

6.1.5.7 The provisions of this section shall apply to the construction of the Project until the final certificate of occupancy for the Project has been issued by the City of Riverside.

6.1.6 Skilled and Trained Workforce Compliance

6.1.6.1 Buyer shall comply with all provisions of Successor Agency Resolution No. 45 during construction of the Project. Buyer shall work with area State certified apprenticeship programs to use a Skilled and Trained Workforce during the construction of the Project. Buyer shall have committed to employ a Skilled and Trained Workforce in sufficient numbers so that no less than thirty percent (30%) of the workforce, measured in labor hours, is comprised of individuals meeting the definition of Skilled and Trained Workforce for the

construction of the Project. This shall apply only to apprenticeable occupations involved in the proposed construction for which there are State certified apprenticeship programs.

6.1.6.2 For the purposes of this section, "skilled and trained workforce" shall have the same meaning as is stated in Public Contract Code section 2601, except that any listed percentage thresholds in section 2601 shall not be mandatory for purposes of this Agreement.

6.1.6.2 Reports. No less than semi-annually, beginning upon the date of the issuance of the first building permit for construction, Buyer shall submit to the City of Riverside's Community & Economic Development Department, reports showing compliance with this section. The report shall demonstrate that Buyer has substantially complied with this section throughout the period covered by the report. Reports shall include the total number of skilled journeymen and apprentices hired in apprenticeable occupations, list by name and occupation the skilled journeymen hired and whether the journeyman is a graduate of a State certified apprenticeship program; list by name and occupation, the apprentices enrolled in a State certified apprenticeship program hired and list all area State certified apprenticeship programs with which Buyer has worked with to meet the requirements of this Section.

6.1.6.3 Buyer shall have the right to determine the competency of all individuals hired, the number of employees required, the duties of such employees within their occupation, and shall have the right to reject an applicant for any reason; however, Buyer shall exercise this right in good faith and not for the purpose of avoiding the provisions of this section. Buyer shall retain records documenting reasons for rejection of local applicants and make them available for review by the City of Riverside upon request.

6.1.6.4 Nothing in this section shall preclude Buyer from advertising regionally or nationally for employees in addition to its skilled and trained workforce outreach efforts.

6.1.6.5 The provisions of this section shall apply to the construction of the Project until the final certificate of occupancy for the Project has been issued by the City of Riverside.

6.1.7 Limitation Upon Change in Ownership, Management and Control of Buyer.

6.1.7.1 Prohibition. Prior to the expiration of the Affordability Period, as set forth in the Regulatory Agreement, other than a Permitted Transfer as set forth below, Buyer shall not make any total or partial sale, transfer, conveyance, encumbrance to secure financing (including, without limitation, the grant of a deed of trust to secure funds necessary for construction and permanent financing of the Project), assignment or lease of the whole or any part of the Property without the prior written approval of Seller which shall not be unreasonably withheld, conditioned or delayed.

6.1.7.2 Permitted Transfers by Buyer. Notwithstanding any other provision of this Agreement to the contrary, Seller approval of an assignment of this Agreement or conveyance of the Property or any part thereof shall not be required in connection with any of the following

transfers (each a "Permitted Transfer"):

i. the conveyance or dedication of any portion of the Property to the City or other appropriate governmental agencies, or the granting of easements or permits to public utilities to facilitate the development of the Project;

ii. subject to the restrictions of the Regulatory Agreement, the rental of any Affordable Units to Qualified Households and the rental of employee's units, as defined in the Regulatory Agreement;

iii. any requested assignment for financing, including the grant of a deed of trust to secure funds necessary for construction and permanent financing of the Project and any refinancing thereof;

iv. any transfer of the Property to an entity controlled by, or under common control with, Buyer; or

iv. any transfer due to foreclosure or deed in lieu of foreclosure;

v. any transfer to a limited partnership in which Buyer or an entity controlled by Buyer is the administrative general partner. The term "control" as used in the immediately preceding sentence, means, with respect to an entity that is a corporation, the right to the exercise, directly or indirectly, of more than 50% of the voting rights attributable to the shares of the controlled corporation, and, with respect to an entity that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person;

6.1.7.3 Seller Consideration of Requested Transfer.

Other than with respect to Permitted Transfers, Buyer shall provide Seller with thirty (30) calendar days' prior written notice of its intent to assign or transfer and shall request approval for such assignment or transfer described in Section 6.1.7.1 above. Such notice shall be accompanied by evidence regarding the proposed assignee's or purchaser's development, operation and management qualifications and experience and its financial commitments and resources sufficient to enable the Seller to evaluate the proposed assignee or purchaser is qualified and capable to perform the Buyer's obligations pursuant to this Agreement.

Within thirty (30) calendar days, or, if Seller board or council approval is required, forty-five (45) calendar days, after the receipt of Buyer's written request for Seller approval of an assignment or transfer pursuant to this Section 2.3, Seller shall respond in writing either approving the proposed assignee or transferee or requesting further information reasonably required by Seller in order to determine whether or not to grant the requested approval failure of the Seller to respond shall be deemed approval of such request. Upon receipt of such a request for further information, Buyer shall promptly furnish to Seller such requested information.

An assignment or transfer approved by Seller pursuant to this Section 6.1.7.2 shall not be

effective unless and until the proposed assignee or transferee executes and delivers to Seller an agreement in form reasonably satisfactory to Seller's legal counsel assuming the obligations of Buyer under this Agreement and the Regulatory Agreement. Thereafter, the assignor shall remain responsible to Seller for performance of the obligations assumed by the assignee unless Seller releases the assignor in writing.

6.2 Seller's Obligations After Close of Escrow.

6.2.1 Seller shall furnish Buyer with a Release of Construction Covenants upon Buyer's receipt of a Certificate of Occupancy, which shall be in such form as that attached hereto as Exhibit "F" and incorporated herein by this reference, as to permit it to be recorded in the Riverside County Recorder's Office.

ARTICLE VII DEFAULTS

7.1 **Default.** A party shall be deemed in default hereunder if any of the warranties or representations set forth herein are or become untrue or if it fails to meet, comply with, or perform any covenant, agreement, or obligation on its part required within the time limits and in the manner required in this Agreement for any reason other than a default by the other party hereunder or termination of this Agreement prior to Close of Escrow.

7.2 **Opportunity to Cure.** No act, failure to act, event or circumstance which might be deemed to be a default by either party shall be deemed to be a default under any of the provisions of this Agreement, unless and until, notice thereof is first given by the non-defaulting party to the party alleged to be in default and said party fails to cure the alleged default within fifteen (15) days in the case of a non-monetary default, or five (5) days in the case of a monetary default.

7.3 **Remedies.** If Buyer is deemed to be in default hereunder, Seller shall be entitled to (a) the Deposit, including interest, which shall be forthwith delivered to Seller by Escrow Holder on receipt of notice from Seller that Buyer has defaulted under this Agreement and reasonable attorney's fees incurred by Seller and/or (b) termination of this Agreement.

7.4 **Waiver of Right to Specific Performance.** If Seller fails to convey the Property to Buyer in accordance with the provisions of this Agreement, and such failure constitutes a default under this Agreement, Buyer hereby waives its right to receive any equitable relief, including without limitation the right to record a lis pendens against the Property under applicable law or to pursue the specific performance of this Agreement.

7.5 **Liquidated Damages.** BUYER AND SELLER AGREE THAT AT THE TIME THIS AGREEMENT IS MADE AND ENTERED INTO, SELLER'S DAMAGES UPON DEFAULT BY BUYER UNDER THIS AGREEMENT ARE EXTREMELY DIFFICULT OR IMPOSSIBLE TO CALCULATE AND BUYER AND SELLER AGREE THAT THE AMOUNT OF LIQUIDATED DAMAGES SET FORTH HEREIN IS A REASONABLE ESTIMATE UNDER THE CIRCUMSTANCES EXISTING AT THE TIME THIS AGREEMENT IS MADE OF THE DAMAGES SELLER WOULD SUSTAIN BECAUSE

OF SUCH DEFAULT BY BUYER UNDER THIS AGREEMENT. FURTHER, BUYER DESIRES TO HAVE A LIMIT PLACED ON THE AMOUNT OF DAMAGE TO BE PAID TO SELLER UPON BUYER'S DEFAULT. BUYER HEREBY AGREES THAT SHOULD BUYER DEFAULT IN THE PERFORMANCE OF BUYER'S OBLIGATION AFTER CLOSE OF ESCROW, SELLER SHALL BE ENTITLED TO THE SUM OF FIFTY THOUSAND DOLLARS (\$50,000.00) AS LIQUIDATED DAMAGES FROM BUYER. THE FOREGOING PROVISIONS OF THIS SECTION 7.5 CONSTITUTE THE SOLE AND EXCLUSIVE REMEDY AVAILABLE TO SELLER AS A RESULT OF A DEFAULT BY BUYER OF ITS OBLIGATIONS UNDER THIS AGREEMENT. THE PROVISIONS OF THIS SECTION 7.5 DO NOT LIMIT ANY DAMAGES DUE SELLER BY REASON OF BUYER'S ENTRY ONTO THE PROPERTY PURSUANT TO SECTIONS 1.3.

ML MS

Buyer's Initials

Seller's Initials

ARTICLE VIII MISCELLANEOUS

- 8.1 **Exhibits.** All Exhibits annexed hereto are a part of this Agreement for all purposes.
- 8.2 **Assignability.** Buyer may not at any time assign any of its rights, title, and interest in and to this Agreement, other than to an affiliate of Buyer which shall include a limited partnership in which Buyer or an affiliate of Buyer is a general partner. Buyer shall give Seller written notice of such assignment, including copies of any documents and instruments evidencing that Buyer or an affiliate of buyer is a general partner as Seller may require.
- 8.3 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Seller and Buyer, and their respective successors, heirs and permitted assigns.
- 8.4 **Captions.** The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.
- 8.5 **Number and Gender of Words.** Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.
- 8.6 **Notices.** All notices, terminations, waivers and other communications hereunder shall be in writing and shall be delivered personally or shall be sent by registered or certified United States mail or a nationally recognized, overnight courier service, postage prepaid, and addressed as follows:

If to Seller: City of Riverside as Successor Agency to
The Redevelopment of the City of Riverside
Community & Economic Development Department
Real Property Services Division
3900 Main Street
Riverside, CA 92522
Attn: Community & Economic Development Department
Director
Phone: (951) 826-5665
Facsimile: (951) 826-5744

If to Buyer:

Gilbane Development Company
7 Jackson Walkway
Providence, Rhode Island 02903
Attn: Russell Broderick
Via E-Mail: rbroderick@gilbaneco.com

With a copy to:

Molly M. Stolmeier
Gilbane Development Company
5670 Liberton Court
Dublin, Ohio 43107
Via Facsimile: (614) 718-2811
Via E-Mail: mstolmeier@gilbaneco.com

Any notice in accordance herewith shall be deemed received when delivery is received or refused, as the case may be. Additionally, notices may be given by telephone facsimile transmission, provided that an original of said transmission shall be delivered to the addressee by a nationally recognized overnight delivery service on the business day following such transmission. Telephone facsimiles shall be deemed delivered on the date of such transmission.

8.7 Governing Law and Venue. The laws of the State of California shall govern the validity, construction, enforcement, and interpretation of this Agreement. All claims, disputes and other matters in question arising out of or relating to this Agreement, or the breach thereof, shall be decided by proceedings instituted and litigated in the state court in the County of Riverside, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

8.8 Entirety. This Agreement embodies the entire agreement between the parties and supersedes all prior written or oral agreements and understandings, if any, between them concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or written, between the parties hereto, relating to the subject matter contained in this Agreement which are not fully expressed herein.

8.9 **Amendments.** This Agreement may be amended or supplemented only by written documents signed by the parties.

8.10 **Severability.** If any of the provisions of this Agreement, or its application to any party or circumstance, is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable. This Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. In lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible to make such provision legal, valid, and enforceable.

8.11 **Further Acts.** In addition to the acts and deeds recited herein and contemplated and performed, executed and/or delivered by Seller and Buyer, Seller and Buyer agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered at the Close of Escrow or after the Close of Escrow any and all such further acts, deeds, and assurances as may be necessary to consummate the transactions contemplated herein.

8.12 **Construction.** No provision of this Agreement shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Agreement; both parties, being represented by counsel, having fully participated in the negotiation of this instrument.

8.13 **Time of the Essence.** It is expressly agreed by the parties hereto that time is of the essence with respect to each and every provision of this Agreement.

8.14 **Waiver of Covenants, Conditions or Remedies.** The waiver by one party of the performance of any covenant, condition or promise, or of the time for performing any act under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other covenant, condition or promise, or of the time for performing any other act required under this Agreement. The exercise of any remedy provided in this Agreement shall not be a waiver of any other remedy provided by law, and the provisions of this Agreement for any remedy shall not exclude any other remedies unless they are expressly excluded.

8.15 **Nondiscrimination.** The parties shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical or mental disability, medical conditions, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, genetic information, gender, gender identity, gender expression, sex or sexual orientation, in connection with the performance of this Agreement. The parties further agree to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement. NOTE: If federal funds are expended in association with this Agreement, Parties will ensure compliance with the Civil Rights Act of 1964, all related statutes, and local agency requirements.

8.16 Ratification. This Agreement is subject to the approval and ratification by the Successor Agency, Oversight Board and DOF. In the event the either of these entities fail to approve this Agreement, there shall be no liability on the part of the Seller and this Agreement shall become null and void and of no further force and effect.

8.17 CEQA Compliance. Buyer and Seller understand, acknowledge and agree that the close of this escrow is contingent upon Seller's compliance with the California Environmental Quality Act ("CEQA"). Buyer must also comply with CEQA and all associated permits prior to development of the Property.

8.18 Counterparts. This Agreement may be executed in a number of identical counterparts. If so executed, each of such counterparts shall, collectively, constitute one original agreement. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

Seller:

THE CITY OF RIVERSIDE, AS
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF
THE CITY OF RIVERSIDE, a public
body

Buyer:

GILBANE DEVELOPMENT COMPANY,
a Rhode Island corporation

By _____
City Manager on behalf of
the Successor Agency to the
Redevelopment Agency
for the City of Riverside

By 
Name: MATTHEW LAWRENCE
Its: Senior Vice President

ATTESTED TO:

By _____
City Clerk on behalf of the
Successor Agency to the
Redevelopment Agency
for the City of Riverside

By 
Name: Molly M. Stalmeier
Its: Secretary

APPROVED AS TO FORM:

Successor Agency General Counsel

21-1563 sw 3/17/22

Approved as to Form:

By: 

Anthony L. Beaumon
Deputy City Attorney

EXHIBIT "A"
LEGAL DESCRIPTION

(Inserted behind this page)

EXHIBIT "A"
LEGAL DESCRIPTION

APN's: 225-245-013, 230-245-015 & Por. 230-233-013
& Por. 230-253-010

PARCEL 1

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

A 100 foot wide strip of land lying in Township 3 South, Range 5 West, San Bernardino Base and Meridian, being a portion of the Atchison, Topeka, and Santa Fe Railway Company property lying adjacent to said Railway's San Bernardino Main Line Subdivision according to the deed recorded June 14, 1886 in Book 48, Page 29 of Deeds, Records of San Bernardino County, State of California, the southeasterly line of said 100 foot wide strip being coincidental with a line that is 50 feet northwesterly of and parallel, as measured at right angles to the centerline of the Main Track of said Railway's San Bernardino Main Line Subdivision, bounded on the northeasterly side by the southwesterly line of Madison Street (80 feet in width), thence southwesterly extending in a southwesterly direction a distance of 1800 feet. The southwesterly line thereof being parallel to the centerline of Madison Street.

EXCEPTING THEREFROM that portion lying northeasterly of a line that is parallel and 140 feet southwesterly, as measured at right angles to the centerline of Madison Street.

ALSO EXCEPTING THEREFROM that portion described as follows:

BEGINNING at the most westerly corner of the above described Parcel;

Thence North 49°24'45" East along the northwesterly line of said parcel, 151.24 feet to a cusp of a tangent curve with a radius of 80.00 feet concaving southeasterly;

Thence southwesterly and southerly along said curve an arc length of 72.38 feet through a central angle of 51°50'04" to a tangent line;

Thence South 2°25'19" East, along said tangent line, a distance of 32.54 feet to the beginning of a tangent curve with a radius of 122.00 feet and concaving northwesterly;

Thence southerly and southwesterly along said curve an arc length of 84.36 feet through a central angle of 39°36'58" to the southeasterly line of said Parcel;

Thence South 49°24'45" West, along said southeasterly line, a distance of 9.67 feet to most southerly corner of said Parcel;

THENCE North 34°00'25" West, along the southwesterly line of said Parcel, a distance of 100.66 feet to the **POINT OF BEGINNING**.

Area – 162,216 S.F. (10.61 Ac.) more or less

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

Curtis C. Stephens 3/16/22 Prep. (S)
Curtis C. Stephens, L.S. 7519 Date



EXHIBIT "B"
PLAT MAP

(Inserted behind this page)



CURVE DATA

(A) R=80.00' Δ=51°50'04" L=72.38'

(B) R=122.00' Δ=39°36'58" L=84.36'

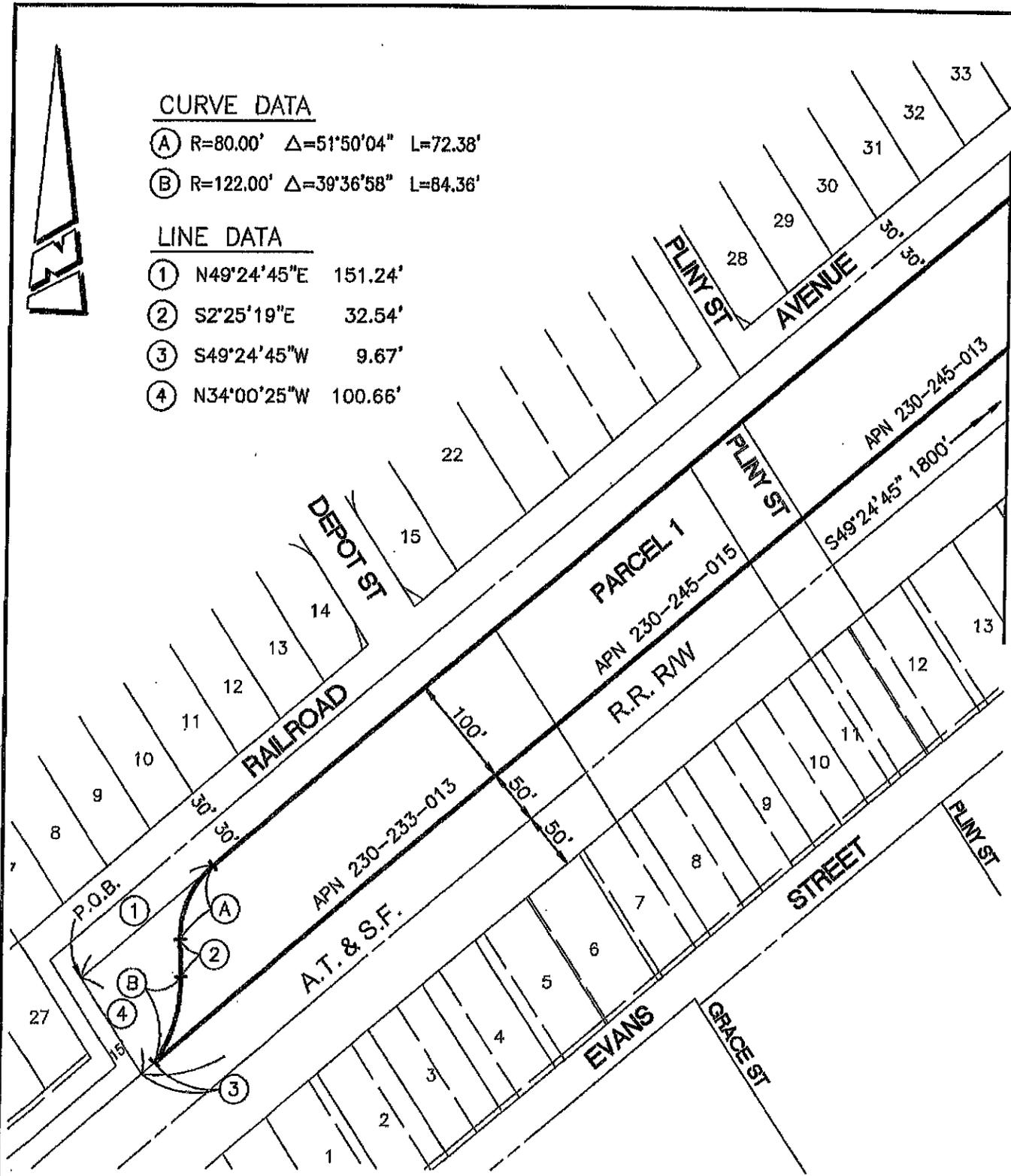
LINE DATA

(1) N49°24'45"E 151.24'

(2) S2°25'19"E 32.54'

(3) S49°24'45"W 9.67'

(4) N34°00'25"W 100.66'



MATCHLINE SEE SHEET 2

• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

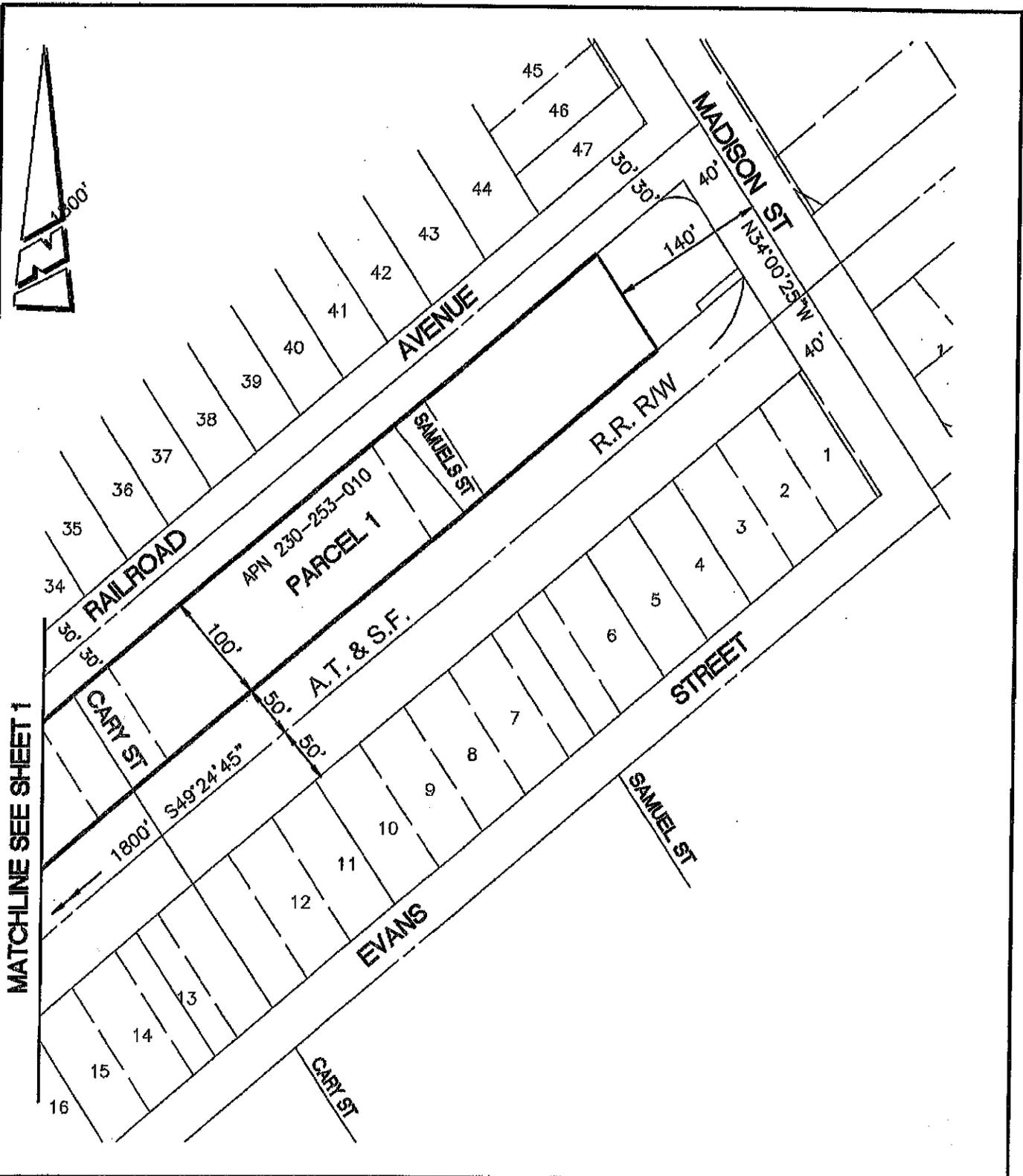
SHEET 1 OF 2

SCALE: NTS

DRAWN BY: CURT

DATE: 3/16/22

SUBJECT: APN 225-233-013, 230-245-013, -015 & 230-253-010



MATCHLINE SEE SHEET 1

• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

SHEET 2 OF 2

SCALE: NTS	DRAWN BY: CURT	DATE: 3/16/22	SUBJECT: APN 225-233-013, 230-245-013, -015 & 230-253-010
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EXHIBIT "C"
SCHEDULE OF PERFORMANCE

Milestone	Date
Refinement of Site Plan and Submit for Entitlements	
Entitlements Approved	
Submit for Building Permits	
Start Construction	
Submittal of Marketing Plan	
Submit for Building Permits	
Start Construction	
Completion of Construction	

EXHIBIT "D"
REGULATORY AGREEMENT

(Inserted behind this page)

Execution Copy

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)

City of Riverside)
3900 Main Street)
Riverside, CA 92522)
Attn: City Manager)

Project: Assessor's Parcel)
Number(s) 230-233-013, 230-245-015,)
230-450-013 and a portion of 230-253-010)

(Space above for Recorder's Use Only)

This document is exempt from the payment of a recording fee pursuant to Government Code § 6103 and 27388.1

REGULATORY AGREEMENT

THIS REGULATORY AGREEMENT ("**Regulatory Agreement**") dated for identification purposes only as of _____, 202__, by and between **THE CITY OF RIVERSIDE**, a California charter city and municipal corporation ("**City**") and _____, a California limited partnership ("**Developer**").

RECITALS

Capitalized terms used in these recitals and not otherwise defined shall have the meaning set forth in Section 1 of this Regulatory Agreement.

A. The City of Riverside is a California charter city and municipal corporation. Pursuant to Section 34173 of the Health and Safety Code, effective February 1, 2012, the City of Riverside as City to the Redevelopment Agency of the City of Riverside, a separate legal entity (the "**City**"), was formed to and charged with paying the enforceable obligations, disposing of the properties and other assets, and unwinding the affairs of the dissolved Redevelopment Agency of the City of Riverside.

B. The Developer is a California limited partnership.

C. On May 26, 2021, pursuant to Assembly Bill 1486 ("**AB 1486**") and pursuant to Government Code section 54220 et seq., the City gave notice of the planned sale of certain surplus property to the California Department of Housing and Community Development's List of Affordable Housing Developers and to required public agencies.

D. One such property is located is located at Madison Street and Railroad Avenue Riverside, California, known as Assessor's Parcel Number(s) 230-233-013, 230-245-015, 230-450-013 and a portion of 230-253-010 ("**Property**"), more particularly described in Exhibit "**A**," Legal Description, and depicted in Exhibit "**B**," Plat Map, both attached hereto and incorporated herein by reference. The Property has been declared surplus by the City to the former Redevelopment Agency of the City of Riverside and acknowledged by the Countywide Oversight Board for the County of Riverside. The Property is identified in detail in the City's Amended

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Long-Range Property Management Plan (“LRPMP”) that was approved by the Department of Finance on March 6, 2014.

E. In furtherance of the City of Riverside’s affordable housing goals and activities, the City of Riverside, as Successor Agency to the Redevelopment Agency of the City of Riverside, and GILBANE DEVELOPMENT COMPANY, a Rhode Island corporation (“GDC”), an affiliate of the Developer entered into that certain Purchase, Sale and Development Agreement dated for identification purposes only as of _____, 2022 (“**Purchase, Sale and Development Agreement**”), which is incorporated herein by this reference and a copy of which is on file as public record of the City at its offices located at 3900 Main Street, Riverside, CA 92522. GDC’s interest in the Purchase, Sale and Development Agreement has been assigned to Developer.

F. Under the Purchase, Sale and Development Agreement, the Developer has or shall own the Property (also referred to herein as “Site”) and has agreed to purchase in fee the Property for the development of a anticipated 120-unit, 100% affordable multi-family and senior housing residential project that restricts 100 percent of the residential units to persons and families of low or moderate income, with at least 75 percent of the residential units restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable rent, as defined in Sections 50052.5 or 50053 of the Health and Safety Code, for a minimum of 55 years for rental housing, and in no event shall the maximum affordable rent level be higher than 20 percent below the median market rents for the neighborhood in which the site is located; with the final density and development of the project subject to approvals outlined in Section 2.4.1 of the Purchase, Sale and Development Agreement (“Project”). One of the conditions of that agreement is that the Developer enter into this Regulatory Agreement with the City.

G. This Regulatory Agreement is intended to ensure that Developer, its successors, its assigns and every successor in interest to the Property or any part thereof, shall use, maintain and operate the Project in accordance with the terms and conditions of this Regulatory Agreement, including that the units within the Project shall be available only to Qualified Tenants at Affordable Rent as specified herein for not less than fifty-five (55) years.

H. The completion and operation of the Project pursuant to the terms and conditions of the Purchase, Sale and Development Agreement and this Regulatory Agreement are in the vital and best interest of the health, safety and welfare of the residents of the City of Riverside, and are in accord with the public purposes and provisions of applicable state and local laws.

NOW, THEREFORE, the foregoing recitals are a substantive part of this Regulatory Agreement and in consideration of their mutual covenants and conditions, the Parties hereto agree as follows:

1. DEFINITIONS

The following terms of this Regulatory Agreement shall have the meanings set forth below. Any capitalized terms not defined below shall have the meaning set forth therefor in the Loan Agreement and attachments thereto:

“Affordable Rent” means the amount of monthly rents defined in Section 50053 of the California Health and Safety Code. For the further purpose of calculating Affordable Rent, in no event shall the initial maximum affordable rent level be higher than 20 percent below

Execution Copy

the median market rents or sales prices for the neighborhood in which the site is located, as set forth in Government Code section 54221(f)(1)(F)(i).

“Affordability Period” means the period commencing upon the Release of Construction Covenants and terminating on the fifty-fifth (55th) anniversary thereof.

“Agreement” means the Purchase, Sale and Development Agreement, including all of the attachments thereto.

“City Manager” means the City Manager acting on behalf of the City to the Redevelopment Agency for the City of Riverside or on behalf of the City of Riverside, as applicable and according to context.

“Development Plans” means any plans approved by the City for the construction of the Project.

“Effective Date” means the date upon which this Regulatory Agreement is executed by the City Manager, on behalf of the City of Riverside.

“Environmental Laws” means any and all applicable present and future federal, state and local laws (whether under common law, statute, ordinance, rule, regulation or otherwise), court or administrative orders or decrees, requirements of permits issued with respect thereto, and other requirements of governmental authorities relating to the environment or to any Hazardous Substance or Hazardous Substance Activity (including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. § 9601, et seq.), as heretofore or hereafter amended from time to time (“CERCLA”), and the applicable provisions of the California Health and Safety Code and the California Water Code, and any and all successor statutes and regulations, orders, decrees, guidelines, or pronouncements promulgated thereunder).

“Event of Default” means the failure of a party to perform any action or covenant required by this Regulatory Agreement within the time periods provided herein following notice and opportunity to cure.

“Governmental Regulations” means any applicable local, state, and federal laws, ordinances, rules, requirements, resolutions, policy statements and regulations (including, without limitation, those relating to land use, subdivision, zoning, environmental labor relations, prevailing wage, notification of sale to employees, Hazardous Substance, occupational health and safety, water, earthquake hazard reduction and building and fire codes) bearing on the demolition, alteration, replacement, repair, refurbishing, improvement, construction, maintenance, management, use, or operation of the Project.

“Hazardous Substance” means (i) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101), as amended from time to time, or now or hereafter otherwise classified or regulated pursuant to any Environmental Laws as a “hazardous substance”, “hazardous material”, “hazardous waste”, “extremely hazardous waste”,

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“infectious waste”, “toxic substance”, “toxic pollutant” or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or “EP toxicity”, (ii) any asbestos or asbestos containing material, any polychlorinated biphenyls (PCB’s), (iii) any polychlorinated biphenyls (PCB’s), (iv) any urea formaldehyde, and (v) any petroleum, natural gas, natural gas liquid, liquefied natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources. Notwithstanding the foregoing, “Hazardous Substances” shall not include any household cleaner or chemical, compound, material, mixture or substance used in the normal course of operating an apartment complex, so long as such household cleaner, chemical, compound, material, mixture or substance is used in accordance with Environmental Laws and stored in reasonable quantities.

“Hazardous Substance Activity” means any actual, proposed or threatened storage, holding, existence or suspected existence, release or suspected release, emission, discharge, generation, processing, abatement, removal, disposition, treatment, handling or transportation of any Hazardous Substance from, under, into, on, above, around or across the Site or surrounding property or any other use of or operation on the Site or the surrounding property that creates a risk of Hazardous Substance contamination of the Site.

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

“Housing Project Manager” means that person designated by the City Manager to manage the City’s interests in affordable housing projects within the City of Riverside.

“Low Income Household” means a household whose gross annual income does not exceed eighty percent (80%) of the Riverside County median income adjusted for family size as set forth from time to time by regulation of HCD in accordance with California Health and Safety Code Section 50079.5.

“Management Plan” means the plan for the management of the Project to be submitted by the Developer, as set forth in Section 3.C. of this Regulatory Agreement.

“Manager’s Unit” shall mean one (1) unrestricted Unit in the Project reserved for occupancy by an on-site manager of the Project who performs substantial duties directly related to the management and/or the maintenance of the Project.

“Marketing Plan” has the meaning set forth in Section 5.A. of this Regulatory Agreement.

“Operating Reserve” has the meaning set forth in Section 3.F. of this Regulatory Agreement.

“Parties” means the City and the Developer.

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“Project” has the meaning set forth in Recital E.

“Property Manager” means the manager of the Project, as set forth in Section 3.C.

“Qualified Household” means a Qualified Low Income Household.

“Qualified Low Income Household” means a household whose gross annual income does not exceed eighty (80%) of the Riverside County median income adjusted for family size as set forth from time to time by regulation of the California Department of Housing and Community Development in accordance with California Health and Safety Code Section 50079.5.

“Qualified Moderate Income Household” means a household whose gross annual income does not exceed one hundred ten percent (110%) of the Riverside County median income adjusted for family size as set forth from time to time by regulation of the California Department of Housing and Community Development.

“Qualified Tenant” means a Qualified Low Income Household or Qualified Moderate Income Household.

“Schedule of Performance” means that certain Schedule of Performance attached to the Purchase, Sale and Development Agreement as Exhibit C, setting out the dates and/or time periods by which certain obligations set forth in this Agreement must be accomplished. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between the Developer and the City. The City authorizes the City Manager to make such revisions to the Schedule of Performance as he/she deems reasonably necessary to effectuate the purposes of this Agreement.

“Site” means that certain real property referenced in Recital D above as delineated on the Plat Map (Exhibit “B” to the Purchase, Sale and Development Agreement) and more particularly described on the Legal Description (Exhibit “A” to the Purchase, Sale and Development Agreement).

“Title Company” means Stewart Title of California – Inland Empire Division, 7065 Indiana Avenue, Riverside, CA 92506 or other qualified title company approved in writing by the Parties.

“Unit” or “Units” means one hundred percent (100%) of the individual dwelling units (other than the Manager’s Unit) within the Project to be constructed and operated by the Developer on the Site, in accordance with the terms and conditions of this Regulatory Agreement.

2. USE RESTRICTIONS

A. Permitted Uses. The Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that the Developer, and such successors and assigns, shall (i) acquire the Property and construct the Project; and (ii) make available, restrict occupancy to, and rent the Units at an Affordable Rent to Qualified Tenants.

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During the Affordability Period, all uses undertaken by the Developer on the Property shall conform to this Regulatory Agreement and to all applicable provisions of the Riverside Municipal Code and Governmental Regulations. None of the Units on the Property shall at any time be utilized on a transient basis, nor shall the Property or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium or rest home. The Developer shall not convert the Property to condominium ownership during the Affordability Period without the prior written approval of the City, which approval the City may grant, withhold or deny in its sole and absolute discretion.

B. Affordable Housing. Except as provided herein, commencing upon and throughout the Affordability Period, the Developer covenants and agrees that one hundred percent (100%) of the Units in the Project shall be operated and maintained for affordable housing purposes available for occupancy exclusively to Qualified Tenants at an Affordable Rent in accordance with the provisions of this Regulatory Agreement such that 75% of the Units shall be made available to Qualified Low Income Households and 25% of the Units shall be made available to Qualified Moderate Income Households.

In the event the Developer desires to change the affordable housing, maintenance, or operation requirements for the Project from the specific requirements set forth in this Regulatory Agreement in order to comply with a subsequently enacted change to any applicable State or Federal law, the Developer shall notify the City in writing of such proposed change and the change related thereto at least thirty (30) days prior to implementing such change. In the event the City disapproves of such change and the Developer's interpretation of the amendment related thereto, the City shall notify the Developer of its disapproval in writing and the parties shall seek clarification from HCD. Only if HCD concurs with the Developer's interpretation of the applicable State or Federal law shall the Developer be permitted to implement the proposed change.

C. Income Requirements. Prior to leasing a Unit and annually thereafter, the Developer shall certify the eligibility of each tenant applicant as a Qualified Tenant. The Developer shall, upon request by City, complete such certification on forms provided by the City. The Developer shall submit such income certification and such additional information as may reasonably be required prospectively by the City, the State of California or HCD. Such supporting documentation shall include true copies of income tax returns from the tenant applicant for the most recent tax year in which a return was filed and at least one of the following:

- (1) two (2) paycheck stubs from the tenant's two (2) most recent pay periods;
- (2) an income verification certification from the tenant's employer;
- (3) an income verification certification from the Social Security Administration and/or the California Department of Social Services if the tenant receives assistance from such agencies, or
- (4) an alternate form of income verification reasonably requested by the City if none of the above forms of verification is available to the Developer.

D. Determination of Affordable Rent. All Units shall be rented at Affordable Rent.

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(1) Rent Schedule and Utility Allowance. The Developer will use the Riverside County Housing Authority Utility Allowance Calculator to establish maximum monthly allowances for utilities and services to be used by the Developer in calculating Affordable Rent. The Developer shall submit to the Housing Project Manager for review and approval the Affordable Rent proposed by the Developer for all of the Units. The maximum monthly rent must be recalculated by the Developer and reviewed and approved by the City annually.

(2) Increases in Tenant Income. Units shall qualify as Units as required by this Regulatory Agreement despite a temporary noncompliance with this Section D, if the noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to HCD are being taken to ensure that all vacancies are filled in accordance with this Section until the noncompliance is corrected.

A Qualified Household occupying a Unit whose income increases to an amount that exceeds the maximum qualifying income of a Qualified Tenant may continue to occupy his or her Unit and the maximum rent cannot exceed 30 percent of gross income of the household minus the utility allowance.

(3) Adjustment of Affordable Rent. Affordable Rent may change as changes in the applicable gross rent amounts, the income adjustments, or the monthly allowance for utilities and services warrant. Any increase in rents is subject to the provisions of outstanding leases. The Developer must provide Qualified Households occupying the Units not less than thirty (30) days' prior written notice before implementing any rent increase.

E. Tenant Protections.

(1) Rental Agreement/Lease. Prior to rental of any of the Units, the Developer shall submit a standard lease form to the Housing Project Manager for approval, which approval shall not unreasonably be withheld or delayed, and must be for not less than six (6) months, unless otherwise mutually agreed by the tenant and the Developer. The Developer shall enter into a lease, in the form approved by the Housing Project Manager, with each Qualified Tenant of Unit.

(2) Prohibited Rental Agreement/Lease Terms. The Developer shall not permit the lease to contain any provision that is prohibited by any applicable State or Federal law.

F. Termination of Tenancy. The Developer may not terminate the tenancy of a tenant of the Project except for an uncured violation(s) of the terms and conditions of the lease; for violation of applicable federal, state, or local law; or for other good cause. Any termination or refusal to renew must be preceded by not less than thirty (30) days' notice, or as permitted by state law, by the Developer's service upon the tenant of a written notice specifying the grounds for the action.

G. Tenant Selection. No later than six (6) months prior to the date construction of the Project is anticipated to be completed, the Developer shall submit to City, for its review and approval, the Developer's written tenant selection plan ("Tenant Selection Plan").

H. Compliance with Use and Occupancy Laws. The Developer agrees that for each lease, the Developer shall comply with all applicable state and local laws, statutes, ordinances, rules and regulations, which in any way restrict the use and occupancy and resale of the Property.

3. OPERATION AND MANAGEMENT OF THE PROJECT

A. General Maintenance. The Developer shall maintain the Property and all improvements thereon, including lighting and signage, in good condition, free of debris, waste and graffiti, and in compliance with the Riverside Municipal Code. The Developer shall maintain the improvements and landscaping on the Property in accordance with the Maintenance Standards (as hereinafter defined). Such Maintenance Standards shall apply to all buildings, signage, lighting, landscaping, irrigation of landscaping, architectural elements identifying the Property and any and all other improvements on the Property. To accomplish the maintenance, the Developer shall either staff or contract with and hire licensed and qualified personnel to perform the maintenance work, including the provision of labor, equipment, materials, support facilities, and any and all other items necessary to comply with the requirements of this Regulatory Agreement. The Developer and its maintenance staff, contractors or subcontractors shall comply with the following standards (collectively, "Maintenance Standards"):

(1) The Property shall be maintained in conformance and in compliance with the approved Development Plans, as finalized, and reasonable maintenance standards for comparable first quality affordable housing projects, including but not limited to painting and cleaning of all exterior surfaces and other exterior facades comprising all private improvements and public improvements to the curb line. The Property shall be maintained in good condition and in accordance with the custom and practice generally applicable to comparable first quality affordable apartment complexes in the City of Riverside.

(2) Landscape maintenance shall include, but not be limited to: watering/irrigation; fertilization; mowing; edging; trimming of grass; tree and shrub pruning; trimming and shaping of trees and shrubs to maintain a healthy, natural appearance and safe road conditions and visibility, and irrigation coverage; replacement, as needed, of all plant materials; control of weeds in all planters, shrubs, lawns, ground covers, or other planted areas; and staking for support of trees.

(3) Clean-up maintenance shall include, but not be limited to: maintenance of all sidewalks, paths and other paved areas in clean and weed-free condition; maintenance of all such areas clear of dirt, mud, trash, debris or other matter which is unsafe or unsightly; removal of all trash, litter and other debris from improvements and landscaping prior to mowing; clearance and cleaning of all areas maintained prior to the end of the day on which the maintenance operations are performed to ensure that all cuttings, weeds, leaves and other debris are properly disposed of by maintenance workers.

The City agrees to notify the Developer in writing if the condition of the Property does not meet with the Maintenance Standards and to specify the deficiencies and the actions required to be taken by the Developer to cure the deficiencies. Upon notification of any maintenance deficiency, the Developer shall have thirty (30) days (or such longer period as is reasonably necessary and as approved by the City) within which to correct, remedy or cure the deficiency. If the written notification states the problem is urgent relating to the public health and safety of the City, then Developer shall have twenty-four (24) hours to rectify the problem. In the event Developer does not maintain the Property in the manner set forth herein and in accordance with the Maintenance Standards, the City shall have, in addition to any other rights and remedies hereunder, the right to maintain the Property, or to contract for the correction of such deficiencies,

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after written notice to the Developer, and the Developer shall be responsible for the payment of all such costs incurred by the City.

B. Management of the Project.

(1) Property Manager. The Developer shall cause the Project to be managed in a prudent and business-like manner, consistent with property management standards for other comparable first quality, well-managed rental housing projects in Riverside County, California. If the Developer contracts with a property management company or property manager to operate and maintain the Project the Property Manager shall have prior experience with rental housing projects and properties comparable to the Project.

(2) Management Plan. Prior to the close of escrow, Developer shall prepare and submit to the City for review and approval an updated and supplemented management plan which includes a detailed plan and strategy for long term operation, maintenance, repair, security, social/supportive services for, and marketing of the Project, method of selection of tenants, rules and regulations for tenants, and other rental and operational policies for the Project ("Management Plan"). The approval of the Management Plan shall not be unreasonably withheld, conditioned or delayed. Subsequent to approval of the Management Plan by the City, the ongoing management and operation of the Project shall be materially in compliance with the approved Management Plan subject to periodic modifications to account for changes in circumstances and/or applicable laws, rules and regulations, which shall be annually provided to the City and subject to the reasonable approval of the City for material modifications.

C. Capital Replacement Reserve Requirements. The Developer shall, or shall cause the Property Manager to set aside an amount equal to Two Hundred Fifty Dollars (\$250) per Unit per year ("Capital Replacement Reserve"), or as otherwise approved by the other lenders. Funds in the Capital Replacement Reserve shall be used for capital replacements to the Project fixtures and equipment which are normally capitalized under generally accepted accounting principles. Interest on funds in the Capital Replacement Reserve shall remain in the Capital Replacement Reserve. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve the Developer of the obligation to undertake necessary capital repairs and improvements and to continue to maintain the Project in the manner prescribed herein. The City approval is not required for withdrawals from the Capital Replacement Reserve in accordance with this Regulatory Agreement. Not less than once per year, the Developer, at its expense, shall submit to the City an accounting for the Capital Replacement Reserve, preferably set forth in an annual financial statement, demonstrating compliance with this Section 3.C.

D. Operating Reserve Requirements. The Developer shall not be required to maintain any operating reserve for this Project.

E. Operating Budget. The Developer shall submit to the City on not less than an annual basis an operating budget for the Project that sets forth the projected Operating Expenses for the upcoming year.

F. Monitoring and Recordkeeping. The Developer shall comply with all applicable recordkeeping and monitoring requirements set forth in any applicable State or Federal law and shall annually complete and submit to the City a certification of compliance in such form as provided by the City. Representatives of the City shall be entitled to enter the Property, upon at

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three business days' prior written notice, to monitor compliance with this Regulatory Agreement, to inspect the records of the Project, and to conduct an independent audit or inspection of such records. The Developer agrees to cooperate with the City in making the Property and all Units thereon available for such inspection or audit. The Developer agrees to maintain records in a businesslike manner, to make such records available to the City upon three (3) business days' prior written notice, and to maintain such records for the entire Affordability Period.

G. Units Available to the Disabled. The Developer shall construct the Project in compliance with all applicable federal and state disabled persons accessibility requirements including but not limited to the Federal Fair Housing Act; Section 504 of the Rehabilitation Act of 1973; Title II and/or Title III of the Americans with Disabilities Act; and Title 24 of the California Code of Regulations.

H. Right To Enter To Cure. If at any time the Developer fails to maintain the Property in accordance with this Section 3 and such condition is not corrected within seventy-two (72) hours after written notice from the City to the Developer with respect to graffiti, debris, waste material, and general maintenance, or sixty (60) days after written notice from the City with respect to landscaping and building improvements with such additional time as may be reasonably necessary to diligently prosecute the cure to completion, then the City, in addition to whatever remedies it may have at law or at equity, shall have the right to enter upon the Property and perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas on the Property, and to attach a lien upon the Property (which lien shall be junior in priority to all deeds of trust encumbering the Property), or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the City and/or costs of such cure, including a fifteen percent (15%) administrative charge, which amount shall be promptly paid by the Developer upon demand.

I. Damage and Destruction; Developer's Duty to Rebuild. If all or any portion of the Property and the improvements thereon is damaged or destroyed by fire or other casualty, it shall be the duty of the Developer to rebuild, repair or construct said portion of the Property and/or the improvements in a timely manner which will restore it to Riverside Municipal Code or Building Code compliance condition as approved by the City, but only to the extent of available insurance proceeds.

In furtherance of the requirements of this Section 3.I., the Developer shall keep the improvements on the Property insured by carriers at all times satisfactory to the City against loss by fire, rent loss and such other hazards, casualties, liabilities and contingencies as included within an all risk extended coverage hazard insurance policy as required by the (Loan Agreement) but specifically excluding earthquake insurance. Notwithstanding the foregoing, the City shall not require the Developer to maintain insurance coverages in excess of those required by the Developer's senior lender. In the event of loss, the Developer shall give prompt notice to the insurance carrier and the City.

If the Property is abandoned by the Developer, or if the Developer fails to respond to the City within thirty (30) days from the date notice is mailed by the City to the Developer that the insurance carrier offers to settle a claim for insurance benefits, the City is authorized to collect and apply the insurance proceeds at its option either to restoration or repair of the Property subject to the rights of all lender's with a security interest in the Property.

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J. Time Limitation. Upon damage to the Property or the improvements thereon, the Developer shall be obligated to proceed with all due diligence hereunder and commence reconstruction within two (2) months after the receipt of insurance proceeds and complete reconstruction within a term deemed acceptable by the parties after damage occurs, or if appropriate, to demolition and vacation of the Property within two (2) months, unless prevented by causes beyond its reasonable control.

4. MISCELLANEOUS PROJECT REQUIREMENTS

A. Equal Opportunity. No person shall be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity funded in whole or in part with City of Riverside funds, if applicable.

B. Affirmative Marketing. Within the time specified therefor in the Schedule of Performance, the Developer shall submit for the approval by the City, which approval shall not unreasonably be withheld, conditioned or delayed a plan for marketing the rental of the Units ("Marketing Plan"). The Marketing Plan shall include a plan for publicizing the availability of the Units within the City of Riverside in a manner which gives notice to Qualified Households currently living within the City of Riverside before residents of other cities receive such notice, such as notices in any City of Riverside sponsored newsletter, newspaper advertising in local newspapers and notices in City of Riverside offices.

C. Displacement, Relocation and Acquisition. The Developer shall take all reasonable steps to minimize the displacement of persons from the Property as a result of implementation of this Regulatory Agreement and shall comply with all applicable relocation laws.

D. Compliance with Laws. The Developer shall comply with all applicable Federal, State and local Laws.

5. COVENANTS

A. Affordability Period. The provisions of this Regulatory Agreement shall apply to the Property throughout the Affordability Period. This Regulatory Agreement shall bind any successor or assign of the Developer whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, with or without the approval of the City, except as expressly released by the City.

B. Covenants to Run with the Land. The City and the Developer hereby declare their express intent that the covenants and restrictions set forth in this Regulatory Agreement shall run with the land, and shall bind all successors to the Developer. Each and every contract, deed or other instrument hereafter executed covering or conveying an interest in the Property or any portion thereof shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the City expressly releases such conveyed portion of the Property from the requirements of this Regulatory Agreement.

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6. ENFORCEMENT AND REMEDIES

A. Remedies. Subject to the notice and cure rights of the Developer set forth in the Purchase, Sale and Development Agreement, in the Event of Default of any of the terms or conditions of this Regulatory Agreement by the Developer, its successors or assigns, the City may pursue the remedy thereof by any and all means of enforcement, both in equity and at law, as provided by the laws of the State of California, including, but not limited to, injunctive relief and/or specific performance.

B. Rights of the City. The City has the right to enforce all of the provisions of this Regulatory Agreement. This Regulatory Agreement does not in any way infringe on the right or duties of the City to enforce any of the provisions of the Riverside Municipal Code including, but not limited to, the abatement of dangerous buildings. In addition to the general rights of enforcement, the City shall have the right, through its agents and employees, to enter upon any part of the Property for the purpose of enforcing the Riverside Municipal Code, and the ordinances and other regulations of the City of Riverside, and for maintenance and/or repair of any or all publicly owned utilities.

C. Jurisdiction and Venue. Legal actions must be instituted and maintained in the Superior Court of the County of Riverside, State of California. The Developer specifically waives any rights provided to it pursuant to California Code of Civil Procedure § 394 or state statutes or judicial decisions of like effect.

D. Right of Entry. The City has the right of entry at reasonable hours and upon, and after reasonable attempts to contact the Developer, to effect emergency repairs or maintenance which the Developer has failed to perform. Subsequent to sixty (60) days' written notice to the Developer specifically outlining the noncompliance, the City shall have the right of entry at reasonable hours to enforce compliance with this Regulatory Agreement which the Developer has failed to perform.

E. Costs of Repair. The costs borne by the City of any such repairs or maintenance emergency and/or non-emergency, shall become a charge for which the Developer shall be responsible; and may, if unpaid, be assessed as a lien against the Property.

F. Cumulative Remedies. The remedies herein provided for breach of the covenants contained in this Regulatory Agreement shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

G. Failure to Enforce. The failure to enforce any of the covenants contained in this Regulatory Agreement shall not constitute a waiver of the right to enforce the same thereafter.

7. HOLD HARMLESS

Except to the extent of the negligence of a party indemnified hereunder, the Developer agrees to defend and to hold City and its respective officers, agents, employees, representatives, elected and appointed boards and officials harmless from liability for damage or claims for any type of damage including, but not limited to, personal injury and claims for property damage, which may arise from the activities of the Developer or those of the Developer's contractors, subcontractors, agents, employees or other persons acting on the Developer's behalf and which relate to the Project. The Developer agrees to and shall defend City and its respective officers,

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agents, employees, representatives, elected and appointed boards and officials from any action for damages caused or alleged to have been caused by reason of the Developer's activities in connection with the Project.

8. THIRD PARTY BENEFICIARIES

This Regulatory Agreement is made and entered into for the sole protection and benefit of the City, its successors and assigns, and the Developer, its permitted successors and assigns, and no other person or persons shall have any right of action hereon.

9. RECORDATION

The Developer agrees that this Regulatory Agreement and any amendment or cancellation hereof shall be recorded in the official records of Riverside County by the Developer within ten (10) days of the date of this Regulatory Agreement and within ten (10) days after any amendment or cancellation hereof.

10. NOTICE

Written notice, demands and communications between City and Developer shall be sent by first-class registered or certified mail, postage prepaid, return receipt requested, or by private courier service which provides evidence of delivery. Unless a different address is given by any party as provided in this Section, all such communications will be addressed as follows:

To Developer:

Gilbane Development Company
7 Jackson Walkway
Providence, Rhode Island 02903
Attn: Matthew Lawrence
Via E-Mail: mlawrence@gilbaneco.com

With Copy to:

Molly M. Stolmeier
Gilbane Development Company
5670 Liberton Court
Dublin, Ohio 43107
Via Facsimile: (614) 718-2811
Via E-Mail: mstolmeier@gilbaneco.com

To City:

City of Riverside
Attn: City Manager
3900 Main Street
Riverside, California 92522

Any Notice shall be deemed received immediately if delivered by hand and shall be deemed received on the third day from the date it is postmarked if delivered by registered or certified mail. Each party shall promptly notify the other party of any change(s) of address to which notice shall be sent. Any address for service of notice on any party may be changed by that party serving a

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notice upon the other of the new address, except that any change of address to a post office box shall not be effective unless a street address is also specified for use in effectuating personal service.

11. WAIVER

Failure by a party to insist upon the strict performance of any of the provisions of this Regulatory Agreement by the other party or the failure by the party to exercise its rights under or upon a default by the other party herein shall not constitute a waiver of such party's right to demand strict compliance from such other party in the future.

12. SEVERABILITY

If any one or more of the provisions contained in this Regulatory Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Regulatory Agreement, and this Regulatory Agreement shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.

13. CAPTION AND PRONOUNS

The captions and headings of the various sections of this Regulatory Agreement are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular, and masculine, feminine and neuter shall be freely interchangeable.

14. MODIFICATION OF AGREEMENT

This Regulatory Agreement may be modified or amended by mutual consent of the Developer and City provided that all amendments are in writing and signed by all of the parties hereto.

15. SOLE AND ONLY AGREEMENT

This Regulatory Agreement, the Purchase, Sale and Development Agreement and all of the attachments thereto and incorporated therein integrate 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. In the event of a conflict between this Regulatory Agreement and the Purchase, Sale and Development Agreement, the provisions of this Regulatory Agreement shall control.

The City and the Developer acknowledge and agree that neither of them has made any representation with respect to the subject matter of this Regulatory Agreement or any representations inducing the execution and delivery, except representations set forth herein, and each party acknowledges that it has relied on its own judgment in entering this Regulatory Agreement. The City and the Developer further acknowledge that all statements or representations that heretofore may have been made by either of them to the other are void and of no effect, and that neither of them has relied thereon in its dealings with the other.

[SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, the parties hereto have executed this Regulatory Agreement as of the date and year set forth below.

City:

THE CITY OF RIVERSIDE, a
California charter city and
Municipal corporation

Developer:

[_____], a California
limited partnership

By _____
City Manager

By _____
Name:
Its:

ATTESTED TO:

By _____
City Clerk

By _____
Name:
Its:

APPROVED AS TO FORM:

City Attorney

21-1563 sw 03/18/22

EXHIBIT "E"
NOTICE OF AFFORDABILITY RESTRICTIONS ON
TRANSFER OF PROPERTY

(Inserted behind this page)

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)

The City of Riverside, a California)
Charter city and municipal corporation)

Attn: City Manager)

Project: Assessor's Parcels [insert])

(Space above for Recorder's Use Only)

This document is exempt from the payment of a recording fee
pursuant to Government Code Section 27383.

**NOTICE OF AFFORDABILITY RESTRICTIONS
ON TRANSFER OF PROPERTY**

Notice is hereby given that certain real property located in the City of Riverside, County of Riverside, State of California, as more particularly described on Exhibit A, attached hereto and incorporated herein by this reference, is subject to certain affordability covenants and restrictions identified by that certain Regulatory Agreement by and between the City of Riverside, a California charter city and municipal corporation ("*City*") and Gilbane Development Company, a Rhode Island corporation ("*Developer*"), dated and recorded concurrently herewith ("*Regulatory Agreement*") and incorporated herein by this reference.

The affordability covenants and restrictions set forth in the aforementioned Regulatory Agreement shall expire fifty-five (55) years after the recordation of that certain Release of Construction Covenants by and between Developer and the City, dated concurrent herewith.

This notice is prepared for notice and recordation purposes only, and in no way modifies the terms, conditions, provisions and covenants set forth in the Regulatory Agreement. In the event of any inconsistency between the terms, conditions, provisions and covenants set forth in the Regulatory Agreement and this notice, the terms, conditions, provisions and covenants set forth in the Regulatory Agreement shall prevail.

(Signatures on following page.)

IN WITNESS WHEREOF, this Notice of Affordability Restrictions on Transfer of Property has been executed as of the date set forth below.

“DEVELOPER”

GILBANE DEVELOPMENT COMPANY, a Rhode Island Corporation

By: _____

Name:

Its:

By: _____

Name:

Its:

“CITY”

THE CITY OF RIVERSIDE, a California charter city and municipal corporation

By: _____

City Manager

ATTESTED TO:

By: _____

City Clerk

APPROVED AS TO FORM:

By: _____

City Attorney

21-1563 sw 2/28//22
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**RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)**

City of Riverside)
3900 Main Street)
Riverside, CA 92522)
Attn: City Manager)

Project: Madison Street and Railroad)
Avenue; APN Nos. 230-233-013,)
230-245-015, 230-450-013 and)
a portion of 230-253-010)

(Space above for Recorder's Use Only)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

RELEASE OF CONSTRUCTION COVENANTS

THIS RELEASE OF CONSTRUCTION COVENANTS ("**Release**") is hereby made as of this ___ day of _____, 20___, by **THE CITY OF RIVERSIDE**, a California charter city and municipal corporation, a public entity ("**City**"), in favor of **GILBANE DEVELOPMENT COMPANY**, a Rhode Island corporation ("**Developer**").

RECITALS

A. The City of Riverside as Successor Agency to the Redevelopment Agency of the City of Riverside, and the Developer entered into that certain Purchase, Sale and Development Agreement, dated for identification purposes only as of _____, 2022, ("**Purchase, Sale and Development Agreement**").

B. Pursuant to the Purchase, Sale and Development Agreement, the City and the Developer entered into that certain Regulatory Agreement dated _____, 2022 ("**Regulatory Agreement**"). The Purchase, Sale and Development Agreement provides for the completion of certain improvements ("**Project**") to be constructed upon that certain real property situated in the City of Riverside, California ("**Site**"), as more particularly described on Exhibit A, attached hereto and made apart hereof by this reference. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Regulatory Agreement.

C. As required under the Purchase, Sale and Development Agreement and the Regulatory Agreement, the City shall furnish the Developer with a Release of Construction Covenants upon completion of the Project, which shall be in such form as to permit it to be recorded in the Riverside County Recorder's Office.

D. The City has conclusively determined that the construction of the Project has been satisfactorily completed in accordance with the Purchase, Sale and Development Agreement and the Regulatory Agreement.

NOW, THEREFORE, the City hereto certifies as follows:

1. As provided in the Regulatory Agreement, the City does hereby certify that all of the construction of the Project on the Site has been fully and satisfactorily performed and completed in accordance with the Purchase, Sale and Development Agreement and the Regulatory Agreement.

2. After the recordation of this Release, any person or entity then owning or thereafter purchasing, or otherwise acquiring any interest in the Site will not (because of such ownership, purchase, or acquisition) incur any obligation or liability to construct the Project under the Purchase, Sale and Development Agreement, or the Regulatory Agreement; however, such party shall be bound by any and all of the covenants, conditions, and restrictions concerning the use, maintenance and operation of the Site which survive such recordation.

3. This Release is not a notice of completion as referred to in Section 3093 of the California Civil Code.

IN WITNESS WHEREOF, the City has executed this Release as of the date first above written.

THE CITY OF RIVERSIDE, a California charter
City and municipal corporation

By: _____
City Manager

ATTESTED TO:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney